

## WELCOME TO TUITION EXCHANGE (TE)

As the Tuition Exchange Liaison Officer (TELO), you administer a campus scholarship program that is part of a growing network of more than 640 colleges and universities across the United States and four countries. These institutions have joined together to provide scholarship exchange opportunities for students with a family member employed at a participating institution. Each year more than 6700 students attend TE member schools on TE scholarships.

TE strives to maintain a balance between the success of over 60 years of experience and the energy demanded by the demographic and institutional changes confronting higher education today. TE's basic mission is to advance higher education by making careers at college and universities more attractive. TE's Board of Directors and staff are committed to addressing constructive change while maintaining the quality of TE's exceptional core program.

To take full advantage of Tuition Exchange's flexibility, it is important that you understand TE's policies and procedures. The *TELO's Handbook (Handbook)* is written to provide the tools and guidance necessary for a successful campus program. In addition to the discussion of the TELO's role in the main section of the *Handbook*, this includes a glossary, a summary of the policies your institution should have in place to guide the administration of the program and a variety of sample materials.

The web site, [www.tuitionexchange.org](http://www.tuitionexchange.org), has current news and information about the program and its members. The fifth bucket of the website includes a TELO Only login option. The login and password are generic. [TELO@tuitionexchange.org](mailto:TELO@tuitionexchange.org) and the password is TELO14. You are encouraged to check it often. All TE webinar recordings, presentation slides and any additional handouts are posted inside this portal.

TE Central welcomes inquiries from TELO's about any aspect of the program or its policies. Contact information is provided within this document as well as on the Tuition Exchange website inside the first bucket.

We look forward to working with you.  
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## Introduction to The Tuition Exchange Program

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Fundamental Principles: Exchange, Flexibility  
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A Typical Path to a TE Scholarship

### About Tuition Exchange

#### History

Tuition Exchange was founded to advance higher education and to make careers in higher education more attractive. The underlying concept originated in the tradition of remitting or reducing tuition costs for faculty children attending their home institution. Vanderbilt University offered “tuition discounts” to faculty and staff children from the time of its founding in 1875. In 1901, the trustees of the University of Chicago voted to provide “tuition assistance” to faculty children. During the depression of the early 1930’s, the availability of tuition-remission programs rapidly increased; today, such programs are in place at many American colleges and universities.

In 1947, Dean Robert R.R. Brooks of Williams College introduced multi-institution exchanges (as distinguished from one-on-one exchanges), and in 1952, forty-one colleges and universities joined together to create the Faculty Children’s Tuition Exchange.

Following a 1953 study on the post-war economic status of college teachers by the Teachers Insurance and Annuity Association (TIAA), the Ford Foundation Fund for the Advancement of Education made a generous grant to support of the exchange program. On May 28, 1954, Tuition Exchange (successor to the Faculty Children’s Tuition Exchange) was incorporated.

From 1954 to 1972, Williams College served as headquarters for Tuition Exchange. From 1972 to 1993, Muhlenberg College served as host to the organization under the leadership of G. N. Russell. Smart. In August 1993, the organization’s headquarters moved its location to the Washington, D.C. metro area. Since 2010, TE Central has been located in Bethesda, Maryland, just outside of Washington D.C.

## Mission and Scope:

"The Corporation shall be operated exclusively for educational purposes for the benefit of public, private nonprofit, and religious colleges and universities through the advancement and administration of reciprocal tuition scholarships for children and other dependents of faculty and other employees of educational institutions associated with The Tuition Exchange, Inc. and for related purposes similarly designed to promote the advancement of higher education."

## Membership

Tuition Exchange (TE) is a nonprofit consortium of more than 640 colleges and universities. It has participating institutions in 47 states, the District of Columbia and abroad. One of TE's strengths is the diversity of its membership: major universities and liberal arts colleges, highly competitive and moderately competitive institutions, public and private, and members that have specialized curricula and comprehensive institutions.

Membership in TE is open to all regionally accredited public and nonprofit institutions of higher education. Members of this consortium provide the opportunity for eligible employees and their family members to apply for a TE scholarship to study at any other TE member school.

More than 6700 students receive TE scholarships annually. TE is governed by a board of directors. TE Board members are drawn nationally from the higher education community.

## Universal and Institutional Rules

### Fundamental Principles

The fundamental operating principle is *exchange*. Members benefit from the opportunity to send students on scholarship to other institutions, and they also make a commitment to host an approximate equal number of students. No money changes hands and no accounting is done regarding the variation of tuition, fees and in some cases, room.

*Flexibility* is another characteristic of TE. Tuition Exchange has a few umbrella policies and procedures, but within these, colleges and universities have considerable leeway to structure the program as they see fit.

Each member institution is obligated to:

- ✓ Limit the exchange to eligible employees (past and current\*) and members of their families;  
When economic situations require a reduction in force, it is important that schools consider the impact of a current TE scholar. See Certification for additional information and potential issues of consideration.

- ✓ Establish an eligibility policy that sets forth criteria for determining which employees will be certified (or exported) for TE scholarships and have a mechanism to determine which eligible employees have priority;
- ✓ Establish guidelines for the award of scholarships (imports) and set the number of new scholarships that will be awarded each year;
- ✓ Honor all commitments made to exchange scholars;
- ✓ Appoint one staff or faculty member to coordinate the campus program (TELO), complete and submit an annual report no later than October 30, pay the \$500 annual dues and \$35 participation fee per export (or DC3 import if applicable).
- ✓ A best practice could be to create a committee comprised of Human Resources, Enrollment Services/Admissions, and Financial Aid.

### Institutional Policies

With the aforementioned framework, each member institution either adopts the generic TE Guidelines or establishes its own policies and procedures for administering its TE program. The purpose of this handbook is to assist the TELO with the day-to-day operation of the program. The TELO must have a copy of his or her institution's TE policies, which should have been prepared when the institution became a member of TE and kept current during changing times. TE Central now provides a generic guideline template that can help you create, update, modify and even compare your policies.

They are available on the website inside the Member Resources tab (TELO Only Forms). The login information is [telo@tuitionexchange.org](mailto:telo@tuitionexchange.org) and the password is TELO14.

### A Typical Path to a TE Scholarship

Perhaps the best way to introduce the TELO to the TE program is to provide an example of the path a student typically travels to obtaining a TE scholarship.

“Susan” is a 17-year-old high school junior who is beginning to look seriously at colleges and universities she might want to attend. Her mother, a controller at Omega University, receives an email message reminding her that Omega is a member of Tuition Exchange. Seeing that she meets the criteria to be an **eligible** employee for the program and that children of eligible employees are eligible to participate, mom looks at TE's web site and gives Susan the list of member schools to investigate.

In the meantime, Susan's mother contacts Omega's TELO regarding Omega's deadlines and procedures for the program. The TELO determines that family members of Susan's mother are eligible for a four-year, eight-semester TE scholarship.

There are several employees at Omega who are eligible for TE scholarships. Based on its historic record, Omega will only make new commitments to five students this year. Based on

her seniority, Susan’s mother is third on the priority list. The TELO informs her that Susan will be sponsored for a TE scholarship. Omega is her home institution and Susan is considered an **export** of Omega.

After investigating the member institutions to narrow her search, Susan applies to four schools, including one “safety” school. These four school choices and the state where the school resides is provided to the TELO. In turn, the TELO completes the *TE Certification and Application Form that is electronically submitted* to the schools Susan has applied. These institutions contact Susan directly about further application procedures and the TE award process at their school.

