



To: Deans, Department Heads, and Directors

From: John J. Contreni, Interim Dean, Graduate School
Charles O. Rutledge, Interim Vice Provost for Research

Date: February 13, 2004

RE: Administration of Tuition and Fee Scholarships and use of Cost of Program Allowances

Changes to the administration of the Tuition and Fee Scholarships and use of Cost of Program Allowances (COPA) provided by some sponsors for fellowship recipients were approved by Provost Sally Mason and Executive Vice President and Treasurer Ken Burns in a memo dated August 12, 2002. This document summarizes how those changes will be implemented. Detailed implementation guidance is being sent to business offices.

Graduate Tuition and Fee (GT&F) Scholarships

- The Graduate School is managing all GT&F scholarships. The practice of allocating a certain number of GT&F scholarships to each of the Schools has been discontinued.
- All GT&F scholarships are being administered on the basis of dollars rather than a count of scholarships. For example, if a Federal sponsor provides only partial funding for the fellowship recipient's tuition and fees, the sponsor dollars will be applied first towards the recipient's tuition and fees and medical insurance with the balance funded from the Graduate School's GT&F scholarship budget.
- GT&F scholarships are provided without specific approval from the Graduate School for the following types of Fellowship awards:
 - Federally funded fellowship programs (NIH, NSF, DE, etc.) for tuition amounts in excess of the funds awarded that can be used for tuition and fees.
 - Institutional programs providing fellowship support (GEM, Fulbright, etc.) for tuition amounts in excess of the funds awarded that can be used for tuition and fees.
 - Graduate School fellowship initiatives (Andrews, Ross, Lynn, Special Initiative, etc.)

GT&F scholarships fund the cost of a significant portion of the general service fee and non-resident tuition. The GT&F scholarships do not fund the technology fee, the international student fee, or the differential fee charged to students by Schools charging a differential fee. The graduate student is generally responsible for the graduate appointment fee if COPA funds are not available.

Institutional Allowances/Cost of Program Allowances (COPA)

The University will utilize an institutional allowance or COPA provided by Federal or other sponsors of fellowships in the following order of preference:

1. Medical insurance for the fellow
2. Graduate appointment fee
3. Technology fee
4. International student fee (if applicable)
5. Tuition and other fees
6. Differential fees
7. Other educational costs of the recipient such as books, supplies, and/or travel as long as these costs are consistent with the sponsor guidelines for administration of the fellowship.

Transition to New GT&F Scholarship and COPA Guidelines

- Effective immediately, all proposals submitted for fellowship support should follow these guidelines.
- All previously submitted proposals that are awarded will be reviewed to determine the commitments made against an institutional allowance provided by the sponsor. Any uncommitted institutional allowance will be used to defray a portion of the tuition and fees as described above.
- Fiscal year 2003-04 is a transitional year in moving to the full implementation of these new policies. Existing fellowship awards will continue as planned for the 2003-04 fiscal year. By July 1, 2004, all fellowships will be subject to these guidelines, regardless of past practice.

If you have any questions, please contact the Graduate School, Sponsored Program Services, or your Business Manager.

Cc: Departmental and program graduate contacts
Departmental business offices

Tuition and Fee Scholarships and Institutional Allowances for Fellowships

Implementation Guidelines for Business Offices

Updated November 11, 2004

The purpose of this document is to outline approved changes in the administration of tuition and fee scholarships and institutional allowances for graduate fellowships, explain the impact of these changes on budgeting and cost sharing on fellowship proposals, outline the transition plan and timeline for these new administrative processes, and describe the impact on current fellowship awards.

I. Changes in Practice

Changes to the administration of the Graduate Tuition and Fee program and institutional or cost of program allowance (COPA) provided to university fellowships were approved by Provost Mason and Vice President Burns in a memo dated August 12, 2002.

In summary these changes are:

- The Graduate Tuition and Fee (GT&F) program will be administered on the basis of dollars in the approved University expenditure budget rather than the count of scholarships.
- All GT&F scholarships will be managed by the Graduate School and applied to specific categories of eligible fellowships. The practice of allocating a certain number of GT&F scholarships to each of the Schools has been discontinued.
- Institutional allowances or COPA funds provided in fellowships will be utilized to offset the cost of tuition and fees after the cost of student insurance and other student fees has been covered.

The implementation of these changes is described in detail in this document.

II. Graduate Tuition and Fee Scholarships

Tuition and fee scholarships fund the cost of most resident fees and non-resident tuition normally charged to a fellow. The scholarship does not fund a portion of the general service fee, the technology fee, the international student fee, the graduate appointment fee, or the differential fee charged to students by specific schools (e.g. School of Management, Schools of Engineering).

