

The University of North Carolina at Chapel Hill

Student Fee Advisory Subcommittee

Policies and Procedures Manual

July 1, 2013

(Covering FY 2014-15 Student Fees)

***Policies and Procedures Manual and related forms are available online at:
http://finance.unc.edu/files/2015/01/manual_student_fees.pdf***

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History

In the early 1990s, the Board of Governors (BOG) of The University of North Carolina established a taskforce to review the existing fee setting processes on the various constituent campuses and to make recommendations for change as appropriate. As an outcome of that review, specific fee categories were established by the BOG and a formal process was created for requesting fees¹, receiving input on fees, and seeking approval of fees. The purpose of this manual is to outline the current policies, procedures and practices resulting from the BOG's study. The narrative describing the BOG's Philosophy, Fee Categories, Process and Timeline is taken from BOG policy statements. Where appropriate, the BOG sections include parenthetical explanations inserted by UNC-Chapel Hill.

UNC Policy Manual

The Information provided **in the sections** below can be referenced via The UNC Policy Manual, Chapter 1000.1 on the UNC General Administration website. The link is indicated below.

http://www.northcarolina.edu/policy/index.php?pg=dl&id=s474&inline=1&return_url=%2Fpolicy%2Findex.php%3Fpg%3Dvb%26tag%3DChapter%2B1000

Board of Governors' Philosophy

The Board of Governors (BOG) is responsible for establishing fees at the constituent institutions of the University consistent with the philosophy set forth in the North Carolina constitution². Fees will be charged only for limited, dedicated purposes and shall not 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.) Consistent with the above citation, the BOG will make every effort to keep fees for students as low as possible while providing the revenues needed to support the purposes for which the fees are charged.

Although the General Assembly provides for most of the instructional costs of institutions through State appropriations, institutions traditionally rely entirely on student fees to finance a number of activities, services, and facilities. Institutional Boards of Trustees (BOT) are required to weight the benefits of the activity, facility or service against the fee required to provide financial support. Orientation sessions for the BOT will regularly include discussions of the process followed when establishing student fees.

¹ A general use of the word "fees" in this manual refers to the establishment of new fees, increases to those fees and the elimination of fees.

² Article IX, Section 9, of the North Carolina Constitution reads "The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense."

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Fee Categories

Each year, the BOG establishes the fees listed below. All fees established shall be based upon the recommendation of the chancellor, the institutional Board of Trustees (BOT), and following his or her review, the President. Excluding the application fee charged to prospective students, all fees set by the BOG are annual fees. Once an annual fee has been established, semester rates, summer rates, and part-time rates shall be established by the President. It is the policy of the BOG to act no later than February of each year to establish fees for the following fall semester.

- ***Application Fee.*** An application fee shall be established for each institution. Specific programs within an institution may require an application fee different from the fee charged for most students and the BOG may set different fees according to program needs.
- ***General Fees.*** Fees generally applicable to all students shall be established by the BOG. Four general fees are authorized: athletic fees, health services fees, student activity fees, and educational and technology fees.
- ***Fees Related to the Retirement of Debt Incurred for Capital Projects.*** Fees generally applicable to all students that provide revenues for the retirement of debt shall be fixed by the BOG at the time of the borrowing. Indebtedness fees may not include components for operations and maintenance but shall reflect the cost of servicing the debt at the coverage levels required in BOG resolutions and other documents authorizing the debt. Changes in fees required subsequent to the issuance of the debt may be approved by the President upon the request of the chancellor. Indebtedness fees expire when the related debt is retired.
- ***Special Fees.*** Fees applicable only to students engaged in particular activities or courses of study shall be established by the BOG when needed. These fees will not be used to provide general academic revenues that will be provided for from campus-initiated tuition increases

Each chancellor is authorized to establish ***Miscellaneous Service Charges*** for such items as transcripts, diplomas, caps & gowns, special examinations, late registrations, and replacement of I.D. cards. A schedule of such charges shall be filed with the President prior to the beginning of each school year.

Board of Governors' Process for Establishing Fees

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In academic years ending in odd numbers (e.g., June 30, 2003, prior to the short session of the General Assembly in 2004), the process shall be initiated at the beginning of the fall semester and contain the following steps.

- The Vice President for Finance shall issue instructions to the campus chancellors calling for them to initiate a review of fees.
- Each chancellor shall establish a fee review committee with representatives of all aspects of campus life, including, but not limited to, representatives from Business Affairs, Student Affairs, the Financial Aid Office, and the student body. *[For example in addition to representatives from these offices, UNC-Chapel Hill includes representatives from the Office of the Executive Vice Chancellor and Provost, the Faculty Council and the Employee Forum.]*

The Committee shall conduct a complete review of student fees from a zero-based budgeting perspective and shall make recommendations to the chancellor for establishing fees effective with the upcoming fall semester. The review will include an examination of alternative resources, including available institutional reserves, to determine if other funding is available to provide the services in lieu of establishing the fee. The review will include a reassessment of the existing operating methods to ensure that operations are performed in a cost-effective manner.

If the committee determines that an increase in a fee is needed, the committee shall attempt to decrease another fee so that the total cost of education for students does not increase. In order to ensure that all students are able to meet the increased cost of education, the university's financial aid officer, working with the committee, shall determine that sufficient financial aid is available, from whatever sources are possible.

