

Fees	<i>Non-Refundable</i>
Room	<i>Non-Refundable (see section "On-campus Housing" for exceptions)</i>
Board	<i>Non-Refundable (see section "Board Plan" for exceptions)</i>

An appropriate adjustment will be made for any previously credited amounts.

Responsibility for payment of an outstanding balance is not waived as a result of a withdrawal. As with continuing students, failure to pay the balance due the College will result in the withholding of the academic records of the student. Unpaid accounts will be referred for collection.

Refunds to students receiving federal assistance are governed by federal laws, which supercede the policies of the College in cases of conflict. Please see "Refund and Repayment Requirements for Federal Aid Recipients."

Refunds of credit balances are made payable directly to the student and mailed to the permanent address or direct deposited to the bank account on file.

Medical Withdrawals

The Dean of Student Affairs should be notified immediately if a student withdraws or takes a leave of absence due to medical reasons.

While a medical leave of absence may be recognized for academic purposes under varying circumstances, certain requirements must be met to enable a prorated refund of tuition. Please note that a medical withdrawal does not qualify a student to receive a refund of Fees, Room or Board charges, except as normally allowed by the College:

- ⇒ The withdrawal must be documented by a physician's statement of need. This statement must be received by the College within 10 business days of the last date of attendance; and
- ⇒ The last date of attendance must occur within the first 60% of the term:

Fall	Prior to October 23, 2006
Spring	Prior to March 28, 2006

An appropriate adjustment will be made for any previously credited amounts.

International Students

NOTICE TO ALL STUDENTS RECEIVING WAGES, SCHOLARSHIPS, FELLOWSHIPS AND/OR GRANTS

I. Purpose of Notice: Every person who receives income from U.S. sources must comply with U.S. tax laws by paying tax, filing annual tax returns that may be required and/or meeting any other requirements given the individual's particular circumstances. This Notice is intended to

- Provide general information about wages, scholarships, fellowships and grants and other U.S. sources of income (by whatever name they are called) paid to students;
- Explain generally when payments are taxable;
- When the College must withhold U.S. income tax from payments (or students must otherwise pay the tax due thereon);
- When the College must report payments and withholding tax amounts; and
- Provide a list of free tax resources available from the Internal Revenue Service (IRS).

This Notice is not intended to serve as tax advice. Students should consult with their personal tax advisors to determine the appropriate compliance actions needed based on their individual circumstances.

II. Wages – U.S. Tax Treatment Generally: Wages paid for services rendered as an employee are subject to U.S. income, Social Security and Medicare tax withholding unless exclusions and/or tax treaty exemptions (in the case of tax residents of other countries) apply to reduce or eliminate the withholding requirements.

III. Scholarships, Fellowships and Grants – U.S. Tax Treatment Generally: Scholarships, fellowships and grants paid to reduce 'Qualified Tuition and Related Expenses' as defined in IRS Code § 117, are not subject to U.S. income tax if all of the following apply:

- The amount is paid to students who are candidates for a degree; and
- Actually used for qualified tuition and related fees – i.e., those required for enrollment and attendance at the College by all students taking the particular courses; and/or
- Fees, books, supplies and equipment required for courses of instruction at the College;
- Provided, however, the recipient is not required to provide services (past, present or future) as a condition of receiving the payment.

IV. Athletic Scholarships – Generally: Athletic scholarships may cover not only the costs of nontaxable qualified tuition and related expenses defined in ¶III above, but also the taxable costs of unrelated (i.e., nonqualified) expenses such as room and board. Depending on the student's residency status discussed in ¶VI below, the College may be required to report and withhold U.S. income tax on the taxable portion.

