Guidelines for Additional Fees for Non-Traditional Programs
(Off-site course offerings, continuing education, other auxiliary non-fundable and distance learning courses)

FSU Policy
The fees developed through this policy are only for the purpose of:

1) Recovering the additional fees associated with increased costs resulting from delivering **fundable credit course sections** through distance learning or at locations other than state-funded main campuses or branch campuses. Authorized pursuant to s. 1009.24, F.S., it requires:
   a) Any regular student credit hour fees (tuition and out of-state) collected for these course sections to be deposited to the appropriate Student Fee Trust Funds.
   b) The additional fees developed through this policy to cover the increased cost of these course sections to reimburse the appropriate Education and General Fund or the appropriate auxiliary fund from which the costs are incurred.
   c) Instructor of such course sections to be paid from E&G funds,
   d) Requires a course section type code of "D" (distance with distance learning fees) to be coded on the course schedule master file.
   e) Requires a student section funding flag of "0" for state fundable to be coded on the student instruction file, and
   f) Additional fees must be approved by the Dean of the Faculties. The Office of Budget and Analysis will review fees by request of the Dean of the Faculties.

2) Recovering the fees resulting from delivering **non-fundable credit course sections** where student is responsible for payment**.** Authorized pursuant to regulation 8.002(2)(b)4 requires:
   a) The fees for these course sections to be deposited into an Auxiliary account,
   b) The fees to recover all instructional, administrative and travel costs associated with the course section. Course section fee may be higher than regular on campus courses,
   c) That these course sections can not be in competition with, or replace, the regular on-campus program or negatively impact the legislatively funded enrollment plan,
   d) Instructor not paid from E&G funds. No E&G funds shall be used for instruction,
   e) A course section type code of "X" (student funded), to be coded in the Course Schedule Master (e.g. Executive MBA, Distance Learning paid by the individual student),
   f) A student section funding flag of "L" (non-fundable/student or sponsor funded) to be coded on the student instruction file,
   g) Fees must be approved by the Dean of the Faculties. The Office of Budget and Analysis will review fees by request of the Dean of the Faculties.

3) Recovering the fees resulting from delivering **non-fundable credit course sections** where substantially all the direct costs are paid by an external sponsoring agency. Authorized pursuant to BOG regulation 7.008(2):
   a) The fees for these course sections to be deposited into the university's contract and grants trust fund and/or an appropriate auxiliary account.
   b) The fees to recover all instructional, administrative and travel costs associated with the course. Course fee may be higher than regular on campus courses,
   c) Instructor must not be paid from E&G funds. No E&G funds shall be used for instruction,

d) A course section type code of “S” (sponsored credit), to be coded in the Course Schedule Master.
e) A student section funding flag of “L” (non-fundable/student or sponsor funded) to be coded on the student instruction file, and
f) Fees must be approved by the Dean of the Faculties. The Office of Budget and Analysis will review fees by request of the Dean of the Faculties.

General Provisions
The accounting practices of individual programs must support the accumulation of costs and must provide for adequate documentation to support costs upon which student fees are based. A program is defined as a degree program where a significant portion of the courses are delivered in a non-traditional format and/or location.

Specific identifiable costs are those costs that can be identified specifically with a particular program, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Allocable costs - A cost is allocable to a particular program if the goods or services involved are chargeable or assignable to such program in accordance with relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a program if (1) it is incurred solely to advance the work of the program; or (2) it benefits both the program and other work of the University, in proportions that can be approximated through use of reasonable methods.

Principles for establishing costs

Factors affecting costs - The tests of allowable costs under these principles are: (a) they must be reasonable; (b) they must be allocable to programs; (c) they must be given consistent treatment and (d) they must be in accordance with State law and University policy.

Advertising and public relations costs
The recruitment of personnel required by the University for obligations arising under the Program, and the costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Program are allowable.

Advisors/Mentors
The costs associated with advisors or mentors associated with the Program are allowable.

