SONISWEB®

Scholastic ONline Information System

for the Web

Form 1098-T Processing

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The U.S. Internal Revenue Service (IRS) form 1098-T, called the "Tuition Payments Statement", contains the information that colleges and universities are required to issue for determining a student's eligibility for the Hope and Lifetime Learning education tax credits. This information can be submitted to the IRS electronically.

This text guides you in extracting and preparing the IRS electronically-transferred 1098-T information.

For an overview of the process, see Figure 15 on page 15.

January 2006

RJM Systems, Inc.

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NEW IN THIS EDITION

- Figure 1 Toolbar for those with User-ID access and Figure 2 Function Lists1 - Partial on page 4 and Figure 28 Login Displays and Figure 29 Typical SONISWEB® Page, page 25.
- Most of the reports have been rewritten in the Cold Fusion™ Report Builder. Those have "(RB)" following their names. The older Crystal Reports™-Enterprise reports (without the "RB") are still available in most cases.
- "Build" on page 8 with Figure 7 Amounts Billed Review and Edit Display and Figure 8 Payments Received Review and Edit Display.
- Figure 9 Export, page 10.
- Figure 11 Edit on page 12.
- Figure 14 IRS Form 4419, page 14.
- Figure 18 Calendar Year Table Entry on page 16.
- "Box 6 Indicator", page 16.
- Figure 20 Calendar Year Table, page 17.
- Figure 21 Student Social Security Number on page 17.
- "Preview 1098T Form", page 21.
- "Box 6: Academic period beginning January-March" on page 23.
- "IRS Explanations for the 1098T Form", page 24.

NAVIGATING THE FUNCTIONS

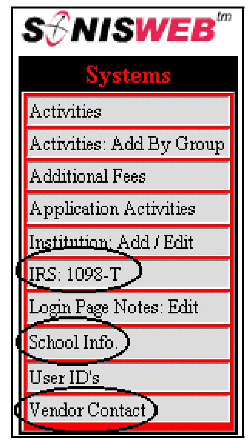
• Figure 1 Toolbar[1] for those with User-ID access

Administrative users have User-IDs and Passwords and see an initial display like Figure 1. Administrative users can be anyone in your system with an ID but typically they're paid Staff and those few Faculty with additional administrative duties.

The access rights of an administrative user is defined by:

1. The **Profile** selected when you were issued a User-ID and Password. Typical Profile categories are the Registrar, the Registrar's staff, the Financial Officer, Admissions staff, Deans, etc. One profile covers all the people in each staff category.
2. The individual **limits** specified for you when you were issued a User-ID and Password. A typical limits is preventing access to faculty and staff personal records.
3. The **privileges** added for you when you were issued a User-ID and Password. The right to "Make Grades Official" or "View and Change PINs" are examples.

After clicking **Systems** in Figure 1 you get the selections shown in Figure 2.

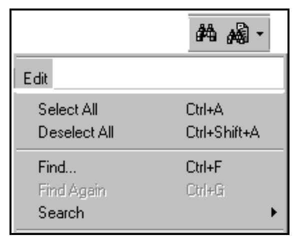


• Figure 2 Function Lists[1] - Partial

[1] You only see what you're authorized to see by your Profile and individual Limits and Privileges. So your choices may be fewer than these.

WHAT DO YOU WANT TO DO?

- If you don't see what you need above, check the table of contents on page 2. You can also use the Adobe® find or search functions illustrated in Figure 3. It allows a Google®-like search[2] by word or phase.



• Figure 3 Adobe® Find and Search

Diagnosing and Fixing Problems

See the text "Messages, Errors, and Diagnosis".

Setting Your Browser for Proper Function and Security

Internet Explorer[3] (IE), Fire Fox™, Netscape®, and Opera Web browsers have an "auto-complete" or password-form save feature that is handy for individual computers but defeats privacy on shared computers like those in computer labs and libraries. See the text "Browser Settings" to set your browser for security, good performance, and to prevent your getting old data.

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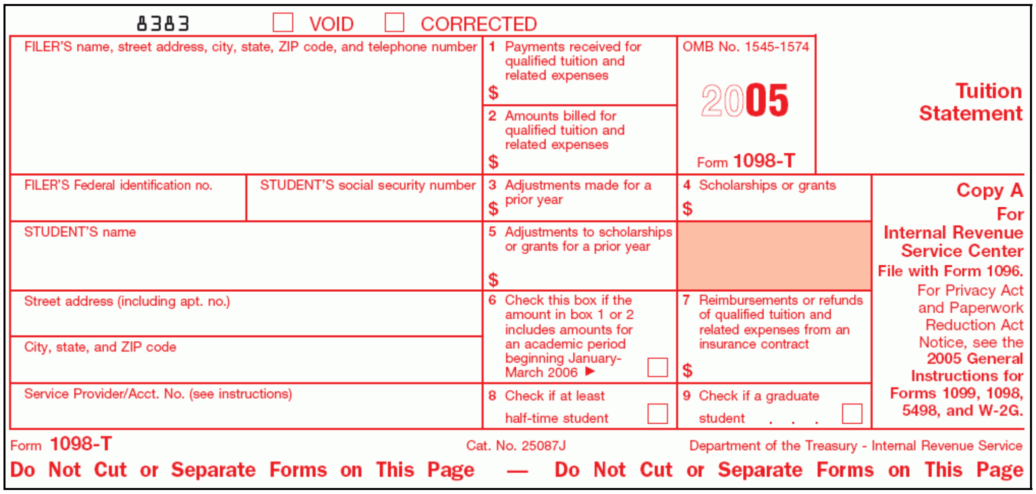
[2] If you're unfamiliar with this searching, click Adobe® reader Help or see the SONISWEB® text "Index to Texts".

[3] Only Internet Explorer (IE) version 5.5 or later is supported for administrative use.

THE 1098-T FORM



8383 VOID CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number	1 Payments received for qualified tuition and related expenses $ 2 Amounts billed for qualified tuition and related expenses $	OMB No. 1545-1574 2005 Form 1098-T	Tuition Statement
FILER'S Federal identification no. / STUDENT'S social security number	3 Adjustments made for a prior year $	4 Scholarships or grants $	Copy A For Internal Revenue Service Center
STUDENT'S name	5 Adjustments to scholarships or grants for a prior year $		File with Form 1096.
Street address (including apt. no.) City, state, and ZIP code	6 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2006 ▶	7 Reimbursements or refunds of qualified tuition and related expenses from an insurance contract $	For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Service Provider/Acct. No. (see instructions)	8 Check if at least half-time student	9 Check if a graduate student . . .	

Form 1098-T Cat. No. 25087J Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

• Figure 4 IRS Form 1098-T

Figure 4 illustrates IRS Form 1098-T from the IRS Web site. Your electronic submission replaces this paper form except for corrections that must be made on paper.

Before extracting SONISWEB® student records to transmit to the IRS, you must get your ID numbers from the IRS and set up your system. An overview of the process is shown in Figure 15 on page 15.

For more information from the IRS on 1098-T electronic processing, call your IRS support person or see the Web site:

http://www.irs.gov/formspubs/

That leads you to the IRS's instructions that you can print.

