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|  | <b>STANDARD OPERATING PROCEDURE</b><br>State Form 39870( R/ S- 06) | Reference Number<br><b>HMR-038</b>     |
|                                                                                   | Subject<br><b>Education Reimbursement</b>                          |                                        |
|                                                                                   | Special Instructions<br><b>NEW SOP</b>                             | Effective Date<br><b>March 7, 2022</b> |

## **I. PURPOSE**

To encourage all employees to grow personally and professionally through advanced academic or professional education, and to provide financial reimbursement for eligible education and tuition costs.

## **II. POLICY**

In order to strive to continue to provide a high level of service to the public, the Department recognizes the importance of investing in its employees to allow for advanced learning and development. Employees seeking to further their education may be eligible for reimbursement of up to \$5,250.00 per calendar year as outlined in this policy. This amount is subject to the availability of funds and is subject to change or cancellation without notification and shall not be construed as a contract of employment.

## **III. DEFINITIONS**

- A. **ELIGIBLE EMPLOYEE** - An employee of the Department that has been employed for at least 12 months prior to request for Education Reimbursement, follows the procedures outlined below, and is not otherwise ineligible under this policy.
- B. **INELIGIBLE EMPLOYEE** – An employee of the Department does not qualify for education reimbursement if:
1. The employee has not been employed for at least 12 months;
  2. The employee has been the subject of disciplinary action, as defined in Standard Operating Procedure IIS-001, in the one year prior to the end of the course\* for which they are seeking reimbursement; **and**
  3. The employee is the subject of a criminal investigation or indictment at the time of the request for Education Reimbursement.

\*NOTE – An employee that is currently the subject of an Internal Investigation is not disqualified from submitting a request for Education Reimbursement or receiving reimbursement until disciplinary action is taken.

- C. **NON-QUALIFYING EXPENSES** - Costs **not** eligible for reimbursement under this policy include any fees or other expenses not specifically for tuition or course fees; these may include, but are not limited to the following:
1. Application and enrollment fees
  2. Transcript fees

3. Textbooks and other course materials, whether physical or electronic
4. Pens, notebooks, pencils, and other office or school supplies
5. Personal computers or other electronic devices
6. Entrance exams or preparatory classes for an entrance exam (e.g., LSAT, GMAT, GRE, etc.)
7. Room and Board
8. Parking
9. Late fees, fines, penalties, bank charges
10. Equipment rental or charges
11. Fees for licensure\* or licensure exams

\*Note - Department or employee association fees, membership dues, or licensure expenses that may not be reimbursable under this policy may be eligible for payment or reimbursement may be submitted to the Fiscal Director for consideration.

D. QUALIFYING EDUCATION – Eligible courses include all core and elective courses required for completion of a certificate, state licensure, associate’s, bachelor’s, master’s, or doctoral degree program offered through, in, or associated with an accredited training or educational institution, school, or professional organization. This includes credit/no credit or pass/fail courses, refresher courses, or preparatory course work for licensure or certification when required for the completion of the program. No education reimbursement will be provided if the employee does not complete the course with a satisfactory grade of at least a “C” or above (or an equivalent “pass” grade)\*.

\*Note - Courses dropped after an official “drop/add” date are not eligible for reimbursement. No education reimbursement will be provided if a course is taken more than once, or an employee takes another attempt at a course previously reimbursed by the state. A course initially designated as “Incomplete” will not be considered complete until the final grade is issued.

#### E. QUALIFYING REIMBURSEMENT:

1. Employees may receive reimbursement up to \$5,250.00 per calendar year. Total reimbursement calculations are determined based on the reimbursement distribution date.
2. Eligible costs for reimbursement are limited to tuition and required course fees.
3. Employees interested in pursuing advanced academic or professional education are encouraged to file a FAFSA® as they may qualify for additional federal loans, grants, and other scholarships. Receiving education reimbursement under this policy does not prohibit an employee from filing a FAFSA® for additional federal aid.

4. Scholarship awards, grant funding, and financial assistance (including any applicable employee discounts), other than student loans, which can be applied to tuition or course fees, must be deducted from the total amount requested for reimbursement prior to consideration for payment, except as required by federal law or regulation. However, these funds can be applied first to non-eligible courses taken concurrently with the eligible courses at the same institution before being deducted from the total amount requested for reimbursement. Student loans, including Perkins and Stafford loans, do not need to be deducted from the total amount requested for reimbursement.

#### **IV. PROCEDURES**

##### **A. Applying for Education Reimbursement:**

1. Prior to applying for an Education Reimbursement, an employee should review this policy to ensure that they:
  - a. Are an eligible employee; and
  - b. Expenses that reimbursement is sought for are Qualifying Education and Qualifying Reimbursement as defined above.
2. An employee seeking education reimbursement must submit the following information on the form(s) prescribed at least 30 calendar days prior to the end of the course:
  - a. An Education Reimbursement Application with employee information, course start date/anticipated end date, intended certificate, degree, or trade path, and explanation of the benefit of the coursework; and
  - b. The course description(s) from the institution.
2. An employee shall submit the above information to [ISPHRForms@isp.in.gov](mailto:ISPHRForms@isp.in.gov) to the AC/S Human Resources and cc their supervisor.
3. Following completion of the course, the employee shall submit to the AC/S Human Resources their final grade(s) within 30 days of the grade(s) being posted by the educational institution.
4. The employee shall provide proof of payment by the employee, including itemized receipts of tuition and course fees, or account statements of all expenses that qualify for reimbursement.
5. An employee shall be responsible for submitting additional documentation that is requested to verify eligibility of education, reimbursement expenses, enable reimbursement, or other information needed by the Department to administer this program, such as Completed vendor forms to enable reimbursement such as the IRS Form W-9 and State Form 47551, "Automated Direct Deposit Authorization Agreement."
6. Should any change in coursework or request be modified following the initial application, the employee must notify the AC/S HR & Administration immediately. A modification in coursework or initial application constitutes a new request and may be reviewed again for a determination.

B. Review of Request for Educations Reimbursement:

1. The AC/S of Human Resources is responsible for reviewing each application for education reimbursement to determine the following:
    - a. The eligibility of the employee to participate in this program;
    - b. The eligibility of the course for reimbursement; and
    - c. The eligibility of recorded costs for which reimbursement is sought.
  2. Following the eligibility determination, the AC/S of Human Resources shall notify the employee of the decision. If the request is approved, a copy of the completed [Education Reimbursement Form](#) with signatures will be provided. If the request is denied, a written basis of the denial will be provided to the employee.
- C. This procedure is to be used in conjunction with all relevant Department regulations, rules, policies and procedures.