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, and the paragraphs which follow were developed in collaboration with representatives from the Provost Office, the GBS Finance Sub-committee, the Dean’s Office, Financial Affairs, and others, to provide assistance with its implementation within the SOM.

Key Definitions

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

‘Tuition rebate’ is the return of funds to a department equal to a percentage of the tuition paid for a student in that department with the intent of minimizing the impact of tuition on the funding source.

Graduate Research Assistant Classification
In implementing the policy, most GBS or JHS graduate students will be reclassified as Graduate Research Assistants (see attached “Graduate Student Classification Categories/Job Definitions”). In accordance with the policy, all students in this classification will receive tuition remission. Most students in the GBS Themes or JHS departmental programs have already been receiving tuition remission, paid either from a departmental source or from non-grant funds available to the student’s faculty mentor.

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 Regarding the New Tuition Remission Policy

1. What items/amounts will be included 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; rather, the amount will be based on actual expenses of tuition, fees, and mandatory health insurance.

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

If your student is classified as a Graduate Research Assistant, tuition remission will be charged to the account(s) that pays the student’s stipend unless an Oracle Salary Reclassification document is submitted to move the tuition remission to a Voluntary Cost Sharing account. You should discuss this reclassification with your Department Chair/Division Director and administrative officer.

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

Tuition remission must be charged either to a grant or to a Voluntary Cost Sharing account. This is important to keep the charges in the same cost base. This is important when the University negotiates its indirect cost rate agreement with federal granting agencies. Your department can move the necessary funds into a Voluntary Cost Sharing account in order to comply with this policy.

4. I plan to pay my Graduate Research Assistant’s stipend from more than one grant account. How will the 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.

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

Process a Rebudget Request through the Office of Sponsored Programs and Grants Accounting. Note that because tuition payments do not incur indirect costs, the indirect costs associated with the grant money used to pay the tuition will be reclassified into funds that can be spent to cover the grant’s research expenses.
6. Does degree candidacy affect a student’s eligibility for tuition remission?

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

7. Must all students within a department or graduate program be handled the same way regarding the source of their tuition remission funds? Can tuition remission for some come from research grants and for others from the Voluntary Cost Sharing account?

Tuition remission for all Graduate Research Assistants will initially be charged to the account(s) that pay the student’s stipend. The decision to move tuition remission charges to the Voluntary Cost Sharing account can be made individually for each student.

8. If tuition remission is paid from a grant account, will revenue still go to the School’s tuition account? Will the SOM tuition rebates continue?

The SOM Dean has stated that SOM procedures for tuition rebates to the Departments will continue following the implementation of the new tuition remission policy.

9. What are the income tax implications of the tuition remission?

Tuition remission is tax free for Graduate Research Assistants based on IRS Publication 970, Graduate Education. Graduate Research Assistants who receive tuition remissions 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.

10. I am the mentor for an MSTP student. Will the MSTP continue to pay tuition and fees for their students? How will this happen?

Tuition remission for MSTP students reclassified as graduate research assistants will initially be charged to the account that pays each student’s stipend; however, the MSTP office will process an Oracle Salary Reclassification document to move the charges to the MSTP Voluntary Cost Sharing Account.

11. I am the mentor for a GBS student. The GBS Office supplements a small portion of my student’s stipend. If tuition remission is charged to a supplemental account, will it be moved to my Department’s Voluntary Cost Sharing Account?

Tuition remission for all Graduate Research Assistants will initially be charged to the account(s) that pay the student’s stipend. The tuition charges to the GBS
Office will have to be moved to the Department’s Voluntary Cost Sharing Account. Accordingly, all Departments with GBS students will have to utilize a Voluntary Cost Sharing Account, even if they don't plan to move the portion of tuition paid from a grant.

12. What happens for trainees who are on NIH training grants or foundation fellowships? If a trainee moves off a training grant to a research grant, what will happen to the tuition remission?

Tuition remission for students on training grants or individual fellowship awards will be handled as they currently are. If a student is moved from a training grant to a research grant (or vice-versa), the tuition remission payment will remain with the account that was paying the stipend at the time when the tuition payment was originally made. To assure that there are no problems with tuition being paid from an inappropriate account, please assure that stipend source changes for Graduate Research Assistants are processed in a timely fashion.

13. Going forward, how should I handle budgeting student tuition remission in future NIH grant applications?

The proper way to budget for tuition remission for Graduate Research Assistants is detailed at the following NIH budget development web sites.

http://grants.nih.gov/grants/developing_budget.htm


Please refer to these sites for instructions on how to include tuition in modular or non-modular budgets.

Be aware that for an NIH grant the total Graduate Research Assistant compensation (the sum of stipend plus tuition remission and associated fees) cannot exceed the Year 0 Postdoc salary (currently $39,264). This means that for a GBS or JHS Graduate Research Assistant who makes $26,000 (or $27,000 if he or she has passed the qualifying exam) there is $13,264 (or $12,264) left that could be charged to an NIH grant as tuition/fees. Any portion of tuition and fees that exceeds these amounts must be paid by non-NIH funds. The policy governing this is detailed at the following web site: