Preamble

North Carolina General Statute 116-143(d) provides for a waiver of tuition and fees for full-time faculty and staff under certain conditions. It is the policy of Elizabeth City State University (ECSU) that procedures for participation in the tuition waiver program shall exist to allow for prompt and orderly course registration. This document provides the program guidelines and application procedures for the tuition waiver program. To the extent that any provision of these procedures conflicts with the University of North Carolina (UNC) procedure statement on the tuition waiver program, the UNC version shall control.

I. Definitions

With respect to the provisions of North Carolina General Statute § 116-143(d), the following terms are defined:

A. Employee. Employee shall mean an individual who is either a faculty member or a staff employee, employed by an Employing Institution, who is eligible for participation in either the NC Teachers’ and State Employees’ Retirement System or the UNC Optional Retirement Program. The terms “faculty member” and “staff employee” shall include:

1. Personnel of the United States armed forces during the time they are assigned under military orders to a Reserve Officer Training Corps (ROTC) program of a constituent institution of the University of North Carolina as a permanent change of station; and
2. Civilian personnel federally employed thirty (30) or more hours per week on a continuing basis in a position adjunct to an ROTC program of a constituent institution of the University of North Carolina.

B. Employing Institution. Employing Institution shall mean a constituent institution of the University of North Carolina which is the employer of record, including the North Carolina School of Science and Mathematics, the University of North Carolina Health Care System, and General Administration.

C. Enrolling Institution. Enrolling Institution shall mean a constituent institution of the University of North Carolina in which the employee is enrolled and receiving academic credit and to which tuition/fees would be paid if not covered under tuition/fee waiver.

D. Fees. Fees shall mean those student fees required for the course(s) in which the
Employee is enrolled. Each constituent institution must adopt a policy that specifies under what circumstances, if any, an Employee may receive a waiver of fees.

E. Normal Employment Obligations. Normal Employment Obligations shall mean those services that the Employee is obligated to perform for the Employing Institution.

F. Period of Normal Employment. Period of Normal Employment shall mean that period of time beginning with the effective date of permanent employment as defined in Section I.A., above, and ending with the effective date of discontinuation of employment.

G. Tuition. Tuition shall mean the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered. Each constituent institution must adopt a policy that specifies under what circumstances, if any, an Employee may receive a waiver for receipts-supported courses. Pursuant to North Carolina General Statute § 116-143.1(m), an Employee of the University of North Carolina who is a legal resident of North Carolina qualifies as a resident for tuition purposes irrespective of the length of legal residency in the State.

H. Year. Year shall mean an academic year of fall semester, spring semester, and the summer sessions that follow, unless otherwise specified.

II. Eligibility

Employees of an Employing Institution may, during the Period of Normal Employment enroll in certain courses free of charge of tuition and fees, as described in this regulation, provided the enrollment does not interfere with Normal Employment Obligations.

In order to participate, an employee must meet the following criteria:

- Maintain permanent employment status at 75% time (30 hours per work week) or more for the entire semester during which the course is taken.
- Meet the academic requirements for admission to the course/program at the enrolling institution.
- Register for courses in accordance with instructions for the program under which the employee is admitted. Space must be available in the course.

Loss of Eligibility - If an employee’s work schedule changes to less than 30 hours per week during the period of attendance, or if the employee separates from permanent employment during
the period of attendance, the employee will be billed for all or part of the tuition for the entire semester even if s/he officially withdraws from the course, as provided in the policies and procedures established by the Cashier’s Office of the enrolling institution. However, this payment requirement shall not apply to an employee who is eligible under this policy at the time of enrollment in a course and is later reduced in force (SPA) or discontinued for budgetary reasons (EPA) prior to the completion of the course. This exception does not apply to the end of a time-limited or term (appointed) position.

III. General Fund Appropriations

Tuition-waiver enrollment of an Employee shall not be counted for the purpose of receiving general fund appropriations.

IV. Procedures for Processing Tuition Waivers

Under this policy, the following procedures shall apply:

A. The waiver of tuition for an employee shall be limited to three (3) courses per academic year. The waiver of fees for an Employee may be limited according to institutional policy determined by the Board of Trustees of each employing institution.

B. Prior to the commencement of a course for which tuition and/or fee waiver is requested, the Employee shall:

1. Apply and be accepted for admission at the University offering the desired course(s).

2. Registration for the course(s) prior to completing ECSU Tuition Waiver Application for Faculty and Staff is recommended but not required.

3. Enrolling at ECSU
   Complete the ECSU Tuition Waiver Application for Faculty and Staff and obtain all required signatures as designated on the form in the following order:
   a. Employee certification
   b. Supervisor certification (approval)
   c. Registrar certification (approval)
   d. Human Resources verification (approval)
   e. Student Accounts approval

4. Enrolling at constituent UNC institution
Complete the ECSU *Tuition Waiver Application for Faculty and Staff* and obtain:

a. Employee certification  
b. Supervisor certification (approval)  
c. Human Resources verification (approval)  

Contact the enrolling institution for guidance on that institution’s procedures.

5. Human Resources (HR) shall retain a copy of the endorsed tuition waiver application after HR verification is complete. The original shall be returned to the employee.

6. If the participating faculty or staff member makes any class changes (such as title of course, dates, class times, etc.) after submitting the original ECSU *Tuition Waiver Application for Faculty and Staff*, a new form shall be submitted for the revised course(s) with a copy of the originally submitted form attached.

7. If a participating faculty or staff member does not continue in an eligible employment status throughout the entire semester during which the tuition waiver has been requested, the full amount of tuition for the total number of credit hours enrolled shall be charged to the faculty or staff member’s student account. Withdrawal from a tuition-waived course counts toward the waivers allotted per academic year.

**IV. Taxability**

Under I.R.C. § 127(a), graduate level tuition waivers provided by an educational institution to its employees are excludable in an amount of up to $5,250 per calendar year if the tuition waivers are provided as part of an educational assistance program described in I.R.C. § 127(b). Any tuition waiver or reduction provided in excess of this amount is a taxable fringe benefit for income tax purposes, unless the education is necessary for the employee to maintain or acquire skills necessary for their current employment or the education meets an express requirement by their employer, law or regulations, status or rate of compensation and thus would qualify as a deductible business expense under I.R.C. § 162 had the employee paid the tuition himself.