Tuition and fee scholarships are approved and administered by the Dean of the Graduate School. Fellowships eligible for tuition and fee scholarships fall into three categories:

1. Federally funded fellowship programs (NIH, NSF, DE etc.) for tuition in excess of the COPA awarded by the sponsor after the cost of student fees and insurance is funded. A hierarchy of costs to be applied to COPA funds is provided later in this document.
2. Institutional commitments (e.g. GEM and Fulbright fellowship programs)
3. Graduate School initiatives (e.g. Andrews, Ross, Lynn, Purdue, Special Initiative fellowship programs)

Any questions about a specific fellowship program should be directed to Ms. Cyndi Lynch, Director of Fellowships and Professional Development, Graduate School Administration, clynch@purdue.edu, (765) 494-2598.

Please note there are also some federal training grant programs (NSF and NIH), which provide institutional allowances and receive tuition and fee scholarships. Such programs should also follow the processes outlined in this document.

III. Proposals Requesting Fellowship Support

Tuition and fee scholarships for fellowships outlined in Section II will not require approval from the Graduate School at the time of proposal submission.

Tuition and fee scholarships will no longer be automatically provided to non-federal (industrial, foundation, donor) or departmental fellowships. When requesting funds from industry, foundations, or donors to sponsor fellowships, the cost of tuition and fees should be included as part of the request. Fellowships provided from these sources that do not include funding to cover the full cost of tuition will require one of the following prior to submission of a proposal:

- a) A cost sharing commitment (form 32) from the department to fund the tuition and fees.
- b) Written approval from the Graduate School for a tuition and fee scholarship (requests will be considered based on level of competitiveness of the fellowship program and availability of funds).
- c) Alternatively proposing the funding as a scholarship to be administered through the Division of Financial Aid.

The cost sharing form 32 can be found at <http://www.adpc.purdue.edu/SPS/index.html> (Forms link).

IV. Fellowships Not the Result of a Proposal

If a fellowship award is received and is not the result of a proposal submitted through Sponsored Program Services, and the fellowship does not provide for the full cost of tuition and fees, the department or school should contact the Graduate School who can advise as to the best approach for meeting the sponsor's intent and university guidelines

for fellowships. The Graduate School will work in conjunction with SPS on resolving these award situations.

The use of .25 FTE employment for students also receiving fellowship support should not be used for the sole purpose of the tuition remission benefit provided to graduate employees. The Office of Budget and Fiscal Planning will monitor use of the .25 FTE appointments closely.

Effective immediately, all proposals/requests for fellowship funding must follow the guidelines provided above. Current fellowship awards and outstanding requests for fellowship funding will be handled as described later in this document.

V. Tuition and Fee Scholarships as Cost Sharing

Departments are encouraged to show the value of the tuition and fee scholarship as institutional cost sharing on fellowships when tuition and fee scholarships are provided. The value of the tuition and fee scholarship for the purposes of memo match cost sharing can be determined by using the resident fees and non-resident tuition rates found at the Budget and Fiscal Planning website:

<http://www.adpc.purdue.edu/Budgetfp/pdffiles/fees0304.pdf>

The value of the Tuition and Fee Scholarship is computed as follows:

The General Service Fee – the Graduate Appointment Fee + Non Resident Tuition = Value of a Tuition and Fee Waiver for a Semester (Fall or Spring). To compute an annual amount you would take this figure times 2.5.

So for a new non-resident student in the Fall of 2004, the calculation is:

General Service Fee \$2,981.10 - the Graduate Appointment Fee \$522 + Non Resident Tuition \$6,304 = Value of a Tuition and Fee Waiver for a Semester \$8,763.10 or \$21,907.75 for the year.

The value of the tuition and fee scholarship shown as cost sharing must be reduced by the amount of the sponsor provided institutional allowance (COPA) that will be used to fund tuition and fees (as described in Section VI.)

VI. Institutional or Cost of Program Allowances

Awards made as a result of proposals after the issuance of this document will utilize the sponsor funded institutional allowance to fund a part or all of tuition and fee costs for the fellow. The first use of the institutional allowance funds will be for graduate medical insurance and student fees according to the following hierarchy:

1. Medical insurance for the fellow
2. Graduate appointment fee

3. Technology fee
4. International student fee (if applicable)
5. Tuition and other fees
6. Differential fees
7. Other educational costs of the recipient such as books, supplies, and/or travel as long as these costs are consistent with the sponsor guidelines for administration of the fellowship.

