

POLICY #: 274	TITLE: Tuition Assistance Reimbursement Policy
EFFECTIVE DATE: January 1, 2024	REVISED DATE: Revises 2018 Handbook provisions
MANAGED BY: Operations	APPLIES TO: Staff
APPROVED BY: President & CEO	SIGNATURE: <i>Gretchen Guess</i>
<p>PURPOSE:</p> <p>The purpose of the Rasmuson Foundation Tuition Assistance Reimbursement Program is to support the professional development and growth of our staff. This program is designed to assist eligible staff members in furthering their education, thereby enhancing their skills, knowledge and contributions to the Foundation’s mission.</p>	
<p>POLICY:</p> <p>The Foundation acknowledges the value of continued education and is committed to providing financial support to eligible staff members pursuing approved courses of study.</p> <p>Eligibility Full-time regular staff members are eligible to apply for tuition assistance reimbursement for courses that have been approved by the Foundation.</p> <p>Approved Educational Programs Tuition assistance will be provided for education through an accredited program that either offers growth in an area related to the staff member’s current position or will prepare them for future roles within the Foundation. This education may include college credit courses, seminars and certification tests and preparation courses that are job-related. Extracts from Internal Revenue Service (IRS) publications are appended to this policy for additional guidance.</p> <p>Minimum Grade Requirement For degree programs, a staff member must secure a passing grade of “C” or its equivalent or obtain a certification of completion for ungraded programs to receive any reimbursement. Expenses must be validated by receipts and a copy of the final grade or certification received. A pass/fail course is 100% reimbursable if passed successfully. If staff has experienced extenuating circumstances, staff may appeal to the President and Chief Executive Officer to seek reimbursement even if not obtaining a “C” or passing grade.</p> <p>Procedures To receive reimbursement for educational expenses, staff members should follow the procedures listed here:</p>	

- Prior to enrolling in an educational course, the staff member must provide their supervisor with information about the course for which reimbursement is sought and discuss the job-relatedness of the continuing education.
- A tuition reimbursement application should be completed by the staff member, and the appropriate signatures obtained.
- A copy of the tuition reimbursement application must be submitted to the Human Resources Staff prior to commencement of the course. Applications will be reviewed by Human Resources Staff to ensure compliance with IRS program guidelines.
- Human Resources staff will consult with the supervisor, and they will inform the employee if the application for reimbursement is approved or denied. If denied and the employee disagrees with the basis for the decision, the employee may appeal the decision through the supervisory chain up to the President and Chief Executive Officer.
- Approved applications will be maintained in an employee's personnel file, in accordance with the Foundation's file retention policies.

Reimbursement Process

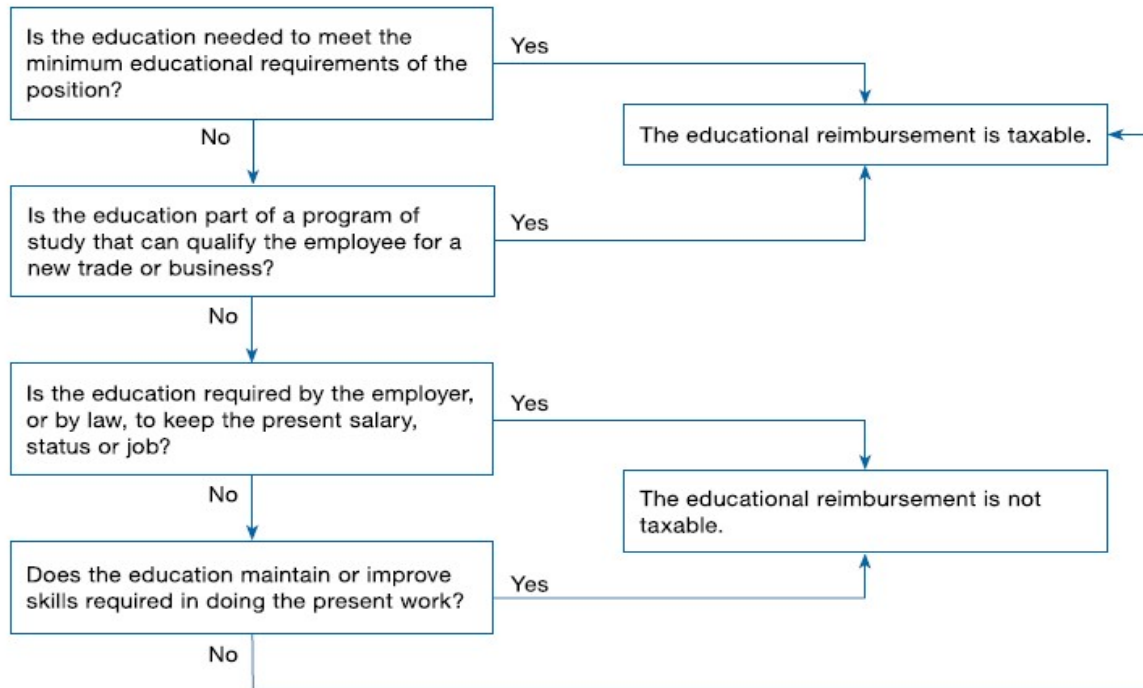
- Upon obtaining proof of payment to the education provider, staff must submit it for reimbursement to the Human Resources staff, which will in turn process for reimbursement if documentation is complete.
- Upon successful completion of the approved course, the staff member must submit proof of completion (e.g., official transcript, certificate) to the Human Resources staff within 30 days of completion.
- In the event an employee does not achieve at least a passing grade of "C" or its equivalent or obtain a certification of completion for ungraded programs, the Foundation may seek recovery of the tuition assistance provided. An employee may appeal a recovery of tuition assistance payments to the President and Chief Executive Officer to present extenuating circumstances.
- The Foundation will reimburse eligible staff members up to a maximum of \$5,000 per year. Note, the \$5,000 is cumulative for payments requested under this policy and the Professional Development Reimbursement policy.

