

# **Tuition Reimbursement Policy**

### **Overview**

## **Description:**

The Minnesota Department of Human Services (DHS) is committed to ensuring a fair and equitable process for tuition reimbursement in compliance with all applicable collective bargaining agreements, administrative procedures, and laws.

This policy explains the tuition reimbursement requirements and procedures to:

- Request pre-approval for tuition reimbursement;
- Provide proof of class completion; and
- Process payment for approved tuition reimbursement.

# **Reason for Policy:**

The purpose of this policy is to enhance the quality of department services by investing in the development of employees through education and training. It is the responsibility of the managers, supervisors, and employees working in partnership with each other, to determine work goals and training needs. The purpose of training and development is:

- To provide the department with a productive and skillful work force capable of meeting the current and future responsibilities of the department.
- To assist employees in achieving career and individual development goals.
- To recruit and retain talented employees.

# **Applicability:**

This policy and its procedures apply to all DHS employees.

## **Failure to Comply:**

Failure to comply with this policy and its procedures may result in denial or delay in tuition reimbursement request.

### **Policy:**

### I. Tuition reimbursement eligibility

- The courses must relate to the work of DHS and part of a degree program that is related to any
  occupation represented within the agency;
- The course is graded, and part of a degree program offered by an accredited school; and
- Employees must satisfactorily complete their initial probationary period with DHS, prior to registering for any course for which the employee intends to request reimbursement.

#### II. Tuition reimbursement amounts

Employees may receive tuition reimbursement for 75 percent of the tuition cost with a maximum reimbursement cap of \$2,000 per semester and \$4,000 per fiscal year. This cap may be lifted at the discretion of senior executive leadership based on total participation. The agency is not responsible for and does not assume any responsibility for tuition costs beyond the 75 percent reimbursement rate or annual reimbursement cap.

#### III. Prohibited reimbursement

Employees will not receive reimbursement for:

- Other school related costs. Some examples of these costs are lab fees, access fees, tech fees, books, etc;
- Tuition the employee is receiving reimbursement for elsewhere or duplicative reimbursement; and
- Job related required licensures or license renewal.

#### IV. Limitation and tracking of funds

Funds available for tuition reimbursement are limited to a cap approved by senior executive leadership per fiscal year. As a result, reimbursement is handled on a first-come, first-served basis unless otherwise approved by senior executive leadership.

The Agency-wide Development and Learning (ADL) Division and Direct Care and Treatment (DCT) Human Resources (HR) tracks and reports the amount of pre-approved tuition reimbursement to DHS Human Resources (HR) and Financial Operations Division (FOD) on a quarterly basis to monitor the amount of funds available.

#### V. Fiscal year (July 1 – June 30) considerations

If an employee completes paperwork in one fiscal year but the class ends in the following fiscal year, the employee is reimbursed with funds from the fiscal year in which the class ends (e.g., a class the employee starts in May but finishes in August is reimbursed with the funds available in August rather than the funds available in May).

#### VI. Class cancellation

The agency is not responsible and does not assume any responsibility for tuition or any other fees incurred from a canceled class. If a preapproved class on your tuition reimbursement form gets cancelled, employees need to send an email to the <a href="DHS Central Office Training mailbox">DHS Central Office Training mailbox</a> or the <a href="DCT Tuition Reimbursement mailbox">DCT Tuition Reimbursement mailbox</a> to request that class be removed from your tuition reimbursement preapproval paperwork.

#### VII. Internal Revenue Service (IRS) regulations and tax reporting information

Under IRS regulations, tuition reimbursement is subject to income tax and deductions if:

- Processed 60 calendar days after the class completion date; or
- If the total reimbursement amount is over \$5,250.00 per calendar year.

Any reimbursement request submitted beyond 60 days or for more than \$5,250.00 per calendar year will result in income tax withholding or nonpayment. If more than one class is being taken during a semester, the 60 days will begin after the final class completion date.

#### **Procedures:**

#### I. Requesting pre-approval for tuition reimbursement

Employees: Must first complete and have their supervisor approve the Request for Approval to Incur Special Expenses form (DHS-3274) (PDF) and the Tuition Reimbursement Authorization form (DHS-7836) (PDF) and necessary attachments including:

- Course descriptions; and
- Documentation of the cost per credit.

Supervisor approval on the Request for Approval to Incur Special Expenses form is adequate to receive preapproval for tuition reimbursement. The division director approval is not needed for this process.

