The Inclusion of Tuition in Externally Funded Contracts & Grants

September 19, 2013

MEMORANDUM TO: Deans, Department Heads and Chairs

FROM: Donald L. Savage, Executive Vice President

Theresa E. Rehnberg, Provost and Vice President for Academic Affairs

George E. Holieway, Dean of Graduate School

SUBJECT: Policy for Inclusion of Tuition in Externally Funded Contracts and Grants

Policy Statement

It is the policy of Auburn University to include tuition in externally funded grants and contracts for which graduate assistants are provided stipend support.

Details

The budgets for all proposals submitted on or after October 1, 2003 that include stipend support for graduate assistants shall include tuition support for all graduate assistants, if the funding agency to which a given proposal is funded allows tuition support as a budgeted item.

- A fully inclusive rate of 40% of a graduate assistant’s stipend amount will be used in lieu of actual full tuition.
- The dollar amount of each stipend shall be included as an exception to the 40% rate requirement down to a rate of 10%. However, in 40% monitoring, 10% of the graduate assistant stipend amount must be included in the budget for tuition support, if specifically allowed by the funding source.
- The 10% minimum rate will be maintained for three years and the policy will be reviewed at that time.
- Indirect costs are generally not levied on tuition charges.
- When mandatory cost share is required by the funding agency and the student receives cost share, the difference between the 40% rate and the amount charged to the grant or contract shall be shared. The difference between the 40% rate and the amount charged to the grant or contract shall be shared as cost share provided by the university.

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“NEW” Policy

“It is the policy of Auburn University to assess tuition to externally funded grants and contracts for which graduate assistants are provided stipend support”
For all proposals submitted on or after October 1, 2013:

- Budgets for all proposals must include tuition support for projects that include stipend support for graduate assistants IF the funding agency allows tuition support as a budgeted item.

- A tuition remission rate of either 10% or 40% of a graduate assistant’s stipend amount will be used in lieu of actual full tuition.
FOR PROJECTS THAT UTILIZE THE MODIFIED TOTAL DIRECT COST (MTDC) BASE FOR INDIRECT COST (F&A) CALCULATIONS, TUITION IS EXEMPT FROM THE BASE.

HOWEVER, IN CASES WHERE THE BASE IS TOTAL DIRECT COSTS (TDC) OR TOTAL FEDERAL FUNDS (TFF), TUITION IS NOT EXCLUDED FROM THE BASE.
Items of Note

AT THE PROPOSAL STAGE, AGREEMENT FOR ALL UNITS MUST BE IN PLACE TO DETERMINE WHICH RATE (10% OR 40%) WILL BE USED FOR A SPECIFIC PROPOSAL.

TUITION SHOULD ONLY BE USED AS COST SHARE WHEN COST SHARE IS:

(1) MANDATORY PURSUANT TO SPECIFICATION IN A FORMAL RFP OR SPONSOR REGULATIONS; AND
(2) FOLLOWING AN EVALUATION OF ALL OTHER METHODS OF COST SHARE

STUDENTS MUST BE ELIGIBLE FOR TUITION SUPPORT UNDER THE TUITION FELLOWSHIP PROGRAM POLICY (EFFECTIVE 6/26/12)
A fund is set-up for tuition waivers. All monies collected from tuition are being deposited into this fund to cover the expense.

There are draft guidelines being developed.

CGA will manage the attributes (%) that need to be charged on an individual project basis (either 10% or 40% only).

Currently confirming if journal vouchers will be entered using 730 account code.
ACADEMIC YEAR 2006/2007, AU WAIVED $22 MILLION IN TUITION REVENUE.

FOR 2012, THE TUITION WAIVED WAS $37 MILLION (AT A TIME THAT STATE APPROPRIATIONS WERE CUT OVER $90 MILLION).

Why is This Important?
CHARGING TUITION IN EXTERNALLY FUNDED CONTRACTS AND GRANTS POLICY STATEMENT

CHARGING TUITION IN EXTERNALLY FUNDED CONTRACTS AND GRANTS ADDITIONAL GUIDANCE

OCTOBER 2013 “TIGER TIPS”
QUESTIONS?

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Sponsored Programs
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