

Office of Sponsored Programs
Procedure 10002 Tuition and Related Fees on Sponsored Awards

Revision Date: 08/01/2015

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1. Introduction
Responsible Official: Senior Director of Post-Award

Effective Date; August 01, 2015

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IMPORTANT: For federal awards/subawards issued to Virginia Tech with a start date prior to December 26, 2014, 2 CFR Part 215 (OMB Circular A-110) and 2 CFR, Part 220 (OMB Circular A-21) apply. For all new funds (new awards and new monies, such as continuation awards, supplements, etc. received for existing awards) with a start date on or after December 26, 2014, these new funds are subject to 2 CFR Part 200 (commonly referred to as Uniform Guidance—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) but hereinafter referred to as “2 CFR Part 200”).

Due to the change in federal regulations the language in this procedure specific to the new regulations, 2 CFR Part 200, is highlighted in red font below.

2. Scope

This procedure sets forth provisions related to charging tuition and related fees to sponsored awards. The procedure applies to all principal investigators, university departments and offices that are involved in the administration or use of sponsored award funds.

3. Procedure Statement

Virginia Tech has a longstanding practice of budgeting graduate tuition proportionate to the graduate student’s effort, unless prohibited by sponsor policy. Tuition remission provided to graduate students who work on research projects and teaching activities is a direct cost to the sponsored award in accordance with the university’s [Cost Accounting Disclosure Statement: CASB DS-2](#). Should any inconsistencies arise between this procedure and any university policy, the university policy shall prevail.

The Director of Post Award shall have primary responsibility within the Office of Sponsored Programs (OSP) for ensuring that procedures and actions are in compliance with [2 CFR Part 200](#), awards.

4. Reason for the Procedure

Tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable as a direct charge on federal grants and contracts when the following conditions are met based upon [2 CFR Part 200.466 Scholarships and Student Aid Costs](#).

- The student is performing research services or conducting activities necessary for the completion of the award or contract objectives.
 - During the academic period, the student is enrolled in an advanced degree program at Virginia Tech, and the activities of the student in relation to the award are related to the degree program.
 - The total amount of compensation, including tuition paid to or for a student, is reasonable compensation for the services performed and is conditioned explicitly upon the performance of necessary work.
 - Tuition remission and other support is provided in accordance with university guidelines. Many of the procedures and guidelines can be found [here](#).
 - Charges for tuition remission and other forms of compensation paid to students as, or in lieu of, salaries and wages are subject to the reporting requirements in [2 CFR Part 200.430 Compensation—Personal Services](#), and must be treated as direct or indirect cost in accordance with the actual work being performed. See also [2 CFR Part 200.431 Compensation—Fringe Benefits](#).
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5. Definitions

Academic Period—An academic period is a portion of an academic year, the time during which Virginia Tech holds classes. The university adheres to the semester academic period division of an academic year (see [Dates and Deadlines](#)).

Commonwealth Facility and Equipment Fee—Non-refundable mandatory fee for all non-Virginia residents, as required by the 2003 General Assembly for debt service on bonds issued under the [21st Century Program](#), and for support of the Higher Education Equipment Trust Fund as required by the [2004 General Assembly](#).

Comprehensive Fees—Non-refundable mandatory student fees paid as a package including the following: Student Activity Fee, Arts Fee, Health Services Fee, Athletic Fee, Transportation Services Fee, Recreational Sports Fee, and Student Services Fee. Comprehensive fees are fees charged for the support of certain self-supporting (auxiliary enterprise) units that provide services for the benefit of all students.

Library fees—Non-refundable mandatory student fees paid to support programs and initiatives that directly benefit students. This includes the addition of new technology and furniture in the commons areas, as well as additional student assistant positions, textbooks for reserve, and campus-wide events, exhibits, and activities.

Out of State Fee Waiver—Graduate students who earn more than \$4,000 in an academic year on assistantship appointment(s) are eligible for a waiver of the out-of-state portion of tuition for the

year. Students must be enrolled full-time to qualify for the out-of-state tuition waiver. Summer earnings on assistantship, or wage employment do not count towards meeting the \$4,000 minimum earnings requirement. Refer to the information posted on the Graduate School website concerning [Out of State Tuition Waivers](#) for examples and an explanation of current eligibility requirements. Out-of-state tuition cannot be waived for level 46 simultaneous bachelor's/master's students.

