

**EDUCATIONAL ASSISTANCE PROGRAM (EdAP)**

PROGRAM OVERVIEW

The County of Monterey Education Assistance Program provides non-taxable financial support to employees who pursue professional growth and development through higher education. This policy is intended to be a qualified educational assistance program pursuant to the Internal Revenue Code [26 USC 127] and Internal Revenue Service (IRS) Regulations [26 CFR 1.127-2]. This policy complies with existing IRS law and regulations and takes advantage of favorable changes in IRS Regulations effective January 01, 2002. These changes in IRS Regulations broaden the scope of tax-exempt educational assistance.

The IRS requires that the tax-exempt program be maintained separate from any other County of Monterey educational assistance program. EdAP replaces the program created by the Tuition Assistance – Professional Development Policy (and related sections of the Personnel Policies, and Practices Resolution) approved by the Board of Supervisors on July 31, 2001.

EdAP does not discriminate between employee classifications; favor higher compensated employees over other employees, or favors one type of qualified educational pursuit over another. The IRS recognizes that collective bargaining agreements may provide employees with different levels of educational benefits. The IRS Regulations exclude bargained educational benefits from the discrimination prohibition [26 CFR 1.127-2(e)].

ELIGIBLE EMPLOYEES

- All County full-time permanent, seasonal and temporary employees are eligible for qualified assistance under EdAP.
- For the purposes of EdAP, “full-time” is defined as working 64 hours or greater per pay period.
- Spouses and dependents of employees who are not County employees are not eligible for assistance under EdAP.
- Employees participating in EdAP must maintain continuous County employment from the date of enrollment until the date the reimbursement request is submitted. The only exception is that employees who are laid off for lack of work or economic reasons are eligible for benefits under EdAP for courses that were approved, and for which enrollment has already commenced, prior to the effective date of the layoff.

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### ELIGIBLE COURSES

- Reimbursement under this plan shall be limited to educational assistance as defined by the IRS. The benefits provided under EdAP must consist solely of educational assistance as defined by IRS Code Section 1.127-2(c).
- For purposes of EdAP, the term “education” is defined as any form of instruction or training that improves or develops the capability of an individual. The benefits provided by EdAP are intended to be supplementary to, and not a replacement for, educational benefits provided in applicable bargaining unit memoranda of understanding (MOU) or departmental training budgets. In instances where MOU benefits and EdAP benefits could apply, MOU benefits shall take precedence.
- The County retains discretion to determine which educational courses are eligible for reimbursement under EdAP.
- For purposes of EdAP, eligible courses shall be defined as follows:
  1. Coursework shall relate to the work of the employee’s position or occupation.
  2. Coursework shall prepare the employee to transition to an alternate County occupation, or
  3. Coursework shall prepare the employee for advancement to positions of greater responsibility in the County.
- Education paid for or provided under a qualified program may be furnished directly by the employer, either alone or in conjunction with other employers, or through a third party such as an educational institution. [26 CFR 1.127-2(c)(4)]
- Courses related to preparing to take tests to obtain business-related certifications, licenses, or accreditations are eligible under EdAP as outlined in this policy.
- Courses related to obtaining or maintaining a business-related certification, license, or accreditation is eligible under EdAP as outlined in this policy.
- EdAP treats institutions located outside of Monterey County the same as institutions within Monterey County.

### ELIGIBLE EDUCATIONAL EXPENSES

The following costs are eligible for reimbursement:

- Tuition Fees
- Registration Fees
- Student Identification Card Fees
- Required Lab Fees
- Required Textbooks
- Required supplies that are not retained after the course is completed.

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### EDUCATIONAL EXPENSES WHICH ARE NOT ELIGIBLE FOR REIMBURSEMENT

The County will not reimburse or pay for the provision of:

- Tools or supplies (other than textbooks) that the employee may retain after completing a course of instruction
- Meals, lodging, transportation (including parking and mileage)
- Education involving sports, games, or hobbies, unless such education involves the business of the County of Monterey or is required as part of a degree program. The phrase “sports, games, or hobbies” does not include education that instructs employees how to maintain and improve health as long as such education does not involve the use of athletic facilities or equipment and is not recreational in nature. [26 CFR 1.127-2(c)]
- Processing or financing fees relating to tuition deferral or installment payments
- Postage, shipping, or handling of educational materials, textbooks, or supplies
- Workshops, conferences, and seminars of five business days duration or less are not eligible courses for purposes of EdAP.
- Educational courses normally paid by a department are not eligible.

### ANNUAL REIMBURSEMENT LIMIT

- Reimbursement under EdAP shall not exceed the calendar year limit established by the IRS.
- The reimbursement limit for each Monterey County employee under EdAP shall not exceed \$5,250 during the calendar year.

### DEPARTMENT ROLE

- The Department Head does not approve or disapprove requests or determine eligibility.
- The Department Head or designee will facilitate the process by reviewing the paperwork for completeness and then forwarding requests and attachments to the County Administration Office. Department Head designees will be made at a manager level, such as Finance Manager, where possible.
- In this policy, the term Department refers to the Department Head or designee.
- The Department will provide information to the employee about the EdAP.

### COUNTY ADMINISTRATIVE OFFICER ROLE

- The County Administrative Officer or designee will administer EdAP
- The County Administrative Officer or designee will determine eligibility and approve or disapprove requests.

