

**Policy Advisory:** Tuition and Fees calculation: Prohibition of Room and Board and Transportation Costs

**Date:** August 18, 2020

**Subject:** Whether or Not Room and Board or Transportation Can Be included in Tuition and Fees Charges?

**Issue:** Recently, VA has received questions as to whether student's cost for room and board or transportation may be included in the cost of tuition and fees. This Policy Advisory will provide clarity on this subject.

**Discussion:** "Fees" are defined in regulations at [38 CFR 21.9505](#)

38 CFR 21.9505 defines "Fees" as the following:

"Fees" means any mandatory charges (other than tuition, room, and board) that are applied by the institution of higher learning for pursuit of an approved program of education. Fees include, but are not limited to, health premiums, freshman fees, graduation fees, and lab fees. Fees do not include those charged for a study abroad course(s) unless the course(s) is a mandatory requirement for completion of the approved program of education.

This regulatory definition clearly states that "room and board" may never be included in the tuition and fee amount reported by a school to VA. While this regulatory section does not specifically define "tuition" and does not specifically address "transportation" costs, VA accepts the common dictionary definitions of "tuition" to mean "the money charged for teaching or instruction by a school." (Dictionary.com, <https://www.dictionary.com/browse/tuition>).

Since transportation cost is not charged for teaching or instruction, they are not considered a part of tuition. Further, VA understands "tuition and fees" to be limited by generally accepted limitations of tuition and fees whereby they are allowed to include amount used for payment of fees, books, supplies and equipment required for courses of instruction at a school but are not allowed to include incidental expenses such as room and board or expenses for travel (including expenses for meals and lodging incurred during travel). Refer to [26 CFR § 1.117-5](#) (providing commonly accepted limitations on the inclusion of certain expenses in tuition and fees calculations and expressly excluding transportation costs). Consequently, neither "room and board" nor "transportation costs" may be included in a school's reported tuition and fee charges.

Therefore, if students are provided transportation or lodging or both as part of the program, the school must exclude these charges from the amount they certify to VA. To ensure that these unacceptable fees are not commingled with acceptable fees, a school

must be able to itemize the portions of its charges to students that constitutes fees which VA may not be charged (those charges excluded from tuitions and fees) from the portion of its charges to students that constitute fees which VA may be charged. As noted above, this interpretation of tuition and fees is consistent with VA's usage and practices until this point; as such, there is no discernable reason to change it.

V/R

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