

# Standard Operating Practice – ECU Student Financial Services

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## 2005.001 Faculty/Staff Tuition and Fee Waiver

Authority: NC §116-143

History: First Issued: 07/26/2006  
Revision History: 08/10/2006  
04/09/2009 Eliminated SSN/Added Banner ID  
08/06/2009 Changed from 3 to 2 classes  
12/13/2010 Added Reference to §127

Related Policy: N/A

Additional References: The UNC Policy Manual 1000.2.2

**I. Purpose:** North Carolina General Statute section 116-143 and Administrative Memorandum #92 authorizes the Board of Governors to provide a waiver of tuition and fees for faculty and staff under certain conditions. The UNC System Board of Governors, Policies and Procedures, Section 1000.2.2, has adopted regulations to implement the waiving of tuition and fees for qualified faculty and staff.

### II. Policy Statement:

- ❖ **Eligibility:** Any permanent SPA, CSS, or EPA employee of any of the institutions listed below working 30 or more hours per week is eligible for this waiver.
  - ✓ East Carolina University
  - ✓ Any constituent institution of the University of North Carolina,
  - ✓ The North Carolina School of Science and Mathematics
  - ✓ The University of North Carolina Hospitals at Chapel Hill
  - ✓ Military personnel assigned to ROTC programs while under ordersPermanent employment status must be achieved within the first five days of class beginning with the first published day of class per the University's Academic Calendar. Employees in temporary or probationary status are not eligible for this program. Employees seeking enrollment must be academically eligible for the course. Tuition/Fee Waivers will be granted based on space availability in the course.
- ❖ **Courses Covered:** An eligible employee is allowed to take a total of two credit-bearing classes each academic year (fall, spring, summer I, 11 week and summer II) without being charged tuition and required fees (university fees, educational and technical fees, and health service fees.) If additional courses are taken, the student will be charged for additional courses at the appropriate level of block hour billing. Remedial math classes are taught on a contractual basis between ECU and Pitt Community College; therefore, the special fee for these classes is not subject to the waiver. Summer Study Abroad programs are excluded from waiver eligibility.
- ❖ **Amount Eligible for Waiver:** Tuition and Fee amounts subject to waiver include only resident and non-resident tuition, and required fees. Tuition and Fee amounts are published on the Cashier's web page on a term by term basis. The waiver of required fees does not

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include charges such as audit fees, application fees, enrollment fees, late registration fees, processing fees, textbooks and supplies or other university approved fees. Waivers cannot be applied to Special Course Fees such as music, nursing, clinical assessment, and other fees associated with Exercise and Sports Science (EXSS) classes. These fees are solely the responsibility of the student.

- The employee is responsible for additional costs incurred for enrolling in additional classes.
  - Lecture and labs are considered two distinct courses as long as the lecture and lab can be taken separate and apart and results in the use of two waivers. If the lecture and lab cannot be taken separate and apart, then only one waiver is used.
  - When there is a conflict between the waiver request and block hour billing, the cashier office will contact the student to resolve the issue.
  - Amounts within block hours are not pro-rated.
  - Amounts credited to a student's account for a waiver(s) will be calculated based on the number of waivers requested on the waiver form.
  - Employees, like all other students, will be charged the university's current processing fee related to withdrawals effective November 1, 2006.
- ❖ Course Scheduling: An eligible employee utilizing a faculty/staff tuition and fee waiver should make every effort to enroll in courses offered during non-business work hours. If a course is taken during business/working hours, employees will be required to use annual leave or adjust their work schedule. The Department Head shall bear responsibility for ensuring that the employee completes the full schedule of work encompassed by his/her normal employment obligations. So SPA and CSS employees must complete the section of the waiver form concerning work and class schedules and obtain their Department Head's signature on the waiver form.
- ❖ Completing a Waiver Form: An ECU employee can obtain a Faculty/Staff Tuition Waiver form (P-50A) from the Department of Human Resources or from the Cashier's web page. Employees of other UNC constituent institutions as outlined in the Eligibility section should complete the waiver document required by their home institution and submit it to ECU's cashier office. Once completed, the form must be reviewed and signed by the Department Head. In effect, the Department Head signs in two capacities: approving an adjusted work schedule and approving use of the waiver.

