

Procedures for Direct Charging GRA's Tuition to Grants and Contracts

Office of Projects and Grants
Columbia University

COLUMBIA UNIVERSITY INTERDEPARTMENTAL MEMORANDUM

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To: Deans of Faculties, Vice President for Arts and Sciences, Vice Provost for the Earth Institute and Director, Lamont-Doherty Earth Observatory Departmental Chairs

From: Stephen Rittenberg, Vice Provost

Subject: Graduate Research Assistants Outside of the Health

With the 1998-99 academic year, the University will complete the transition to direct funding of the tuition of student officers of instruction and research, as required by the federal Office of Management and Budget. As of this year, we may no longer charge the tuition of any student officers to the fringe pool. With your assistance and patience, we implemented the OMB's ruling last year for student officers other than Graduate Research Assistants. I am writing to you today to describe how we will handle GRAs and, in particular, the process by which we will charge a portion of their tuition to grants and contracts.

The amount of GRA tuition that can be charged to a grant or contract will be governed by the recommendations of the advisory committee of faculty and administrators that developed our new system of funding student officers, with the following exceptions. Grants from the National Institutes of Health will be charged with a lesser amount due to the \$23,000 compensation cap the agency has imposed on the awards it makes for GRAs, including their tuition. In addition, a few agencies, such as the American Cancer Society and the March of Dimes Birth Defects Foundation, do not fund any tuition.

In 1998-99, a non-NIH grant or contract will be responsible for up to \$11,850 of the tuition of a GRA, depending upon the percentage of the student's salary it funds. The maximum that will be charged to NIH grants assigned by FAS to departments outside of the Health Sciences will be \$5,500. The maximum amount of tuition that can be charged to grants and contracts will be adjusted each year and communicated to you and your principal investigators by the Office of Projects and Grants. Questions concerning the budgeting of tuition on grants and contracts should be directed to that office as well.

The new procedures are designed to permit the automated charging of the appropriate amount of a GRA's tuition to a grant or contract. Those charges will be made on the basis of the information you submit on the student's SAF or through FFE, using the following principles:

1. The allocation of tuition will be determined exclusively by the salary charged to accounts using the Payroll subcode for GRAs, 1331. Salary paid from other subcodes will have no effect on where a GRA's tuition is charged.

2. Between September and May, one-ninth of the allowable tuition will be charged each month during which the GRA is paid from subcode 1331. No tuition will be charged to grants and contracts in June, July and August, even if the student holds a GRA appointment during those months.
3. Any salary paid from subcode 1331 between September and May will result in tuition charges.
4. There will be no proration in cases when a GRA is paid on subcode 1331 for only a portion of a month between September and May. The full one-ninth will be charged out to the appropriate funding sources.
5. While the allowable tuition will be charged out in monthly increments, grants and contracts will be encumbered for the remaining amounts they will eventually pay, in the same manner as salary encumbrances.
6. The tuition recovered from a grant or contract will be credited to the department to which the account has been assigned in FAS.
7. In keeping with federal cost accounting principles, the maximum allowable tuition will be split among the accounts supporting a GRA in exact proportion to their percentage of the student's salary charged to subcode 1331.
8. If there are retroactive salary transfers involving subcode 1331 between September and May, they will generate automatic adjustments in the tuition charges and encumbrances.

Subcode 1331 may be used only for the base salary of a student holding an appointment as a GRA in the Personnel Information System. Additionally, the student's base salary, as recorded on the PAF, must equal or exceed the monthly minimum specified in the Provost's guidelines for student officers, which for 1998-99 is \$1,340. Each month, Payroll will distribute reports on the GRAs whose salaries do not meet that minimum to their administrative departments, with a copy to Pearl Spiro in my office. You will be expected to adjust retroactively the salary of anyone on those lists up to the Provost's minimum by the next monthly payroll. Otherwise, PIS will terminate the GRA appointment; Payroll will stop the student's salary; and the tuition charge will not be allocated to the appropriate grants and contracts.

