

VIRGINIA MILITARY INSTITUTE
Lexington, Virginia

GENERAL ORDER)
NUMBER 74)

5 January 2024

Educational Assistance Policy

1. Purpose and Applicability

This policy is intended to support employees' educational opportunities that will benefit the Institute, enhance employees' current job performance, and improve their opportunities for advancement at VMI. This policy applies to all full-time employees at VMI. Educational assistance taxability will be determined by the Comptroller's Office in accordance with Internal Revenue Service (IRS) fringe benefit regulations. It is not the intent of this order for the employee to incur undue taxation or use Educational Assistance as a means to temporarily increase their salary.

2. Definitions

A. Department-Initiated (Required) Courses

Educational courses required by VMI for which educational assistance will be provided. These courses may include an employee's initial certification or recertification when required, or strongly recommended, by the department manager.

B. Educational Assistance

VMI may provide funding and/or time off that supports an employee's pursuit of department-approved educational courses, or the acquisition of job-related degrees, professional certifications, or licenses.

1. Short-term programs are those singular classes or series of classes over successive semesters (no greater than 3 semesters).
2. Long-term programs are those educational programs that extend beyond 3 semesters, such as bachelors, masters, or doctorate programs.

C. Employee-Requested Courses

Educational courses not required or recommended by the department for which an employee requests educational assistance. The course must be related to the employee's current duties.

D. Satisfactory Completion

Completion of approved courses with passing grade of "C" or better (unless otherwise stipulated by the offering entity) or passing (if a pass/fail course), or receipt of professional certification or licensure.

E. Tuition Payment

Pre-payment or reimbursement of costs associated with the completion of an approved educational course or courses as part of a bachelors, masters, or doctorate program, and/or attainment of a certification or license.

3. Work Schedules

Departments have several options for accommodating an employee's absence from work to attend approved educational courses during regular work hours.

For required courses, the department will consider the attendance at the class normal work hours and not require the employee to make up the time.

- Adjust work hours: For classes where attendance is not required by the department, employees may adjust their work hours to fulfill their normal work hours per week. Supervisors must approve in advance any adjustment of employee work hours, taking into consideration the needs of the department during normal business hours and the safety of the employee who may be working alone.
- Use of personal leave: Employees may be allowed to use their accrued leave to attend approved courses that are not required by the department.

Overtime considerations: For non-exempt employees (eligible for time and one-half pay for overtime hours worked), the time spent in required educational courses during regular work hours is considered hours of work, including travel time to classes (minus the employee's normal travel time to and from his/her normal work area). Educational time outside normal work hours is not considered work time for computing overtime if:

- The employee's attendance is voluntary (employee-requested) and
- The employee performs no productive, VMI-related work during such attendance.

4. Tuition Payment & Taxability

The department must cover the entire tuition cost for any required classes. However, for employee-requested classes, the department may cover all or a portion of the costs. The following expenses are included in tuition payments:

- Registration or tuition fees
- Certification or license fees
- Laboratory fees and books (for required classes)
- Parking and transportation costs (for required classes)

If a class is subsidized by another source (e.g., veteran's educational payments, scholarships, and grant-in-aid), tuition payment under this policy is limited to those costs not covered by the other source. Departments may not pay expenses for audited courses. If an employee receives a failing grade or does not otherwise successfully complete the course, VMI will require the employee to pay the total cost (or reimburse the Institute accordingly, through payroll deduction if considered necessary). The appropriate senior executive may grant exceptions to this provision when the employee was unable to complete the class due to personal serious illness, the serious illness of a family member, or other factors beyond the employee's control. Exceptions must be documented in writing and provided to the Human Resources Office.