Employees should follow the guidance listed below when making changes to their class schedule after submission of a waiver form:

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- ✓ If the employee adds a second class to his/her schedule or changes the original requested class, please complete an additional waiver form, secure appropriate approvals and submit the form to the cashier office by the last published date for schedule changes.
  - ✓ If the employee withdraws during the first five days of class, the waiver(s) is not counted as used. If the employee withdraws on/or after the sixth day of class, the waiver is counted as used unless the employee wishes to pay the tuition and fee charges based on the University's graduate refund schedule.
- ❖ **Submitting a Waiver Form:** The completed and signed form must be delivered to the ECU Cashier Office – G120 Old Cafeteria Complex - on or before the published "last day for schedule changes" per the University's academic calendar. No waivers will be considered after this date.
  - ❖ **Late Fee Assessment and Schedule Cancellation:** The late fee and schedule cancellation deadlines for each semester do apply to faculty/staff members who have not made sufficient payment on their student account. Sufficient payment is defined as payment in full, faculty/staff waiver that covers the entire balance on account, authorized and/or memo financial aid, and/or enrollment the Faculty/Staff payment plan.
  - ❖ **Waiver Reporting:** Waivers are generally reportable either as income or as a reduction to qualified tuition on the employee's Form W-2 or 1098T respectively. The employee's enrollment status as an undergraduate or graduate student determines the appropriate tax treatment for the waiver granted.

<b>Enrollment Status</b>	<b>Form</b>	<b>Tax Treatment</b>	<b>Reference</b>
<b>Undergraduate</b>	<b>1098-T</b>	<b>Reduction in qualified tuition</b>	<b>§117 (d), §6050S(b)(2)(B)</b>
<b>Graduate</b>	<b>W-2</b>	<b>Income \$5,250 exclusion*</b>	<b>§117 (d), IRS §127, IRS Publication 970</b>

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Depending on prevailing tax laws, the value of the tuition waiver at the graduate level may be excluded from income if the course is deemed to be job related. To meet the federal job relationship definition, the course must maintain or improve skills required for the job, or be required by the employer as a condition of continuing employment. If the course is needed by the employee in order to meet the minimum education requirements of the job, the job relationship definition for tax exclusion may not be used. It is the responsibility of the employee and supervisor to determine if the course is “job related” or “required for continued employment” and mark the appropriate box on the Tuition Waiver form.

**NOTE:** \*ECU’s Faculty/Staff Tuition Waiver program is a qualified educational assistance program; therefore, §127 allows for amounts up to \$5,250 - that would normally be taxable under §117(d) - to be excluded from W-2 reporting for graduate students. Any waiver benefits in excess of \$5,250 that are not job related are taxable and reportable on W-2 forms. Additionally, the value of any educational expenses (tuition and fees) paid by faculty/staff tuition and fee waiver cannot be used as the basis for any tax deduction or credit. So faculty/staff tuition waiver amounts will continue to be reported on 1098-T forms as a scholarship/grant.

- III. Distribution
  - Cashiers
  - Human Resources
  - University Cashier
  - Cashier Web Page
  - Student Accounting
  - Director, Student Financial Services
  - Payroll
  - Financial Services

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## Appendix A

### Article 14.

#### General Provisions as to Tuition and Fees in Certain State Institutions.

#### **§ 116-143. State-supported institutions of higher education required to charge tuition and fees.**

The Board of Governors of the University of North Carolina shall fix the tuition and fees, not inconsistent with actions of the General Assembly, at the institutions enumerated in G.S. 116-4 in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and maintenance; and each institution shall charge and collect from each student, at the beginning of each semester or quarter, tuition, fees, and an amount sufficient to pay other expenses for the term.

In the event that said students are unable to pay the cost of tuition and required academic fees as the same may become due, in cash, the said several boards of trustees are hereby authorized and empowered, in their discretion, to accept the obligation of the student or students together with such collateral or security as they may deem necessary and proper, it being the purpose of this Article that all students in State institutions of higher learning shall be required to pay tuition, and that free tuition is hereby abolished.

Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except when expressly authorized by statute or by the Board of Governors of the University of North Carolina; and, furthermore, it is hereby directed and required that all budgeted funds expended for scholarships of any type must be clearly identified in budget reports.

Notwithstanding the above provision relating to the abolition of free tuition, the Board of Governors of the University of North Carolina may, in its discretion, provide regulations under which a full-time faculty member of the rank of full-time instructor or above, and any full-time staff member of the University of North Carolina may during the period of normal employment enroll for not more than three courses per year in the University of North Carolina free of charge for tuition, provided such enrollment does not interfere with normal employment obligations and further provided that such enrollments are not counted for the purpose of receiving general fund appropriations. (1933, c. 320, s. 1; 1939, cc. 178, 253; 1949, c. 586; 1961, c. 833, s. 16.1; 1963, c. 448, s. 27.1; 1965, c. 903; 1971, c. 845, ss. 6, 10; c. 1086, s. 2; c. 1244, s. 12; 1973, c. 116, s. 1; 1977, c. 605; 1981, c. 859, s. 41.4.)