EXTRACTING AND TRANSMITTING

You must make these preparations before you can build the list of students and export them to the IRS:

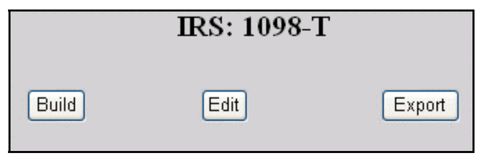
- "Getting Your IRS Codes and IDs", page 14.
- "Setting the Financial Transaction Codes" on page 19
- "Making Sure the Student Records are Correct", page 17.
- "Getting the Year Right" on page 16.
- Make sure "Vendor Contact and School Info Records" on page 20 are correct.
- "Setting up SONISWEB® for the 1098-T Extraction" on page 14.

> "Setting up the Records and Tables Required by the Export Process" on page 15 includes a diagram that shows the process flow and the interrelationship of tables and records.

FILLING OUT THE IRS 1098-T STUDENT DATA FORM

Click IRS: 1098-T in Figure 2 to get Figure 5. There are two required steps and one optional function:

- Click the Build button. It yields Figure 6.
- You have the option of using the Edit button. Use it if you need to change any of the student records after the "Build" and before exporting. See "Edit" on page 12.

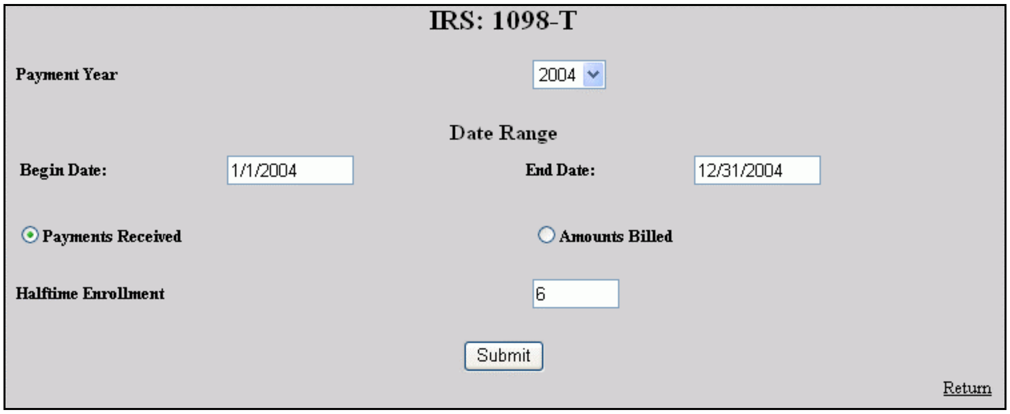


• Figure 5 Build, Edit, Export

- Once the records are correct and ready to be sent to the IRS, click the Export button. This is shown in "Setting the Financial Transaction Codes" on page 19.

> You can't electronically send a correction to the IRS with SONISWEB®. To correct 1098-T "forms" you transmitted to the IRS, you must go to paper. You fill out the paper 1098-T form, mark it as corrected and mail it to the IRS.

Build



• Figure 6 Build Selections[4]

Fill in the information as described below.

Payment Year: Use the pulldown[12] arrow in Figure 6 to pick the calendar year to which this 1098-T applies. You must set this calendar-year in a table each semester as described in "Getting the Year Right" on page 16.

Begin Date and **End Date**: The dates you want included. SONISWEB® inserts the beginning and ending dates for the year, but you can change them.

Payments Received or **Amounts Billed**: decide which you're going to report then click the radio button[5] for that choice. You can select only one. See "Box 6: Academic period beginning January-March" on page 23 for the IRS statements on this choice. See "Setting the Financial Transaction Codes" on page 19 for the Transaction Codes setup required to retrieve student records.

Halftime Enrollment: Enter the number of enrolled hours that qualify for half-time.

Click the Submit button. SONISWEB® traverses your records and selects those students enrolled in the semester related to the calendar ("Payment") year chosen in Figure 6. You then get Figure 7 if you chose "Amounts Billed" in Figure 6. You see Figure 8 if you chose "Payments Received" in Figure 6.

Negative amounts appear as $0 (zero dollars) in Boxes 3 and 5 of the 1098T form (page 21. The negative amounts appear in red in Figure 7 and Figure 8.

[4] The Return link at the bottom right on these displays make moving between the "build", "edit", and "export" sections faster.

[5] See Figure 30 on page 26 for examples of these.

IRS: 1098-T

Record 1 - 10 of 10 — **Payment Year: 2004**

Name	TIN	Account Num	Halftime Enrollment	Academic Period	Graduate Student	Amounts Billed	Scholarships/Grants
Abbott, Edgar M	191919191	333333334	Yes	No	No	$0.00	$0.00
Adams, Amy A	010000001	000000000	No	No	No	$0.00	$0.00
Allen, Alan	260000026	AL3215267	No	No	No	$0.00	$0.00
Broadhurst, Pamela N	333333333	333333333	No	No	No	$0.00	$0.00

*** Negative Adjustments set to 0 (Zero).**

• Figure 7 Amounts Billed Review and Edit Display

IRS: 1098-T

Record 1 - 10 of 10 — **Payment Year: 2004**

Name	TIN	Account Num	Halftime Enrollment	Academic Period	Graduate Student	Payments Received	Scholarships/Grants
Abbott, Edgar M	191919191	333333334	Yes	No	No	$0.00	$0.00
Adams, Amy A	010000001	000000000	No	No	No	$0.00	$0.00
Allen, Alan	260000026	AL3215267	No	No	No	$0.00	$0.00

*** Negative Adjustments set to 0 (Zero)**

• Figure 8 Payments Received Review and Edit Display

Figure 7 and Figure 8 show the list of students found. They're in alphabetical order. To look at the details or change data for a student, click her or his underlined name. You see Figure 11.

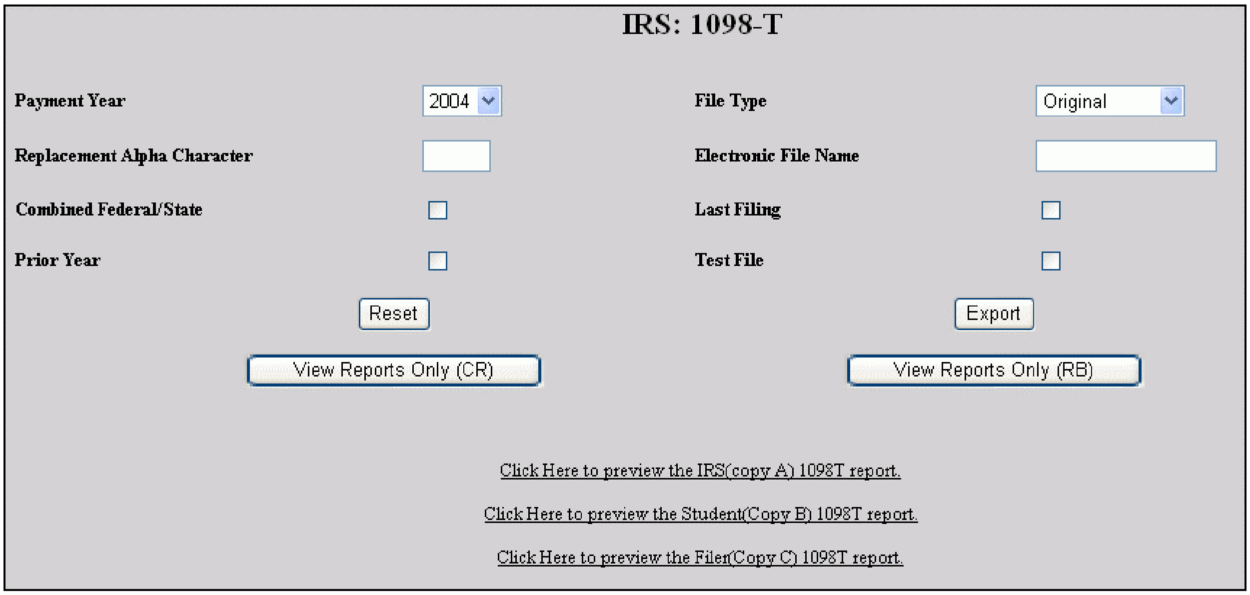
> If you find some students missing, check their records for missing data in the student Biographic or Address records (page 17) or missing financial transactions (page 19). See "**Zero Students Found**" on page 12 for more information on missing data.

