

2.010 Tax Treatment of Program Expenses

I. Overview of Policy

- A. General program and operational expenses that benefit a project or participant group as a whole **and** are not identifiable to a specific individual are not considered income to the individual and are thus not reportable to the Internal Revenue Service (IRS).

Examples include beverages provided at an informational community meeting, or a bus/transportation service that is open to any participant.

- B. If the expense is to support a specific recipient (such as payments for an airline ticket or lodging), the expense may be a scholarship/fellowship. Refer to [Policy 2.006 Tax Treatment of Non-Service Financial Assistance for Individuals](#) for further guidance.

1. Exceptions

- a. If the activity resulting in the expense (to support a specific recipient) is part of an official UH course curriculum (and the activity is specifically described in the class catalog), or
 - b. If the activity is part of the UH Chartered Student Organization.
2. If the expense is an exception as described in Section I.B.1. above, it is considered a program/operational expense, is not considered income to an individual, and is not required to be reported to the IRS.
3. If a program is unsure as to whether an expense qualifies as a program/operational expense, the program should discuss the matter with their respective Fiscal Administrator.

II. Relevant Documents

[Policy 2.006 Tax Treatment of Non-Service Financial Assistance for Individuals](#)

Date Revised: 2/02/2017