## Appendix B

The UNC Policy Manual  
1000.2.2.1[R]  
Adopted 10/22/77  
Amended 02/08/91  
Amended 12/01/99  
Amended 10/12/01  
Amended 08/16/06  
Amended 05/19/10

### **Regulations on Implementing Policy on Waiver of Tuition and Fees for**

#### **Faculty and Staff**

North Carolina General Statute § 116-143(d) provides for a waiver of tuition and fees for faculty and staff under certain conditions. The Board of Governors has delegated to the President the authority to issue regulations. The following regulations are adopted.

I. Definitions. With respect to the provisions of North Carolina General Statute § 116-143(d) the following terms are defined:

A. *Employing Institution.* Employing institution shall mean a constituent institution of the University of North Carolina which is the employer of record, including the North Carolina School of Science and Mathematics, the University of North Carolina Health Care System, and General Administration.

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B. *Enrolling Institution.* Enrolling institution shall mean a constituent institution of the University of North Carolina in which the employee is enrolled and receiving academic credit and to which tuition/fees would be paid if not covered under tuition/fee waiver.

C. *Employee.* Employee shall mean an individual who is either a faculty member or a staff employee, employed by an employing institution, who is eligible for participation in either the NC Teacher's and State Employees' Retirement System or the UNC Optional Retirement Program.<sup>[1]</sup> The terms "faculty member" and "staff employee" shall include:

1. Personnel of the United States armed forces during the time they are assigned under military orders to a Reserve Officer Training Corps (ROTC) program of a constituent institution of the University of North Carolina as a permanent change of station; and
2. Civilian personnel federally employed 30 or more hours per week on a continuing basis in a position adjunct to an ROTC program of a constituent institution of the University of North Carolina.

D. *Tuition.* Tuition shall mean the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered. Campus policy must specify under what circumstances, if any, an employee may receive a waiver for receipts-supported courses. Pursuant to North Carolina General Statute §116-143.1(m), an Employee of the University of North Carolina who is a legal resident of North Carolina qualifies as a resident for tuition purposes irrespective of the length of legal residency in the State.

E. *Fees.* Fees shall mean those student fees required for the course(s) in which the employee is enrolled. Campus policy must specify under what circumstances, if any, an employee may receive a waiver of fees.

F. *Period of Normal Employment.* Period of normal employment shall mean that period of time beginning with the effective date of permanent employment as defined in Section I.C. above, and ending with the effective date of discontinuation of employment.

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G. *Normal Employment Obligations.* Normal employment obligations shall mean those services that the employee is obligated to perform for the employing institution.

H. *Year.* Year unless otherwise specified, shall mean an academic year of fall semester, spring semester, and the summer sessions that follow.

## II. Limitations

Employees of an employing institution may, during the period of normal employment enroll in certain courses free of charge of tuition and fees, as described in this regulation, provided the enrollment does not interfere with normal employment obligations. The waiver of tuition for an employee shall be limited to the number of courses set out in Policy 1000.2.2. The waiver of fees for an employee may be limited according to institutional policy determined by the Board of Trustees of each employing institution. The employee must maintain Employee status, as defined above in Section I.C., during the duration of the course. Otherwise, the employee shall be responsible for payment of applicable tuition and fees. However, this payment requirement shall not apply to an employee who is eligible under this policy at the time of enrollment in a course and is later reduced in force (SPA) or separated for budgetary reasons (EPA) prior to completion of the course. This exception does not apply to the end of a time limited or term position.

## III. General Fund Appropriations

Tuition-waiver enrollment of an employee shall not be counted for the purpose of receiving general fund appropriations.

## IV. Employing Institution Responsibility

The President, the Chancellor, or his or her designee shall determine that enrollment in the course shall not interfere with the satisfactory performance of the employee's normal employment obligations.

## V. Enrolling Institution Responsibility

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The Chancellor of the enrolling institution or designee shall determine:

- A. The employee seeking to enroll under this regulation is academically eligible for admission to the institution; and
- B. Space is available for the employee's enrollment in the course.

### VI. Employee Responsibility

Prior to the commencement of a course for which tuition and/or fee waiver is requested, the employee shall:

- A. Complete the application form and obtain all required approvals from the employing institution and/or the enrolling institution according to procedures set forth by each institution, and;
- B. Deliver one copy of the completed and approved application to the proper authority of the employing institution. If enrolling in an institution other than the employing institution, the employee must provide an approved copy to the proper authority of the enrolling institution.

### VII. Campus Policies and Procedures

Each constituent institution shall establish policies and procedures, including any delegations of authority, consistent with these regulations and as necessary to implement the Policy on Waiver of Tuition and Fees. Each employing institution shall provide to the President or his or her designee, all policies and procedures established pursuant to the regulations.

