



GRADUATE COLLEGE
Office of the Dean

205 Gilmore Hall
Iowa City, Iowa 52242-1320
319-335-2144
Fax 319-335-2806

April 30, 2003

Memorandum

To: Deans, Departmental Executive Officers, and Directors of Graduate Studies

From: John C. Keller
Associate Provost for Graduate Education
and Dean, the Graduate College

Brian Harvey
Assistant Vice President for Research
and Director, Division of Sponsored Programs

Re: Charging of Graduate Student Tuition to Grants and Contracts

As you know, the Board of Regents, State of Iowa and the University of Iowa Graduate Employee Union (COGS) agreed to a new two year contract to begin July 1, 2003. Within this contract, a tuition scholarship program was established that requires all graduate assistants on a 25% or higher appointment and enrolled in 9 s.h. or greater per semester to receive a minimum tuition scholarship of \$375 per semester. This scholarship will increase to a minimum of \$750 per semester in AY 04-05.

One of the benefits for the University of this New Tuition Scholarship Policy is the ability to charge the costs of tuition to external grants and contracts that permit such costs. The Graduate College has consulted with many units on campus including the University Controller, the Provost's Office, Human Resources, the Division of Sponsored Programs, and Grants Accounting to determine the most appropriate mechanism to charge the costs of graduate tuition to grants and contracts. In addition, a multitude of available resources were reviewed to develop the University's position: OMB Circular A-21, A-21 clarification of 1/5/01 and the Congressional Research Service "Federal Taxation of Student Aid: Summary of 1999 Rules."

Beginning July 1, 2003, the University will establish a new institutional account (Iacct) 6350 with the description of "Tuition Cost". All tuition costs related to the COGS agreement will be charged to this Iacct and will be consistently applied across all funding sources. Iacct 6305, Tuition Scholarship/Fellowships should be used with the fellowship appointment. For grant reporting, this new Iacct will be assigned to a new "Tuition Costs" category and will not be assessed Facilities and Administrative (indirect) costs. For grant proposals, this tuition cost should be budgeted under "Other Costs."

The effect of the COGS agreement is to establish a minimum tuition amount that can be charged to external funding sources. Beginning July 1, 2003, up to 100% of the cost of **full graduate tuition**, may be charged to a funding source, including grants and contracts, unless specifically prohibited by the sponsoring agency. Sponsored Programs will assist investigators in determining which agencies allow such costs to be included in proposals. For existing grants and contracts, it may be necessary to request approval from the sponsoring agency to incorporate the costs of tuition into the grant or contract budget. If the sponsoring agency prohibits this practice, the department or program will have to transfer this cost to a different source. Please note that the maximum amount that can be charged to a grant or contract is based on a level zero

NRSA stipend amount in effect at the time of the award. The sum of the graduate student stipend, related fringe benefits and tuition cost is subject to this maximum NRSA amount.

At the current time, the tuition revenues derived from grants and contracts are not expected to offset the general funds currently used by departments to pay graduate tuition. As time goes on, adjustments in general fund allocations made to departments and programs may occur.

The Graduate College will be responsible for administering the tuition scholarship program, and will work closely with the Registrar's Office, Sponsored Programs, Grants Accounting, and Human Resources to coordinate these efforts. If you have questions regarding the charging of tuition costs to grants and contracts, please contact Brian Harvey, the Division of Sponsored Programs (5-2109). Questions related to overall administration of the tuition scholarship policy should be directed to John Keller (5-2142) or Donna Welter (5-2145) in the Graduate College.

cc: Kevin Ward, Human Resources
Terry Johnson, University Controller
Don Szeszycki, Provost's Office
Larry Lockwood, Registrar's Office
Audra Haddy, Grants Accounting