Export

This "exports" the records to a file in the required IRS format. It doesn't really send the file to the IRS, to do that check the IRS Web site for instructions.

You don't have to actually do an Export to view the reports. Simply click one of the "View Reports Only" buttons[6] in Figure 9 to see them.

Make sure the students and their records are correct. Click Edit (Figure 5) to see Figure 7 or Figure 8 again and make any changes needed before you click the Export button.



• Figure 9 Export[4]

Use the pulldown[5] arrow in Figure 9 to select one of these types of 1098-T export files:

Original when the information is original data.

Replacement[7] if this file is to replace a file that the IRS MCC[11] has informed you – in writing – cannot be processed.

Replacement Alpha Character: This must remain blank unless a replacement file has been requested. When this is the case enter the alphanumeric character which appears immediately following the TCC number on the Media Tracking Slip (IRS Form 9267).

Electronic File Name: Leave this blank unless a name is assigned by the IRS.

Combined Federal/State: If the export file is for both state and federal taxes, click this checkbox[5] until a checkmark appears.

[6] "CR" means the Crystal Reports™-Enterprise version of the report. "RB" means the Cold Fusion™ Report Builder version. The "RB" version appears to work with all Web browsers where the "CR" version works with Internet Explorer but not always with other browsers.

[7] If you need to make a correction, you'll have to do that on the paper form and send it to the IRS.

Last Filing: If this export file is the last 1098-T the school will ever file, click this checkbox[5] until a checkmark appears.

Prior Year: Click this checkbox[5] until a checkmark appears if the export file is reporting a previous year's 1098-T

Test File: Click this checkbox[5] if you are only sending a test export file.

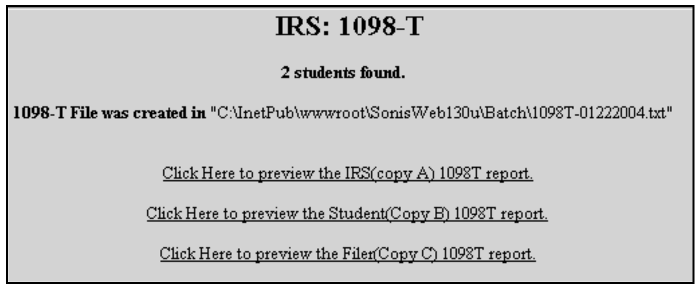
After setting up your IRS connection following the instructions from the IRS, you should prepare and send a test file. That assures that you are sending correctly without sending real student data that must be corrected if the transmission is in error.

The "View Reports Only" buttons[6] in Figure 9 do just what they say. When you click one, you get the "Click Hereto Preview…" choices at the bottom of the display.

Click the Reset button to remove what you entered in Figure 9 so you can start over.

Clicking the Export button yields Figure 10. Note the full path name of the file that was saved. You need that name when you begin the export in to the IRS.

Where you get messages instead of Figure 10, see "Export Errors" on page 12.

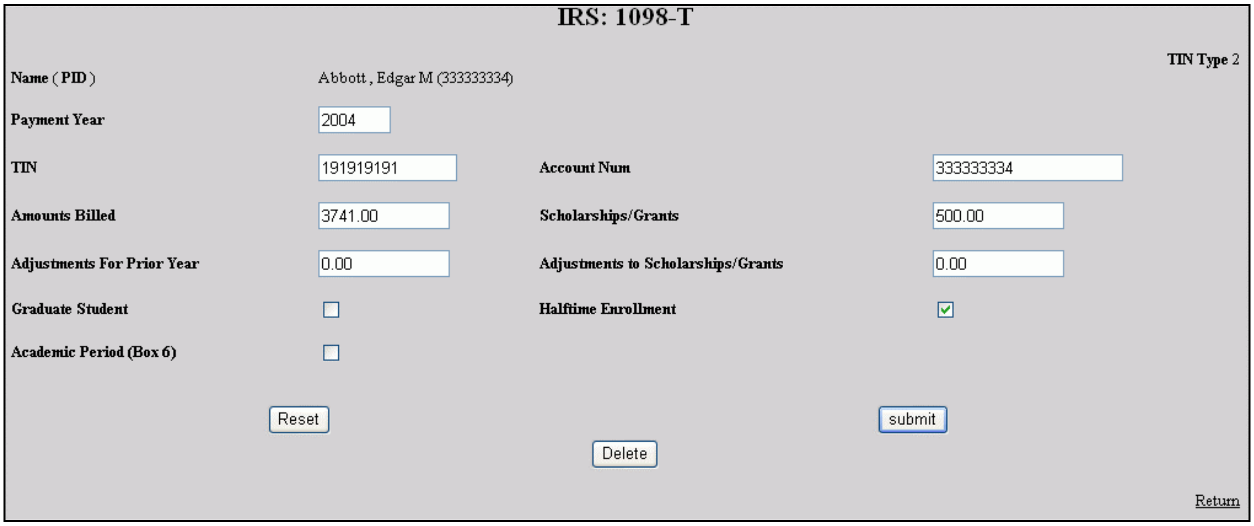


• Figure 10 Export Confirmation[4]

If you provide paper copies to students or for your school files, click the appropriate "Click Hereto Preview…" button in Figure 10. The forms in the report can be printed.

Edit

Clicking Edit button in Figure 5 displays Figure 7 or Figure 8. Clicking the underlined name of a person in that display gives Figure 11.



• Figure 11 Edit[4]

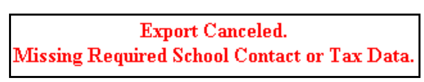
In Figure 11 you can change any of the data in boxes. Your choices are:

- Delete a student whose information should not be sent to the IRS. Use the Delete button for that.
- Use the Reset button the remove any changes you entered in Figure 11 so you can start over.
- Change the data in the fields and click Submit to save your changes. See "Box 6: Academic period beginning January-March" on page 23 for the IRS rules in changing these fields.

The "Graduate Student" checkbox is set based on the student's Education record as shown in Figure 23 on page 18.

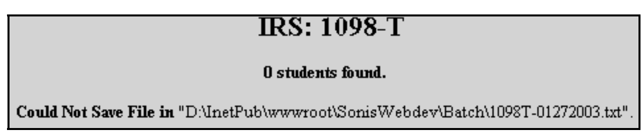
Export Errors

Export Cancelled: after clicking the Export button in Figure 9, you may see the error message in Figure 12 at the bottom of your display. The most common cause of this error is not filling in the School Info (page 20) completely.



