

The University of Iowa
Purchase of Tangible Items >\$100 Taxability Matrix

reviewed April 2024

Type of individual that purchase is for...	Funding Source	Is the item required for course/class/job?	Is it taxable to the individual? ¹	Who is required to report taxable benefit?	Who owns the item?
Hospital Residents	Fellowship/scholarship funds	Yes	No	<i>Not applicable</i>	Resident
		No	Yes	Resident	Resident
	Non-fellowship/scholarship funds	Yes	Yes	University	Resident
Fellows/Trainees	Fellowship/scholarship funds	Yes	No	<i>Not applicable</i>	Fellow/Trainee
		No	Yes	Fellow/Trainee	Fellow/Trainee
	Non-fellowship/scholarship funds	Yes	No ²	<i>Not applicable</i>	University
Employees (All Other)	Any funds	Yes	No ²	<i>Not applicable</i>	University

¹ Per IRS Reg. 1.117-6(c)(6). Below is an example:

On September 1, 1987, A receives a scholarship from University U for academic year 1987-1988. A is enrolled in a writing course at U. Suggested supplies for the writing course in which A is enrolled include a word processor, but students in the course are not required to obtain a word processor. Any amount used for suggested supplies is not an amount used for qualified tuition and related expenses for purposes of this section. Thus, A may not include the cost of a word processor in determining the amount received by A as a qualified scholarship.

² Under this scenario, the University does not allow departments to purchase tangible items >\$100 that will be retained by the fellows, trainees or any employee. All purchases are property of the University, to be retained by the University.