Susan is offered a TE scholarship at three schools. She decides to enroll at Alpha College and accepts their offer. As a courtesy, she notifies the other schools about her decision. She is an **import** to Alpha’s program.

Susan attends Alpha College for four years. Each year, Omega honors its commitment to her and re-certifies her as a continuing TE scholar. Her mother is thrilled that Susan has received an exemplary education at an excellent institution, at a markedly reduced rate.

## Role of the TELO

### Introduction

The success of the Tuition Exchange program at your school depends upon the Tuition Exchange Liaison Officer (TELO). The TELO is the principal point of contact for TE Central, eligible employees and their families, students applying for TE import scholarships and TELOs at other member schools.

The TELO’s work is seasonal, with peak periods typically early and late in the fall semester, and again early and late in the spring semester. The amount of time required to administer the TE program on any particular campus is difficult to estimate. It depends on the number of participating students and is generally a small addition to an administrator’s workload.

Colleges and universities assign the TELO role to different categories of employee. Below is the most up-to-date detail for where TE Liaison Officers work within the TE member campuses.

37% work in the Human Resource area	10% work in the Enrollment Management area
35% work in the Financial Aid area	5% work in the Finance area
6% work in the Academic Affairs area	1% work in the Student Affairs area
3% claim the title of TELO no specific area shared	
3% work in areas other than those listed above.	

## Summary of Responsibilities of TELOs

- ✓ The administrative responsibilities of the TELO fall into the following broad categories:
- ✓ To create and share equitable and fair TE policies;
- ✓ To advise faculty and staff and their families about the Tuition Exchange program;
- ✓ To certify the eligibility of faculty and staff family members who apply for TE scholarships at other institutions;
- ✓ To re-certify the eligibility of “exports” each academic year;
- ✓ To monitor the eligibility of “imports” each academic year;
- ✓ To monitor whether or not “export” and “import” applicants actually enroll;
- ✓ To maintain a reasonable balance between “exports” and “imports” as measured in semester units;
- ✓ To comply with limitations and restrictions imposed by Tuition Exchange;
- ✓ To resolve exchange problems with TELOs at other member institutions;
- ✓ To report each year no later than October 30, to TE Central the names of all current “exports” and “imports” both new and renewed on the Annual Report;
- ✓ To complete the TE Annual Survey; and
- ✓ To maintain up-to-date TELO contact information with TE Central

Disclaimer: It is The Tuition Exchange, Inc.’s policy that TE scholarships are granted by member institutions and not by Tuition Exchange, Inc. TE Central therefore accepts no responsibility for any misunderstanding between applicants and institutions concerning the selection and award process, amount or duration of scholarships, or any special circumstances which might lead to early termination of a TE scholarship award.

## OVERVIEW

- ❖ Inform Employees
- ❖ Offer Timely Advice to Exports
- ❖ Distribute Materials
- ❖ Guide Exports Through the Application Process
- ❖ Field Inquiries from Imports

The TELO is responsible for ensuring that eligible institutional employees are aware and informed about the TE program. The TELO assists interested import candidates, exports, and their families with TE application procedures.

## Inform Employees

The specific venue used to inform depends on the individual institution's most effective communication channels. Some TELOs include information about TE in the campus newsletter, in new employee orientation sessions, in manuals or on the intranet. Some schedule briefings. Some TELOs notify eligible employees after the human resources department has identified them. TE Central has created a variety of tools available to TELO's for use in sharing information. These tools are available inside the TELO Only Resource section. They include power points, export and import checklists, Intro to TE 101, a generic application form and the like. All of these forms are available for download and TE member branding.

TE has created a brochure available for TELO's to provide to interested employees. TELO's can order brochures, table tents, and or folders free of charge. The form is available in the general TELO section – under the TELO tab. The article is titled TE Material Order Form. You can also search the website using TE Material Order Form.

## Offer Timely Advice to Exports

All eligible employees should have access to timely opportunities to learn about the TE program. Be sure to share how the eligible employee can take advantage of any available TE opportunities with plenty of advance notice. TELOs should:

- ✓ Make sure that your eligible employees know how to contact you;
- ✓ Be up front and inform employees of any limitations on the TE program, especially limits on the number of TE scholarships that the institution awards each year;
- ✓ Avoid raising expectations that cannot be met;
- ✓ Describe the awards as awards or scholarships rather than as a fringe benefit. TE membership confers only the right to *apply* for a TE scholarship. It does not guarantee either that the employing institution will be able to sponsor all eligible employees in a given year, or that the institutions to which a student applies will accept the student and support the student with a TE award. ;
- ✓ Communicate with eligible employees beginning twelve to eighteen months before the prospective candidate plans to enroll in college.

## Guide Exports through the Application Process

Throughout the process, the TELO provides assistance to candidates and their families. Each TELO completes the online form that is electronically transmitted to each school the student is applying. Qualified applicants and the eligible employee should be informed that the specific institution a student hopes to attend might not have enough places for all qualified applicants. Institutions with more TE applicants than they can accommodate are free to establish their own criteria by which to choose among the applicants. TELO's should encourage candidates to apply

to at least one “safe” school. Safe school is defined as a TE member institution with a high ratio of acceptances.

### Field Inquiries from Imports

The TELO should readily make available to import candidates (scholars from other institutions) and their TELO any information concerning the number of import scholarships to be awarded, any special requirements or conditions for an import scholarship, and deadlines. This can be done by completing the Member Survey at the same time as completing the Annual Report and by completing and keeping up to date the Overview Section for your school. This is especially important at those campuses that need to attract more imports, the TELO should work in partnership with the Enrollment Management Staff, the Financial Aid Office and Human Resources to identify and court prospective import scholars to increase the likelihood of their enrolling. When completing the Member Survey information, please be as accurate as possible regarding your application and acceptance numbers. Families are suspicious of statistics especially when their student is not offered an award and your number of acceptance is reported at 90% and higher.

#### Administration of Scholarships for Export Students OVERVIEW

- ✓ The exporting school certifies TE application and terms of scholarship on the online *TE Certification & Application*
- ✓ Annually, typically after second semester begins, the exporting school recertifies the students TE scholarship on the *TE Recertification & Renewal online form*
- ✓ Withdrawal or leave of absence are noted on the *TE Withdrawal/Leave of Absence online form*

### Certification

When a student wishes to apply for a TE scholarship, the first step is to have proof from the exporting institution that the student is eligible (certified as a TE scholar). The exporting TELO is responsible for confirming that the candidate meets the requirements set forth in the institution’s TE eligibility policy. The TELO also must ensure that the student has been selected as a TE Scholar under the institution’s rules for establishing priority, if necessary.

The TELO certifies that the student has met the criteria by completing an online form. The TELO specifies on the form the number of semesters for which the student is eligible to apply (as many as eight, as few as one), and for which academic years. TELOs are required to use this form to process all new applications. If neither the student applicant nor the sending TELO has heard from the receiving institution within three months or by April 1 (if the application is for September enrollment), the sending TELO should inquire about its status by contacting the importing TELO.



The Certification/Application is a legal contract authorizing participation by the exporting school and committing scholarship by the importing school. It is recommended that TELO from the importing school provide a notice to the TE scholar spelling out all the conditions of the award.