Fringe benefits, such as employer-provided educational assistance, are considered taxable by the IRS unless specific IRS Code exceptions are met. There are two such provisions within the IRS Code which may permit tax-free educational assistance:

- (1) Pursuant to *IRS Section 127*, an employer may exclude up to \$5,250 from an employee's wages if the employer has a written qualified educational assistance plan, the employer has given reasonable notice of the program to eligible employees, the plan does not offer other benefits that can be selected instead of education, and the plan does not discriminate in favor of highly compensated employees.
- (2) Pursuant to *IRS Section 132*, certain job-related education provided to an employee may

qualify for exclusion as a working condition benefit. Each course in a degree program must be evaluated individually for qualification as a working condition benefit. The education must either (a) maintain or improve skills needed in the job, or (b) be required by the employer or by law for the employee to keep his/her present salary, status, or job and serve a bona fide business purpose of the employer. However, even if the education meets one or both of those tests, it is not qualifying education if it is needed to meet the minimum educational requirements of the employee's present trade or business or is part of a program of study that will qualify the employee for a new trade or business.

Final taxability will be determined by VMI's Payroll Department/Comptroller's Office.

5. Funding for Educational Assistance

VMI does not have a central fund for educational assistance. Funding for educational assistance must be borne by the department. Ordinarily, funds for educational assistance should be included in the department's budget request. In the event of unanticipated needs or educational assistance, such as training needs for new employees, the department should request funding through the appropriate senior executive.

6. Employee Eligibility

Even if the assistance already has been approved, departments will not provide educational assistance for any employee who has formally applied for retirement, has been notified that his or her contract will not be renewed (unless the educational assistance is for required education), has submitted a notice of resignation, or has been terminated from employment. Employees must meet the following criteria to be eligible for tuition assistance:

- Currently employed at Virginia Military Institute in a full-time, salaried position.
- Employed at VMI full time for at least one year by start date of class and intends to, and does remain on, active payroll during the entire duration of the class. Breaks in service do not count toward the one-year employment requirement, nor does service time at another state agency.
- Coursework undertaken needs to be for Credits, CEU's, degree attainment, or certification in the employee's field of study with approval from supervisor as outlined in employee's performance plan.
- Successful completion of a course is defined as a grade of "C" or better (or as stipulated by the offering entity), or passed (if a pass/fail) course. Documented proof of successful course completion is required. The proper source of such documentation is determined solely by the applicable senior executive.
- Provides documentation of proof of payment or account statement/invoice and successful course completion within 30 days of course completion, or 30 days prior to course commencement if direct Institute funding.
- Job performance must be satisfactory or at contributor level.
- Agreement to the following service obligation:
 - Short-term programs – employees approved for tuition assistance for a class or classes in a semester or a series of classes over successive semesters (no greater than three semesters) incur a requirement to continue employment at VMI for an equal number of semesters as the educational program.

- Long-term programs – Employees entering into a long-term program commitment will agree to remain employed at VMI for a period of three years commencing at the time of the degree completion.

7. Course Eligibility

Departments may provide educational assistance for required courses or employee-requested courses when the course or the degree program meets one or more of the following criteria:

- Related to current job duties;
- Provides new knowledge and skills to enhance job performance and/or support the department's mission;
- Required for a job-related professional certification or license;
- Required for a job-related degree program;
- Enhances the department's ability to respond to current and future needs; or
- Supports the documented "Employee Development Plan" section of the employee's Employee Work Profile.

8. Educational Assistance Agreement

For courses held off Post and any course that involves payment from the department, the employee must complete the Educational Assistance Agreement (Appendix 1) that details the benefits that will be provided and the obligations of the employee. The agreement must be acknowledged by the employee and approved by the appropriate Department Head. The appropriate senior executive must approve courses that are requested by the employee and not required by the department. Requests for educational assistance and the Educational Assistance Agreement must be approved before registration for courses and implementation of work schedule changes. Requests submitted after the employee has registered for a course or program may be disapproved. Agreements must include, at a minimum:

- Whether the educational course is required by the department or employee requested;
- How the program or course will benefit the department;
- A description of the educational assistance that will be provided, including any costs that will be covered;
- A requirement for the employee to submit proof of grades or satisfactory completion;
- Consequences of not achieving satisfactory completion;
- Deadlines for the employee to submit reimbursement requests and/or proof of grades or satisfactory completion;
- Conditions under which repayment of educational assistance may be required, if applicable;
- An acknowledgement by the employee that if repayment is required such repayment may be taken from the employee's paycheck at VMI's sole discretion; and
- Any/all applicable service obligations.

