



Tuition Remission - Average Rate Basis (ARB)

Implementation Date: September 1, 2015

Revised: August 24, 2016

Purpose

To define the Graduate School tuition remission policy for Ph.D. student research assistants working on and supported by institutional or sponsored research projects. Tuition remission is a component of the student's total compensation package along with their salary and any applied fringe benefits. It is an allowable charge to federally sponsored projects provided that it 1) represents reasonable compensation for necessary work on the project, 2) is provided in lieu of wages, and 3) is consistently applied throughout the institution. This policy and related procedures will promote consistency and standardization in Ph.D. student research assistant compensation packages and ensure compliance with federal government regulations.

Policy

When Ph.D. student research assistants (RAs) receive a living wage (i.e. salary) funded by institutional or externally-sponsored research projects, those projects must also fund a portion of the students' tuition. This share of tuition, referred to as tuition remission, will be based on an average rate that will be established each year during the annual budget process. Tuition remission will be charged to all institutional funds, grants and contracts supporting PhD research assistants, based on a percentage of the student's actual salary.

Funding Limitations: If a sponsoring agency limits the amount of tuition remission that can be charged to a sponsored project, or if due to funding limitations an institutional or sponsored project cannot support the total graduate student RA compensation package, all or part of the tuition remission may be cost shared. Cost sharing should be reflected through a credit to G/L account code 808300. Cost sharing on the salary component is also allowable. All cost sharing on sponsored projects must be in accordance with [Duke University General Accounting Procedure 200.140, Cost Sharing on Sponsored Projects](#).

If a sponsor does NOT allow tuition remission, the tuition remission will not be charged to the sponsoring fund but instead will be charged directly to another non-sponsored, institutional funding source. Additional exceptions are listed in Appendix A.

NIH Cap on Graduate Student Compensation: Note that the National Institute of Health (NIH) and other DHHS agencies limit the total compensation award for a graduate student RA (i.e. salary, fringe benefits, plus tuition remission) to the Ruth L. Kirschstein National Research Service Award (NRSA) postdoctoral level zero stipend and total

compensation *paid* to a graduate student RA to the Kirschstien NRSA postdoctoral level one stipend. Total graduate student RA compensation charged to a research project can under no circumstances exceed the postdoctoral level 1 stipend. Current postdoctoral stipend levels can be found on the [NIH Web site](#). Excess compensation must be cost-shared as outlined in [Duke University General Accounting Procedure 200.140, Cost Sharing on Sponsored Projects](#).

RA Salary Payments: All Ph.D. students working as RAs should be paid a base salary via the faculty-staff payroll using [Job Classification 1590](#) and [G/L Account Code 601200](#), Research Assistant: Ph.D. Students. Appendix B provides funding alignment guidelines for all graduate student positions.

Supplemental Payments: When a student is paid for incremental, non-routine RA work on an institutional or sponsored research fund, supplemental payments are allowed. If a student receives differing amounts every month of the term, and the compensation for that work is above and beyond the standard departmental stipend, it is considered non-routine. In this case, it may be paid through the supplemental payroll system on [G/L account code 601200](#) and *tuition remission will be assessed*.

If a student receives the same amount of compensation every month of an academic term, it is considered routine and should not be paid as a supplement but should be paid through the faculty-staff payroll and tuition remission will apply. If a student has a routine secondary job (in addition to their RA position), the salary should be split-coded between the two in proportion to the relative effort expended on each, and tuition remission will be prorated accordingly.

Tuition Remission Posting: Tuition Remission will be posted to the students' bursar accounts each semester from balance sheet/account code 1001000/246600 using the actual tuition remission flat rate for that year, in order to clear the students' bursar accounts in full and in a timely manner. The tuition remission flat rate will be equal to the summer PhD tuition charge and the tuition charge for PhD students in their fourth or later years.

During the month end close process, tuition remission will then be assessed on all funds, institutional and restricted, that support graduate student research assistants by applying the tuition remission ARB rate (33.9 percent in AY2015-16) for the academic year to the total salary expense charged to G/L account codes 601200 and 600800. The tuition remission expense on the research projects will be matched with a credit to 1001000/246600 in order to recover the tuition paid on behalf of the graduate student RAs. Tuition remission expense will be charged to research projects on G/L account code 634700.