### Annual Re-Certification

Annually and typically after second semester begins, the exporting TELO must ensure that the student is still eligible to be a TE scholar according to that institution's requirements by re-certifying the student. TE Central suggests that in the case where TELO's completed the recertification process at the time of completing the Annual Report, you reconfirm eligibility no later than mid-Spring semester that all remains correct.

The processes of re-certification and renewal are, in most cases, pro forma. A TE scholar may be denied re-certification in circumstances where the parent or other employee whose eligibility conferred the right to apply for a scholarship is no longer eligible under the institution's guidelines. The importing institution may deny renewal to TE scholars who failed to meet the conditions (such as minimum GPA) and terms of the scholarship award. An applicant who received a multi-year scholarship can only be denied re-certification or renewal *for cause*.

It is important to provide Exporting and Importing guidelines to your TE scholars. Often the lack of communication is the cause of many misunderstandings. Be very clear regarding issues of employee termination and retirement. Be sure to visit with your Human Resource department regarding any TE guidelines. All institutional guidelines should be in alignment.

Issues of termination, dismissal and retirement generally require individual consideration and a mitigating circumstance clause to the general TE Guidelines of the school. The following information is provided as fodder for consideration only.

### Laid-off vs terminated vs retired

- ✓ Laid-off generally means someone lost their job for reasons other than termination. It could be appropriate to extend the TE benefit.
- ✓ Terminated generally means the individual was not performing up to standards. It would not be appropriate to extend the TE benefit
- ✓ Retired – look to your benefits policy. If your school offers benefits beyond retirement, it would be appropriate to extend the TE benefit.

A couple of issues to consider when extending benefits to those laid-off. Be sure to PUT EVERYTHING IN WRITING. Be sure to document all of this with each unique case.

People will only remember Tommy was laid off and his kid got benefits

Provide the TE opportunity with the following caveats

- a. Maximum 8 semesters or graduation whichever comes first
- b. Must maintain eligibility at current school – no transfer requests considered. If student loses eligibility, the benefit is forfeited.
- c. If parent obtains employment at another TE school your offer is void
- d. Student must maintain continuous enrollment, summer term is the exception.

### Withdrawal or Temporary Leave of Absence

The TELO who first learns of a TE scholar's withdrawal or temporary leave of absence should report this to both the other institution and TE Central. The exporting (sending) TELO should use the TE Withdrawal/ Leave of Absence/Loss of Eligibility Form (W/L Form) online.

Do not use the W/L Form for TE scholars who are graduating or completing the approved term of their scholarship. It is also unnecessary to submit W/L Forms to TE Central with the annual report, since this would duplicate information in the report.

Students and their families also have responsibilities in these processes. It is important that the TELO emphasize these in person and in all written materials shared with potential and actual TE scholars.

The student or the family should inform the exporting TELO which institution the student intends to enroll at. This should occur as soon as the student formally accepts the institution's offer of admission and TE scholarship is applicable. .

Each January, the TE scholar(s) should confirm that their exporting TELO recertified their TE scholarship for the following academic year.

Should a TE scholar decide to take a leave of absence, to transfer, or to withdraw from an institution, the student or eligible employee should notify the TELOs at both institutions.

In the case where a student transfers to another TE member school –there should not be an assumption that the award will follow. The student will need to reapply for both Export and Import consideration in these situations. In most cases, the Export school will continue to support the student. However, there is absolutely no guarantee that the new school will provide a TE award to the transferring student.

## Administration of Scholarships for Import Students

### OVERVIEW

- ✓ TELO's inform candidates of the decision regarding their application for a TE scholarship by completing the Certification and Application Form.
  - It is strongly recommended that some sort of formal notification be sent to the student as well. Prior to the student's first year of college, these notifications may be shared with the eligible employee without worry of violating FERPA. However, after the student enrolls in college, new or renewal awards should not be shared with parents.
- ✓ Re-certification of eligible continuing scholars within the term of the scholarship and conditions is virtually automatic. However, to be in compliance with FERPA do not share with parents. If in doubt, check with your Registrar.
- ✓ The TE Certification & Application Form and the TE Recertification & Renewal Form are considered to be legal contracts

### Overseeing Certification

#### Best Practices for Exports

- ❖ Written policies should be included and disseminated in employee guides, manuals, etc.
- ❖ Be clear about eligibility (waiting period, employment status, status of new hires with eligibility from former employer), priority for certification, and competitiveness of award process.
- ❖ Create and share priority policy regarding Export candidate selection even if it isn't used.
- ❖ Senior administrator (and committee) appointed to monitor policy.
- ❖ TELO supported by officer/committee.
- ❖ Ongoing, accurate and realistic communication with all employees.
- ❖ Families understand that a TE scholarship is an opportunity, not an entitlement. TE scholarship information should be grouped with other employee educational assistance programs and their differences clearly outlined.

TELOs are the points of contact for other TELOs and candidates for import scholarships. Careful advice provided to TELOs and import candidates often prevents later misunderstandings.

#### Application Review

When the importing TELO receives the TE Certification & Application forms submitted for candidates from other institutions, the application review begins. The TELO is responsible for

overseeing the progress of the TE application through whatever import review and ranking process the institution has established.

As early as possible (TE Central recommends no later than April 1), the importing TELO should notify the candidate and the exporting TELO whether the candidate has been accepted or rejected for a TE scholarship. The monetary value and any limitations of the scholarship awarded should be shared, by completing the online form sent. If the student also applied for other forms of financial aid and the TE scholarship is part of a financial aid package, the exporting school should be made aware of this.

Institutions may want to establish a limit to the number of new scholarship commitments it will make in a given year. Weigh such factors as anticipated pressure on the program from employees hoping to apply for TE scholarships and financial loss to the institution if paying students are replaced by scholarship students.

Some institutions attempt to balance the number of import scholarships in any given year with the anticipated number of export students for that year. This is counter-productive and unnecessary because it is difficult to forecast accurately how many applicants will actually enroll. Some institutions convene a committee to decide how many imports to admit for the coming year.

Two programs added to the Tuition Exchange membership options beginning July 1, 2014 are Export/Import 3 (E/I 3) and Double Credit 3 (DC 3). These programs are defined in detail on the following two pages.

### Legal Status of TE Forms

The TE Certification & Application Form, TE Re-certification, and the TE Membership Agreement are considered to be legal contracts. TELOs should bear this in mind while carefully and accurately completing these forms. The forms should specify the term and amount of the scholarship and any special limitations that apply. Although the TELO may delegate to other staff members such duties as requisitioning forms or verifying enrollment, these forms should be reviewed and approved by the designated TELO.

### Best Practices for Imports

- ✓ The awards system and time schedule are in place with, at least, the schedule made public.
- ✓ A senior administrator (and committee) has ultimate responsibility and oversight of the program.
- ✓ The TELO has good relations and communicates frequently with recruiting staff.
- ✓ The TELO communicates regularly and on time with applicants and their families.
- ✓ Institutions are honest, honor their commitments, treat applicants and recipients like any other financial aid customers and don't treat the award as a freebie.

### Overseeing the Import/Export Balance OVERVIEW

- ✓ At each member institution, the number of exports must be roughly matched by an equal number of imports.
- ✓ Good Standing, Alert Status, Restricted Status
- ✓ Common Problems and Suggested Solutions
  - Too few import applicants
  - Too many import applicants
  - Too few export applicants
  - Too many export applicants

#### Best Practices

- Export/Import 3 (E/I3)
- Double Credit 3 (DC 3)

#### Export/Import 3 (E/I 3)

E/I 3 allows each TE member institution, in satisfactory administrative standing, the opportunity to export three students each academic year regardless of balance and number of annual incoming imports.