• Figure 12 Export Cancelled Error

Zero Students Found: on clicking the Export button in Figure 9, you may see a display like Figure 13 with no (0) students found. In that case it will not save the export file. The



• Figure 13 Zero Students Found & Wrong File Path causes are:

- Calendar year does not align with any school year and semester. Calendar year is a cross reference table set up by your SONISWEB® administrator in Table Maintenance. See "Getting the Year Right" on page 16.
- No students are enrolled (registered) in classes in your institution. (Transfer courses are not considered enrollment at your school.)
- The students do not have Social Security numbers in their Biographic records[8].
- No student has a preferred address. This is in the Address record[8].

Could not save file: usually means that the path is wrong. The path is set in the Web Options display. Contact your SONISWEB® administrator to set the path correctly.

[8] See the SONISWEB® text "Students, Faculty, Applicant and Alumni/ae Record-keeping". Examples are shown in Figure 21 and Figure 22 on page 17.

SETTING UP SONISWEB® FOR THE 1098-T EXTRACTION

Sending the IRS your 1098-T data is a two step process:

1. Use the SONISWEB® IRS: 1098-T function described on page 7 to extract the student data.
2. Transmit to the IRS using the instructions on its Web site.

This part of the text tells you how to set up for the process.

ESTABLISHING YOUR IRS CONNECTION

Getting Your IRS Codes and IDs

(See Instructions on back)

Form **4419** (Rev. May 2002)	Department of the Treasury – Internal Revenue Service **Application for Filing Information Returns Electronically/Magnetically** Please type or print in **BLACK** ink.	IRS Use Only	OMB No. 1545-0387

1. Transmitter information

Name ____________________

Address ____________________

• Figure 14 IRS Form 4419

1. Print an IRS Form 4419 to acquire a TCC number from the IRS. Figure 14 illustrates the top of the form. Check the Web site

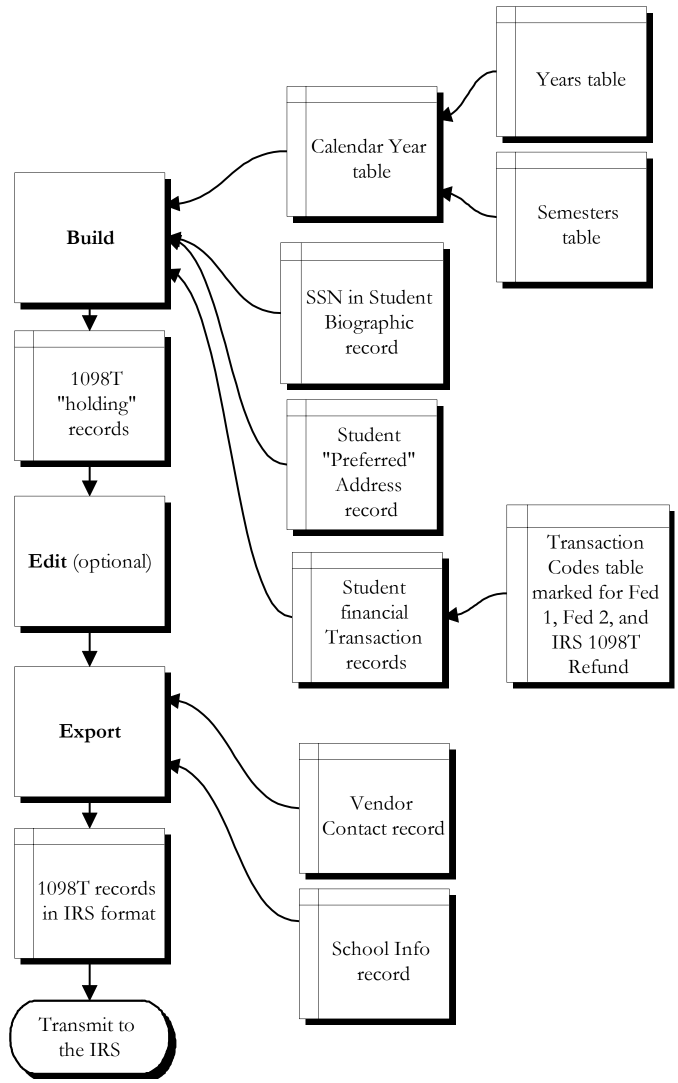
   http://www.irs.gov/pub/irs-pdf/f4419.pdf

   for a printable copy.
2. Fill out the form. On your fax cover sheet print "**Please Call Back to Give TCC Number"** and fax to IRS number given you. An IRS agent will call you back with your TCC number which is required to transfer files.

SETTING UP THE RECORDS AND TABLES REQUIRED BY THE EXPORT PROCESS

Figure 15 shows the relationships amongst the SONISWEB® tables, the student records, and the **Build** and **Export** steps. For the details, see:

- "Getting the Year Right" on page 16.
- "Making Sure the Student Records are Correct", page 17.
- "Setting the Financial Transaction Codes" on page 19.
- "Vendor Contact and School Info Records", page 20.



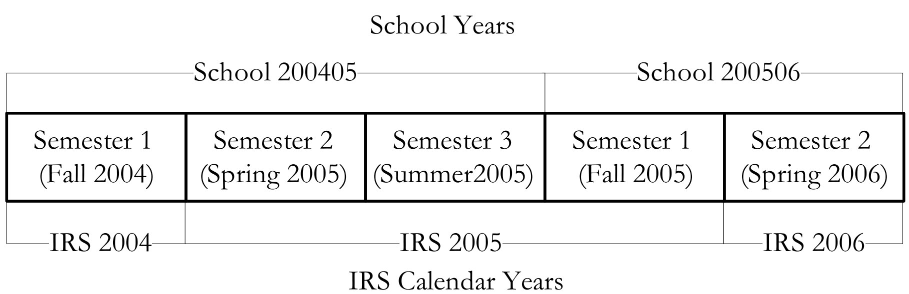
• Figure 15 IRS 1098T Process Flow

Getting the Year Right

You and SONISWEB® work on a school year that normally spans two calendar years. Students records are stored as School Year and Semester. To give the IRS what it requires – the calendar year – you relate a school-year-semester to a calendar year. In Figure 6 (page 8) you use a pulldown[5] list to select the year. An example of the list is shown in Figure 16. That list comes from a SONISWEB® table called "Calendar Years".

• Figure 16 Year Pulldown Selection

Your SONISWEB® administrator sets up **School Year** with the System Variables function and the **Calendar Year** with Table Maintenance. If you do not find the choice you need in Figure 16 or you get an error on export like those on page 12, have your administrator check the year settings.



• Figure 17 IRS Calendar Year to School Year-Semester

Figure 17 shows the relationship visually. Here's an example:

• Figure 18 Calendar Year Table Entry

Semester 2 (spring) of the 2000506 school year is in the IRS calendar year 2006, so the entry looks like Figure 18.

Box 6 Indicator[9]

If payments (or charges) are made in one calendar year for a semester that falls between January and March of the next calendar year, you put a 1 (digit one) in the "Box 6 Indicator" as shown in Figure 19.

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[9] The IRS requirement is described in "Box 6: Academic period beginning January-March" on page 23 and "IRS Explanations for the 1098T Form" on page 24.

• Figure 19 Box 6 Indicator in Calendar Year Table

Therefore, if a payment (or charge) was made in December 2005 for the spring semester 2006 the entry shown in Figure 19 causes Box 6 on the 1098T to be checked and the amounts would be included on the 1098T for 2005.