Alcoholic beverages
Costs of alcoholic beverages are unallowable.

Bad debts
Any losses, whether actual or estimated, arising from uncollectible accounts and other claims, related collections costs, and related legal costs that can be identified as administrative cost of the program are allowable.

Communication costs

Costs incurred for telephone services, local and long distance telephone calls, telegrams, radiograms, postage and the like, are allowable.

Compensation for personnel services
Compensation for personnel services covers all amounts paid currently or accrued for services of employees rendered during the performance of the Program. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on the Program are documented. Activities associated with program development, delivery and/or evaluation are allowed to be recovered as part of the program costs.

The cost for personnel services is allocable to a particular program if the services involved are chargeable or assignable to such program in accordance with relative benefits received or other equitable relationship.

Salary for faculty members
For fundable course sections, faculty salaries should be paid in accordance with the individual faculty member's regular compensation agreement.

For non-fundable course sections, charges for work performed on the Program by faculty members during the academic year will be based on the individual faculty member's regular compensation. Charges for work performed on the Program during all or any portion of such period are allowable at the base salary rate. In no event should charges to the Program, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period.

All funds paid from Educational and General funds for work on non-fundable course sections must be reimbursed to the Educational and General fund.

In cases where work performed is across departmental lines, or the work performed is in addition to the person's regular departmental load, any charges for such work representing extra compensation above the base salary are allowable as increased costs.

Charges for teaching activities performed by faculty members on the Program during the summer months or other periods not included in the base salary period will be based on the normal policy of the institution governing compensation to faculty members for teaching assignments during such periods and are allowable as increased costs.

Charges for work performed on the Program by faculty members having only part-time appointments are allowable provided the rate is not in excess of that regularly paid for the part-time assignments.

Depreciation and use allowances
Costs for the use of equipment, provided that it is used, needed in the University's activities, and properly allocable to the Program, are allowable. Such compensation shall be made by computing either depreciation or use allowance. Use allowances are

the means of providing such compensation when depreciation or other equivalent costs are not computed.

The depreciation method used to charge the cost of an asset (or group of assets) to accounting periods should reflect the pattern of consumption of the asset during its useful life. The depreciation methods used to calculate the depreciation amounts should be the same methods used by the University for its financial statements.

Development
Costs to develop the program may be prorated over a three-year period.

Entertainment costs
Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) for faculty and staff are unallowable.

Equipment
The costs of equipment purchased for the Program are allowable.

Goods or services for personal use
Costs of goods or services for personal use of the program's faculty and staff or for students are unallowable.

Help Desk
Costs associated with operating a help desk associated with the program are allowable

Insurance and indemnification
Costs of insurance required or approved, and maintained, pursuant to the operation of the Program, are allowable.

Maintenance and repair costs
Costs incurred for necessary maintenance, repair or upkeep of property, which neither add to the permanent value of the property nor appreciably prolong its intended life but keep it in an efficient operating condition, are allowable.

Material costs
Costs incurred for purchased materials, supplies, and fabricated parts directly related to operation of the Program, are allowable.

Memberships, subscriptions and professional activity costs
Costs identifiable to the Program for membership in business, technical, and professional organizations are allowable.

Costs identifiable to the Program for subscriptions to business, professional, and technical periodicals are allowable.

Costs identifiable to the Program for meetings and conferences, when the primary purpose is the enhancement of the Program, are allowable. This includes costs of meals, transportation, rental of facilities, and other items incidental such meetings or conferences.

Overhead Charges
Charges to cover the administrative overhead associated with international and CPD programs are allowable.

Plant security costs
Necessary expenses incurred to comply with security requirements, including wages; uniforms and equipment of personnel engaged in plant protection are allowable.

Professional services costs
Costs to the Program for professional and consulting services, including legal or instructional services rendered who are not employees of the University, are allowable.

Rental cost of buildings and equipment
Rental costs of buildings or equipment are allowable.

Scholarships and student aid costs
Tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that (1) there is a bona fide employer-employee relationship between the student and the Program for the work performed, and (2) the tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work.