Member schools may export annually up to three students, regardless of balance. TE member schools participating in the E/I 3 program shall annually award TE scholarships to at least an equal number of E/I 3 admitted students eligible for TE import up to three for purposes of balance.

It is possible that an E/I 3 school successfully exports up to three E/I 3 students annually but is not equally successful in importing students. Provided the TE member school has made a good faith effort to advertise and provide TE import scholarships to all qualified eligible import students, the school has meet the expectations of TE Central.

This policy was adopted by the TE Board of Directors at the June, 2014 annual meeting and shall be reviewed by the TE Board of Directors in January, 2017.

What does this mean to my school?

Each TE member school in satisfactory administrative standing, regardless of Export standing (good standing, alert status or restriction) may offer up to three exports annually to students meeting the school's eligibility guidelines. TE member schools are not obligated to offer this option to their families and it is entirely a school's choice to determine who they admit. However, if the school admits a student, the school must offer the eligible student a TE scholarship. The Importing school is under no obligation to grant this student special consideration regarding standard admission decisions.

For the TE member schools exporting under this provision, the school is obligated to award TE scholarships to at least an equal number of imports. For example – if the school exports two students under this provision – the school is obliged to accept and award at least two imports.

Schools wanting to participate in the E/I3, must sign-up for this option under the Institutional Profile inside the TELO webpage. Update Question 7 to yes. By signing-up for E/I 3 the TE member school is allowed the opportunity to export across the entire membership base.

Effective with the 2014-15 academic year, Tuition Exchange is no longer offering the Co-Op program as a membership option. E/I 3 is the new option for former Co-Op schools and available to all TE member wishing to boost their annual export opportunities.

There is no cost to participate in the E/I 3 program.

1. Export/Import 3 (E/I 3) replaces the former Co-Op Program, offering the opportunity to export up to three (3) students yearly regardless of TE balance.
  - a. All TE member schools can offer up to three E/I 3 exchanges annually
  - b. The expectation is that all TE member schools will accept TE students who apply and qualify. If the TE student decides to enroll elsewhere – you did your due diligence...you offered the TE award
  - c. Three E/I 3 scholarships is the maximum number of exports allowed for schools who have no imports to balance. Those TE members who export and import within balance are not impacted by these changes.
  - d. Schools signing up for E/I 3 should never be on Restriction.
  - e. Former Co-Op schools are encouraged to sign up today for E/I 3. To sign-up log into the TE Portal and click on the Mandatory Profile section – at the top in the BLUE section of the main page. Update question #7 to say yes. That's it!
  - f. This is a benefit that provides opportunities to your employees' dependents. It is a win-win for all.

Please note, TE Central may be asking follow-up questions at the conclusion of the annual report to evaluate the effectiveness of this program.

Double Credit 3 (DC 3) was adopted by the TE Board of Directors at the June, 2014 annual meeting.

DC 3 offers TE semester credit on the TE balance sheet for up to three students annually who have been placed through other exchange programs. To obtain credit, the TE member institution pays the TE participation fee per Import from another program.

This allows schools who are members of multiple exchange programs to earn extra IMPORT credit.

- ✓ There is no official sign-up action required
- ✓ This option provides TE member schools to participate at a higher export level when or as needed
- ✓ To participate, first your school has to participate in at least one other TE Central recognized Exchange program.

At this writing, the following list of TE Central approved nine exchange programs. It is also available on line in the TELO Only Resources Section

TE Recognized Double Credit 3 Exchange Programs as of September, 2014

1. Council of Independent Colleges (XPCIC)
2. Council for Christian Colleges and Universities (XPCCCU)
3. Catholic College Cooperative Tuition Exchange (XPCCCTE)
4. Association of Jesuit Colleges and Universities (XPAJCU)
5. Evangelical Lutheran Churches in America (XPELCA)
6. Associated Colleges of the South (XPACS)
7. Great Lakes Colleges Association (XPGLCA)
8. Associated Colleges of the Midwest (XPACM)
9. Association of Presbyterian Colleges and Universities (XPAPCU)
10. Association of Colleges in the Twin Cities (XPACTC)
11. International Association of Baptist Colleges and Universities (XPIABCU)

If your school participates in an exchange program not listed above, please provide information to Janet Dodson ([jdodson@tuitionexchange.org](mailto:jdodson@tuitionexchange.org)) for consideration.

Please remember the XP allows for the DC 3 option to be grouped together in the listing. On your Annual Report you make the match between the program and your school.

- ✓ Inside the TELO portal – select Editing and then add student.

There is a cost to this option – it is \$35 per IMPORT.

What does this mean to my school?

Beginning with the 2014-15 Annual Report, schools can utilize this new double credit option. Schools are not obligated to participate in DC3. However, if the school is in a status other than Satisfactory, it does provide the school with a double credit option to increase the ability to increase their exports.

Imports from other recognized exchange programs who are also members of TE can garner the school double credit. TE Central has added all exchange programs known to TE to our Member school listing. For those students the school wishes to count for double credit, the

school will connect the student with the appropriate Exchange Program. TE member schools utilizing the double credit option will be charged the TE Participation fee of \$35 for each student imported from a TE recognized exchange program.

The TE Board of Directors believes that with the passing of E/I 3 and DC3, the TE Co-Op Program is no longer needed. Each TE member school's status as of the 2014-15 annual report (due October 31, 2014) will be the baseline status going forward and will continue to be evaluated annually, based on a rolling five-year average.

TE Central's method of calculating status remains the same. All TE member schools are encouraged to strive for an equal number of imports and exports, outside of "the up-to-three each year" as passed under E/I3.

TE Central recognizes that many of our member schools successfully administer the TE program. TE Central will on a case-by-case basis monitor schools that appear to be out-of-balance.

#### Balance Sheet

By signing a formal letter of agreement with The Tuition Exchange, Inc., an institution makes the commitment to ensure that the exports it makes are balanced by imports. A fundamental principle of TE is that members may export and import as many (or as few) TE scholars as they wish, so long as the volume of their exports does not markedly exceed the volume of imports.

The TE Balance Sheet is one tool that the TELO can use to monitor the import/export balance. The TE Balance Sheet also enables the institution and Tuition Exchange to see at a glance whether the balance is becoming too heavily weighted on the export side.

However, the Balance Sheet does not substitute for vigilance and understanding on the TELO's part as new commitments are made each year. If unwisely managed, an institution's new commitments in a single year may seriously impair the balance for several years.

All members are required to maintain a balance between the number of exports and imports accrued over the most recent five academic years, including the current year. The TE database uses the five-year period as the basis upon which to compute a school's status: Good Standing, Alert, and Restriction.

Understanding how to read a balance sheet. The formula is found at the bottom of your balance sheet.

#### Calculating your TE Standing:

$X(\text{number of imports}) - Y(\text{number of exports}) = Z$  (may be a positive or negative number)

$Z/X = A\%$  (may be a positive or negative number)



Restriction example –

24 semesters of imports – 60 semester of exports = (36)

$(36)/24 = (150\%)$

In this example the school is on Restriction. If the school is signed up for E/I 3, the school may export a maximum of three (3) students in the next academic year.

Alert example –

24 semesters of imports – 36 semesters of exports = (12)

$(12)/24 = (50\%)$

In this example the school is on Alert. The school can continue to export but needs to be aware that in order to continue exporting without concern – there needs to be a concerted effort to increase imports soon.

