

DATE: July 22, 2005

TO: Deans, Faculty, Principal Investigators, Departmental and Project Administrators

FROM: Dennis G. Hall, Associate Provost for Research and Graduate Studies

SUBJECT: Payment for Graduate Student Health Insurance

You will recall that at the beginning of the Fall 2004 semester a new policy was implemented to permit charging tuition directly to research grants and contracts. I am pleased to be able to announce another, related, VU policy change effective with the Fall 2005 semester. We now will allow the direct charging of student health insurance premiums to research grants or contracts where it is part of the financial package provided to the student, much in the same manner as we charge these premiums to departmental budgets for Teaching Assistants or for trainees on federal training grants.

In addition, graduate student health insurance will now be charged in two equal installments for all graduate students; however, the health insurance policy still will be on an annual basis so, once enrolled, students will receive a full twelve months of coverage and both payments must be made regardless of student status or source of financial support. The details of this policy are outlined below.

Graduate student health insurance premiums may be directly charged to an unrestricted center or to a restricted grant or contract center if the student has not waived out of the insurance program and the student's financial support package includes health insurance. Students who are supported by stipends or by salary on more than one funding source should have an amount of their insurance premium paid by those sources proportionate to their assignments and stipend or salary distribution. In the event that a graduate student's source of funding changes during the semester, the proportionate share of the insurance premium shall be charged to the new cost center by processing a cost transfer.

The health insurance premiums will be due on August 1 and December 1. To charge the insurance premiums to any funding source (unrestricted or restricted) a Graduate Award Form will need to be processed for each semester. If the student withdraws or leaves Vanderbilt after enrolling in the insurance program, the student will be responsible for the remaining portion of the year of coverage and the student's account will be billed, unless arrangements are made to charge the fee to a center for which the expense would be appropriate and allowable.

This new policy means that when funding for a Graduate Research Assistant (GRA) is part of a research grant application submitted to an external funding agency, funding for the GRA salary, partial tuition, and insurance premiums for the GRA, where included, should be specifically budgeted as separate, direct-cost line items. Note that the salary and insurance premiums are subject to indirect (F&A) costs, while any tuition is not subject to indirect costs. This policy change applies to

research projects, but has no bearing on our current practices and policies for federally funded Training Grants.

Questions on this policy may be directed to Jerry Fife ([jerry.g.fife@vanderbilt.edu](mailto:jerry.g.fife@vanderbilt.edu)), to Steve Smartt ([steven.smartt@vanderbilt.edu](mailto:steven.smartt@vanderbilt.edu)), or to your school or college financial officer.