FAQs Regarding Fall 2012 Policy for Charging Tuition Remission and Graduate Student Compensation

The Provost’s Office recently announced a new policy regarding payment of tuition for graduate students whose training largely involves research. The policy was designed to benefit all academic units across the UAB campus and provide greater flexibility in the use of resources supporting research. The effective date of the new policy is August 1, 2012.

Key Definitions

‘Tuition remission’ for purposes of this policy is defined as payment of tuition on behalf of a student.

“Graduate Assistant, Graduate Research Assistant, or Graduate Teaching Assistant” – see Graduate Student Classification Categories/Job Definitions in policy document.

Accounting Mechanics

With the implementation of the new policy, tuition remission charges will automatically be applied to the same account(s) utilized in paying the Graduate Research Assistant’s stipend (and utilizing the same percentage allocations). The policy permits moving tuition remission charges from these account(s) to a Voluntary Cost Sharing (VCS) account (via an Oracle system Salary Reclass document). Each academic department has a VCS account and should establish internal policies regarding how the VCS account will be utilized. Questions should be directed to each department’s fiscal officer.

FAQs

1. What items/amounts will be covered in tuition remission for Graduate Research Assistants?

   The university currently includes all in-state tuition, mandatory fees, and mandatory health insurance in the tuition remission pool. There will not be a set dollar amount, as each school has its own tuition rates.

2. Are departments now required to provide tuition and fee coverage for Graduate Research Assistants? In the past, my department only provided a stipend, and the student was responsible for paying tuition from his/her stipend funds.

   If the student meets the criteria of the Graduate Research Assistant title, then yes, they will receive tuition remission.
3. Since our department has not provided separate tuition remission in the past, can’t we simply continue to provide stipends only, and let the student pay his/her own tuition?

   Unfortunately, no; if the student meets the criteria for a Graduate Research Assistant, they will receive tuition remission.

4. Does the same rule apply to Student Health Insurance coverage for Graduate Research Assistants?

   Yes, but only if Student Health Insurance is mandated by your Graduate Program.

5. How will tuition remission payments be processed?

   Graduate Research Assistants will be coded as 3rd Party Pay in Banner. Central Administration will run tuition/fee reports on all Graduate Research Assistants; a payment will automatically post to the student’s Banner account at the TBD rate, and will be charged to the account(s) from which the student’s stipend is paid.

6. I’m a PI whose department pays for graduate student tuition/fees. How can I keep tuition remission from being charged to my grant?

   If the Graduate Research Assistant’s stipend is charged to your grant account, tuition remission will automatically be charged to your grant. However, your department can manually move the charge (via Salary Reclass) to a Voluntary Cost Sharing account to remove the expense from your grant account.

7. Our department has always provided tuition remission from a miscellaneous unrestricted account. Can we continue to do so?

   Unfortunately, no; tuition remission must be charged to either a grant or a Voluntary Cost Share account so that it stays within the same cost base. This process is important when determining the university’s indirect cost rate agreement. Your department can move the necessary funds into a Voluntary Cost Sharing account in order to comply with this policy.

8. I pay my Graduate Research Assistants’ stipends from more than one grant account. How will tuition remission be charged in this case?

   Tuition remission will be charged at the same % as the student’s effort. If the student’s stipend is split 75%, 25%, then the tuition remission will be split accordingly.
9. I understand that the % of tuition remission on a grant can’t exceed the % percent stipend on that same grant, but is there an obligation to put all of the eligible fractional tuition on the grant? Put differently, if a grant covered 50% stipend, then tuition could be up to 50%, but could it also be less than 50%?

Yes; you can move a portion of the tuition remission to the Voluntary Cost Sharing account using the Salary Reclass document. Note, however, that the charge will automatically post at 50% (in this example) and will need to be reclassified manually.

10. Even though I pay for more than 1 Graduate Research Assistant’s stipend on my grant account, I only want to charge 1 student’s tuition remission to my grant. Is this possible?

Perhaps, but only with valid cause and documentation. Tuition remission payments should coincide with % effort.

11. I’m a PI who would like to pay for tuition remission from my grant, but I don’t currently have funds budgeted for it. What should I do?

Process a Rebudget Request through the Office of Sponsored Programs and Grants Accounting. Please contact your department administrator for specifics.

12. What determines whether a graduate student will receive tuition remission from a grant?

Only students appointed in Oracle to the “Graduate Research Assistant” position may receive tuition remission from grants. Degree candidacy (pre- or post-qualifying exam) will not affect their status.

13. In a given department/graduate program, can some Graduate Research Assistants’ tuition be paid from grants (if PI wants to do so) and others be paid from VCS?

Yes, but all Graduate Research Assistant tuition remission will initially post to the grant account (or the account to which their stipend is charged). The charge can then be moved off of the grant account to the VCS account.

14. For GBS students, what affiliation will be used to determine the appropriate VCS account (theme, dept, etc.)? All GBS students are in one org, but mentors are in different departments.
Affiliation should tie back to the mentor’s primary department.

15. To what object code does tuition remission post?

Graduate Tuition Remission will post to 8706095 SCHOL-GRAD TUITION REMISSION.

16. What are the tax implications for the tuition remission since the payment is processed directly to the student’s Banner account?

Tuition Remission is tax free for Graduate Research Assistants based on IRS Publication 970, Graduate Education. Graduate Research Assistants who receive tuition remission will receive IRS form 1098T that indicates the amount of tuition remission that was paid on their behalf. Any questions regarding how to interpret the 1098T should be directed to their tax advisor.

17. Tuition Remission is prorated by FTE, how does that work?

For full tuition remission the Graduate Research Assistant’s FTE must be .5. If the FTE is .45, the GRA would receive 90% tuition remission.