In Figure 20 you see how it is set up. For the spring semester 2006 there are two entries in the calendar table. One looks like Figure 18 with no Box 6 indicator, the second like Figure 19 with the indicator.

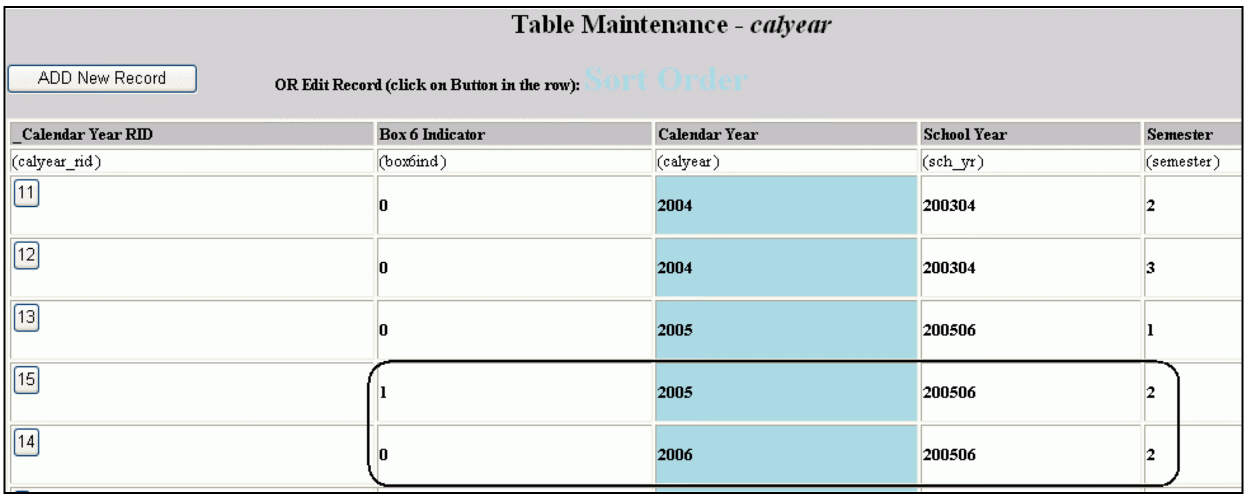


Table Maintenance - calyear

ADD New Record OR Edit Record (click on Button in the row): Sort Order

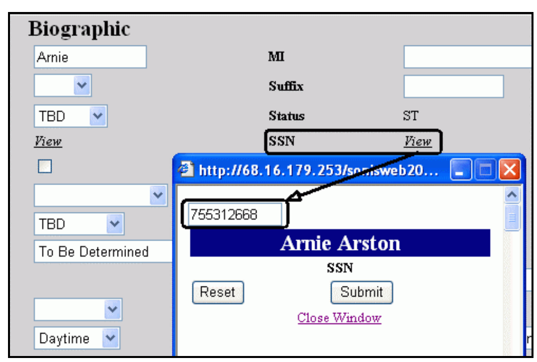
_Calendar Year RID (calyear_rid)	Box 6 Indicator (box6ind)	Calendar Year (calyear)	School Year (sch_yr)	Semester (semester)
11	0	2004	200304	2
12	0	2004	200304	3
13	0	2005	200506	1
15	1	2005	200506	2
14	0	2006	200506	2

• Figure 20 Calendar Year Table

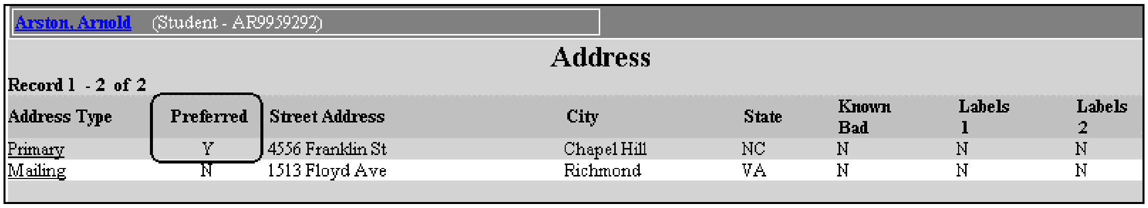
When you get all the entries done, the table looks like Figure 20 and the pulldown selection looks like Figure 16.

Making Sure the Student Records are Correct

For students to appear in Figure 7 or Figure 8 and Figure 11, they have to have a Social Security Number (SSN) in their Biographic records. Figure 21 highlights where it appears in that record.



• Figure 21 Student Social Security Number

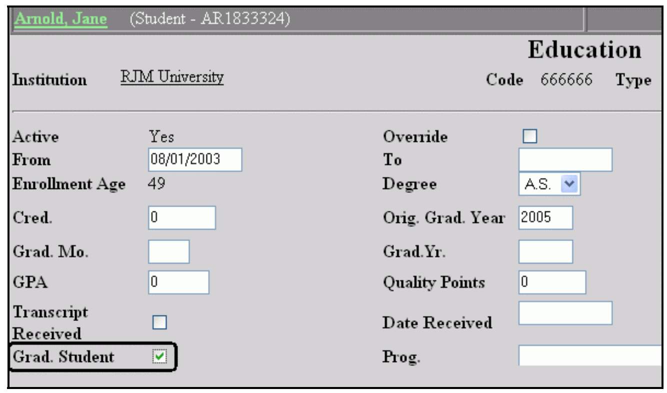


• Figure 22 Student "Preferred" Address Record

Students must also have an address record marked as “preferred” as illustrated in Figure 22.

If you find expected students missing from the lists in Figure 7 or Figure 8 and Figure 11, check their Biographic and Address records and make sure they’re correct.

The “Graduate Student” checkbox in Figure 11 (page 12) is set based on the student’s Education record as shown in Figure 23. Note the check for a “Grad. Student” in Figure 23.



• Figure 23 Graduate Student Designation in the Education Record

Setting the Financial Transaction Codes

The amounts of money shown in Figure 7 or Figure 8 and Figure 11 are calculated from those financial transactions you specify in the SONISWEB® Transaction Codes table (sometimes called "tcodes"). Tuition and course-related fees must be "marked" so that SONISWEB® will "see" them and include them in Figure 7 or Figure 8 and Figure 11. Award and scholarship payments must also be "marked" so they are collected for reporting.

You should go through all the financial transactions that qualify for reporting to the IRS. Once you have that list, have an authorized person change the Transaction Codes table in SONISWEB®.

Usually access to financial tables is restricted so you need to find out who can change the Transactions Codes table. It's accessed via **Systems**, Table Maintenance, "Transaction Codes".

Table Maintenance - *tcodes*

ADD New Record

OR Edit Record (click on Button in the row): Sort Order

Activity Code (act_code)	Activity Type (act_type)	Check Refund (chk_refund)	Description (descript)	Disabled (disabled)	Exit Path (exit_pth)	Exit Return (exit_rtn	Federal Report 1 (fed_rpt1)	Federal Report 2 (fed_rpt2)	Heading 1 (heading1)	Heading 2 (heading2)	Include Bill (inc_bill)	Include Summary (inc_sum	IRS 1098T Refund (refund1098T)	Post Award (post_awd)
=	a	0	Award	0	x	0	0	0	Award		1	0	0	0
-	c	0	Pell Grant	0	x	0	0	1	Pell	Grant	1	1	0	1
-	c	0	Provider Payment	0	x	0	1	0	Provider	Payment	1	1	0	1
+	b	1	Student Refund	0	x	0	0	0	Student	Refund	1	1	0	0
-	c	1	Refund Tuition	0	x	0	0	0	Refund	Tuition	1	1	1	0
+	b	0	Tuition	0	x	0	1	0	Tuition		1	1	0	0

• Figure 24 Transaction Codes for IRS 1098T Selection

Figure 24 shows a small part of the Transaction Codes table.