At the completion of each semester, The Graduate School will audit and reconcile balance sheet G/L account 246600 against tuition remission G/L account code 634700, to ensure that for every graduate student RA whose tuition was paid from G/L account 244600, there was an offsetting entry to charge the funding source for the RA's salary with tuition remission at the appropriate average rate for the year. Since this methodology assumes an average rate basis, we would not expect an exact match at the student level. Expected, reasonable variances between G/L account code 244600 and 634700 at year end will be accounted for by either an increase or a decrease in the ARB rate for the following academic year. For example, if, based on the ARB methodology, tuition remission collected from

research projects is lower than that paid on behalf of the GSRA through G/L 244600, the subsequent year ARB rate would be increased by a percentage needed to collect the under recovery. If, on the other hand, tuition remission collected from research projects is *higher* than that paid, the subsequent year ARB rate would be *decreased* by a percentage needed to *pay back* the over recovery. This methodology has been approved by the Department of Health and Human Services.

Eligibility: Tuition Remission applies to Ph.D. Student research assistants funded through either institutional or external sponsors. *Excluded* are:

- Master's students
- Ph.D. Teaching and Graduate Assistants
- Students funded on non-compensatory fellowships, i.e. funded through any code bearing an '8' or a '2' as the third digit (xx8xxxx, xx2xxxx). Note that although this policy does not pertain to training grants or other fellowship funds, tuition may be charged to these funding sources through the Cost of Education Allowance or through a tuition scholarship.

Terminal Master's: If a GSRA terminates their PhD program in the middle of a semester, the student may continue at the discretion of the Principal Investigator working as an GSRA for the remainder of that semester only, in Job Code 1590 and with salary charged to G/L code 601200. Tuition remission will be assessed.

Procedure

1. For all PhD students working as research assistants, DGSA's should enter fund code 1001000 in the [Graduate School Student Funding \(GSSF\) Database](#) (a.k.a. the Web App) as the funding source for tuition remission. Exceptions to the general rule for tuition remission posting based on the average rate basis are outlined in Appendix A. All exceptions should be documented in the comments section of the Web App.
2. The actual funding source (institutional or sponsored) should be entered for the RA stipend. DGSA's are strongly encouraged to monitor graduate student compensation throughout the year. The Graduate School relies on accurate information from departments regarding how students are compensated for reporting and analytical needs, and to ensure accurate posting of tuition remission. The DGSA should be diligent in checking to make sure that actual student compensation is as intended.
3. Tuition Remission will be posted by The Graduate School Office of Budgets and Finance, to the student's Bursar account from balance sheet/account code 1001000-246600, through PeopleSoft.
4. Tuition Remission will be assessed on the actual research project or institutional fund supporting the RA based on a percentage of the RA salary charged to G/L account codes 601200 and 600800. The percentage for AY2015-16 will be 33.9 percent.
5. The ARB percentage will be calculated by TGS at the beginning of the University's annual budget process, by dividing total actual tuition remission paid on behalf of PhD students by total RA salary dollars charged to these two general ledger account codes, for the most recently completed academic year. For example, the ARB rate for AY2016-17 will be calculated in or around October 2015 using actual tuition remission and salary dollars, for AY2014-15. Any variance between actual tuition remission paid on behalf of

RAs and tuition remission collected on research projects will be reflected in an adjustment to the subsequent year's rate, as explained above in the section titled ***Tuition Remission Posting***.

6. All Ph.D. Research Assistant (Job Classification 1590) iForms (with the exception of personal data changes) will be routed through the Graduate School Office of Budgets & Finance for approval in order to verify and ensure compliance with the Tuition Remission Policy, specifically that:
 - The appropriate general ledger account code is used (601200 and/or 600800 for cost sharing).
 - Tuition remission is entered in the Web App on fund code 1001000.
 - Salary funding source is appropriately entered in the Web App
 - Split coding of tuition remission that would be required when a student's salary is split between RA and other types of employment is accurately reflected in the Web App. See exception #3 under Appendix A.
 - Exceptions to the policy (as outlined in Appendix A) are clearly documented in the comments section of the Web App.
7. Any adjustment or correction to Tuition Remission must be submitted, with detailed comments, through the GSSF Web App. Note that adjustments to tuition remission are not necessary when moving students from one research funding source to another since that we be accommodated through the monthly tuition remission posting mechanism. Adjustments and/or corrections to tuition remission may be required when moving students on or off research assistant appointments or for other exceptional circumstances. Manual adjustments initiated via journal voucher (JVs) submitted through the General Ledger, intended to correct/adjust Tuition Remission are not permitted unless initiated by the Office of Sponsored Programs.
8. If a funding source, institutional or restricted, is not financially able to support tuition remission, or the PI chooses to pay tuition remission from an alternate institutional source, all or part of the tuition remission should be cost shared via journal voucher by crediting G/L account code 808300 on the research project charged tuition remission and debiting the funding source using the same (808300) G/L account on the institutional fund that the PI wishes to pay the tuition remission.