### VIII. Taxability

Each constituent institution is responsible for ensuring that employees are informed about the possible taxability of courses and for appropriately withholding.

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[\[1\]](#) Employees are eligible for retirement system participation if they are employed on a recurring basis (permanent position) for 30 or more hours per week for nine or more months per calendar year.

**For Cashier Office Use Only**

Waivers Used to date : 1 2

Date Received : \_\_\_\_\_

Date Processed: \_\_\_\_\_

Dollar Amount: \$ \_\_\_\_\_

**EAST CAROLINA UNIVERSITY  
FACULTY/STAFF TUITION and FEE WAIVER**

Form P-50A

This section of the form must be completed by all employees requesting a tuition/fee waiver. Tuition/fee waivers are available to all permanent SPA, CSS or EPA employees working 30 hours or more per week. Employees must be academically eligible for the course. Tuition waivers will be granted on space availability in the course.

Full name \_\_\_\_\_ Banner ID # \_\_\_\_\_

Department \_\_\_\_\_ Office Telephone \_\_\_\_\_

Course Title(s) and Number(s) \_\_\_\_\_

Number of Waivers to be used this term \_\_\_\_\_ Term (ex - Fall 2009) \_\_\_\_\_

Employment Status: Full-Time \_\_\_\_\_ Part-Time \_\_\_\_\_ # hours worked per week \_\_\_\_\_

Institution offering course \_\_\_\_\_

Including the course(s) requested herein, waivers used this academic year (circle one): 1 2

- ✓ As a non-probationary employee of East Carolina University, I am requesting to take no more than two credit-bearing courses per academic year, tuition and fee free\*, with the understanding that they will not interfere with or conflict with the satisfactory performance of normal employment obligations. \*Applies only to required fees (university fees, education and technical fees, and health service fees.) Waivers cannot be used for Remedial Math classes.
- ✓ I understand that as a Graduate Student taking a Graduate Level Course(s), the tuition cost may be reported as supplemental income as part of my gross annual income.
- ✓ Males between the age of 18 and 26, by signing this form, are also certifying that they have registered for Selective Service (NCGS 143B-421.1)

**Applicant:** I have read the institutional policy regarding faculty/staff waivers and have completed this application fully and accurately to the best of my knowledge.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Submit completed form to ECU Cashier Office – G120 Old Cafeteria Complex

**DEPARTMENTAL CERTIFICATION and APPROVAL:**

PER THE DEFINITION OUTLINED IN THE POLICY STATEMENT, IS THE COURSE LISTED ABOVE DIRECTLY RELATED TO THE EMPLOYEE'S CURRENT JOB DUTIES? \_\_\_\_YES \_\_\_\_NO

PER THE DEFINITION OUTLINED IN THE POLICY STATEMENT, IS THE COURSE LISTED ABOVE REQUIRED TO MEET THE MINIMUM EDUCATION REQUIREMENTS FOR THE EMPLOYEE'S CURRENT POSITION? \_\_\_\_YES \_\_\_\_NO

Department Head Signature \_\_\_\_\_ Date \_\_\_\_\_

Employees who are subject to the State Personnel Act (SPA & CSS) must complete the class schedule, work schedule, and adjusted work schedule request sections of the waiver form.

**CLASS ATTENDANCE SCHEDULE: Specify class day(s) and time of class**

\_\_\_Monday \_\_\_Tuesday \_\_\_Wednesday \_\_\_Thursday \_\_\_Friday \_\_\_Saturday \_\_\_Sunday

From: \_\_\_\_\_ to \_\_\_\_\_

**EMPLOYEE'S REGULAR WORK SCHEDULE: Specify work day(s) and work hours**

\_\_\_Monday \_\_\_Tuesday \_\_\_Wednesday \_\_\_Thursday \_\_\_Friday \_\_\_Saturday \_\_\_Sunday

From: \_\_\_\_\_ to \_\_\_\_\_

Courses taken under a faculty/staff tuition/fee waiver must be scheduled on the employee's own time. If a course is taken during regular business hours, employees will be required to use annual leave or adjust their work schedule with the prior written approval of their Department Head.

**ADJUSTED WORK SCHEDULE REQUEST:**

**Note:** Complete the sections below only when the work schedule has been adjusted to take the aforementioned course(s).

Work Week	Hours Worked		Meal Period		Hours worked
	Begin	End	Begin	End	
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday					
Sunday					
			Workweek Totals		

**Applicant's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**APPROVAL OF ADJUSTED WORK SCHEDULE:**

**Department Head Signature** \_\_\_\_\_ **Date** \_\_\_\_\_