After the supervisor has approved these forms, employees must submit them for pre-approval at least 30 calendar days before the start date of the class. Employees may request a waiver to the 30-day policy through the <a href="DHS Central Office Training mailbox">DHS Central Office Training mailbox</a> or the <a href="DCT Tuition Reimbursement mailbox">DCT Tuition Reimbursement mailbox</a>. The waiver needs to be submitted before the start date of the class. Employees are not eligible to apply for tuition reimbursement if the class has already started or ended.

Central Office Employees (CO):

- CO employees must submit the completed forms to the Agency-wide Development and Learning (ADL) Division through the <a href="DHS Central Office Training mailbox">DHS Central Office Training mailbox</a>.
- Agency-wide Development and Learning (ADL) Division will review the tuition reimbursement request, research eligibility, provide preliminary approval, and submit the tuition reimbursement request to the ADL director for final approval. Employees will receive notification of approval or explanation of denial within 14 calendar days of receipt.

• Employees may appeal the decision of denial within 30 calendar days of receiving notification through the DHS Central Office Training mailbox.

Direct Care and Treatment Employees:

- **DCT employees** must submit the completed forms to DCT Human Resources through the <u>DCT Tuition</u> Reimbursement mailbox.
- DCT Human Resources will review the tuition reimbursement request, research eligibility, provide
  preliminary approval, and submit the tuition reimbursement requests to the designated DCT HR staff for
  final approval. Employees will receive notification of approval or explanation of denial within 14
  calendar days of receipt.
- Employees may make appeals within 30 calendar days of receiving an explanation of disapproval through the <u>DCT Tuition Reimbursement mailbox</u>.

Approvals are only for specified classes requested on the <u>Tuition Reimbursement Authorization form (DHS-7836) (PDF)</u>. A class change, for any reason other than cancellation, requires the employee to submit a new <u>Request for Approval to Incur Special Expense form (DHS-3274) (PDF)</u> and <u>Tuition Reimbursement Authorization form (DHS-7836) (PDF)</u>.

#### II. Providing proof of course completion

All employees must submit within 30 days of the semester's final class completion date:

- A copy of the paid itemized receipt for the class;
- A copy of the proof of class(es) completion marked either with a "pass" (if a pass/fail course), or a letter grade of "C" or above; and
- A copy of the pre-approved packet they received.

**CO** employees will submit these documents by email to the <u>DHS Central Office Training mailbox</u>.

**DCT** employees will submit these documents by email to the <u>DCT Tuition Reimbursement mailbox</u>.

#### III. Processing payment for approved tuition reimbursement

- **Employees:** After being notified the tuition reimbursement has been approved for payment, must enter the tuition expenses and attach all of the approved final paperwork to the employee Business Expense Report located on the <a href="Employee Self Service portal">Employee Self Service portal</a>. When finished, employees need to click "complete" and notify their supervisor to approve the business expense.
- **Supervisors:** Will review the employee Business Expense Report through the <u>Employee Self Service</u> portal and click "approve" to approve the employee's business expense report.
- Financial Operations Division (FOD) Accounts Payable and Direct Care and Treatment (DCT)
   Designated Staff: Will complete the final review of the employee Business Expense Report and approve allowable tuition reimbursement.

Staff should refer to Expense reimbursement submission instructions, Detailed Instructions for Self Service (PDF) and Attaching Receipts using Self Service (PDF) for specific guidance on entering and approving employee business expenses.

## Forms that Apply:

- Request for Approval to Incur Special Expenses form (DHS-3274) (PDF)
- Tuition Reimbursement Authorization form (DHS-7836) (PDF)
- Employee Self Service portal (for employee Business Expense Report)

### **Related Policies and References:**

- DHS Policy on the Learning Plan
- DHS Performance Review Policy
- DHS Policy on Position Descriptions
- DHS Policy on Special Expense Reimbursement
- Minnesota Management and Budget Administrative Procedure 4.4 Special Expenses (PDF)
- Minnesota Management and Budget Administrative Procedure 21 Employee Training and Development (PDF)
- Minnesota Management and Budget HR/LR Policy #1373 Payment for Job-Related Licensure (PDF)
- Public Service Loan Forgiveness

# **Legal Authority:**

- Minnesota Statutes, section 43A.09
- Minnesota Statutes, section 43A.21

### **Definitions:**

**Degree Program:** A course of study leading to an academic degree.

**Degree:** A qualification awarded to students upon successful completion of a course of study in higher education, usually at a college or university. These institutions commonly offer degrees at various levels usually including associates, bachelors, masters and doctorates.

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# **Policy History:**

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This policy and its procedures remain in effect until rescinded or updated.