



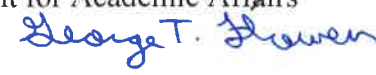


AUBURN UNIVERSITY

OFFICE OF THE PROVOST
AND VICE PRESIDENT FOR
ACADEMIC AFFAIRS

September 19, 2013

MEMORANDUM TO: Deans, Department Heads and Chairs

FROM: Donald L. Large, Executive Vice President 
Timothy R. Boosinger, Provost and Vice President for Academic Affairs 
George T. Flowers, Dean of the Graduate School 

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

Policy Statement

It is the policy of Auburn University to assess tuition to 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, 2013 that include stipend support for graduate assistants must include tuition support for those graduate assistants, if the funding agency to which a given proposal is directed allows tuition support as a budgeted item.

- A tuition remission rate of 40% of a graduate assistant's stipend amount will be used in lieu of actual full tuition.
- The dean of each college/school may grant an exception to the 40% rate requirement down to a rate of 10%. However, a MINIMUM of 10% of the graduate assistant stipend amount must be included in the budget for tuition support, unless specifically disallowed 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 stipend is charged to the contract or grant or associated cost share fund, the difference between the 40% and the amount charged directly to the grant or contract can be treated as cost share provided by the university.

ADDITIONAL GUIDANCE REGARDING THE INCLUSION OF GRADUATE TUITION IN EXTERNALLY FUNDED CONTRACTS AND GRANTS

The effective date for mandatory implementation of the new *Policy for Inclusion of Graduate Tuition in Externally Funded Contracts and Grants* is for all proposals submitted to the Office of Sponsored Programs (OSP) after October 1, 2013. However, investigators may begin incorporating tuition into their proposal submissions immediately. Some specific criteria to consider when including tuition in proposals include, but are not limited to, the following:

- All proposals that include graduate research assistant support must include tuition unless explicitly disallowed by the funding agency to which the proposal is submitted.
- A tuition remission rate of 40% is defined as full tuition and should be used when full tuition costs are to be charged to a sponsor budget.
- In other cases, a tuition remission rate of 10% should be used for the sponsor budget.
- Place the amount calculated for tuition on budget forms in the tuition or other direct costs categories. Explain in the budget narrative.
- Remember that for projects with Modified Total Direct Cost F&A requirements (most common), tuition is exempt from F&A and should be subtracted from total direct costs before the application of the F&A rate, when calculating the total proposed budget. This is similar to the way equipment items are treated in proposal budgets in compliance with our Federal Rate Agreement (<https://cws.auburn.edu/vpr/osp/forms/F&A%20Rate%20Agreement.pdf>). Be aware that for projects with F&A rates based upon total federal funds, or Total Direct Costs, the tuition is NOT exempt from the F&A calculation.
- Almost all Federal sponsors allow tuition in proposal budgets as a direct item of cost. USDA has some programs for which tuition is acceptable and some for which it is not. When in doubt, please do not hesitate to contact your contract administrator in OSP (<https://cws.auburn.edu/vpr/osp/forms/Sponsored%20Programs%20Contract%20Admin.pdf>) or your College's OSP designee (the latter, at this time, if you are proposing from within Pharmacy, Engineering, Human Sciences, Veterinary Medicine, ACES or Education).
- Graduate tuition should be used as cost share only when cost share is mandatory pursuant to specifications in a formal RFP or sponsor regulations. Other methods of cost share should be evaluated first when cost share is mandatory instead of automatically using tuition.
 - For cases where the sponsor will allow tuition charges, a rate of either 40% (see bullet #2 above) or 10% (see bullet #3 above) must be budgeted to the sponsor budget. In cases where 10% is used, a rate of 30% of sponsor supported graduate assistant stipend may be used for required cost share, with the approval of the OVPR through OSP.
 - For cases where the sponsor will not allow tuition charges, a rate of 40% of sponsor supported graduate assistant stipend may be used for required cost share, with the approval of OVPR through OSP.
 - For cases where a component of the cost share is graduate assistant stipend, a tuition remission rate of 40% should be used.
- Students must be eligible for tuition support under the *Tuition Fellowship Program Policy* effective June 26, 2012 including subsequent revisions

(<https://sites.auburn.edu/admin/universypolicies/Policies/TuitionFellowshipProgramPolicy.pdf>) for related tuition included in a sponsored proposal.

Please note that this process is newly implemented and there may be additional guidance for inclusion in proposal budgets moving forward. If you have any questions, please do not hesitate to contact OSP or your College's OSP designee as appropriate.