V. Student Responsibilities – Generally: Students are responsible for

- Determining the taxable or nontaxable nature of the payments received;
- Paying the tax related to wage, scholarship, fellowship and grant payments received;
- Maintaining appropriate records (i.e., copies of bills, receipts, etc.) to substantiate that use of scholarship, fellowship and grant payments was for nontaxable/qualified tuition and related expenses;
- Providing documentation needed by the College to determine residency status;
- Obtaining a U.S. taxpayer identification number – either a social security number (SSN) or an individual taxpayer identification number (ITIN); and
- Filing the appropriate U.S. income tax return. See return types in ¶VIII.

VI. College Compliance Requirements – Generally: Rollins College must comply with IRS reporting and tax withholding rules related to the payment of wages, scholarships, fellowships and grants. A student's residency status for U.S. tax purposes and the type of payment received determines if and at

what withholding rate those rules must be applied. Therefore, the College must first determine a student's residency status and analyze the type of payment being made. For U.S. tax purposes, there are four possible residency statuses:

1. U.S. citizen;
2. Permanent resident alien;
3. Resident alien for tax purposes; and
4. Nonresident alien for tax purposes (NRA).

Special rules apply to payments made to NRA students for tax purposes, as discussed in ¶VII below. Payments to students of all other residency statuses are taxed and reported as if they were U.S. citizens.

NRA students who receive wages that are not exempted by a tax treaty will receive a Form W-2. NRA students receiving taxable/reportable scholarship, fellowship or grant payments (whether tax is withheld or not) and/or wages exempt from withholding by treaty will receive a Form 1042-S. Forms W-2 and 1042-S are prepared by the College and mailed to students by January 31st and March 15th, respectively, following the year in which payments were received. Information on Forms W-2 and 1042-S can be used to file U.S. income tax returns, if required.

VII. Withholding Tax From Payments to Nonresident Aliens/Refunds of Tax – Generally: For the taxable ('nonqualified' or 'unrelated') portion of scholarship, fellowship or grant payments, a 14% tax withholding rate applies to persons holding an F, J, M or Q visa type (30% for any other visa type). Students generally hold F1 visas. If a treaty exists between the U.S. and a student's country of tax residence, its provisions may provide an exception to the withholding requirement. NRA students must complete certain tax forms and provide documentation to enable the College to perform a tax treaty analyses and make those determinations.

Students must be prepared to pay the tax by reimbursing the College in the following or similar situations:

- When a scholarship, fellowship or grant has been paid directly to the student; or
- When a scholarship, fellowship or grant has been applied as an offset to tuition and other charges on the student's account, which should occur at the end of the add/drop period for each term.

NRA students may be eligible for a refund of previously withheld tax. Such a refund can be claimed when the student files a U.S. income tax return.

VIII. Types of U.S. Income Tax Returns: The type of U.S. income tax return required to be filed depends upon tax residency status, aggregate reportable income, and other factors. Generally the return types are:

- U.S. citizens - Use Form 1040, U.S. Individual Income Tax Return or Form 1040EZ, Income Tax Return for Single and Joint Filers with No Dependents
- Resident aliens (including permanent resident aliens) – Use the same form as U.S. citizens
- Nonresident aliens - Use Form 1040NR, U.S. Nonresident Alien Income Tax Return or Form 1040NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents.

IX. Useful Resources:

- Internal Revenue Service website – www.irs.gov , where you may obtain tax forms and publications.
- Tax Publications:
 - IRS Publication 513, Tax Information for Visitors to the U.S.
 - IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities
 - IRS Publication 519, U.S. Tax Guide for Aliens
 - IRS Publication 525, Taxable and Nontaxable Income
 - IRS Publication 597, Information on the United States - Canada Income Tax Treaty (2002)
 - IRS Publication 901, U.S. Tax Treaties
 - IRS Publication 970, Tax Benefits for Education

U.S. tax forms, related instructions and IRS publications can be viewed or printed from the IRS website using Adobe Acrobat Reader (free download also available).

VIII. Questions About this Notice: If you have questions about the information contained in this notice, contact the Rollins College Finance Department: 407-646-2611 or twilliams@rollins.edu.