* This policy is established in accordance with IRS Section 127, to ensure compliance with tax regulations. Note: Tuition assistance benefits may be considered taxable income. Staff members are encouraged to consult a tax advisor for guidance.

RELATED POLICIES: Professional Development

REVIEW PERIOD: This policy will be reviewed annually, or as necessary for needed revisions.

Working Condition Educational Fringe Benefit - General Guide



Qualified Educational Assistance (Section 127)

Under an educational assistance plan, an employer may exclude up to \$5,250 paid or incurred on behalf of an employee from the wages of each employee, if certain requirements are met. The education may be at undergraduate or graduate level and is not required to be job-related. IRC Section 127

The following requirements apply for a qualified educational assistance plan:

- The employer must have a written plan.
- The plan may not offer other benefits that can be selected instead of education.
- Assistance does not exceed \$5,250 per calendar year for all employers of the employee combined.
- The plan must not discriminate in favor of highly compensated employees (generally, for 2020, those receiving \$130,000 or more). IRC Sections 127(a)(2) and 127(b)(2); Notice 2019-59 for 2020

Eligible Employees

Individuals who may qualify for the Section 127 benefit include current and laid off employees, employees retired or on disability, and certain self-employed individuals. Spouses or dependents of employees are not eligible. Treas. Reg. Section 1.127-2(h)

Educational Expenses

Educational expenses include tuition, books, supplies and equipment necessary for class.

Educational expenses do not include tools or supplies that the employee may keep after the course is completed; education involving sports, games, hobbies (unless job-related), meals, lodging or transportation. IRC Section 127(c)(1)

Comparison of Code Sections Covering Educational Assistance

The following table is for quick reference. For more information, see the relevant IRC Sections or [Publication 970](#).

Feature	Section 127 Qualified Educational Assistance	Section 132(d) Working Condition Fringe	Section 117(d) Qualified Tuition Reduction
Written plan required	Yes	No	No
Undergraduate courses covered	Yes	Yes	Yes
Graduate courses covered	Yes	Yes	No*
Must be job-related	No	Yes	No
Courses qualifying employee for new trade or business covered	Yes	No	Yes
Courses needed to meet minimum job requirements covered	Yes	No	Yes
Can discriminate in favor of highly compensated employees	No	Yes	No
Dollar limitation	\$5,250	No	No
Definition of employee includes:			
Current employees	Yes	Yes	Yes
Family members	No	No	Yes
Laid-off employees	Yes	No	No
Employees retired or on disability	Yes	No	Yes
Independent contractors	No	Yes	No
Educational expenses covered:			
Tuition	Yes	Yes	Yes
Books, supplies, equipment	Yes	Yes	No
Tools or supplies employee may keep	No	No	No
Education involving sports, games, hobbies	No**	No**	Yes
Meals, lodging or transportation	No	Yes	No

* See text for exceptions

** Yes, if specifically job related

Note: These are general rules.






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Final Audit Report

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