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- In this policy, CAO refers to the County Administrative Officer or designee.

### EMPLOYEE OBLIGATIONS

#### Grades:

- In order to qualify for reimbursement for educational expenses under EdAP, an employee must receive a passing grade of “C” or better (or the equivalent).
- If an “I” or “Incomplete” is given, the employee will have until the end of the following quarter/semester in which to complete the course in order to receive reimbursement.
- For eligible courses taken on a “Pass/Fail” basis, a grade of “Pass” must be awarded to be eligible for reimbursement.
- Withdrawal from a course prior to completion will result in the denial of reimbursement.
- Educational Assistance funds may not be used for courses that are only audited by the employee (e.g., the employee does not receive a grade or units of credit).

#### Reimbursement:

- Employees must comply with the Educational Assistance reimbursement procedures below.
- Employees must complete the required notification and claim forms, provide documentation regarding course completion and grades, as well as receipts, cancelled checks, or other substantiating documentation for other costs being claimed.
- Expenses that are reimbursed by other sources of financial aid are not eligible for reimbursement under the Educational Assistance Program. This exclusion does not apply to loans.

#### Scheduling:

- Employees may not apply for educational courses more than one semester or quarter in advance.
- Courses should normally be taken outside of scheduled working hours. However, if the course is offered only during working hours, the employee must have department approval to alter their work schedule. The department must determine that the employee’s attendance at class (es) will not adversely affect department services and approve an alternate work schedule.

#### Noticing Requirement

- The County shall notify all employees of the terms and availability of EdAP on a regular basis. [26 CFR 1.127-2(g)]
- Employees shall provide notice of intent to seek reimbursement and confirm understanding of the conditions of reimbursement prior to or at the time of enrollment in the course.

PROCEDURES

APPLYING FOR EDUCATIONAL ASSISTANCE

1. An eligible employee obtains “EDUCATIONAL ASSISTANCE/CLAIM FORM” (Form) from the Department or from the County’s official website for each course in which the employee intends to enroll.
2. The eligible employee completes Part A of the FORM and returns it with a copy of the course description to the Department at least two weeks prior to commencement of the course.
3. The Department shall review the Form and attachments for completeness and conformance with EdAP policy and determine whether course is outside scheduled work hours or employee has an approved alternate work schedule.
  - a. If complete, the Department forwards packet to the CAO within three business days.
  - b. If not complete, the Department shall return the Form to the employee as soon as possible.
4. CAO shall review Part A of the Form to ensure that the request complies with all of the requirements of EdAP.
  - a. If the request meets the requirements, CAO shall approve the request and return a signed copy to the employee within 3 business days.
  - b. If the request does not comply with the requirements, CAO shall return it to the Department with reason(s) for denial and, if applicable, the steps necessary to meet eligibility requirements. The Department shall return the form to the employee for further action as may be appropriate. The employee must then resubmit the Form prior to commencement of the course.
5. An eligible employee who has applied for educational assistance shall not be entitled to reimbursement pursuant to EdAP unless prior approval of the course or courses has been given as provided above.
6. If the employee does not take a course as approved or does not satisfactorily complete the course, the employee shall notify the Department, and the Department shall send information to CAO to modify or cancel the employee’s application. All modifications are subject to review and must meet requirements. Failure to comply with requirements for the program will result in denial of the reimbursement of claims.

PROCESSING A CLAIM FOR REIMBURSEMENT

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1. Once approved, the employee shall return the completed Part B of the Form to the Department within 90 days after the course is satisfactorily completed with the following attachments:
  - Completed County of Monterey Claim for Payment form (White Form) which has been signed by the employee
  - Copy of official grade report, certificate, or letter of satisfactory completion.
    - In order to qualify for reimbursement for educational expenses under EdAP, an employee must provide documentation that he or she received a passing grade of “C” or better (or the equivalent). For eligible courses, which are taken “Pass/Fail”, a grade of “Pass” must be awarded to be eligible for reimbursement.
    - If an “I” or “Incomplete” is given, the employee shall so notify the Department and the employee will then have until the end of the following quarter/semester in which to complete the course in order to receive reimbursement.
  - Copies of all receipts associated with coursework (e.g., registration, tuition, textbooks, lab fees, etc.)
    - Proof that the instructor for the course requires the textbook.
    - Reimbursement of claimed items shall be based upon the availability of associated receipts. If receipt(s) are not included with claim form, item(s) being claimed will not be reimbursed.
    - Information about any other financial assistance, such as grants or scholarships, should be attached with explanations as appropriate.
2. The Department verifies that:
  - Course was completed with a grade of “C” or better, or a grade of “Pass” if the course is offered on a Pass/Fail basis.
  - all receipts for expenses incurred are associated with reimbursement claim.
3. Department submits Part B FORM and attachments to CAO.
4. CAO reviews the packet, indicates approval by signing the White Claim form and forwards appropriate forms and attachments to the Auditor/Controller Office Attn: Accounts Payable.
5. Auditor/Controller processes the claim for payment and forwards the check to the Department for distribution to the employee within 30 days from the time received by the Administrative Office.

Click on link below to see the related form:  
- Educational Assistance Claim Form A. 48 . 2 . (b)