



FRIENDS RESEARCH INSTITUTE, INC.
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Subject: Education Reimbursement Policy
Division: Human Resources
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EDUCATION REIMBURSEMENT POLICY

An educational assistance program is an employee benefit program under which an employer pays for or reimburses an employee's education expenses. If certain requirements are satisfied, the amounts paid or reimbursed by the employer will be non-taxable income for the employee. Amounts paid on a non-taxable basis to an employee cannot be deducted by the employee or claimed by the employee for purposes of any income tax credits.

If an eligible employee does not avail himself/herself of this benefit, **no cash compensation will be provided.** Benefits cannot be provided to the employee's spouse or dependents nor transferred to another employee.

After completion of one year of service, employees of FRI working 20 hours or more per week are entitled to education reimbursement up to the amount of 2% of their annual salary per year. The year begins January 1 and concludes December 31 of each year. For courses starting in one calendar year and ending in the first quarter of the following calendar year, the 2% will be taken from the eligible funds for the year the course started. In other words, there will be no carry over of funds from one calendar year to the next and funds allocated for one calendar year will not be paid out after the first quarter of the following year. Contractors and consultants are not eligible for education reimbursement.

Requirements

As a general rule, the education must be to maintain or improve skills in the employee's current job, or the course must be required by FRI or by law to keep the employee's present job, position, or salary. The courses must be relevant to the employee's work. Courses that are part of an education program leading to an undergraduate academic degree are allowable, even if a specific course is not directly relevant, as long as the degree program meets the test of relevance. For example, if an employee is working as a research assistant and he/she needs to take courses toward an undergraduate science degree that will enhance his/her work in research, they will be allowed to do so. The costs cannot be reimbursed if the education is part of a program of study that would lead an employee to qualify for a new trade or business. All graduate level courses must be relevant to the job.

Allowable/Unallowable Expenses for Reimbursement

1. Reimbursement for attending seminars and conferences that are work related is allowed.
2. Reimbursement for successful Certification/Licensure examinations that are work related is allowed.
3. Reimbursement for Licensing/Certification fees that are work related is allowed.
4. Courses or other education involving sports, hobbies, or games are not reimbursable.

5. Reimbursement is not allowed if the education is needed to meet the minimum requirements for an employee's job. An employee must possess the minimum requirements to obtain the job.
6. Reimbursement is not allowed in the first year of employment. While courses may begin before completing one year of employment, the education reimbursement will not be made until the one year of employment is completed and then, only, if the course is completed in the year that the employee reaches their one year of employment.
7. If an employee leaves FRI employment mid-year, his/her education reimbursement allotment will be prorated. In addition, an employee cannot attend training once he/she has given his/her resignation (unless previously scheduled).
8. Tuition, books, supplies, and lab fees are reimbursable. Meals, lodging, parking, and transportation are not reimbursable.

Course Approval

As soon as possible, prior to starting each course, an employee must complete the *Education Reimbursement Form* and submit it to his/her immediate supervisor for pre-approval. A separate form must be completed for each course taken. The *Education Reimbursement Form* can be found on FRI's website at www.friendsresearch.org under "For Employees, Forms."

The Human Resources Department reserves the right to request course descriptions and proof of enrollment in a degree program if applicable.

Reimbursement Approval

Reimbursement of approved educational expenditures shall be made after completion of the course, subject to satisfactory completion.

Undergraduate courses will be reimbursed if passed with a grade of C or higher or a credit/pass. Graduate courses will be reimbursed if passed with a grade of A or B. Documentation of course grade and proof of payment must be attached to the education reimbursement form to ensure payment.

For seminars and conferences, a certificate of completion/attendance and proof of payment will be required for reimbursement.

All forms and attachments must be approved by the employee's immediate supervisor, then forwarded to the Human Resources Department for review and approval for payment.

Guidelines for Time Spent Participating in Education Activities

For employees actively engaged in the pursuit of a college degree, particularly when the degree is directly related to their position with FRI, accommodations will be considered by the immediate supervisor in terms of changes in work hours and changes in employment status (full-time to part-time); however, these requests will not be automatically approved, particularly if there will be an adverse impact on the operation of the worksite.

Employees who are taking a college course that is required for a degree or for certification/licensure that will be recurring during a concentrated period of time would be expected to modify their work hours or use vacation time for the hours that would be missed. Similarly, employees who are taking a series of continuing education courses during a concentrated period of time for a job-related certification will be expected to modify their work hours or use vacation time for the hours that would be missed. **Such requests must be submitted in advance to the employee's immediate supervisor and are subject to approval.**

Exempt employees who attend a conference or seminar during their regular work hours will not be required to use personal or vacation leave for the missed time. However, these requests must be

made in advance to arrange for coverage of services normally provided by the employee and approved by the employee's immediate supervisor.

Exempt employees who attend a conference or seminar outside of their normal work hours will not be compensated or given "credit" for the time as regular hours.

While employees are encouraged to continue their education and training and are permitted to make full use of the allowance of FRI's education benefit, to ensure the reasonable performance of the employee's job duties, the number of outside training days must be limited. FRI will have sole discretion on how many days an employee will be allowed to attend trainings per year.