An annual example using an international Engineering fellow and the Department of Education institutional allowance is as follows (all rates are 2004-05):

Institutional allowance	\$11,511
Less:	
Medical insurance Supplement	\$ 749.00
Graduate Appointment Fee (\$522 * 2.5)	\$ 1,305.00
Technology Fee (\$64.90 * 2.5)	\$ 162.25
International Student Fee (\$50 * 3)	<u>\$ 150.00</u>
Total COPA used for medical insurance and student fees ^(A)	\$ 2,366.25
Balance of COPA available for T&F ^(B) (i.e. non-resident tuition and resident fees)	\$ 9,144.75
Value of T&F Waiver ^(C)	\$21,907.75
Amount of T&F scholarship provided by the Graduate School	\$12,763

Once the cost of medical insurance and student fees is satisfied, the remaining institutional allowance will be applied to the fellow's tuition and fees. Any institutional allowance remaining after the insurance, fees and tuition have been satisfied can be used for other costs of the fellowship (e.g. supplies or travel) as long as such costs are consistent with the sponsor guidelines for administration of the fellowship.

When all or a portion of the tuition and fees are paid via a tuition and fee scholarship the full value of the scholarship ^(C) will be charged to the Tuition and Fee Scholarship general fund account administered by the graduate school. This charging occurs each semester through the identification of the tuition and fee scholarship on the form 90 and the processing of the student fee charges by the Bursar. Sponsored Program Services, in coordination with the Graduate School, will maintain a database of COPA bearing fellowships and the amount of COPA available to be applied to the cost of the T&F scholarship. The available COPA ^(B) will be charged to the fellowship account and credited to the Tuition and Fee scholarship account each semester by a journal voucher prepared by SPS. The COPA to be applied to medical insurance and student fees ^(A) will remain in the fellowship account. The Bursar will charge the student fees directly to the fellowship account or other account if appropriate, as indicated on the form 90. The

medical insurance will be charged to the fellowship account or included in the stipend as per current practices.

VII. Transition to New GT&F Waiver and COPA Process

Fiscal year 2003-04 is a transitional year in moving to the full implementation of these new policies. By July 1, 2004, all fellowships will be subject to these guidelines, regardless of past practice.

From this point forward, all new fellowship awards (from previously submitted proposals) will be reviewed to determine what commitments were made against any institutional allowance provided by the sponsor. Any uncommitted institutional allowance will be used to defray a portion of the tuition and fees as described earlier.

Effective immediately, all new proposals for fellowship support should show graduate medical insurance, applicable student fees and tuition and fees as costs against the institutional allowance. Any remaining institutional allowance may be budgeted in accordance with sponsor guidelines for these funds. Tuition and fees should be budgeted at the out-of-state rate, unless an in-state fellow is definitely known to be the recipient of the fellowship at the time the proposal is prepared.

The Graduate School conducted a review of all current fellowships to determine those which fall in one of the three categories listed in Section II. and to identify those which are outside of these categories that will no longer have a tuition and fee scholarship provided. A listing of fellowships that are no longer eligible for a tuition and fee scholarships, and are not fully costed, has been provided to each school.

Sponsored Program Services will conduct a review of all currently awarded fellowships at project closing to determine if unexpended, uncommitted institutional allowances exist within the program that could be applied to the cost of tuition and fees. SPS staff will be in contact with departments in making this determination.

VIII. Special Considerations for the GAANN Program

The Department of Education fellowship program for Graduate Assistance in Areas of National Need (GAANN) requires a 25% institutional cost share on the DE award. Historically, this has been met by the assignment of the value of the tuition and fee scholarship as the cost sharing. Under the guidelines for tuition and fee scholarships above, GAANN fellowships would still continue to receive a tuition and fee scholarship. However, with the change in administration of the COPA provided on the GAANN fellowships, a lesser amount of tuition and fees will be paid from University funds, and therefore, a lower amount available to be shown as cost sharing.

Using the example in Section VI, under past practice, the cost sharing would be shown as the entire value of the tuition and fee scholarship, i.e. \$21,907.75. The GAANN award per student for 04-05 is \$30,000 stipend and \$11,511 or total award of \$41,511, resulting in a cost sharing percentage of total award of 67%. Under the new guidelines, the cost sharing would be the value of all tuition and fees \$24,124 (the sum of Fall \$8,763.10,

Spring \$8,763.10, Summer \$4,381.55 T&F, Technology Fee \$162.25, Med Insurance \$749, and Graduate Appointment fee \$1,305) less COPA available of \$11,511 or \$12,613, resulting in a cost sharing percentage of total award of 30%. In most cases, the remaining value of the tuition and fee scholarship will be sufficient to meet the GAANN cost sharing requirement. If it is not, departments or schools would need to commit additional funds to meet this matching requirement. A spreadsheet is available from SPS to assist with budgeting GAANN fellowship proposals.