



University of Massachusetts - Amherst

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From: William Shea, Director of Financial and Cost Analysis
Date: February 10, 2002
Subject: Clarification Regarding the University of Massachusetts Amherst Graduate Student Curriculum Fee Waiver Charge

1. UMass provides a waiver of tuition and curriculum fees to all graduate student employees as part of their compensation for work performed at the University. For the portion of students' time paid by grants, contracts, and cooperative agreements, the curriculum fee waiver (and not the tuition waiver) portion of their compensation is charged to the awards. This charge is in full accordance with OMB Circular A-21 Section J.41:

J.41. Scholarships and student aid costs.

- a. Costs of scholarships, fellowships, and other programs of student aid are allowable only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsoring agency. ***However, tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that (1) there is a bona fide employer-employee relationship between the student and the institution for the work performed, (2) the tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work, and (3) it is the institution's practice to similarly compensate students in nonsponsored as well as sponsored activities.***
- b. Charges for tuition remission and other forms of compensation paid to students as, or in lieu of, salaries and wages shall be subject to the reporting requirements stipulated in Section J.8, and shall be treated as direct or F&A cost in accordance with the actual work being performed. *Tuition remission may be charged on an average rate basis.*

Because the process of charging individual waivers to grants is programmatically difficult, UMass calculates an average graduate student curriculum fee waiver per FTE amount to be charged. This average costing method of charging waivers is in full accordance with OMB Circular A-21 Section J.41.b above. The expense of the curriculum fee waivers for the portion of student time paid by the University is covered by UMass.

2. The UMass curriculum fee provides the financing of student instruction, research, public service, and the support thereof. The curriculum fees are utilized in the same way that other institutions utilize tuition. The total of UMass tuition and curriculum fees is comparable to and competitive with its peer state universities' tuition, and lower than the tuition of most private universities. They do not represent an additional charge above the expense of educational activities. It is also important to note that the University has elected to charge only the curriculum fee waiver to grants and not the tuition waiver.