

CITY OF KINGSBURG EDUCATIONAL ASSISTANCE PROGRAM

PROGRAM OVERVIEW

The City of Kingsburg Educational Assistance Program can help the City recruit, develop, engage and retain high-quality employees while mutually benefiting the employee and the City. The Program is intended to assist with the recruitment of high-quality employees who may become valuable, long-term employees if their knowledge, skills and abilities are developed and a suitable career path is available.

The City of Kingsburg Educational Assistance Program provides non-taxable financial support to employees who pursue professional growth and development through formal higher education. This policy is intended to be a qualified educational assistance program pursuant to the Internal Revenue Code [26 USC section 127] and Internal Revenue Service (IRS) Regulations [26 CFR section 1.127-2]. This policy complies with existing IRS laws and regulations.

The IRS requires that the tax-exempt program be maintained separate from any other City of Kingsburg educational assistance program. The Education Assistance Program does not discriminate between employee classifications; favor higher compensated employees over other employees or favor one type of qualified educational pursuit over another.

The City Manager is responsible to administer this program and is committed to ensuring each employee has equal opportunity to participate in the program, regardless of the department an employee resides in or their classification. Program participation will be prioritized in the following manner:

- All full-time employees shall be given the opportunity to participate in the program. Participation in the program will be evaluated on a first come, first serve basis. Once employees are enrolled in the program and continue to remain eligible, they will be allowed to remain in the program until completion of their education, subject to Funding Availability Maximum Amount, set forth below.
- Multiple requests from the same department will be considered in the order received.

FUNDING AVAILABILITY MAXIMUM AMOUNT:

Program requests will be received at any time up to April 1 for the following fiscal year beginning July 1.

The Kingsburg City Council will set a specific amount of funds (maximum dollar amount) available per fiscal year. Once the maximum dollar amount of funds set for this program have been expended for the fiscal year, no further financial reimbursements will be made unless approved by City Council.

New requests to participate in the program will be approved based on funding availability. All claims received and approved shall be paid out of the department's fund.

Once the maximum dollar amount of funds set for this program have been expended for the fiscal year, no further financial reimbursements will be made. New requests to participate in the program will be approved based on funding availability.

ELIGIBLE EMPLOYEES

- All City full-time employees in good standing are eligible to be considered for qualified assistance under the program.
- For the purposes of the program, "full-time" is defined as working 40 hours or greater per week.
- Employees participating in the program must maintain continuous City employment from the date of enrollment until the date the reimbursement is actually paid to the employee. The only exception is that employees who are laid off for non-disciplinary reasons can remain eligible for benefits under the program for courses that were approved, and for which enrollment has already commenced, prior to the effective date of the layoff.

ELIGIBLE PROGRAMS

Reimbursement under this plan shall be limited to educational assistance as defined by the IRS. The benefits provided under the program must consist solely of educational assistance as defined by 26 CFR section 1.127-2(c). For purposes of this program, the term "education" is defined as any form of formal instruction, degree program or training that improves or develops the capability of an individual for their current position with the City or a future position to which they hope to promote within the City. The City retains discretion to determine which educational programs are eligible for reimbursement under the program. All programs must be from an accredited institution.

For purposes of this program, eligible programs shall be defined as follows:

1. Programs shall relate to the work of the employee's position or occupation, or
 2. Programs shall prepare the employee to transition to an alternate City occupation, or
 3. Programs shall prepare the employee for advancement to positions of greater responsibility in the City.
- 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 section 1.127-2(c)(4)]

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.
- Proctor/Testing Fees
- Other costs or fees not listed above may be reimbursable if the City Manager determines they are necessary

EDUCATIONAL EXPENSES WHICH ARE NOT ELIGIBLE FOR REIMBURSEMENT

The City 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 City of Kingsburg 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 if such education does not involve the use of athletic facilities or equipment and is not recreational in nature. [26 CFR section 1.127-2(c)(3)]
- Processing or financing fees relating to tuition deferral or installment payments
- Postage, shipping, or handling of educational materials, textbooks, or supplies
- Educational courses normally paid by a department or that are a normal requirement of an employee’s job are not eligible.

ANNUAL REIMBURSEMENT LIMIT

- Reimbursement under this program shall not exceed the calendar year limit established by the IRS.
- Undergraduate degree programs, graduate degree programs, post-graduate degree programs, and other educational courses or programs shall be reimbursed at 100% of the eligible cost up to the maximum amount approved by City Council.

