

ISSUES SURROUNDING THE PAYMENT OF GRADUATE TUITION AND FEES

Issue 1: Consistent Treatment of Costs

OMB A-21 Section D. Direct Costs states "Costs incurred for the same purpose in like circumstances must be treated *consistently* as either direct or F&A costs."

OMB A-21 Section J.45.a states that "tuition remission and others forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that:

- 1) Individual is conducting activities necessary to the sponsored agreement;
- 2) Tuition remission and other support are provided in accordance with established educational institutional policy and consistently provided in a like manner to students in return for similar activities conducted in non-sponsored as well as sponsored activities."

UH is not currently treating masters and doctoral students the same. Beginning in FY2012, funds were available to pay tuition and fees for Ph.D. students, but not for master's students.

Dr. Hall confirmed that both masters and doctoral students, if qualified, can receive the tuition reimbursement offered by the colleges and departments. The issue of who gets it is based on the availability of funding. As it is, the doctoral students who are teaching usually are given top priority.

Issue 2: Capturing of Research Expenditures

OMB A-21 Section B1.b states "Organized research means all research and development activities of an institution that are separately budgeted and accounted for. It includes:

- 1) *Sponsored research* means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.
- 2) *University research* means all research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds. University research, for purposes of this document, shall be combined with sponsored research under the function of organized research."

Dr. Bose met with Craig Ness and Dr. Stuart Hall. They discussed creating separate funds cost centers in the colleges for charging the tuition of GA/RA supported by a sponsored project cost center. Craig felt that this could be easily done in the near future. Dr. Hall agreed.

Issue 3: Losing competitive ground

We looked at the schools that were suggested by the RSC and 7 out of 8 schools charge tuition and fees to sponsored projects. It appears that most institutions are charging these costs to sponsored projects. The institutions that were benchmarked are:

- 1) UT Austin
- 2) UT Dallas
- 3) Texas A&M
- 4) Texas Tech
- 5) Wayne State
- 6) Univ. of Alabama, Birmingham
- 7) Portland State
- 8) UCLA

Discussion about the pay-back of tuition to individual faculty members to reinvest in graduate student hire is still being discussed. Dr. Bose presented the following scenario:

Project A Budget: Tuition, Allowable Cost	
Salary	10,000
Fringe	2,600
M&O	12,000
Tuition	2,000
IDC	12,300
Total Budget	38,900

Project B Budget: Tuition, Unallowable Cost	
Salary	10,000
Fringe	2,600
M&O	12,000
Tuition	-
IDC	12,300
Total Budget	36,900

Project A Cost Center	
Tuition paid to Student Financial Services	(2,000)

Project B Cost Center	
Tuition	-

Funds From VP	
Transfer to Companion Cost Center	(2,000)

Sponsored Project Tuition Waiver Cost Center	
Tuition paid to Student Financial Services	(2,000)

Companion Cost Center	
Funds	2,000

(Student must qualify under university policies.)

Issue 4: Loss of Graduate Students or Inability to Attract

At UH, support is provided to colleges for TAs and if tuition and fees are not charged to sponsored projects, the colleges would have to use their TA funds for TAs and RAs and there would be less funds available for TAs. If student enrollment continues to increase, we will be able to attract more graduate students because of available of funds for TAs (through the college) and RAs (through sponsored funds).

BUDGETING GRADUATE STUDENT FEES AND TUITION

- If a graduate student is supported by a sponsored project, the cost of tuition and/or fees must to added to the budget or documented as cost sharing as separate line item. – **unless the sponsor specifically prohibits it.**
- These costs are waived from F&A.
- The budget justification should reflect that the cost is a benefit to the graduate student and describe how tuition and/or fees are estimated: the cost of tuition charged is the in-state rate and the fees are course and college fees only.

CHARGING GRADUATE STUDENT TUITION AND FEES TO SPONSORED PROJECTS

- For sponsors that explicitly disallow the charging of tuition and fees to their award, the tuition and fees should be paid by the “sponsored project Tuition Waiver cost center” in the college if the student meets the institutional eligibility.
- For all other sponsors, tuition should be charged as budgeted--either directly to the project or as cost sharing for the project.