Good standing example –

24 semesters of imports – 14 semesters of exports = 10

$10/24 = 40\%$

In this example the school is in Good Standing.

	Import Semesters	Export Semesters	+/-
<b>Historical Balance</b> (Including 2009 - 2010)	0	0	0
<hr/>			
2010 - 2011	0	0	0
2011 - 2012	0	0	0
2012 - 2013	0	0	0
2013 - 2014	1	1	0
2014 - 2015	8	12	-4
EI3 Credit 2014 - 2015		- 4	
<b>Total with Extra Credits</b>	8	8	0
<hr/>			
<b>5 Year Subtotal</b>	9	9	0

Calculating your TE Standing:

$X(\text{number of imports}) - Y(\text{number of exports}) = Z$  (may be a positive or negative number)

$Z/X = A\%$  (may be a positive or negative number)

#### Messages:

- Your institution is in good standing, **CONGRATULATIONS!**

Good standing -any positive % to a -59%

Alert standing --60% to -99%

Restriction --100% and beyond

#### Restricted Status

If the imbalance continues to increase so that during the most recent five-year period, exports exceed imports by 100 percent or more (that is to say, the ratio of exports to imports is two to one), TE places the institution "on restriction."

The TELO is notified of the situation by a message on their Balance Sheet. The sanction attached to restricted status is that the institution is prohibited from making any new export commitments until it has acquired enough import credits to improve its balance. If the situation doesn't improve, the institution's president is given notice also. Institutions are not placed on restriction if they were in good standing the previous year, even if the past imbalance is greater than 100 percent.

Restrictions apply only to new export commitments. The institution is required to honor all the export commitments it has already made for future years through the Certification and Application form process, as well as all its existing import commitments. Restricted institutions are listed on the TE web site.

**Note:** When a school's five year import balance equals the five year deficit, the school is 100% out of balance.

### Common Problems and Suggested Solutions

#### Few Import Applicants

Although some TE members report that, despite their best efforts, they have difficulty enrolling import students, many have devised successful approaches to increase applications:

- ✓ Offer additional financial incentives (fees, room, and board) to applicants for TE scholarships.
- ✓ **Note:** An extra semester unit will be added for each import receiving full housing assistance over the academic year.
- ✓ Promote your school: Work closely with Enrollment Management, place table tents at admissions events, put announcement in Financial Aid materials, add a question to your admissions application about parent's place of employment
- ✓ Investigate continuing and in-coming students. If one of your students has a parent employed at member school, ask the student to seek TE certification.
- ✓ Personalize the conversion process with applicants. Ask faculty and staff who want TE scholarships to help in the conversion process. Be sure the applicant is contacted by phone and if possible have him/her visit the campus.
- ✓ Target feeder schools, TE schools, or all schools within a region. Send a mailing that promotes the institution's strengths and solicits TE import applications.
- ✓ Host a gathering for TELOs in the region to introduce your institution.
- ✓ Use the TE web site as a vehicle for communicating with other TE members.
- ✓ Join Tuition Exchange's [Linked in](#) community.

#### Too Many Import Applicants

Highly selective institutions may find that they receive more applications for TE scholarships from candidates who meet their regular admission requirements than they can award.

Candidates should be advised of the highly competitive admissions of the school. To select among candidates, most institutions either:

- ✓ Ask the Enrollment Management staff to rank order the TE candidates by the same criteria used for merit scholarships;
- ✓ Award scholarships on a need basis; or
- ✓ Draw names by lottery.

Some institutions have employed a first-come, first-served selection process. Often this approach generates confusion among applicants. A well-publicized submission date in January or February might be a preferable alternative.

#### Too Few Export Applicants

Few TE members experience this problem. However, for those that do, we suggest that institutions:

- ✓ Market the program effectively – newsletter, announcements, Intranet, meetings, benefit fairs, new employee orientations, annual report, etc.;
- ✓ Survey for potential recipients;
- ✓ Expand eligibility – reduce waiting period, expand coverage;
- ✓ Promote graduate programs;
- ✓ Establish a contact in Human Resources;
- ✓ Help TE expand membership in your region;
- ✓ If your institution is in good standing, use TE's flexibility and certify as many students as possible rather than waiting for imports to be accepted by the importing institution.

Such institutions should research whether the lack of interest is simply the result of a demographic oddity, indicating that demand will increase as the number of dependents of college age increases, or if it is because students perceive a lack of desirable schools in desirable areas.

#### Too Many Export Applicants

Many TE members must deal with this issue. TELOs can:

- ✓ Ensure that campus communications about TE avoid the implication that the program is a guaranteed benefit of employment. Instead emphasize the high demand on the program and the regrettable fact that all those eligible may not be able to use it;
- ✓ Raise the years-of-service requirement for eligibility. Please be aware that limiting TE eligibility to only some categories of full-time employees may jeopardize the tax-free status of scholarships awarded;
- ✓ Institute priority guidelines based on seniority (faculty and staff as a pool or separate pools);
- ✓ Use a lottery, perhaps with additional chances for each year of service (weighted lottery by seniority);

- ✓ Limit awards by family – no more than one per family, no more than one out at any one time;
- ✓ Use merit, need or both;

On campuses where the TELO has prepared employees for the realities of the TE program, there is less disappointment in those years when eligible people must be turned away. Resentment is likely to be more intense if employees were not properly advised and educated in advance.

#### Best Practices for Overseeing the Import/Export Balance

- ✓ Review your institution's history of importing and exporting TE scholars.
- ✓ Trends often emerge suggesting a comfortable quota for the certification of new candidates.
- ✓ Watch your deficit. When it grows to the point where it equals imports in the most current five-year period, your school will be placed on restriction.
- ✓ Review your school's policies
- ✓ Contact TE Central for assistance.

#### Communicating with Other Campus Offices

The nature of the TE program requires that the TELO work closely with colleagues in other campus offices.

##### The Enrollment Management and/or Admissions Office

This is usually a TE candidate's first point of contact with the campus. Admissions Counselors may be asked to assess whether a candidate is a good match for the institution. Campuses with more applicants for TE import scholarships than they can accept may use the admissions staff to rank the applicants. On campuses that need more imports, the TELO and admissions staff may work together to court promising applicants. Sometimes, a TE candidate who cannot be accommodated immediately will enroll in hopes of receiving a TE scholarship within a year or two. The Admissions Counselors should offer them realistic advice about their chances.

##### The Financial Aid Office

The FA Office is involved whenever campuses require that TE candidates apply for other grants such as the Federal Pell grant or state grants. TE candidates may also seek need based financial aid on their own initiative.

Other on campus offices - depending on the campus structure, may also provide important assistance to the TELO.

The Human Resources Office confirms employee eligibility and may also help to assess future demand on the TE program by projecting the numbers of eligible employees and dependents in the coming years.

The Business or Financial Affairs Office may play a key role in determining how many import scholarships the institution can award in a given year.

The Registrar's Office verifies actual enrollment of accepted TE imports.

When TE import scholars pose academic or behavioral problems, Student Affairs and academic staff may become involved.

### Communicating with Other TELOs

Communication with TELOs at other TE member institutions is important. Every TE scholar is, in a sense, the concern of two institutions, a circumstance that can easily lead to confusion. One telephone call or e-mail may provide information or resolve confusion, which, if ignored, could eventually cause real problems. TELOs should follow-up with each other when there has been no response to a TE application. They should notify the other TELO when a student withdraws from school or takes a leave of absence. They should resolve discrepancies in the *Annual Report*, and should note and respect limitations placed on scholarships.

