Appendix B

Student Fee Advisory Subcommittee Policies

Accounting for Fees – Fees are to be recorded in separate revenue accounts unless the SFAS determines that circumstances warrant otherwise. If multiple fees are recorded in one revenue account, the unit must maintain internal records tracking the revenues and expenses of each student fee.

Debt Service Fees - Student auxiliary services do not receive state appropriated support for either operating or capital needs. The auxiliaries are self-supporting operations with the primary source of revenue being student fees in most cases. As a result, major improvements in facilities, whether in the form of new buildings, additions to buildings, or renovations, must be financed from accumulated operating fund balances or through the issuance of debt.

The initiative to enlarge or improve facilities usually becomes obvious when the demand for service and the need for space exceed the capability of the staff and the capacity of the existing facilities. In these cases, the program area proposes the facility need and the need for a debt service fee if accumulated operating fund balances are insufficient. The student body does not control debt services fees through referendums, however on occasion the initiative to enlarge or improve facilities has come from a need expressed by the student body through a special student referendum (e.g. student recreation center).

The program administrators along with Facilities Planning and Construction consult with student leaders to define the project. Once the project is defined and a preliminary estimate is available, the Finance Division estimates the necessary debt service fee. A student fee request is submitted by the Finance Division to the Student Fee Advisory Subcommittee, and from there to the Tuition and Fee Advisory Taskforce and the Chancellor.

Once the fee is approved by the Chancellor, Facilities Planning and Construction is then responsible for taking the project through the prescribed process for capital improvements. Among other items, this involves obtaining approval from the Board of Trustees, General Administration, the Board of Governors, and the Legislature. While the facility is being designed, the University Finance Division works on the structure of the financing to obtain the construction funds at the lowest possible cost. All available fund sources are examined in order to minimize the amount raised from student fees.

Once established, the debt service fees are usually fixed for the duration of the loan. When the respective debts are retired, the debt service fees are eliminated.

Education & Technology Fee - It is the policy of the UNC-Chapel Hill's SFAS that the Education and Technology fee should be the same for students in both Academic Affairs and Health Affairs.

Appendix B

Student Fee Advisory Subcommittee Policies

Fee Request Deadline – Fee requests will not be accepted past the required deadline except under extenuating circumstances and as approved by the SFAS.

Fee Requests Required – A fee request form is required regardless of whether the requesting unit is seeking approval of the same fee, an increase or decrease to the fee, or the elimination of the fee, unless General Administration has stipulated otherwise.

Inflationary Adjustment – At a minimum, fee increases submitted for approval by the Board of Trustees must cover the rate of inflation, unless the specific fee type does not warrant such an increase (e.g. debt service and application fees).

SFAS Recommendations – The SFAS reaches its decisions by consensus rather than by vote. Fee requests that cannot be reached through consensus are referred to the senior administration for discussion among the appropriate parties.

Special Fees - In November 1998, the BOG established the tuition and fees policy, which allowed the establishment of campus-initiated tuition increases to replace the need for revenue to support general academic purses from special fees. Because of this new flexibility, the BOG does not anticipate requests for new Special Fees or increases to existing Special Fees. If a campus proposes a new Special Fee or an increase to an existing Special Fee, that proposal must be fully justified, and increased scrutiny from the SFAS and the BOG is anticipated. This essentially placed a moratorium on school-based special fees. In October 2011, this moratorium was lifted.

Student Involvement – Campus units should receive documented student input prior to forwarding the unit's fee request to the SFAS.

Student Referendum – Certain student fees were originally requested by the student body. If these fees are changed, the proposed increase or decrease is submitted to the SFAS either after or contingent upon approval of the student body by referendum. A list of the student fees that requires approval by student referendum follows:

- Student Government Student Activities Fee
- Safety and Security
- Senior Class Enrichment Fee
- Student Endowed Library Fund (SELF)
- Sonja Stone Scholarship Fund

Summer Session Fees - In general, it shall be the policy of the SFAS to set the summer fee at 1/3 of the semester fee. The department receiving the fee shall make every attempt to provide the same level or an equivalent level of service as that provided during the academic year. When a summer fee supports a student service which is demonstrably different than the service provided during the academic year, the service department may

Student Fee Advisory Subcommittee Policies

propose an alternative fee based on the actual expenses associated with the delivery of that service. The SFAS will maintain the authority to make such a proposal as well.

Unallowable Program Costs - Fees cannot be used to defray the costs of general academic and administrative operations of campuses including academic programs and faculty and administrative salaries and benefits. Examples of unallowable expenses are instructor salaries, classroom supplies, a dean's office, development staff, legal counsel, facilities operations and central business offices.

Debt service fees may not include components for operations and maintenance but shall reflect the cost of servicing the debt at the coverage levels. Indebtedness fees expire when the related debt is retired.