

PROGRAM FEES

Establishment and Budgetary Review

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- Attachment 1– Identifies fee request and includes Vice Chancellor or Dean’s approval
 - Attachment 2 – Program Fee Financial Statement
 - *Instructions for completing Attachment 2*
 - Attachment 3 – Program Fee Calculation
 - *Instructions for completing Attachment 3*
 - Attachment 4 –Salary and Benefit Schedule (if salaries are included in fee expenses)
 - Attachment 5 – Equipment Depreciation Schedule (if equipment depreciation is included in fee expenses)
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I. DELEGATION OF AUTHORITY:

According to the October 2009 Delegation of Authority, Chancellors are delegated authority for miscellaneous student fees, services charges, fines, course materials fees and deposits. Authority cannot be re-delegated. Program Fees fall into this category.

Program Fees differ from Miscellaneous Fees and Course Fees in that Program Fees are for specific programs and typically cover the entire cost of the program. Miscellaneous Fees pay for a specific service and Course Fees cover the cost of materials, supplies or services for a specific course that are not covered by the normal instruction budget.

See Guidelines for Miscellaneous Fees and Course Fees at <http://planning.ucsc.edu/budget/miscfees.asp>.

II. CRITERIA FOR PROGRAM FEES:

1. When establishing new fees, departments must apply a test of reasonableness between the fee and its purpose.
2. Fee increases must be moderate and gradual.
3. Participants must be given advance notice of fee increases or new fee establishment.

III. POLICY GUIDELINES:

Unallowable for Recharges to Federal Government Funds: Housing and personal expense to campus officers; bad debts and fines or penalties; commencement or convocation costs; interest expense or fund raising expenses; memberships in civic, community or social organizations; contingency or expansion reserves; inventorial equipment purchases; cost of items funded by Federal Government; alumni activities; entertainment (alcohol, event tickets, flowers, gifts, etc.); donations or contributions; legal proceeding costs; student activities; and advertising and public relations costs (refer to OMB Circular 21).

IV. MISCELLANEOUS AND COURSE FEE ADVISORY COMMITTEE

The Miscellaneous and Course Fee Advisory Committee (MCFAC) includes representatives from the Academic Senate Committee on Planning and Budget, Campus Life, the Student Fee Advisory Committee, the Academic Divisions, the campus Registrar's Office, the Vice Provost and Dean of Undergraduate Education and from the Planning and Budget Office.

The charge of the committee is as follows:

- Develop procedures for the periodic review and re-establishment of fees.
- Communicate campus procedures for the development and submittal of the fee proposals to initiate new fees and adjustments to existing fees. This includes:
 - Annual reporting requirements
 - Moderate and gradual fee increases.
- Review the Miscellaneous, Course, and Program Fee proposals, including adjustments to existing fees. This includes:
 - Review the need for a fee, and the basis for the fee level. Fees may only include those costs that are allowable and appropriate, according to UCOP and campus policy.
 - Evaluate the potential impact on students, faculty, and staff. This includes financial impact, and whether fees will impede student access to courses needed for graduation.
 - Is there a reasonable relationship between the fee and its purpose? Is the fee applied consistently and appropriately?
- Make recommendations to the Chancellor for the approval, approval with reservations, or disapproval of Miscellaneous, Course, and Program Fees. The Committee may also recommend that a fee proposal be returned to the initiator with suggestions for consideration.

V. ESTABLISHMENT OF A NEW OR REVISED PROGRAM FEE

Departments may not assess and collect Program Fees that have not been specifically approved by the Chancellor. The campus Miscellaneous and Course Fees Advisory Committee (MCFAC) is responsible for the review of new fee proposals, including proposals to adjust existing fees, and providing recommendations to the Chancellor. The MCFAC encourages departments to plan the submission of Program Fee proposals for July 1 implementation. The following is a required seven-step process.

Review and Approval Process

Step 1: The proposer of the fee submits a program fee proposal to the Vice Chancellor or Dean. If the program fee is for a program being offered through summer session then the proposal goes to the Director of Summer Session for review; the Director of Summer Session will submit the proposals to the VPDUE for approval. The proposal shall contain appropriate supporting materials, as described below in the "Proposal Format" section.

Step 2: If the Vice Chancellor or Dean concurs with the proposal, he or she forwards the proposal package to the Chair of the MCFAC in Planning and Budget during the call cycle or in exceptional circumstances by agreement.

Step 3: The Chair of the MCFAC distributes the proposal to all MCFAC members for review and discussion. The divisions proposing the program fees may be requested to be present at the meeting when their fee is reviewed to present the fee and answer any questions the MCFAC might have.

Step 4: Final committee recommendations will be presented to the Chancellor. If the Miscellaneous and Course Fee Advisory Committee recommends that a fee should not be approved, the appropriate Dean/Vice Chancellor has authority to appeal the decision to the Chancellor.

Step 5: The Chancellor determines whether to authorize the fee.

Step 6: Upon receiving approval from the Chancellor, the MCFAC will inform the requester of approved fees.

Step 7: The Department or Division will set up an appropriate fund number by calling (Rob Jarvis at 9-5294 in Accounting), and a permanent budget should be established for the fee if the volume of expenditures is significant call (Lucy van Doorn at 9-3355 in Planning and Budget to establish a new organization code).

Fee Communication

The requester is responsible for communicating the approved fees to all affected constituencies prior to inception.

Fee Limits

The following elements shall be considered when determining what constitutes a reasonable fee:

- Existing fees
- Cost per customer
- Relationship between the fee and its purpose

Fee Revenues

- Appropriate accounts standards must be followed. Fee revenues and expenses must be reported each year. The appropriate level of detail needs to be available for each Program Fee.

Proposal Format – All forms and instructions are available on the World Wide Web at – <http://planning.ucsc.edu/budget/miscfees.asp>.

Completed Program Fee Request Forms, Attachment 1, Attachment 2 and Attachment 3, must accompany the proposal to establish a new fee or adjust an existing fee (Attachments 4 and 5 should also be completed if applicable).

Attachment 1 – Identifies Fee request and includes Vice Chancellor or Dean’s approval.

Attachment 2 – Program Fee Financial Statement
Instructions for completing Attachment 2

Attachment 3 – Program Fee Calculation
Instructions for completing Attachment 3

Attachment 4 – Salary and Benefit Schedule (if salaries are included in fee expenses)

Attachment 5 – Annual Depreciation Expense (if depreciation is included in fee expenses)
Example of a completed Attachment 5

If you have questions please contact Lucy van Doorn at 9-3355 or at lvandoor@ucsc.edu