

International Chapter P.E.O. Sisterhood



International Chapter P.E.O. Sisterhood
P.E.O. Executive Office
3700 Grand Avenue
Des Moines, IA 50312-2899

P.E.O. Program for Continuing Education
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PCE_LTR_004

July 19, 2016

Veronica B. Tingzon
1904 Comanche St.
Oceanside, CA 92056-2955

Dear Ms. Tingzon,

The attached check is the grant which you have been awarded by the P.E.O. Program for Continuing Education.

The purpose of this letter is to advise you that some or all of that grant may be taxable income to you, depending on how the proceeds are utilized.

The Tax Reform Act of 1986 revised the federal income tax treatment for recipients of scholarship grants. In order for a scholarship grant to be excluded from taxable income, the following requirements must be met:

(1) the grant must be made to an individual who is a candidate for a degree at an educational institution

and

(2) the grant must be used for tuition and fees required for enrollment or attendance; or for fees, books, supplies and equipment required for courses of instruction.

This means that if all or any portion of this grant is used for such costs as childcare or transportation, for example, that portion will be considered taxable income for federal income tax purposes. Therefore it would be to your advantage to use this grant, as much as possible, for tuition or required fees and supplies. Funds from other sources, such as employment, should be used to pay for room, board, transportation and other costs.

Sincerely,
Kathy Soppe, Treasurer