

## SMU Tax Policies

**Subject:** Compensation - Cash Awards

**Effective Date:** 08/22/07

**Revision Date:** 08/23/17

**Tax Policy:** 1.2(a)

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Gross income includes amounts received as prizes and awards, unless specifically excluded by the IRS.

Cash awards granted by the University to employees and non-employees will be included in the recipients' gross income regardless of the source of funds. All employee cash awards will be paid by Payroll in the form of extra compensation, subject to all employment taxes, and reported as W-2 wages.

Non-employee cash awards will be processed through accounts payable and reported on a Form 1099-MISC if tax reporting is required.