Related Links:

[Revised: Ruth L. Kirschstein National Research Service Award \(NRSA\) Stipends, Tuition/Fees and Other Budgetary Levels Effective for Fiscal Year 2016](#)

[GAP 200.140, Cost Sharing on Sponsored Projects](#)

[GAP 200.310A, Compensation of Graduate Students on Sponsored Research Projects](#)

[General Ledger Account Definitions: 60xxxx: Payroll Costs](#)

[General Ledger Account Definitions: 63xxxx: Scholarship, Fellowship and Tuition Remission](#)

Appendix A
Tuition Remission Exceptions

Exception	Rule
1. Sponsor does not allow tuition remission	Sponsors who do not allow tuition remission will be identified by a table to be maintained in the Office of Sponsored Programs. Tuition remission will not be assessed on RA salaries charged to these excluded sponsors funding sources, and should not be charged to 1001000. DGSAs will provide via the Web App an alternative, institutional funding source to charge tuition remission. Each month a report will be provided to The Graduate School listing all salaries charged to general ledger account code 601200 that were not assessed tuition remission due to sponsor prohibition or other restrictions.
2. Sponsor generally allows tuition remission but individual project does not.	Tuition remission will be applied to RA salaries charged to these sponsors funding sources. OSP will, once identified and via JV transfer, reverse the automated tuition remission assessment. DGSAs will provide via the Web App an alternative, institutional funding source to charge tuition remission.
3. Student is working concurrently as both an RA and a TA and salary is split coded.	Tuition remission should be prorated accordingly between 1001000 (percent RA) and the tuition scholarship fund code for the appropriate school. This will ensure that research grants are not bearing the full burden of the tuition remission for students who are not working full time as RAs. Example: Biology student working as a TA /RA for the Fall 2015 semester. Monthly salary = \$2,447.78; TA (601400) = \$1,500 (61%); RA (601200) = \$947.78 (39%). Tuition remission = \$3,290; A&S tuition scholarship code 1689142 = \$2,007 (61%); 1001000 = \$1,283 (39%).
4. Student is working 100 percent as an RA but terminates his assistantship prior to the end of the semester due to graduation or discontinuation.	Tuition remission should be charged 100 percent to 1001000 on the basis that students are required to pay tuition for the entire semester even if their assistantship is terminated early in the semester. This will create an imbalance in the reconciliation process that will be adjusted in the average rate basis calculation the following year. Example: Student completes dissertation in March 2015 and will graduate in May 2015, but terminates assistantship after dissertation completion. Tuition remission charged to 1001000 = \$3,290; Tuition remission assessed on research project = \$2,515.38. (3 months' salary @ \$2,473.33 per month x 33.9% = \$2,515.38.) The \$774.62 difference between

Exception		Rule
		the actual tuition remission and the 'assessed' tuition remission will be corrected for in the average rate basis the following fiscal year.
5.	Students who are paid a supplement to work as a research assistant on a specific project for a limited time period during a semester.	Tuition remission will be assessed on all PhD RA salaries, including students paid on general ledger code 601200 for incremental RA work on separately designated research projects. This will ensure that total RA compensation (salary plus fringe benefits plus tuition remission) is appropriately allocated to all research assistant effort. This will create an imbalance in the reconciliation process that will be adjusted in the average rate basis calculation the following year.
6.	Student's tuition is already paid by another external source (i.e. military scholarship, foreign government	Tuition funding source should be identified in the Web App and should not be charged to 1001000. Tuition remission will be applied to RA salaries and OSP and/or TGS will reverse the entry via JV.

Appendix B

Fund, Job and Account Code Alignment for Ph.D. students

Fund Group	Job Classification (Code)	Salary/ Stipend G/L Code	Tuition G/L Code (undesignated)
xx1-xxxx: Instruction and Departmental Research and xx9-xxxx: Special Programs	Graduate Assistant (1502) and Teaching Assistant (1594)	6014	6340
	Research Assistant (1590)	6012	6347
RA: xx3-xxxx TA: xx1-xxxx	Research Assistant/Teaching Assistant Simultaneously (1590)	Split coded RA – 6012 TA - 6014	RA: 6347 TA: 6340
xx2-xxxx: Training Programs ¹	Fellowship (Non-comp payroll)	6343/6348	6340/6346
	Graduate Assistant (1502)	6014	6340
xx3-xxxx: Separately Budgeted and Sponsored Research	Research Assistant, Ph.D. Student (1590)	6012	6347
xx8-xxxx: Student Aid	Fellowship (non-comp payroll)	6343/6348	6340/6346
	Graduate Assistant (1502)	6014	6340

¹ Stipends for students funded by Training Programs (xx2-xxxx funds) and/or Student Aid (xx8-xxxx) should be paid non-compensatory fellowships unless the budget specifically provides for compensatory service. Job code 1502 and GL 601400 should be used in this situation.