




Policy Title	Education Reimbursement and Tuition Assistance
Effective Date	August 30, 2024
Supersedes	July 1, 2024
Approval	 Matthew A. Brown State Personnel Director
References	26 U.S.C. § 127 Financial Management Circular 1.1 – General Management

PURPOSE

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

SCOPE

This policy applies to all agencies and employees under the authority of the Governor and Lieutenant Governor.

POLICY STATEMENT

Investing in state employees through advanced learning and development opportunities is key to achieving the missions and directives of state agencies. Maintaining and enhancing knowledge, skills, and abilities in the various services state government provides its citizens is important in contributing to the efficacy and credibility of the state. In providing a tax-free fringe benefit of education reimbursement and tuition assistance, the state further demonstrates its commitment to the personal and professional growth of its employees.

Education reimbursement and tuition assistance are subject to the provisions of this policy and the availability of funds for this purpose. The maximum amount of education reimbursement and tuition assistance per employee per calendar year is \$5,250.00. Approved education reimbursement and tuition assistance under this policy are not a contract of employment.

Any education, tuition, or similar reimbursement and assistance policies currently existing in agencies covered under this policy are superseded by this standardized policy. Agencies shall adopt agency-specific procedures to process education reimbursement and tuition assistance requests for their employees. Any procedures adopted must be consistent, and align, with the procedures and criteria outlined in this policy.

DEFINITIONS

Accredited: Official recognition or approval that the content, curriculum, faculty or instructors meet defined standards as issued by a governing body, governmental entity, or professional organization.

Assistance: Payment to an approved college or university for eligible expenses submitted in accordance with this policy. List of approved colleges and universities, found under 'Partnerships' on [Education Discounts and Partnership Page](#).

Distribution Date: Date on which Reimbursement or Assistance payment is received by the employee or participating institution.

Professional Organization: An association made up of members who are part of the same industry or career field.

Reimbursement: Payment to an employee for eligible expenses submitted in accordance with this policy.

Tuition: The charge by the accredited training or educational institution, school, or professional organization for the instruction of the course taken.

ELIGIBILITY

Employees Eligible for Reimbursement and Assistance:

An employee who meets the following criteria is eligible for this program:

1. They have been employed full time continuously with the state for at least 12 months prior to their submission of an Education Reimbursement or Tuition Assistance Application;
2. They have not received a disciplinary action in the one year immediately preceding the date of initial approval for the course for which Reimbursement or Assistance is sought; and
3. They have not exhausted \$5,250.00 in the calendar year per the IRS regulations.

Courses Eligible for Reimbursement and Assistance:

Eligible courses include all core and elective courses required for completion of a certificate, state licensure, General Education Development (GED), High School Equivalency (HSE), 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, or courses taken as a non-degree seeking student.

Courses dropped after an official "drop/add" date are not eligible for Reimbursement or Assistance. No Reimbursement or Assistance will be provided if a course is taken more than once or an employee takes another attempt at a course previously reimbursed or assisted by the state. No Reimbursement or Assistance 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).

Costs Eligible for Reimbursement and Assistance:

Employees may receive up to \$5,250.00 per calendar year for Reimbursement and Assistance. Total Reimbursement and Assistance calculations are determined based on the Distribution Date.

Only Tuition costs are eligible for Reimbursement and Assistance. All other fees are ineligible for reimbursement and assistance.

Coordination with Other Educational Financial Aid Programs:

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 Reimbursement or Assistance under this policy does not prohibit an employee from filing a FAFSA® for additional federal aid.

Scholarship awards, grant funding, and financial assistance (including any applicable employee discounts), other than student loans, which can be applied to Tuition must be deducted from the total amount requested for Reimbursement or Assistance 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 or Assistance. Student loans do not need to be deducted from the total amount requested for Reimbursement or Assistance.

Agency or employee association fees, membership dues, or licensure expenses that may not be reimbursable under this policy may be eligible for reimbursement under the State Budget Agency's FMC 1.1. However, total spend per employee per calendar year for Reimbursement, Assistance, and other professional development cannot exceed \$5,250.00 unless an exception has been approved by SPD and SBA.