If the employee must reimburse some portion of the associated costs, the Agreement must be approved in advance by the Human Resources Director, who will review the terms for consistency. Ordinarily, any costs to be reimbursed will be pro-rated over the required period of employment.

Taxability of tuition assistance will be determined by the Comptroller's Office in accordance with IRS fringe benefit regulations. Disciplinary matters resulting in the termination of employment prior to service obligation completion do not change the responsibility of the employee for repayment of tuition assistance provided.

Copies of approved Educational Assistance Agreements will be maintained in the employee's permanent personnel record in the Human Resources Office.

9. Payment Procedures

Upon successful course completion, employees should submit a copy of the original Educational Assistance Agreement, current account statement/invoice, transcripts evidencing satisfactory completion, and a corresponding Receiving Report/Request for Disbursement processed via Etrieve through the respective Department Head for approval, then routed through the HR Director followed by the Payroll Manager for final review, taxability determination, and payment processing.

FOR THE SUPERINTENDENT:

John M. Young
Colonel, Virginia Militia
Chief of Staff

DIST: E
Appendix 1 Educational Assistance Agreement

EDUCATIONAL ASSISTANCE AGREEMENT
Complete this form in its entirety and submit to the Human Resources Office

Please Print

 Name Department Job Title

 Course Title Name & Location of Institution Offering the Course

General Description of Course:

This course is (check one):

Required by the department Requested by the Employee (not required, but job related)

Course objective and benefit to the department and VMI:

Educational Assistance, including costs that will be covered by the department (itemize cost, i.e., tuition, books, etc.):

Costs to be reimbursed by Employee, if any: _____

AGREEMENT

I have read, understand, and agree to all requirements as outlined in the *Educational Assistance Policy*. Therefore,

1. I agree to pay costs and fees not detailed above associated with taking the above-identified course(s).
2. I agree to make up hours missed from work to attend the above identified course(s). *Not applicable if department requires course.*
3. I agree, upon completion of the course(s), to furnish my department and the Virginia Military Institute (VMI) Human Resources Office with the grade report/transcript which will show the title of the course(s) taken and the grades received, or a notation of progress achieved in the course. I agree that I will be responsible for all tuition and fees incurred if I fail to receive a grade of "C" or better (unless otherwise stipulated by the offering entity), or pass (if a pass/fail course), withdraw, or resign from the above identified course(s), or otherwise do not satisfactorily complete the course, or if I separate from my current position at VMI before the end of the course. Any exceptions must be approved by my department head and senior executive.
4. I agree to submit proof of grads and satisfactory completion of the course(s) no later than 10 business days after receipt of such documentation. I agree to submit reimbursement requests no later than 30 working days after course completion.
5. I agree that I will continue employment at VMI for the stipulated minimum service obligation following course/degree completion. If I leave my employment at VMI for any reason beforehand, I agree that I will reimburse the Institute for any/all educational assistance previously provided on a pro rata basis.
6. I agree that if any reimbursements to VMI are appropriate as determined solely by VMI, then such reimbursements may be taken from my paycheck, including any final paychecks if my employment terminates for any reason.

Employee Signature: _____ Date: _____

Department Head Recommended Approval:

Signature of Department Head: _____ Date: _____

Sr. Executive Recommended Approval (if employee requested):

Signature of Senior Executive: _____ Date: _____

Deputy Superintendent – FAS Approval (if employee requested):

Signature of Deputy: _____ Date: _____

Human Resources Director: _____ Date: _____