### Communicating with TE Central

The primary purpose of TE Central is to develop and implement policies and procedures that promote exchange, to recruit additional colleges and universities to become TE members, and to help member institutions manage their campus-based TE programs.

TE Central oversees the exchanges, maintains a database that records the scholarships reported by TE members, and computes each member's import/export balance. Recognizing that managing the TE program on campus is often one of many assignments, TE Central looks for ways to assist TELOs.

Besides assisting with the preparation of Annual Reports and Balance Sheets, TE offers advice by phone and email, publishes the TE TELO's Handbook, keeps the website current, and offers training opportunities such as monthly webinars and at least three face-to-face workshops annually across the country. TE Central's staff welcomes inquiries and suggestions from TELOs.

Communication with TE Central is an important aspect of the TELO's role. The following is a list of the reports and statements that TE Central will generate, and require a response from the TELO.

### TE Membership Survey

The TE membership survey is distributed electronically in April, the TE Membership Survey is the first part of the TE Annual Report. The survey provides useful information, such as an annual listing of members that will offer graduate, professional school, or study abroad opportunities. Other data is important for TE's policy setting and long-range planning for member services. Please complete the survey as soon as possible but no later than the published deadline.

## TE Annual Report

The TE Annual Report reflects the information contained in the TE database for that institution: Export student data, import student data, and the TELO's name, address, telephone number, and e-mail address. TELOs should verify the student enrollment data, correct any errors in the contact information, and list all new TE exports and imports as well as continuing students who are returning to school after an absence of a semester or more. Add your institution's tuition and fee charges and the value of the TE scholarships awarded for the current academic year. Note the TE exchange system counts semester units, not students. Placing "1" in the column under "number of semesters" represents one semester of study (fall, spring, or summer), whether full-time or part-time. Fractions are not acceptable. Institutions that operate on a quarter basis should count the winter and spring terms as one unit for spring.

We cannot overemphasize the importance of the TE Membership Survey and Annual Report. The student data provides the basis for TE's billing and balance accounting, and the TELO information is circulated to all TELOs, who depend upon accurate listings to communicate with one another. Please take the time to check all the information printed on the TE Annual Report.

The Annual Report is done online after school begins in the fall, and should be completed no later than October 31. If new students subsequently enroll for the spring semester or current students withdraw, update the annual report.

If the report is not completed on time, TE Central will reluctantly put the school on restriction until the report is processed.

## Annual Membership Dues Statement

Invoices are provided in late June. Annual dues are \$500 and due July 1.

## TE Balance Sheet

The Balance Sheet is an analysis that shows the cumulative exchange balance and the balance for the most current five-year period. An institution can calculate whether the commitments it is making for TE imports and exports for the future are reasonably balanced by consulting its Balance Sheet.

The report also warns the TE Central and the institution if its balance is weighed too heavily on the export side. Depending on the degree of imbalance, TE Central may issue a formal caution or an alert to the institution, or, in the worst cases, prohibits it from exporting until it improves the import side of the balance.

TELOs should review the Balance Sheet for accuracy and notify TE Central if any errors are found.

## TE Participation Fees Statement

This invoice covers fees charged for exported students, \$35 per export. If your review of the Balance Sheet finds no errors, please forward the Billing Statement to the business office or

treasurer of your institution as soon as possible. If subsequent adjustments are made for new student enrollments or withdrawals, the statement will be revised and TE Central will rebate overpayments.

#### Suggested Time Schedule of TE Program Administration

TE Central operates on an annual schedule, and most campus programs find it efficient to establish a schedule as well. We suggest the following as a sample campus schedule. Programs work well on different schedules too: What is important is to have a schedule and to make sure it meshes as well as possible with TE Centrals schedule and events on your own campus.

#### Suggested TE Liaison Officer Calendar

January – Review your annual report

February – Continue to approve Imports and add any approved Exports

March – Maintain positive communication flow with Financial Aid and Admissions

April – Finalize Imports and keep Export decision information up to date

May – Confirm all Export and Imports are approved or rejected

June – Confirm continuing student Imports retain eligibility and meet your school's continuing eligibility requirement

July – Clean-up your annual report details; Annual TE dues payment July 1

August – Import schools confirm your new imports are marked enrolled. Export schools confirm all exports are approved

September – Clean-up Imports and Exports

October – Finalize your Annual Report due October 30; submit Participation fees

November – Host TE informational sessions

December – Continue to provide TE information to your employees and potential imports. Tuition Exchange Opportunity Grant application process opens

Date	TE Central schedule	Sample Campus schedule
April		Deadline for award of new TE scholarships and notification of students and their TELOs



Mid-May		
Late June	Electronic statements for annual membership dues are made available	
Mid- August	TE Annual Reports opened and available on TE web site	
Mid-September		Notify all employees of impending TE application cycle and eligibility requirements
October 30		Deadline for completing updated TE Annual Report via TE web site and paying annual membership dues and participation fees
Early November		Deadline for pre-application forms to be submitted to TELO
Mid-December		Deadline for TELO to finalize completed applications for each approved TE applicant on campus
Late December	TE Central places institutions that have not submitted their TE Annual Report, membership dues or participation fees on restriction	TE-GO applications available
End of January		Confirm re-certification of TE scholars for the academic year beginning in September
February 1	TE assesses a \$25 penalty fee to all schools that have not paid their participation fees	Finalize your TE-GO application nomination
March		Export TELOs inquire regarding status of applications at importing institutions

## GLOSSARY

**Alert** - an institutional import/export balance where exports exceed imports by (-)60 percent or more, up to (-)100 percent.

**Annual Report** – electronic confirmation of the current academic year’s TE import and export scholars. This report is a fluid document and should be reviewed at least once each semester.

**DC 3 (Double Credit 3)** - DC 3 offers TE semester credit on the TE balance sheet for up to three students annually for other exchange program placements. To obtain credit, the TE member institution pays the TE participation fee per Import from another program. This is a new opportunity beginning with the 2014-15 academic year. This allows schools who are members of multiple exchange programs to earn extra IMPORT credit.

**Dependent** – TE institutional members determine this definition. At a minimum, the defined dependent must include the eligible employee’s dependents as defined by the IRS. It can include the employee, employee spouse or domestic partner and children, as defined by current IRS definition. The term as used by the IRS is defined in Title 26, Subtitle A, Chapter 1, Subchapter B, Part V, Section 152 of the Internal Revenue Code. (See also [IRS Publication 501.](#))

**E/I 3 (Export/Import 3)** - allows each TE member institution, in satisfactory administrative standing, the opportunity to export three students each academic year regardless of balance and number of annual incoming imports.

**Eligibility Guidelines** - are established by every member to define the qualifications an employee must meet to be eligible to participate in the TE program, and to establish a process for selecting candidates among eligible employees if the institution cannot support all those interested in a given year.

**Exporting or Sending Institution** - The college or university that sends out export students under TE.

**Exports** - scholars sent out to other institutions on a TE scholarship.

**Good Standing** - roughly equal number of exports and imports, as measured by semester units, or an excess of imports.

**Import Institution** - the TE member school that awards a candidate a scholarship under TE.

**Imports** - scholars brought in from other TE institutions.

Import/Export Balance - the institution's balance between semester units for imported students and semester units for exported students.