RESPONSIBILITIES

Employees seeking Reimbursement or Assistance are responsible for:

- Pursuing either Reimbursement or Assistance, but not both, for each course the employee seeks coverage under this policy;
- Submitting a completed Education Reimbursement & Tuition Assistance Application Form to the Appointing Authority or Designee(s) at least 30 calendar days prior to the start date of their course(s).
 - Updating the Education Reimbursement & Tuition Assistance Application Form to reflect any changes in course availability due to educational institution, school, or professional organization changes before the course start date
- Requesting Reimbursement or Assistance only for eligible courses and costs under this policy;
- Maintaining adherence to this policy to avoid disqualification;
- Informing the Appointing Authority or Designee(s) of course completion, proof of payment, and final grade within 30 calendar days of course completion or within 30 calendar days of grades released, whichever date comes last; and
- Initiating the reimbursement process by submitting an expense report through

PeopleSoft Financials within 30 calendar days of receiving final approval on State Form 57438.

- Expense reports must include proof of payment, State Form 57438 with Final Approval completed, along with final grades or proof of course completion if not graded.

The Supervisor is responsible for:

- Reviewing in a timely manner submitted Education Reimbursement and Tuition Assistance Applications to verify the employee has sought approval.

The HR Representative is responsible for:

- Working with agency leadership to assess employee, course, and cost eligibility;
- Maintaining a copy of each Education Reimbursement and Tuition Assistance Application and approval in the employee's personnel file; and
- Completing review of, and initial verification on, each Education Reimbursement and Tuition Assistance Application prior to the start date of the course.

Appointing Authority or Designee(s) are responsible for:

- Communicating to employees the availability of Reimbursement and Assistance;
- Developing and implementing an effective process within the agency for reviewing requests, approving requests, and paying Reimbursement and Assistance;
- Reviewing in a timely manner submitted Education Reimbursement and Tuition Assistance Applications to verify an employee's eligibility, intended coursework, and cost;
- Completing review of, and initial decision on, each Education Reimbursement and Tuition Assistance Application prior to the start date of the course;
- Tracking the utilization of Education Reimbursement and Tuition Assistance against the calendar year limit of \$5,250;
- Reimbursing employees no more than \$5,250 per calendar year;
- Recouping funds from employees that go beyond the calendar year limit of \$5,250;
- Communicating to all agency employees the agency process and designated agency contact(s) for the process;
- Communicating the determination to the employee and providing them with a copy of the completed form with approval signatures in a timely manner;
- Verifying successful completion of the course and submission of all documents to determine if the employee remains eligible for final approval of Reimbursement or Assistance;
- Coding Tuition Assistance expenses using the appropriate account when the reimbursement is paid directly to an [approved college or university](#) (599250-Education Institution Tuition Reimbursement);
- Supporting and recognizing the learning and development efforts of employees;
- Implementing all aspects of this policy effectively and in a timely manner, including assigning appropriate staff and back-up staff to ensure employees can access the program and obtain the benefits without any administrative delays; and
- Reporting to the State Budget Agency on the availability and use of funds for requests under this policy.

The Indiana State Personnel Department (INSPD) is responsible for:

- Interpreting this policy and advising agencies on adoption of their own processes to effectuate this policy.

The State Budget Agency is responsible for:

- Periodically reviewing reports on Reimbursement and Assistance and, where necessary, reimbursing state agencies for expenditures under this policy.

PROCEDURES

Agencies shall implement specific procedures to process Reimbursement and Assistance requests for their employees. All procedures adopted must be consistent with this policy.