To understand your choices, notice in Figure 6 that you pick either "Amount Billed" or "Payments Received".

"**Federal Report 1**" has a **1** for Tuition and for Provider Payment in Figure 24.

For "Amount Billed" in Figure 6, a **1** means any financial transactions in student records with the Tuition "tcode" will be part of the calculation seen in Figure 7 and Figure 11.

For "Payments Received" in Figure 6, a **1** means any financial transactions in student records with the Provider Payment "tcode" will be part of the calculation seen in Figure 7 and Figure 11.

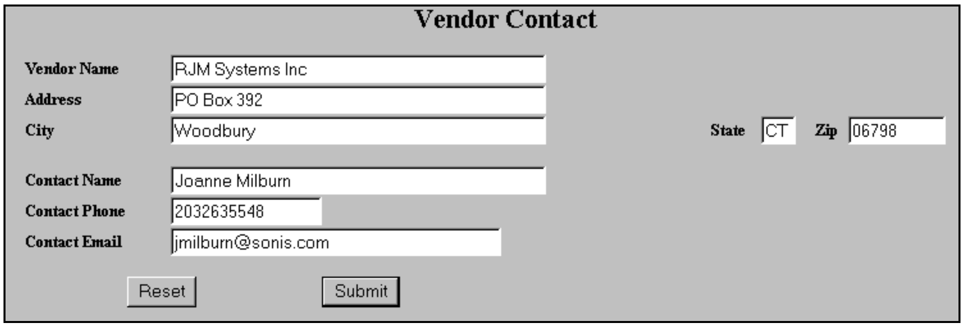
"**Federal Report 2**" is used to report scholarship and grant payments. The **1** shown in **Pell Grant** payments means they'll appear under "Scholarships/Grants" in Figure 7 or Figure 8 and Figure 11.

"**IRS 1098T Refund**" is used to report prior year adjustments in Boxes 3 and/or 5 on the 1098T form.

See "1098T Process and Examples" on page 22 for examples.

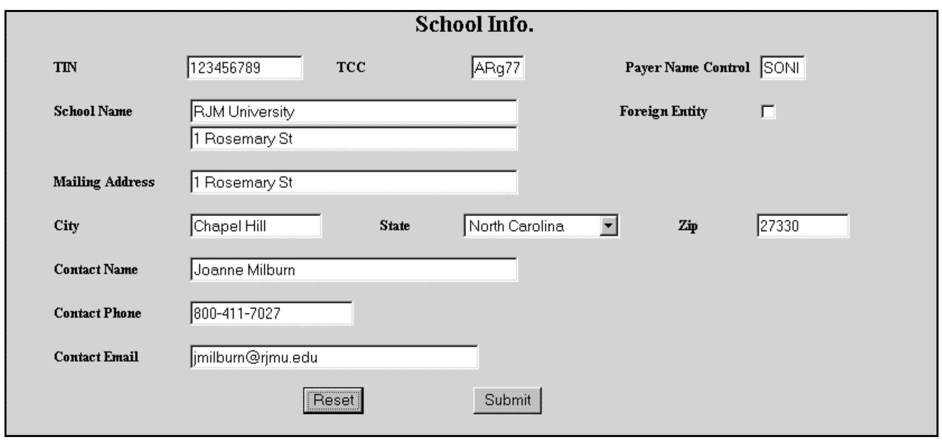
Vendor Contact and School Info Records

1. Click Vendor Contact in Figure 2. You get Figure 25.



• Figure 25 Vendor Contact

2. Figure 25 illustrates the Vendor Contact information[10]. From year to year, you may receive a message from RJM changing the contact information. If no changes are required, simply move to the next step by selecting School Info in Figure 2 without clicking any button in Figure 25. Otherwise, make the needed changes in Figure 25, then click the Submit button. Use the Reset button to erase your changes instead of clicking the Submit button.
3. Click School Info in Figure 2 to check that it is correct.



• Figure 26 School Information for 1098-T

4. Correct your school's IRS information as needed in Figure 26. If no corrections are required, simply move to the next step by selecting IRS: 1098-T in Figure 2. Otherwise, make any corrections then click the Submit button. Use the Reset button to erase your changes instead of clicking the Submit button.

[10] The IRS needs to know whose program created the 1098-T file. For SONISWEB®, that is RJM Systems, Inc.

In Figure 26:

TIN is your school's Taxpayer Information Number issued by the IRS.

TCC is the five character alphanumeric Transmitter Control Code assigned to your school by the IRS MCC[11] staff. See page 14 for guidance in getting this code.

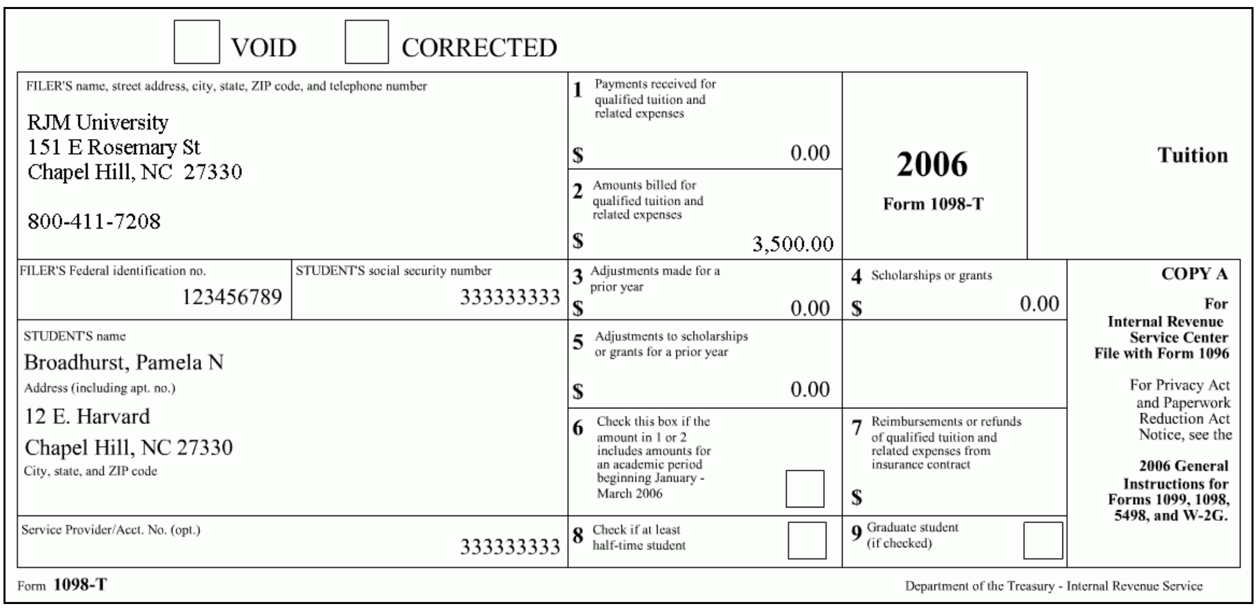
Payer Name Control is obtained only from the mail label on the Package 1099 that is mailed to most payers each December. It's required..

