

Use of Tuition Waivers as Cost Share

Background

Waived tuition, or tuition paid on behalf of a graduate student funded by a sponsored program, is allowable as cost share on federal grants, provided that the institution can properly track, document and report the amount of the waived tuition.

Grant Accounting Policy

It is the University's policy that tuition waivers provided to graduate students paid from a sponsored project may be used to meet the cost share requirements of that sponsored project only when the tuition waivers are necessary in order to meet the required cost share. Preference should be given to identifying sources for cost share other than tuition waivers.

Rationale

Accounting standards dictate that the University must provide assurances that the pricing of an item of cost share has been determined in a manner consistent with the capacity of the University's accounting system to accumulate and report expenditures incurred. Tuition waivers at SIUC are not provided as a cash transaction. That is, no funds are transferred from one budget purpose to another to cover the cost of the tuition. Instead, the University "waives" the collection of tuition. However, tuition waivers are tracked by student and reports can be generated by Financial Aid for reporting purposes.

The use of tuition waivers as match is subject to ambiguity because the amount of the waiver is not known until the student is hired as a GA. This makes use of tuition waivers as cost share uncertain. A sponsored project could be short on its cost share obligations if the tuition waiver provided to the GA is less than what was budgeted. Local departments would have to make up for any shortfall in cost share. For this reason, the use of tuition waivers should be limited to this situations where the required cost share cannot be found from other sources.