



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

October 1, 2014

Control Number: SBSE-04-1014-0075  
Expiration: April 1, 2015  
Impacted: IRM 4.10.10

MEMORANDUM FOR DIRECTORS, EXAMINATION AREA OPERATIONS  
DIRECTORS, W&I CAMPUS COMPLIANCE  
DIRECTORS, SBSE CAMPUS COMPLIANCE

FROM: Shelley M. Foster */s/ Shelley M. Foster*  
Acting Director, Examination Policy

SUBJECT: Reissue Interim Guidance Regarding Two Standard  
Paragraph Explanations for Educational Expense

The purpose of this memo is to reissue IG Memorandum SBSE-04-1213-0099 dated December 18, 2013, regarding two standard paragraphs to explain adjustments to education expenses. Please ensure this information is distributed to all affected employees within your organization.

1. Standard Paragraph #3921 – Tuition and Fees

Since you did not establish the amount shown was

- (a) Tuition and fees, and
- (b) Paid,

the amount shown is disallowed. Educational institutions that receive payments for qualified tuition and fees are required to file Form 1098-T, *Tuition Statement*, with the IRS and furnish a copy to the student.

2. Standard Paragraph #3922 – Student Loan Interest

Since you did not establish the amount shown was

- (a) Student loan interest, and
- (b) Paid,

the amount shown is disallowed. Financial, governmental, and educational institutions that receive qualified student loan interest payments during a calendar year are required to file Form 1098-E, *Student Loan Interest Statement*, with the IRS and furnish a copy to the borrower.

This guidance will be incorporated into IRM 4.10.10, *Standard Paragraphs and Explanation of Adjustments*, no later than April 1, 2015.

If you have questions, please contact me or a member of your staff may contact Cathy Demetra, Program Manager, Examination Policy, Examination General Processes.

cc: [www.irs.gov](http://www.irs.gov)