While there will be some differences in the amounts of the GRA's tuition charged to grants and contracts, depending upon the funding agency, the procedures by which those charges will be made will be the same. To help you understand how the new procedures will work and how the tuition charges will be processed through your accounts, we have prepared three tables which are attached to this memorandum. Also attached are several examples of how the tuition charges and encumbrances will be reflected in the monthly statements of a grant or contract.

When a GRA registers at the start of a term, the student's SIS account will be charged for the tuition, and the tuition revenue account of the school of enrollment will be credited with the full amount. The amount due in students' SIS accounts will be relieved by the schools processing financial aid transactions, using the same forms and screens currently employed for that purpose. Those expenses should be transferred to departmental or school accounts.

The maximum amount of tuition that can be charged to any grant or contract (\$11,850 in 1998-99) should be charged to a tuition recovery account designated by the dean's office of the school funding the student, regardless of the GRA's funding source, using subcode 5211. In the Arts and Sciences and the School of Engineering, separate accounts for this purpose have been established for each department and some research centers which funded GRAs during 1997-98. To determine if a center will have such an account, its financial officer should contact the appropriate dean's office. Any unit that did not have GRAs during 1997-98 will need to contact Associate Controller Richard Ruttenberg to set up tuition recovery accounts before it can make appointments to that rank.

The schools should charge the portion of the GRA's tuition in excess of the maximum amount that can be paid from grants and contracts to other school accounts, such as financial aid, as

determined by the dean's office of the school of enrollment. The disposition of those expenses will not be affected by the new procedures for charging tuition to grants and contracts.

Over the period from September to May, one-ninth of the permissible tuition of a GRA will be charged out each month to grants and contracts according to the rules described above, and the tuition expense in the recovery account of the unit funding the salary will be reduced by an equivalent amount. The charge to the grant or contract will appear under subcode 4866; the offsetting credit in the recovery account will be to subcode 7591. The total monthly credit to subcode 7591 will equal one-ninth of the maximum allowable on a non-NIH grant (\$11,850 for 1998-99) even if the GRA is supported by an agency that limits or does not pay for tuition. However, if the GRA is on NIH funding, only one-ninth of the amount chargeable to that agency (\$5,500 in departments outside of the Health Sciences) will be charged to the grant(s), using subcode 4866. The difference between that amount and one-ninth of the maximum allowable amount will be debited back to the tuition recovery account, using subcode 7592. In the case of GRAs supported by agencies that do not fund tuition, the entire one-ninth of the maximum allowable amount will be debited back to the recovery account, using subcode 7593. None will be charged to the grant or contract.

For a GRA funded for the full nine months from a non-NIH source that pays for tuition, the charge in the recovery account will be entirely cleared by the end of May, with the maximum allowable amount charged out to the appropriate sources funding the salary. This will not be the case for GRAs on NIH grants, due to the agency's funding cap. For GRAs supported by agencies that do not pay for tuition, the maximum allowable amount will remain in the recovery account. Finally, there also will be a balance remaining in the recovery account for any GRA, regardless of funding agency, whose appointment begins after the start of a term or ends before its completion. It will be the responsibility of the department or school to cover any balance in the tuition recovery account by the end of the fiscal year.

The new procedures will permit the automatic charging of tuition for most GRAs. You may, however, need to intervene manually in some cases. You should pay particular attention to any GRA who is enrolled in your school or department but funded from a grant or contract that is held in another, or the reverse. In such a case, one school or department could be charged for the tuition expense while the monthly recoveries from the grant or contract are credited to another. To avoid that situation, you should take care to instruct SIS to charge the GRA's tuition to the recovery account of the unit that should bear the expense. Otherwise, a manual entry will be necessary to transfer the expense between the recovery accounts of the two units. Regardless of how you decide to handle these cases, you should first consult with the appropriate dean or financial aid director in your school.

We will schedule a meeting in September to review the new process and answer any questions you may have about it. We will let you know the times and locations of those meetings as soon as they are set. If you should have any questions before then about the new procedures, you may contact Associate Controller Ruttenberg.

Let me thank you in advance for your cooperation in introducing the new procedures and once again express my appreciation for your part in the complicated task of changing how we fund our student officers of instruction and research.

cc: Departmental Administrators