Foreign Entity: Click this checkbox[12] until a checkmark appears if the transmitter is a foreign entity.

Contact Name, Phone, Email is the person at your school that the IRS MCC[11] should contact if it encounters problems with the file or transmission.

If you leave any field blank, export will be cancelled as shown in Figure 12 on page 12.

PREVIEW 1098T FORM



VOID CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number

RJM University
151 E Rosemary St
Chapel Hill, NC 27330

800-411-7208

1 Payments received for qualified tuition and related expenses $ 0.00

2 Amounts billed for qualified tuition and related expenses $ 3,500.00

2006

Form 1098-T

Tuition

FILER'S Federal identification no. 123456789

STUDENT'S social security number 333333333

3 Adjustments made for a prior year $ 0.00

4 Scholarships or grants $ 0.00

COPY A

For Internal Revenue Service Center File with Form 1096

For Privacy Act and Paperwork Reduction Act Notice, see the

2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.

STUDENT'S name
Broadhurst, Pamela N
Address (including apt. no.)
12 E. Harvard
Chapel Hill, NC 27330
City, state, and ZIP code

5 Adjustments to scholarships or grants for a prior year $ 0.00

6 Check this box if the amount in 1 or 2 includes amounts for an academic period beginning January - March 2006

7 Reimbursements or refunds of qualified tuition and related expenses from insurance contract $

Service Provider/Acct. No. (opt.) 333333333

8 Check if at least half-time student

9 Graduate student (if checked)

Form 1098-T Department of the Treasury - Internal Revenue Service

• Figure 27 1098T Preview

When you click one of the preview… phrases in Figure 9 or Figure 10, you see filled-in forms like Figure 27.

[11] MCC is the common abbreviation for the IRS's Martinsburg Computing Center.

[12] See Figure 30 "Figure 1" on page 4 for guidance.

1098T PROCESS AND EXAMPLES

All of these examples are based on this set up: calendar year 2006 is associated with spring of 2006 (school year 200506) and fall of 2005 (school year 200405).

See Figure 17, "IRS Calendar Year to School Year-Semester", on page 16 for a visual look at IRS year versus School years and "Getting the Year Right" on page 16 shows you how to set up the table.

Follow along in Figure 27 with the examples below. The "Activity Code (act_code)" and "Transaction Code (tcode)" references are to Figure 24 on page 19.

Box 1: Payments Received

- Activity Code[13] is always "-"
- In the Transactions table[13] "Federal Report 1" column = 1
- SONISWEB® calculates the sum of <u>all</u> payment transactions that were posted between the beginning and the end date in the date range[14] <u>and</u> for school year and semesters associated with the calendar year you selected. Voided transactions are ignored.

Box 2: Amounts Billed

- Activity Code[13] is always "+"
- Transactions table[13] "Federal Report 1" column = 1
- SONISWEB® calculates the sum of <u>all</u> charges that were posted between the beginning and the end date in the range[14] <u>and</u> for school year and semesters associated with the calendar year you selected. Voided transactions are ignored.

Box 3: Adjustments for Prior Year

- Transaction Code[13] "Federal Report 2" column = 0
- Transactions table[13] "IRS 1098T Refund (refund1098T)" column = 1
- The transaction must have been posted <u>within</u> the date range[14] but <u>before</u> the earliest school year and semester associated with the calendar year you chose.

The date range defaults to January 1 to December 31. You can change it so the start date is earlier than January 1. See Figure 6 on page 8.

- SONISWEB® calculates the sum of all transactions with Activity Codes[13] of "-" and subtracts the sum of all transactions with Activity Codes of "+". Voided transactions are ignored.

Example: On January 15, 2004 John is given an adjustment of $1,000 (for a "+" Activity Code) for tuition that was posted for tuition charges in Fall 200304, a semester before this calendar year. His 2004 1098T will show him having an adjustment of $1,000.

---

[13] See Figure 24 on page 19 for examples of this.

[14] You set the date range in the Build display shown in Figure 6 on page 8.

On January 15, 2004 John is given an adjustment of -$1,000 (for a "+" Activity Code) for tuition that was posted for tuition charges Fall 200304, a semester before this calendar year. His 2004 1098T will show the adjustment of $1,000 as $0.

Negative amounts appear as $0 (zero dollars) in Box 3 of the 1098T form. The negative amounts appear in red in Figure 7 and Figure 8.

Box 4: Scholarships & Grants

- Transaction Code[13] "Federal Report 2" column = 1
- SONISWEB® calculates the sum of all scholarship and grant payment transactions that were posted within the date range[14] and the calendar year and semester associated with the calendar year you chose. Voided transactions are ignored.

Example: In the Spring of 2004 (school year 200304) John is given a $2,000 scholarship. Then in the Fall of 2004 (school year 200405) he receives an additional scholarship of $2,000. His 2004 1098T will show him having received a total of $4,000.

Box 5: Scholarship adjustments for prior year

- The transaction must have been posted within the date range you picked[14] but before the school year and semesters associated with the calendar year you selected.
- Transaction Code[13] "Federal Report 2" column = 1
- Transaction Code[13] "IRS 1098T Refund (refund1098T)" column = 1

Example: In the Spring of 2004 an adjusting award payment of $1,000 was made for the Fall of 2003 (school year 200304), so it will appear in Box 5.

On January 15, 2004 John is given an adjustment of -$1,000 (a "-" Activity Code) that was posted for an award payment in Fall 200304, a semester before this calendar year. His 2004 1098T will show the adjustment of $1,000 as $0.

Negative amounts appear as $0 (zero dollars) in Box 5 of the 1098T form. The negative amounts appear in red in Figure 7 and Figure 8.

Box 6: Academic period beginning January-March

If "Box 6 Indicator" in Figure 18 (page 16) has a "1" in it, the required amounts will appear in this location. See "IRS Explanations for the 1098T Form" below or IRS Form 960 for an explanation.

IRS EXPLANATIONS FOR THE 1098T FORM

This is what the IRS wrote on its Web site about calculating these fields as of January 2006:

"**Box 1.** Shows the total payments received from any source for qualified tuition and related expenses less any related reimbursements or refunds.

Box 2. Shows the total amounts billed for qualified tuition and related expenses less any related reductions in charges.

Box 3. Shows any adjustment made for a prior year for qualified tuition and related expenses that were reported on a prior year Form 1098-T. This amount may reduce any allowable education credit you may claim for the prior year. See Form 8863 or Pub. 970 for more information.

Box 5. Shows adjustments to scholarships or grants for a prior year. This amount may affect the amount of any allowable tuition and fees deduction or education credit you may claim for the prior year. See Pub. 970 for how to report these amounts.

Box 6. If this box is checked, the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2006. See Pub. 970 for how to report these amounts.

Box 7. Shows the total amount of reimbursements or refunds of qualified tuition and related expenses made by an insurer. The amount of reimbursements or refunds for the calendar year may reduce the amount of any allowable tuition and fees deduction or education credit you may claim for the year.

Box 8. Shows whether you are considered to be carrying at least one-half the normal full-time workload for your course of study at the reporting institution. If you are at least a half-time student for at least one academic period that begins during the year, you meet one of the requirements for the Hope credit. You do not have to meet the workload requirement to qualify for the tuition and fees deduction or the lifetime learning credit.