Technology Service Fees—Non-refundable mandatory student fees for support of technology initiatives. The technology service fee helps support instructional technology and technology advancement and support including the 4-HELP Desk, college technology support (such as the Math Emporium), and academic instructional technology initiatives.

6. Proposal Submission and Award Requirements

Tuition and fees must either be originally budgeted at the proposal stage or formally re-budgeted by the Office of Sponsored Programs (OSP) with sponsor approval. Some federal sponsors have delegated limited re-budgeting authority to OSP. Tuition and fee charges will be budgeted either as a sponsor paid cost or as cost sharing, but in either case are exempt from indirect costs.

When sponsors have an explicit policy stating that tuition charges are not allowed on grants and contracts, the university may provide comparable tuition scholarships for students supported on such grants and contracts as cost-sharing contribution by the university.

Tuition remission for graduate students working on more than one sponsored award in any one academic period will be prorated and charged proportionate to total graduate compensation. All academic periods for which tuition is being charged to the sponsored award must be within the award's period of performance. If an award's performance period overlaps with only a portion of an academic period, the award can only be charged the share of compensation earned during the performance period. Tuition charges must be limited to an amount proportional to the share of total compensation charged to the award during the academic period.

A student may have more than one assistantship position simultaneously, with different rates of compensation. In such a case, the split of tuition funding should mirror the split of compensation funding sources, as opposed to the percentage of effort on each position.

Graduate tuition budgeted by OSP includes in-state tuition costs, technology fee and library fees. Engineering, Architecture, and Business Administration (MBA) graduate students are budgeted including additional supplemental fees. When the sponsor disallows tuition costs, the department must provide an alternate departmental fund number for which the tuition will be charged. Summer School tuition is included if requested. Normally a graduate student does not take more than three credit hours in the summer, so the lowest rate is applied.

7. Special Situations Regarding Tuition Remission

- **Sponsor Disallows Tuition**—To prevent tuition from posting to these funds, OSP should add the “no tuition or fees allowed” attribute (TR, N) to Banner grant screen (FRAGRNT). This attribute should remain on the grant.
- **Fellowships**—If a sponsor restricts an employer/employee relationship and the graduate student receives a fellowship payment and tuition is an allowable charge, OSP will add the TRASST, N (no assistantship required) and TRPF, N (payroll funding not required) attributes to FRAGRNT. These attributes should remain on the grant.

- **Tuition Fees Allowed**—Awards made to the university to provide educational experiences to minorities and other underrepresented students, will provide support for comprehensive fees. OSP will add the TR2, Y (tuition remission fees allowed) attribute to FRAGRNT. This attribute should remain on the award.
- **Defending Status**—If a student has been paid from a project throughout their coursework and is without an assistantship during the final defending academic period, any sponsored award(s) they are currently supporting may collectively pay tuition up to three credit hours total. The expenditure must pass the prudent person and allocability tests. Upon receipt of written communication, OSP will add the tuition attributes (TRASST and TRPF) to FRAGRNT which will allow tuition to post. Written communication to support the charge may be email correspondence from the PI or department fiscal authority. If from the department fiscal authority, the PI must be copied. Once tuition posts, the department must contact OSP to have the attribute removed.
- **Disproportionate Assistantship to Tuition Ratio**—For all federal, state or private sponsored awards, the tuition remission system ensures the portion of tuition charged is in alignment with the assistantship position. Departments may elect to cover tuition from returned overhead and/or Education and General funds instead of charging to sponsored awards. Most sponsored awards may not be charged a larger share of tuition than the percentage of the assistantship charged to the fund. Variances up to 3% are tolerated as reasonable and allowable charges. To exceed the 3% variance, departments must email their post-award administrator documenting how exceeding the 3% variance still meets the test of allocability. If approved by OSP, the TRPF, N attribute will be temporarily added to FRAGRNT. The tuition remission calculator can be used to determine the percentage of tuition which may be charged to the award.

