

I. PURPOSE

The SS2 electronic document is used to authorize a student's tuition and fee waivers to be charged to departmental accounts.

II. GLOSSARY

A. Tuition and fees

The state legislature and Board of Regents authorize tuition and fee charges and set the rates of each. Refer to the current General Information Bulletin for an explanation of tuition and fee rates and a description of what each fee covers.

Departments or outside agencies may pay for all or part of a student's tuition and fees. Departments may initiate a waiver/exemption with the SS2 document.

The source of funds (account) determines what portion of tuition and fees will be paid. For example, some 26 grant accounts can not be used to pay a student's optional fees.

B. Duties Required

Students receiving tuition remission are often working as a teaching assistant, research assistant or graduate research assistant. Generally, the funds to provide their tuition payments are not given for services rendered, but as a scholarship to benefit the student's education.

Some sources of funds require that services be rendered for the tuition payment. In particular, federal research projects require that to allow tuition payments, there must be an employee- employer relationship, and that the tuition and other payments are reasonable compensation for the work being done and are conditioned explicitly on the performance of the necessary work.

When new accounts are set up, the Office of Accounting will determine whether the account can be used to pay a scholarship or not. If the account can pay a scholarship, and that is the department's intention, the duties required switch should be marked as a 'N' for no. If the account cannot pay a scholarship, the students must be required to perform services to benefit the project. In these cases the document to authorize the tuition payment must have a 'Y' in the duties required field.

If the department chooses to require additional services for the tuition payment from an account that can pay a scholarship it will be necessary to contact the accountant responsible for the account and get the 1124 object code added to the allowable codes for that account. 1124 is used for taxable tuition remission which requires services be rendered. 1605 will be used if the payment is regarded as a scholarship where no services are required.

Some accounts allow 1124 object codes and others allow 1605. To find out whether the account you will pay with requires the student to perform duties and pay taxes to receive

the waiver, go to the GO7 command for your account. Check object codes allowed on the Journal (J) vouchers.

If the payment has been determined to be taxable, the amount of the tuition and fees will be paid through the first payroll after twelfth class day. The net amount of the payment will be applied to the tuition and fee bill. The amount not covered by this payment will be billed to the student after the payroll is processed. The payment will be due in ten days. A TEX loan will be available for this amount if a tuition loan has not already been taken for this semester.

Due to the tax consequences of these payments, corrections after the fact will be extremely difficult. Please do not use a taxable account and plan to change the payment to non-taxable. Once you have specified that services are required taxes will be withheld. VT6 corrections may not be made on these payments. It would be difficult to support a correction based on the fact that services were not required at the time payment was made, but were later required.

If duties are required, students not currently employed by The University should complete a PO8 form and return it to Payroll. Departments may purchase the PO8 forms from USMS or the student can pick one up at the Payroll office in the Main building, room 134. I-9 forms should be completed by the student and the department then forwarded to the Records section of The Office of Human Resources. If the student is a non-resident, a Payment Request form is required. If the student is a non-resident from a country that has a tax treaty with the U.S., the IRS form 8233, which can be purchased from USMS, must be completed to claim the treaty exemption from income tax withholding. The 8233 and attachments should be returned to the Payroll office. Attachments can be obtained from the Payroll office or the International Office.

C. A/R Codes

A/R codes are Account Receivable Codes used for student tuition waiver and exemption purposes. A/R Codes are set up by Special Tuition Billing in the Office of Accounting. These codes become part of the student's financial profile and are used to calculate deductions from the fee bill.

The A/R Codes are 3-character codes designating a unique combination of tuition and fees covered by a specific source. The source may be an outside agency such as the military, a private company, or a department account.

For each different combination of tuition and fees covered by an account or source there will be a different A/R Code. This means there may be several different A/R codes for one department account. Example:

| <u>A/R CODE</u> | <u>PURPOSE</u> |
|-----------------|---|
| K98 | account 19-0220-0171 covers only resident tuition and no fees |
| K99 | account 19-0220-0171 covers both resident and non-resident tuition and all required fees. |

D. 26 Account Information

The SS2 document will audit the account information before the creator can APPROVE the document. Some of the frequent 26-account problems are explained below.

SERVICE DATES - The service dates for a tuition/fee waiver is the first class date through the last class date of the semester. These are assigned automatically by the system when you specify the semester (YY) on the SS2 document. These dates must be entirely within the PROJECT period of the specific award. The project dates may be different than the account's funding period.

To find the ending of a project period for an account, use the CA3 command in *DEFINE. Type the budget group (first 8-digits of the account number) in the CA3 Account field. You will need to go to screen 2 of the CA3 command. If the project end date shown on the CA3 does NOT cover the semester for which you are creating the SS2 document, contact your accountant at 471-6231 for assistance. NOTE: The accountants cannot change the project period without prior approval from the Office of Sponsored Projects (OSP) or the sponsoring agency. For service date problems, contact OSP or your accountant for assistance.

E. SS2 Process Flow After the 12th Class Day

| From | To | Department Process | Accounting Process |
|---|---|---------------------------|---------------------------|
| Duties Not Required Object code 1605 | Duties Not Required Object code 1124 | | |
| One account | Different or more than one account | SSB | credit account on VJ1 |
| | | SS2 | debit account on VJ1 |

| From | To | Department Process | Accounting Process |
|---|---|---------------------------|---------------------------|
| Duties Not Required Object code 1605 | Duties Required Object code 1124 | | |
| | | SSB | Credit account on VJ1 |
| | | SS2 | Create OV8 |
| | | | Payroll processes debit |

| From | To | Department Process | Accounting Process |
|---|---|---------------------------|--|
| Duties Required Object code 1124 | Duties Not Required Object code 1605 | | |
| One account | Same account | SSB | Reverse tuition remission bill to student. Payroll process check cancellation - will update accounting at the end of the month when payroll closes. |
| | | SS2 | Create VJ1 to debit new account. |

| From Duties Required Object code 1124 | To Duties Required Object code 1124 | Department Process | Accounting Process |
|--|--|--|---------------------------|
| Change accounts with same amounts | | Send memo to Patty Marcum, Payroll, signed by authorized signer to transfer from one account to another. | |

| From Duties Required Object code 1124 | To Duties Required Object code 1124 | Department Process | Accounting Process |
|--|--|---------------------------|--|
| Student Drops courses | | | Reverse tuition remission bill to student. |
| | | | Payroll process check cancellation - will update accounting at the end of the month when Payroll closes. |
| | | | OV8 for reduced amount to Payroll. |
| Student adds courses | | | OV8 for increased amount. |

Before or After 12th Class Day

| Split Accounts | | Department Process | Accounting Process |
|-----------------------|--|---------------------------|---------------------------|
| Duties Required | | SS2 | |
| Duties Not Required | | SS1 | |