Safe School – is considered a TE member institution with a high ratio of acceptances.

Satisfactory administrative standing - all dues are paid in full and the annual report is on file by October 30.

Set Tuition Rate Set for Schools with Higher Tuition - amount set by the TE Board of Directors each year based on its analysis of tuition costs reported by TE member institutions on the annual TE survey. TE members that charge higher tuition are permitted to award TE scholarships for less than the full amount of their tuition, but not less than the set rate for the academic year. Generally the Set Rate is determined on a weighted average of all TE member institutions' tuition amounts.

Restriction - an institutional import/export balance in which export debits exceed import credits by (-) 100 percent or more, or a ratio of 2 to 1 over a five-year period. Restricted institutions are prohibited from making any new export commitments until the balance improves. Standing commitments must be honored. Generally institutions using E/I3 will not be in a restriction status.

Semester Units - TE scholarships are calculated on the basis of semester units: full-time scholarship for one semester. A full four-year scholarship for undergraduate study is counted as eight semester units. A two-year scholarship would equal four semester units, and so forth.

TE Candidates - dependents or family members of employees who are certified as candidates by the sponsoring TELO and are in the process of applying for a TE Scholarship.

TE Codes - designations that TE Central and TELO's use to identify each institution. This avoids confusion caused by member institutions that have the same name and streamlines database processing of institutional records.

Tuition Exchange Liaison Officer (TELO) - The individual appointed by the institution to administer the campus' Tuition Exchange program.

TE Scholars students who are studying under the sponsorship of a TE Scholarship.

## APPENDIX A

### Materials Available from Tuition Exchange

Administering a scholarship program requires communicating information and filing papers. This appendix describes the brochures, forms, and resource lists available to help you

administer the TE program. All listed in Appendix A are available online inside the Resource Bucket. Please make use of these documents. You are encouraged to modify and brand to fit your institutional needs.

### Brochures

Guide for Exchange Scholars and their Families - \* Designed for employees of TE member institutions who have dependents approaching college age. Published annually to answer general questions about TE scholarships that applicants and their families are likely to ask. A PDF is now available on our website in the Resource bucket under TELO

General Brochure - Intended for a general audience and for prospective members. Describes Tuition Exchange, its membership requirements and procedures, and lists current members. A PDF is available on our website in the Liaison section.

Table Tents - Intended for a general audience and prospective members when your school is attending or hosting college or benefit fairs. Identifies you as a TE Member school.

All brochures and table tents can be ordered online

On-line Forms for Processing Scholarships - samples are available on our website for your use

TE Certification & Application Form - Use this form to process new applications for TE scholarships.

TE Re-certification & Renewal Form. - Use this form to process the required annual recertification of every TE scholar and to specify the amount of the TE scholarship the student will receive in the coming year.

TE Withdrawal Form.- Use this form to inform the other institution and TE Central when a student loses her/his eligibility for a TE scholarship or withdraws from the institution, whether temporarily or permanently.

On-line Forms for Reporting and Requests to TE Central

TE Annual Report Form. Provided by TE Central to all TE members on the web site in late August of each year, showing all the current information contained in TE's database concerning the institution's exchange program. TE Central provides a training webinar annually on this topic.

Balance Sheet. A one-page summary of the institution's import/export balance, produced by the TE database once the corrected *Annual Report* information is added to the system.

Participation Statement. The annual invoice for participation fees for exported students.

Annual Membership Dues Statement. The annual invoice for dues sent to all institutions in late summer.

TE Membership Agreement. Outlines the responsibilities of the institution and of Tuition Exchange, Inc.

### Lists Available on Liaison bucket of TE Web Site

TELOs. The title, address, telephone number, and e-mail address for each TELO, and the institutional five-letter TE code, listed alphabetically by institution.

Member Institutions. Arranged alphabetically by state. The list is always current on line at [www.tuitionexchange.org](http://www.tuitionexchange.org).

Member Institutions That Offer Graduate/Professional School Opportunities\* to TE Scholars and those that allow their exports to apply to other member institutions for similar scholarships.

Member Institutions That Offer Study-abroad Opportunities to TE scholars and those that allow their exports to apply to other members for scholarships for study-abroad semesters.

### Miscellaneous

List Serve – Tuition Exchange manages a list serve. This is a communication option for TELO's and TE Central. The address is [telo@lists.tuitionexchange.org](mailto:telo@lists.tuitionexchange.org). When using this system be sure to place the address in the CCline and ask that all respond directly to you. This list serve should be used for TE business only.

### Policies Governing the Administration of TE Scholarships

Although The Tuition Exchange, Inc. prides itself on enabling its members the flexibility to devise campus programs that meet each institution's needs, all members are expected to adhere to TE's basic policies. These are contracted in the original membership agreement each institution signs with TE.

### TE Scholarships

Purposes of TE Scholarships. Most TE scholarships are awarded for full-time undergraduate degree study, although some TE members allow graduate degree or study abroad programs. Study-abroad and special programs may be offered as part of a four-year TE scholarship or to students certified as eligible by the sending institution for the study-abroad semester only.

Value of TE Scholarships. TE Scholarships must cover full tuition for the entire term of the scholarship, with the exceptions noted below under Other Financial Aid and High Tuition.

Schools offering more than Tuition. TE members can, but are not required, to include in the TE scholarship the costs of special fees, room, and board. Some members do so hoping to attract more import applicants and enrollees. Most members offer TE scholarships equal in value to their academic year tuition but do not include special fees, course overloads, or room and board charges.

Schools that offer free room in addition to tuition to imports will receive one (1) additional semester unit import credit per import per year. This was approved by the TE Board of Directors to help institutions who are in need of extra import credit.

Because colleges and universities require a variety of charges, students and their families may be confused as to the amount of their TE scholarship award. It is essential that institutions

accepting TE imports inform these students upon acceptance precisely what costs the TE scholarship covers and what additional charges they will have to pay.

**Other Financial Aid.** TE scholarships may be considered part of a student’s financial aid package. TE members may require applicants for TE scholarships to apply for financial aid and may reduce the value of the TE scholarship by the amount of Federal Pell grant, state grants, or other awards or grants. Some institutions offer TE scholars such aid in addition to the value of the TE scholarship. Some state laws require institutions to charge certain course fees, even to TE scholars.

**Optional Set Tuition Rate for Schools with Higher Tuition.** The exception to TE’s full tuition policy applies exclusively to our members that charge higher tuition. These members have the option but are not required to award TE scholarships for less than the full amount of their tuition. They may not, however, award less than the limit established by the Tuition Exchange Board of Directors. However, public institutions may award TE scholarships for out-of-state students at one-half of the tuition amount. This information is provided annually to all TELO’s and is available on the website under the Resource bucket.

**Duration of TE Scholarships.** Most TE scholarships cover four years (eight semester units) of full-time undergraduate education. Institutions have the option to extend a scholarship for a fifth year in special circumstances, upon consultation between the sending and receiving institutions. Institutions may also limit scholarships to fewer than eight semesters of support, or limit candidacy for TE scholarships to entering freshmen, upper-class students, or some other classification. Institutions may support part-time study, but TE assesses part-time study for one semester, as it does for full-time study.

Receiving institutions have the right to terminate a TE scholarship if a student is not meeting the clearly articulated standards of academic performance and personal conduct required of its enrolled students or as stipulated in its award letter. Limitations must be clearly stated either on the original *TE Certification & Application Form* or in a letter referenced on this form. Otherwise institutions are not permitted to revoke scholarship commitments.