Technology
Unique technology expenses directly associated with the program are allowable. These include equipment, database management, program software, etc.) Expenses covered by the technology fee are not allowable.

Transportation costs
Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items.

Travel costs
Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the institution and associated with the program. Such costs are allowable and may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used results in reasonable charges, and is in accordance with the University's travel policy and practices consistently applied to all University travel activities.

Utility Costs
The costs of utilities directly related to the program are allowable.

The above classifications of cost are not intended to be all-inclusive; in each case, determination as to allowable costs should be based on the treatment provided for similar or related items of cost

Budget Review and Approval

- The Director of each program charging fees shall prepare an annual budget by March 1 for the upcoming academic year, clearly identifying the additional fees for state fundable course sections (student section funding flag=0) and non-fundable course sections (student section funding flag=L) to be assessed.

    - The University Budget Office will provide a template for all proposed budgets, along with instructions for using the template
    - APPS will continue to work with program directors to develop annual budgets and determine the additional fees to be assessed

- The program director will submit the budget and a completed copy of the attached questionnaire to APPS or the auxiliary account custodian who is responsible for routing the off-campus or program fees for approvals and maintaining the budget for each auxiliary program.
    - APPS will provide budget summaries (monthly snapshots) posted in Blackboard (or current LMS) and available to program directors and review authorities.

- The Budget Office is responsible for:
    - Approving the program's initial budget and annual budget thereafter
    - Ensuring the budget conforms to law and University policy, as well as sound business practices
    - Sending copies of approved fees to the Registrar and Student Financial Services

- As a matter of standard practice, program directors shall give explanations for budget categories that show an increase of more than five percent increase in expenditures in any given year

- Programs facing extraordinary one-time capital or program expenditures may request permission to assess additional prorated fees, as long as the expenditure can be defined as a cost to the program

APPS Sponsored and Auxiliary Credit Course Approval

- The Director of each program offering off-campus credit course sections shall work with APPS to prepare any Off-Campus Credit Course Approval Forms (Form 1 or Form 3). This form must be approved by the Department Chair, Academic Dean and the Dean of the Faculties.

- The Director of each program offering alternative modes of instruction shall prepare an Alternative Modes of Instruction Approval Form (Form 2). This form must be approved by the Department Chair, Academic Dean and the Dean of the Faculties.

Required Information for Application for Approval
(please submit with detailed budget to Budget and Analysis)

Program Name:_____

Director of Program:_____

Contact Person for Program: _____

Authorization for fees: (Please cite statutory or regulation authority ex: 7.002 (9))

Course Section Type on the Course Schedule Master: (Please put "X" identifying course section type)

_____ Course Type A – Standard State Fundable (no auxiliary fee)

_____ Course Type D – State fundable with Distance Learning fees

_____ Course Type S – Non-fundable/sponsored credit **

_____ Course Type X (NEW) – Non-fundable/student funded **

Location of course:

Provide the auxiliary budget number for additional fees (usually an APPS budget number):

*For type X and S courses: Please provide document that these courses are not be in competition with, or replace, the regular on-campus program or negatively impact the legislatively funded enrollment plan.

**If the course and hours are not fundable attach an explanation for course in accordance with Regulation 8.002 adopted by the Board of Governors.

Program Name_____
Calculation of Annual Per Credit Hour Increased Cost for Off-Campus Course

Allowable Costs	Amount
Advertising and public relations costs	
Advisors/Mentors	
Bad Debts	
Communication	
Compensation for personnel services	
Depreciation and Use Allowances	
Development Costs	
Equipment	
Help Desk	
Insurance and indemnification	
Maintenance and repair	
Materials	
Memberships, subscriptions and professional activity	
Overhead Charges (International programs, APPS)	
Plant security	
Professional services	
Rental of building and equipment	
Scholarships and student aid	
Technology	
Transportation	
Travel	
Utilities	
Other (Please specify)	
Total	
Credit hours generated by program	
Additional Increased Cost per Credit Hour	

