



November 18, 2020

Secretary Steven Mnuchin  
The Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Main Treasury  
Washington, DC 20220

Charles Rettig  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

Secretary Mnuchin and Commissioner Rettig:

On behalf of the National Association of College and University Business Officers, I write today to follow up on earlier requests for guidance with regard to the reporting of Higher Education Emergency Relief Fund (HEERF) emergency grants to students on the 2020 Form 1098-T.

We are grateful for the guidance by the Internal Revenue Service (IRS) on May 6, 2020, specifying that HEERF grant aid appropriated to college and university students is deemed to be non-taxable qualified disaster relief payments under Section 139 of the Internal Revenue Code, a decision that aids the many students across the country who are still struggling.

There has not yet been guidance, however, on the treatment of these grants for purposes of Form 1098-T reporting. Colleges and universities are currently preparing test runs of the Forms 1098-T that must be provided to students and families by January 31, 2021. In recent months, NACUBO has been inundated with questions from campuses of all sizes about whether HEERF grants must be included in amounts of “grant aid processed and administered by the institution” and therefore reported in Box 5 of the 1098-T.

In the absence of guidance from the IRS on this matter, some colleges might include the HEERF grant money in Box 5, while others might not, leading to inconsistencies between

institutions across the country. Clarification on this item is critical for the thousands of colleges and universities that file Forms 1098-T, as time is rapidly dwindling before the final 2020 amounts are calculated and forms are filed.

In the interest of minimizing the taxpayer and tax preparer confusion that is likely to arise about qualified disaster aid that may or may not appear in Box 5, and to assist filing institutions as they prepare for filing season, ***NACUBO strongly recommends that the Service announce as expeditiously as possible that HEERF emergency student grants need not be reported on the 1098-T.*** We believe the IRS FAQs on HEERF grants offer the ideal vehicle for making this guidance clear.

We welcome further discussions with you and your staff members on this issue. Please contact Mary Bachinger, director of tax policy (202.861.2581, [mbachinger@nacubo.org](mailto:mbachinger@nacubo.org)) to discuss this important issue further.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth L. Clark". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Elizabeth L. Clark  
Vice President, Policy and Research

Cc:

David J. Kautter, Assistant Secretary of Tax Policy, U.S. Department of Treasury  
Blaise Dusenberry, Senior Technical Reviewer, Chief Counsel, IRS