EMPLOYEE OBLIGATIONS

The employee must submit the Educational Assistance Claim Form to their Department Head for approval before it can be forwarded to the City Manager for final approval.

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, including grants and scholarships, are not eligible for reimbursement under the Educational Assistance Program. The City of Kingsburg will only provide reimbursement for the difference between the financial aid and eligible expenses. This exclusion does not apply to loans.

Justification:

- In order to be responsible with taxpayer dollars, employees should review multiple programs/courses before making a selection. Employees must provide written justification for the program or course they have chosen, including an analysis of similar programs, if applicable considering cost, location and quality and a statement as to why the recommended program or course was chosen. Department heads will review submitted justification and, if approved, will forward the request to the City Manager (or designee) for approval.

Grades:

In order to qualify for reimbursement for educational expenses under this program, an employee must receive a passing grade of “B” 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).

Once an employee and his/her associated program has been deemed eligible for reimbursement, the employee may receive reimbursement, provided the funds are available and the eligible employee remains continuously enrolled in a qualified program. Written requests to suspend participation in the program will be considered by the City Manager on a case-by-case basis.

If an employee enrolls in a course without receiving written approval from the City Manager (or designee), the employee may not be eligible for reimbursement.

Repayment:

An employee who is no longer employed by the City before completion of the quarter/semester, and therefore does not complete the course(s) while working for the City, shall not be eligible for any reimbursement through this program.

Employees opting to participate in this program shall be required to enter into a written agreement with the City acknowledging their willingness to accept and abide by the terms outlined in this policy. All determinations by the City Manager in relation to the education reimbursement program are final and binding, and not subject to administrative or judicial appeal or grievance.

DEPARTMENT ROLE

The Department Head reviews requests from employees and makes recommendations for approval to the City Manager (or designee).

The Department Head or designee will facilitate the process by reviewing the paperwork for completeness, determining eligibility, and then forwarding requests and attachments to the City Manager's Office.

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 Head approval to alter their work schedule or to use vacation, paid time off or compensatory time off. The department must determine that the employee's attendance at class(es) will not adversely affect department services and approve an alternate work schedule.

The Department Head should consider a variety of factors when reviewing requests including:

- Organizational needs (i.e hard-to-fill vacancies)
- The relevance of program to City Operations
- Employee growth and development opportunities

The Department Head will provide information to all employees about the program on an annual basis.

Appeal:

- If the Department Head denies a request for an employee to participate in the Education Assistance Program, the employee may appeal the decision to the City Manager or her/his designee.

CITY MANAGER'S ROLE

- The City Manager establishes the procedures for submission.
- The City Manager or designee will administer the program, will review the request from the employee and Department Head, confirm eligibility, and approve or disapprove requests.
- All requests to participate in the Education Reimbursement Program will be subject to final approval of the City Manager and are subject to availability through budget appropriations.

RESOURCES:

<https://www.law.cornell.edu/cfr/text/26/1.127-2>

https://www.irs.gov/publications/p15b#en_US_2022_publink1000193668

CITY OF KINGSBURG EDUCATIONAL ASSISTANCE PROGRAM PROCEDURES

PROCESSING A CLAIM FOR REIMBURSEMENT

1. The employee shall return the completed Claim Form to their Department within 60 days after course grades are posted with the following attachments:
 - Completed City of Kingsburg Claim Form which has been signed by the employee
 - Copy of official grade report, certificate, or letter of satisfactory completion.
 - Copies of all receipts associated with coursework (e.g., registration, tuition, textbooks, lab fees, etc.)
 - Information about any other financial assistance, such as veteran benefits, grants or scholarships.
2. To qualify for reimbursement for educational expenses under the program, an employee must provide documentation that he or she received a passing grade of “B” 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 to receive reimbursement.
3. 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.
4. The Department verifies that:
 - Course was completed with a grade of “B” 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.
5. The Department reviews the packet, indicates approval by signing the Claim Form and forwards appropriate forms and attachments to the Finance Office Attn: Accounts Payable and cc: Human Resources.
6. Finance processes the claim for payment and forwards the check within 15 days from the time received by the City Manager’s Office.

Failure to seek reimbursement within the 60-day period is deemed a waiver by the employee to seek reimbursement and the employee may be removed from the Educational Assistance Program.