Appendix A

Statutory and Regulation/Rule Authority

1) Continuing Education is authorized pursuant to the following:
    a. Section 1011.47, Florida Statute (F.S.) provides the authority for Auxiliary Enterprises. Continuing education programs are included in definition.
    b. Regulation 8.002, as adopted by the Board of Governors, establishes regulations related to continuing education.
        i. Subsection (1) authorizes credit and non-credit continuing education courses.
        ii. Subparagraph (2)(b)4 authorizes the establishment of the fees.
        iii. Subparagraph (2)(b)4 also establishes guidelines for non-fundable credit courses (i.e. They can not be in competition with, or replace, the regular on-campus program or negatively impact the legislatively funded enrollment plan).
        iv. Subparagraph (2)(b)2 allows the continuing education credit course fees to be deposited into the Auxiliary budget entity.
    c. FSU Rule 6C2-5.090, Florida Administrative Code authorizes several types of courses, including:
        i. Sponsored Credit Institutes
        ii. Suggested by faculty

2) Fee Authority
    a. Section 1009.24(13)(k), Florida Statutes, states, in part, that each university board of trustees is authorized to establish a fee for off-campus course offerings when the location results in specific, identifiable increased costs to the university. This is reported as student section funding flag 0 – state fundable.
    b. Section 1009.24(17)(a), Florida Statutes, states, in part, that a university may assess a student who enrolls in a course listed in the Florida Higher Education Distance Learning Catalog a per-credit-hour distance course fee. This fee can not exceed the additional costs of the services provided which are attributable to the development and delivery of the course. This is reported as student section funding flag 0 – state fundable.
    c. Regulation 7.003, by exception referencing regulation 8.002, exempts continuing education from the specific fees and tuition defined in regulations 7.001 and 7.003. This regulation by reference creates authorization for non-fundable credit continuing education courses. Regulation 7.003, states: "The Board must authorize all fees assessed. Accordingly, the specific fees listed in this section, and the tuition defined in Regulation 7.001, are the only fees that may be charged without the specific approval of the board, **except** as authorized in Regulation 8.002." (Emphasis added). Regulation 8.002, Continuing Education authorizes the Presidents to establish a "continuing education activity as part of the Auxiliary Budget Entity for the purpose of planning, offering, and **recovering all costs of non-credit courses**. The costs of these courses may be recovered from non-E&G courses such as grants contracts, directly from participants, and combinations of these sources." (Emphasis added). This is reported as course types L, S and X non-fundable courses.

d. Subsection 7.003(9), as adopted by the Board of Governors, authorizes the University presidents to assess additional fees for fundable, off-campus credit course section offerings when special circumstances, or the location of the program, result in specific, identifiable increased costs to the university. This includes E&G as well as continuing education fundable courses. International Programs is considered a continuing education activity.

3) Section 1009.24(1), F.S. states this section applies to college credit programs at state universities. The law does not speak to the fundable/non-fundable distinction, but it seems directed only towards fundable credit hours. Read narrowly it would allow for no non-fundable hours including those clearly allowed for International Courses, sponsored credit courses or courses funded by contract and grants, in addition to Auxiliaries.
    a. Section 1009.24(1), F.S. was created with the school code rewrite (2002).
    b. The entire section is structured around the relationship between state fees and state funding again with the implication that only fundable credit hours are being addressed.
    c. This section combined sections 240.209, F.S. and 240.235, F.S. related to postsecondary fees. These older sections also did not differentiate between fundable and non-fundable credit or non-credit courses.
    d. Section 1009.26(6) F.S. does use the distinction between fundable and non-fundable credit. The non-fundable credit distinction is made elsewhere in the statutes as well.
    e. The rules prior to the adoption of regulations cited in sections 1 and 2 above making the distinction between fundable and non-fundable credit courses, were reviewed and approved by JAPC whose function is to ensure that rules are created within statutory authority.