Applying for Reimbursement and Assistance:

Employees seeking Reimbursement and Assistance must submit the following information on the correct form at least 30 calendar days before the first day of the course:

- An Education Reimbursement or Tuition Assistance Application with employee information, course start date/anticipated end date, intended certificate, degree, or trade path; and
- The course description(s) from the institution

Determining Eligibility:

Appointing Authorities or Designee(s) are responsible for reviewing each application for Reimbursement and Assistance to determine the following:

- The eligibility of the employee to participate in this program;
- The eligibility of the course for Reimbursement or Assistance; and
- The eligibility of recorded costs for which Reimbursement or Assistance is sought.

Following the eligibility determination, the Appointing Authority or Designee(s) must notify the eligible employee of the decision and provide them with a copy of the completed form for their records with signatures of approval.

Should any change in coursework or request be modified following the initial application, the employee must notify the Appointing Authority or Designee(s) immediately. A modification in coursework or initial application constitutes a new request which may be reviewed again and could result in a different determination.

Reimbursement to Employee:

Following successful completion of the approval process and the conclusion of the course with a satisfactory grade of at least a “C” or above (or an equivalent “pass” grade), the employee must notify the Appointing Authority or Designee(s) and provide the following:

- Official documentation for completion of the course with a grade of “C” or higher (or an equivalent “pass” grade), or the receipt of a certificate of satisfactory completion when no grade may be given by the educational institution no more than 30 calendar days from the date of course completion. A course initially designated as “Incomplete” will not be considered complete until the final grade is issued.

- Proof of payment by the employee, including itemized receipts of tuition, or account statements for reimbursement no more than 30 calendar days from the course completion.
- Reimbursement to the employee will not be issued until the eligible course is successfully completed and official notice of the final grade is submitted for verification. A course is considered completed as of the date official notice of the final grade is provided to the employee.
- The employee must create and submit an expense report through Employee Self-Service in PeopleSoft Financials to initiate reimbursement. A comprehensive User Guide to assist Employees with this process can be found on the [PeopleSoft Financials Training Documentation site](#) under the Travel & Expense section.
- Reimbursement is due upon the employee's submission of all required documentation for course completion, eligible grade, and expense report through PeopleSoft Financials. Separation from state service, in good standing, after completion of course and final approval on state form 57438 but prior to Distribution Date shall not impact eligibility for reimbursement nor delay distribution of payment.
 - If an employee separates from State Service, the employee is responsible for completing vendors forms to enable reimbursement such as the IRS Form W-9 and State Form 47551, "Automated Direct Deposit".

Agency fiscal staff must properly document in PeopleSoft Financials system the use of funds for this purpose in accordance with standards established by the State Budget Agency. Reimbursement expenses must be coded using account 599227EmpReimb-Tuition. Reimbursement, if appropriate, should be made as soon as practicable after eligibility is determined.

Reimbursement to Approved Colleges and Universities:

Agency will reimburse approved colleges and universities upon receipt of the following from the approved college or university:

- Official documentation for completion of the course(s) with a grade of "C" or higher (or an equivalent "pass" grade), or the receipt of a certificate of satisfactory completion when no grade may be given by the college or university, and
- An invoice reflecting the amount due for the completed course(s), agency fiscal staff will pay the balance due directly to the approved college or university using account 559250 – Education Institution Tuition Reimbursement.

Disqualification and Repayment:

Employees who fail to comply with all guidelines and procedures set forth within this policy will be disqualified from Reimbursement or Assistance eligibility for the non-compliant submission.

Agency Obligations upon Employee Transfer:

Employees that transfer from one state agency to another state agency will have their education reimbursement or tuition assistance honored by the agency from which they received initial approval to participate, so long as they complete the course with a grade of "C" or higher (or an equivalent "pass" grade), or they receive a certificate of satisfactory completion when no grade may be given by the educational institution, and they submit all appropriate documentation as required above. The employee's current agency will process payment for the reimbursement and then will process a journal back to the originating

agency to recover the funds.

Budget Reconciliation:

The State Budget Agency will review education reimbursement and tuition assistance payments and, where appropriate, may allocate funds to state agencies for the education reimbursements.

FORMS & RESOURCES

Application | [57438 Education Reimbursement & Tuition Assistance Application](#)

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