

[DATE]

Dear Student,

Congratulations! You have been awarded the (award name) in the amount of \$XXXXX.XX to support your research efforts at Texas State University. The funds associated with your award will most likely be paid under the first method described below. However, some portion of your award may be paid under the second method. The method of payment is dependent on the type(s) of expenses to be incurred on your project and will be decided by the awarding department with your input.

Method 1: Direct Payment via Financial Aid Refund

Most awards will be processed as a financial aid refund as they are to assist with educational research costs. You will personally purchase the needed equipment, supplies, software, or any other materials required to complete your project. Any items purchased with these funds are yours to keep.

Note that the refund from Financial Aid may have some income tax implications as it is considered a scholarship under tax laws. For specific tax questions, please consult with your tax professional as Texas State University is not able to provide individual tax advice. You may also find it helpful to read IRS Publication 970, *Tax Benefits for Education*, which is available at <http://www.irs.gov/publications/p970/index.html>. All federal income tax forms and publications may be downloaded from the IRS web site at <http://www.irs.gov>.

Method 2: University Account

You do not have the ability to purchase certain materials or substances (such as chemicals or live specimens) as an individual on the open market. When such items are needed for your research project, the portion of your award covering these costs will be placed in a university account and the university will make the purchases on your behalf. In some cases, equipment may also be purchased under this method. Please note that when purchased in this manner, Texas State assumes ownership of the supplies or equipment when purchased. Under this method, Texas State will always make payment directly to the vendors for these purchases. You should never pay personally and ask for reimbursement.

Please visit with Financial Aid and Scholarships regarding how your award may affect the other aid you have received.

If you have any questions, please contact your awarding department.

Sincerely,

[Name]

[Title]