8. Post-Award Tasks

- At award set-up, review contractual agreements and request Banner grant attributes be added as applicable. Assure tuition remission is consistent with what was budgeted on the award proposal, or initiate a re-budget through the appropriate channels.
- At the time of close-out for each program with tuition charges posted, complete a quality control check to ensure effort charged to the sponsored award continues to be proportionate to the tuition charged. Errors may occur when payroll funding changes are posted. This task can be completed by generating a “Tuition Remission vs. Payroll Funding Review/Reconciliation” report in Banner (TZRTRFR - [instructions can be found in Feb 2015 edition of The Ledger](#)). If necessary, request that the department reallocate tuition funding sources using the university’s tuition remission system.
- Respond to departmental 3% variance requests.
- Review requests from departments to determine if Banner grant or tuition remission system attribute(s) need to be added on a one time basis.

9. Departmental Tasks

- Enter fund number and proportional amount for the graduate student’s tuition once the student’s appointment has been entered into Banner and after the first payroll posts for the academic period using the [university’s tuition remission system](#). The system has controls to

reject tuition funding plans that are not proportional (within the 3% tolerance) to the effort and compensation for the academic period.

- At the end of each academic period complete a quality control check to ensure effort charged to the sponsored award continues to be proportionate to the tuition charged. Errors may occur when payroll funding changes are posted. This task can be completed by generating a “Tuition Remission vs. Payroll Funding Review/Reconciliation” report in Banner (TZRTRFR - [instructions can be found in Feb 2015 edition of *The Ledger*](#)). If necessary, reallocate tuition funding sources using the university’s tuition remission system.

10. Principal Investigator (PI) Graduate PAR Certification

Principal Investigators certifying effort on a graduate student PAR (Personnel Activity Report) for students compensated via graduate assistantship with accompanying tuition remission, are certifying that the student performed duties that are necessary to the sponsored project as a condition of earning their compensation.

11. References

Virginia Tech’s graduate tuition remission/fellowship [programs](#)

Virginia Tech’s tuition remission system [guidelines](#)

[2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Uniform Guidance\)](#)

12. Contacts

- **Senior Director of Post-Award**
Office of Sponsored Programs
North End Center, Suite 4200
300 Turner Street NW
Blacksburg, VA 24061
540.231.9372
- **Assistant Vice President for Sponsored Programs**
540.231.5281

13. Roles and Responsibilities

- **Principal Investigators:**
 - Assure graduate students receiving tuition remission on a sponsored award are performing research services or conducting activities necessary for the completion of the award or contract objectives.
 - Assure for the tuition remission academic period that the student is enrolled in an advanced degree program at Virginia Tech, and the activities of the student in relation to the award are related to the degree program.
 - Assure all academic periods for which tuition is being charged to the sponsored award are within the award’s period of performance.
- **Department Administrator/Business Support Center/Fiscal Officer:**

- Assist Post-award Administrator (POA) in resolving possible instances where exceptions in charging of tuition remission occur.
 - Provide alternate departmental fund numbers for charging tuition remission where exceptions occur.
 - **Office of Sponsored Programs (Post-award Administrator and other staff):**
 - Assure tuition remission is consistent with that budgeted on the award proposal.
 - Monitor, resolve and correct exceptions found on Tuition Remission vs. Payroll Funding Review/Reconciliation prior to close-out.
 - Notify PI and department of possible issues regarding tuition remission on a sponsored award.
 - Advise PIs, department administrators or business support centers on steps necessary to correct tuition remission exceptions and if necessary, obtain assistance from the Controller's Office, departmental personnel or PI in the correction process.
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14. Dissemination

This procedure may be posted on an internet accessible site. No public restrictions are noted.

15. Approval and Revisions

Approved by Assistant Vice President for Sponsored Programs on September 4, 2015.

The official version of this information will only be maintained in an on-line web format.
Any and all printed copies of this material are dated as of the print date.
Please make certain to review the material on-line prior to placing reliance on a dated printed version.