**Taxation.** The Tuition Exchange, Inc. recommends to its members that all categories of employees be declared eligible for the TE program. Check out the [IRS website, Publication 970](#) for specific information.

We encourage each school to seek expert advice when formulating policy for certification of candidates and award of scholarships, especially with regard to when the scholarship is deemed to be part of taxable income, how it should be reported and if the school’s policies do not discriminate in favor of high compensated employees.

#### Eligibility for Export Scholarships

The family members of employees at TE member institutions are the only people eligible to apply for TE scholarships. TE requires all members to establish a written eligibility policy, which should define in detail “eligible employees,” “dependents” and “family members” for the purposes of the campus program, and procedures for selecting candidates if the institution is

unable to sponsor all those eligible. This written policy should be made available to all employees, preferably as part of the personnel manual or similar booklet setting forth conditions and benefits of employment. Many members apply their tuition remission rules to the TE program.

The eligibility policy is an extremely important tool for the administration of the campus TE program. It protects the TE member school against unanticipated conflicts, and it protects employees against attempts to influence campus figures to determine the selection of candidates for TE scholarships unfairly.

Definition of Eligible Employees. Policies should cover and clarify:

TE member school policies should speak to and clarify categories of employment (faculty, administrators, other staff, retirees, etc.) or classes and employment status (full-time, part-time, hours worked per week, credit-hour teaching load). It is also suggested that the policy speaks to mitigating circumstances like employees who cease being an eligible employee during the school year.

Although TE was originally established to assist the dependents of faculty members only, TE now encourages its members to extend eligibility to all categories of employees including administrative and support staff, both in the interest of equity due to the IRS code (see Taxation). Most TE members have adopted inclusive policies for full-time employers.

Many institutions will have more eligible employees hoping to use the exchange than can be accommodated in a given year. The eligibility policy should therefore set forth criteria and procedures to be used to distinguish among otherwise eligible employees with regard who will be selected as candidates:

- ✓ Ranking employees by seniority;
- ✓ Determining family financial need;
- ✓ Selection by lottery;
- ✓ Ranking prospective scholars or assessment of academic performance;
- ✓ Selecting by lottery weighted for seniority;
- ✓ Certifying candidates for two years with lottery for third and fourth years;
- ✓ Having pools for administrators, faculty and staff;
- ✓ Limiting one scholar per family or no more than one in school at the same time;
- ✓ Other clearly stated criteria.

Because the requirement that each TE member balance incoming and outgoing students may force an institution to set limits on the number of outgoing students, it is important that the eligibility policy and other correspondence with employees underscore this fact. Employees must not assume that the TE scholarship is an automatic benefit of employment, like health insurance or a pension program. It may help the institution avoid future disappointment and even conflict if its written policies explain this.

Policies regarding eligibility and selection of candidates should also cover more extreme circumstances:

- ✓ Coverage for family members of deceased employees, whether the employee dies before the student is certified as eligible, while the student is applying for a scholarship, or after the student has enrolled with a scholarship. Usually, institutions either continue an awarded scholarship through to graduation or to the end of the current academic year
- ✓ Coverage for family members of an employee who separates from employment, whether the separation occurs before the student is certified as eligible, while the student is applying for a scholarship, or after the student has enrolled with a scholarship. Usually, institutions will bar dependents who were not yet certified as eligible at the time of termination. Students who have been certified and accepted, and those who have enrolled, are usually supported for the remainder of the semester or in some cases the full academic year. Policies may wish to distinguish between voluntary termination or termination for cause, and other categories of termination, such as retirement.
- ✓ Years of service required, such as years employed by the institution, uninterrupted vs. interrupted employment, whether years of service for eligibility can be waived if a new employee had this opportunity at another institution, already has family members on the exchange or by written exception at the time of hire.

#### Definitions:

Family Member - TE members also have flexibility in their definition of dependents or family members. Most institutions limit the term to include only the children of employees, and have further refined the definition to include stipulations concerning the age of the child and children who are, or are not, listed as dependents on the employee's tax return. Others consider spouses, domestic partners, or the employees themselves eligible. Defining the term "dependent" or "family members" clearly is important both to ensure that employees understand the policy *and* because it can have bearing on whether or not the TE scholarship would be viewed by the IRS as income taxable to the employee.

Scope of Coverage - Most TE programs cover undergraduate study only. The eligibility policy should also state whether candidates may apply for TE scholarships for graduate study, summer school, intersession courses, special programs or study-abroad semesters.

Application Process - The eligibility policy should indicate the major steps that the candidate must undertake to apply for a TE scholarship.

Standards for Admittance - New candidates applying for TE scholarships must meet the admissions criteria for the institution and may have to meet more demanding standards if the institution has instituted these to select among TE applicants. Continuing TE students must maintain the academic and behavioral standards required of all students by their receiving



institution and other standards set forth on the original Common Application (C/A) form by both the export and import institutions.

### Review and Selection of Import Scholarship Students

Members of TE have considerable freedom to develop their own policies and procedures governing the award of scholarships to incoming or “import” students. TE requires, however, that each of its members establish written guidelines for the selection of TE scholars, which should include the following topics:

**Eligibility** - The guidelines should specify that, to be considered for a TE Scholarship, all applicants must be certified as TE candidates by their sending institution.

**Coverage of Award** - The guidelines should specify whether TE scholarships may or may not be used for graduate study, summer school, intercession courses, special or study abroad programs as part of or in addition to undergraduate study.

**Amount of Scholarship Award** - Institutions should carefully consider the monetary value of the scholarship award to be made. The amount of the scholarship award is reported on the original TE Membership Agreement and subsequently on the TE Annual Reports filed with TE Central, and on the TE Certification & Application Forms. Institutions may also require TE candidates to apply for financial aid. The guidelines should also specify whether or not TE scholars are eligible for student employment or other campus aid programs.

**Criteria for Scholarship Award** - All applicants for TE scholarships must, of course, meet the institution’s general admissions requirements. The guidelines should also note other criteria. Institutions should also establish a written policy for selecting among candidates that meet the admission requirements, in case more candidates apply in a given year than the institution can accommodate. Most institutions rank these candidates by some combination of academic criteria and financial need. Others use a lottery, and others take into consideration special abilities of the applicant or special relationships with other institutions. If a qualified student is denied a TE scholarship solely because the institution could not accept any more import students, and that student enrolls at the institution anyway, the student should be given priority consideration for the next TE scholarship available.

**Number of Import Scholarship Awards** - TE places no limit on the number of import scholarships an institution may choose to award. Many institutions will want to establish some limit, however, and the guidelines should note this possibility, if not the exact number.

**Duration of Import Scholarship Awards** - Most TE scholarships are awarded for four years of undergraduate study, but some TE members have decided to limit scholarships to two or three years, or only to upperclassmen. It is important that the guidelines offer TE candidates clear guidance on these points, since students for whom financial aid is a necessity might be forced to apply elsewhere.

**Deadlines** - The guidelines should inform students of the date by which they will be notified whether or not they have received a TE scholarship, and of the date by which they must notify

the institution whether they accept or decline the scholarship award. We encourage schools to announce initial awards no later than April 1.

Contact Person - Include in the guidelines the name, address, telephone number, and e-mail address of the TELO. Tuition Exchange does provide a listing of primary TELO's on our website as a courtesy to families seeking information. TE Central provide name and e-mail addresses only.