- The chancellor shall review the recommendations of the Committee and present recommendations to the BOT for review and approval. Before a chancellor makes recommendations to the BOT, the recommendations of the fee review committee will be shared with student government leaders so that students may inform the chancellor of their perspectives on the proposed changes. *[It is the responsibility of student leaders to notify the student body and any committees created by Student Government of the proposed increases recommended by the fee review committee.]*
- The recommendations of the BOT will be forwarded to the President for review.
- When the review is completed, the President will present fee recommendations to the Budget and Finance Committee for consideration by the Board of Governors.

In academic years ending in even numbers (e.g., June 30, 2004, prior to the long session of the General Assembly in 2005), fee increase proposals submitted by the institutional Board of Trustees to the President may be approved by the President if the increase provides only for the following:

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- Additional revenues equal to the amount required for funding compensation increases for fee-supported employees at a level equivalent to the previous years' compensation increases authorized by the General Assembly.
- Additional revenues for non-personnel items at a level equivalent to increases in the Higher Education Price Index (HEPI).

If a campus requires other changes in fees in academic years ending in even numbers, the process that shall be followed is identical to that followed in academic years ending in odd numbers.

UNC - Chapel Hill's Fee Process, Timeline and Governance Structure

UNC Chapel Hill's process slightly varies from the UNC policy manual that is described above. It does, however, maintain the spirit of the document's original intent.

Oversight of tuition and student fee recommendations rests with the Tuition and Fee Advisory Taskforce (TFAT), which is co-chaired by the Executive Vice Chancellor and Provost and the Student Body President. Due to the intricacies of student fees, the Student Fee Advisory Subcommittee (SFAS), a subcommittee of the TFAT, manages the student fee submission and review process.

The Student Fee Advisory Subcommittee consists of the following members:

- Associate Vice Chancellor for Finance – Designated by the VC for Finance & Administration (Co-Chair)
- Student Body President (Co-Chair)
- Executive Vice Chancellor & Provost or Designee
- Vice Chancellor Student Affairs or Designee
- Graduate & Professional Student Federation President
- Graduate & Professional Student Federation Treasurer
- Student Body Treasurer
- Financial Aid Officer or Designee
- Employee Forum Chair or Designee
- Faculty Council Chair or Designee

The fee process begins in the summer with a solicitation to all campus units to complete the Board of Governor's Fee Request Form. This form provides financial information based on prior and projected fees and enrollments, and includes a section for the unit to provide a narrative justification for the fee. The members of the SFAS review the fee requests as a basis for their recommendations to the TFAT. The final decision on fee proposals to the Board of Trustees remains with the Chancellor. Once Board of Trustee approval is received, the Fee Request

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Forms are then forwarded to the Board of Governors for consideration, except for Miscellaneous Charges, which only require the approval of the Chancellor and the President.

Student Fee Advisory Subcommittee Timeline (Approximate)

Early June To Late July	<ul style="list-style-type: none"> • Send email to fee areas with the following information enclosed: <ul style="list-style-type: none"> ○ Fee form template - Appendix A. (Source: AVC Finance) ○ Instructions for completing the form – Appendix A. (Source: AVC Finance) ○ List of SFAS policies - Appendix B. (Source: AVC Finance) ○ List of all fees and persons assigned responsibility for the completion of each fee form - Appendix C. (source: AVC Finance) ○ List of counts to use in projecting student fee revenues. Data includes regular term and credit hours for summer term. Counts include part-time students only where part-time students are paying the fee. Appendix D. (Source: Cashier’s Office) ○ Rate information to use in projecting summer school revenue - Appendix E. (Source: Cashier’s Office) ○ Example of fee revenue calculation - Appendix F. (Source: Cashier’s Office) ○ Inflationary factors to use in projecting personnel and non-personnel cost increases. • Hold training session(s) for fee areas as necessary.
August	<ul style="list-style-type: none"> • Fee forms due to the SFAS Facilitator • Hold preparatory meeting with student body member to review the process and answer questions.
Early September	<ul style="list-style-type: none"> • Hold initial subcommittee meeting. Topics include: <ul style="list-style-type: none"> ○ Distribute list of SFAS members. ○ Overview of process for new SFAS members. ○ Provide fee instructions from GA, if pertinent changes ○ Distribute and briefly review summary listing of fee requests and individual fee request forms for new academic year. ○ Approve fees not increasing. ○ Decide dates to review/discuss fee requests.
September to Mid-October (if needed)	<ul style="list-style-type: none"> • Presentations by fee areas and SFAS decisions on fee requests • Co-chairs report fee recommendations to Tuition and Fee Advisory Taskforce (TFAT).
October	<ul style="list-style-type: none"> • TFAT considers the student fee recommendations of SFAS in preparing its tuition and fee recommendations to the Chancellor.
October-November	<ul style="list-style-type: none"> • Chancellor approves tuition and fee proposals
November	<ul style="list-style-type: none"> • EVC/Provost presents tuition and fee recommendations to Audit and Finance Committee of BOT and full BOT, as deemed appropriate.

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	Feedback obtained from BOT members.
December	<ul style="list-style-type: none"> • Proposals are revised as necessary to reflect BOT input.
January	<ul style="list-style-type: none"> • Tuition and fee proposals presented to Audit and Finance Committee of BOT and full BOT for final approval. • Final approved tuition and fee rates entered into GA data system
February	<ul style="list-style-type: none"> • . <p>Forwarded to BOG for approval, except for Miscellaneous Charges, which only require the approval of the Chancellor and the President.</p>