**Charging of Graduate Fee Remissions and Fringes when Disallowed by Sponsor**

**Sponsor Mis-Interpretation of Graduate Fee Remissions:**

There are some sponsors that interpret graduate fee remissions to be the same as grad tuition. These are not the same and the difference should be explained to the sponsor in an attempt to have the sponsor cover the costs. A memo regarding this clarification can be found at <https://www.purdue.edu/business/sps/preaward/menu/5.faq/frvstf.html>

This memo can be shared with sponsors. The following definition of tuition **remission** from the Uniform Guidance may also be helpful. At Purdue, we call the tuition remission Graduate Fee Remission.

**Per 2 CFR 200.431(j)(1):**

Fringe benefits in the form of undergraduate and graduate tuition or remission of tuition for individual employees are allowable, provided such benefits are granted in accordance with established non-Federal entity policies, and are distributed to all non-Federal entity activities on an equitable basis.  Tuition benefits for family members other than the employee are unallowable.

**Cost Sharing Requirement when Disallowed:**

There are some sponsors that will not allow payment of grad fee remits or fringe benefits on grant funds. This disallowance needs to be documented in the sponsor guidelines. When this occurs, the fringes or fee remits will be covered by the central pool.

*EXCEPTION*: If the sponsor or prime sponsor is an entity that should typically allow fee remissions or fringe benefits, but the pass-through entity is disallowing them without relevant documentation from the prime sponsor, Pre-Award should work with the pass-through entity to try to get them to allow these costs. If the PI does not want Pre-Award to push-back with the sponsor, the PI will need to cost share the disallowed costs.

EXAMPLE: Technical Science Stuff, Inc. (TSS) is the sponsor and Department of Energy is the prime sponsor. TSS tells us we cannot budget graduate fee remissions because tuition is not allowed. The PI does not want us to explain why they should be allowed. The PI will have to cost share the fee remissions.

**SPS Pre-Award Process:**Once the determination that graduate fee remissions or fringes will not be allowed by the sponsor has been made, the COEUS budget needs to be created accordingly. Pre-Award should notate the disallowance on the route sheet and include the relevant documentation in the Coeus record.

**SPS Post Award Process:**When fringes or graduate fee remissions are not allowable, Post Award will mark the account to not charge the fringe or fee remission, and the corresponding charge will hit the reserve or set-up the cost share account and appropriately manage to recover the funds form the identified cost share account.