

Sample article for organizations to use to reach customers (366 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers.

Your scholarship, fellowship or grant may be tax-free

If you received a [scholarship, fellowship or grant payment](#) for a degree (whether an undergraduate or a graduate) at an educational institution to aid in the pursuit of your studies, it's generally tax-free if you meet the following conditions:

- You're a candidate for a degree at an educational institution that maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where it carries on its educational activities; and
- The amounts you receive are used to pay for tuition and fees required for enrollment or attendance at the educational institution, or for fees, books, supplies, and equipment required for courses at the educational institution.

However, you must include the following items in gross income:

- Amounts used for incidental expenses, such as room and board, travel, and optional equipment.
- Amounts received as payments for teaching, research, or other services required as a condition for receiving the scholarship or fellowship grant. However, you don't need to include in gross income any amounts you receive for services that are required by the National Health Service Corps Scholarship Program, Armed Forces Health Professions Scholarship and Financial Assistance Program, or certain comprehensive student-work-learning-service programs operated by a work college.

The [Interactive Tax Assistant](#) tool on IRS.gov can help you check for eligibility.

If you also qualify for an [education credit](#), you may be able to get a larger credit by choosing to include some or all of the scholarship, fellowship or grant in income.

For more information, read [Publication 970, Tax Benefits for Education](#).

NOTE TO EDITOR: Below are links to help taxpayers find the information they need.

IRS.gov

- [Grants, Scholarships, Student Loans, Work Study](#)
- [Grants](#)
- [Grants to Individuals](#)
- [Company Scholarship Programs](#)

On Twitter? Send these Tweets:

- Scholarships, fellowships, and grants are #tax-free if you meet certain conditions. If #CollegeBound, check [irs.gov/students](https://www.irs.gov/students) #IRS
- #CollegeBound: If you receive a scholarship, fellowship or grant, the amount you get may be tax-free. Learn more @ [irs.gov/students](https://www.irs.gov/students)