Box 9. Shows whether you are considered to be enrolled in a program leading to a graduate degree, graduate-level certificate, or other recognized graduate-level educational credential. If you are enrolled in a graduate program, you are not eligible for the Hope credit, but you may qualify for the tuition and fees deduction or the lifetime learning credit.

GETTING STARTED - LOG IN AND THE USE OF TABS, BUTTON AND FIELDS

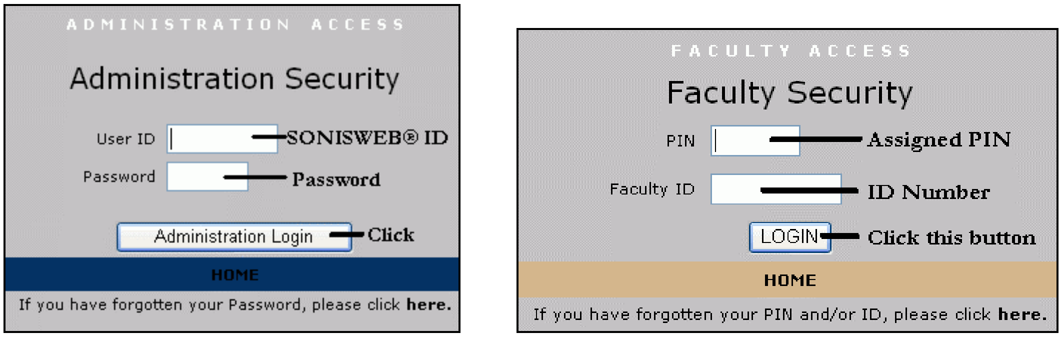
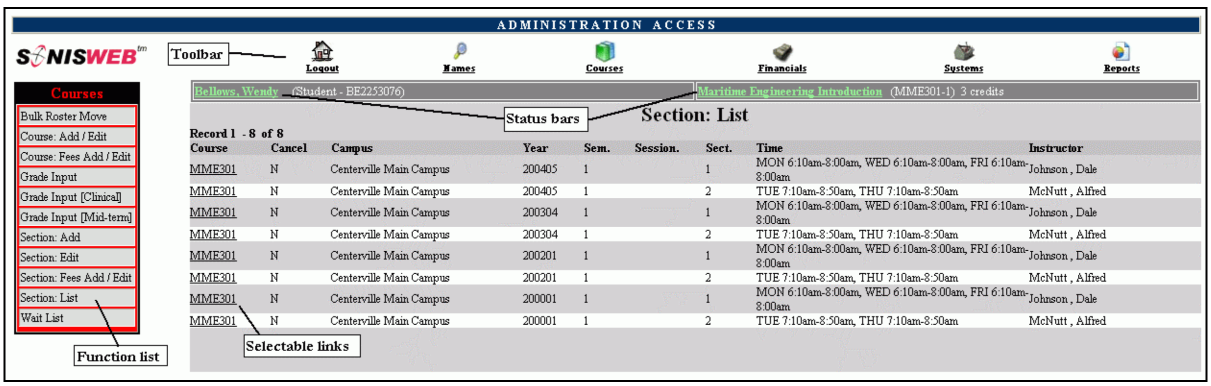


Figure 28 Login Displays

To log in as an administrator, select that option from your Web page. The standard SONISWEB® login pages look like Figure 28.



• Figure 29 Typical SONISWEB® Page

Figure 29 is a typical SONISWEB® page. The actions authorized in your profile appear at the top, called the **Toolbar**.

When you make a selection from the **Toolbar**, the applicable **Function List** appears on the left. Only the functions authorized in your assigned profile and your individual limits and privileges appear. Some might have only **Courses** in the toolbar and only Course: Add/Edit for functions.

Not apparent on the display is whether or not the profile permits editing or changing the information. Once the you select a function from the list on the left, you will see a Submit or similar button at the bottom of the display if you have the permissions to add, edit, or delete the data.

By clicking a **Status Bar** you quickly return to the "person" or the "course" you were processing even if you left it temporarily to look at a financial display or a report. Of course, if you have not selected a person with **Names** or a course with **Courses**, there will be no **Status Bars** at the top.

In Figure 29 click an underlined **Selectable Link** and you go to that record.

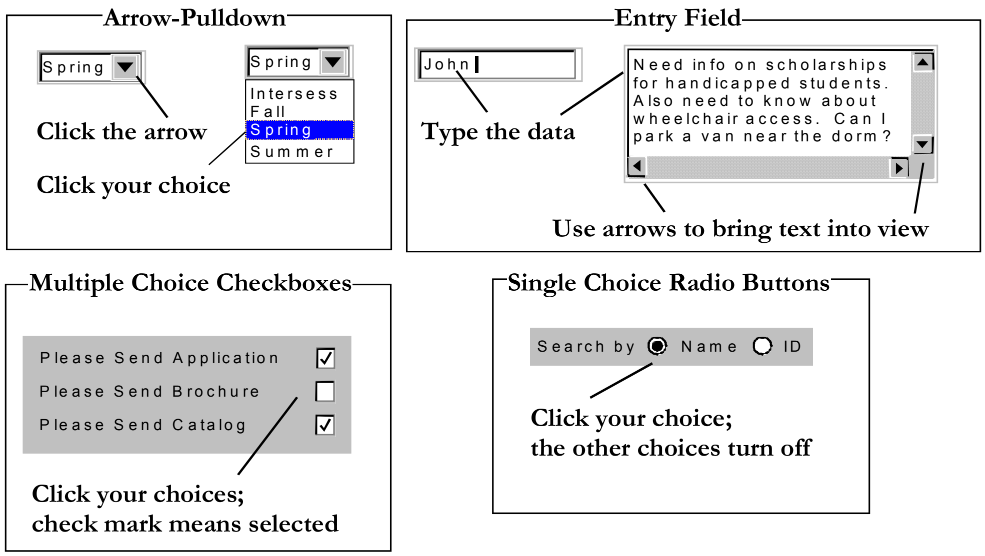


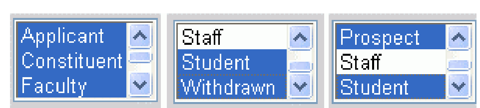
Figure 30 Arrows, Fields, Checkboxes and Buttons

SONISWEB® prompts you for information with windows like those in Figure 30. Use your mouse to click your selection.

- Once you have made your selection(s), you must click an action button; usually it is Submit, Delete, Reset, etc.
- For Entry Fields, click the beginning of the field so you don't get any blanks inserted in front of your entry.
- With Multiple Choice Checkboxes, each time you click a box it goes from selected (check mark) to unselected (no check mark). Click it again and it is selected, etc.
- Radio Buttons allow only one to be selected; when you click one, all the others are turned off.

Some SONISWEB® lists permit you to make multiple choices. It works just like most PC spread sheet software.

- To pick two or more in a series, click the top selection, hold down the **Shift** key on the keyboard and click the bottom item in the series. Release the shift key and they are selected as shown on the left and middle of Figure 31.



• Figure 31 Selecting Multiple Choices

- To pick two or more that are <u>not</u> adjacent, click the first item, hold the **Ctrl** key on the keyboard, select the next item and the next, etc. When you have picked the last item you want, release the **Ctrl** key and you see the selections like those on the right of Figure 31.