

# Administrative Fee Guidelines

## INTRODUCTION

Term fee guidelines have been created to clarify interpretation of the Regents Policy and assist units to appropriately develop and charge term fees. These basic principles should be applied:

- Submission in the Tuition and Fee Request System (TFMS) – fees in the fee request system should be paid to the University (posted by tuition calculation, posted by department, or collected by the department). Fees collected by an auxiliary (e.g. dormitory housing, parking, food service contract) generally do not need to be recorded in the fee request system unless they are assessed based on academic registration.
- Rate Development – rates development should begin with recovery of expenses, but other factors may be considered:
  - Impact on Students – in some cases, rates may be set lower than actual costs to reduce impact on students.
  - Incentive for Behavior – in some cases, rates may be set higher than actual costs to provide incentive for student behavior (e.g., late return of equipment).
  - Market Considerations – rates charged by comparable educational institutions should be considered when a rate that is higher or lower than those of other institutions would put the University at a disadvantage in the marketplace.
- Rate Consistency – certain administrative activities that are repeated across campuses or across colleges are expected to be charged at consistent rates. Currently, this standard is applied mainly to financial services, late registration, and credit by examination, but units may be asked to apply consistent rates to other types of fees in the future. RRCs are encouraged to apply consistent rates for activities repeated in many departments (e.g., key deposits, professional program application fees) as a measure to help simplify the fee structure.

The most important characteristic of a rate development is fairness to the student.

## ACCOUNTING

### Audit Guidelines

The University's Office of Internal Audit expects to conduct periodic audits of fees. The following recommendations are best practice to help departments avoid audit issues:

- Budget and post expenditures that are supported by income from a particular fee to a unique chartstring distinguished by a distinct Program or optional ChartField whenever possible.
- Ensure that fee income is budgeted and posted in the same chartstring as the expenses and that the chartstring has an appropriate Fund and Account.
- Post only expenses that support the purpose of the fee to the chartstring. Other funding sources may be used in the same chartstring to support fee-related expenses, but total fee-related expenditures should be roughly equal to or greater than fee income in most situations.

# Administrative Fee Guidelines

## **Fund and Account**

Revenue from fees must be recorded in appropriate chartstrings. Fee revenue should be posted to Fund 1026 Unrestricted Income in almost all situations. Some fees charged by an auxiliary service unit should be posted to Fund 1100 Auxiliary Services. Revenue for most fees should be posted to actuals Accounts under budget Account 402100 Student Fees-Final Budg Only, but Accounts under budget Account 520200 Educ Activ Sale&Svc FinBdg Onl may also be appropriate. For a full list of ChartField values and their definitions, consult the Chart of Accounts (COA) website at: [http://www.finsys.umn.edu/coa/coa\\_b\\_intro.html](http://www.finsys.umn.edu/coa/coa_b_intro.html). Contact the University Financial Helpline at 612-624-1617 with questions related to the COA.

## **CONTROLS**

### **Fee Request Process**

All fees collected by a University department must be submitted for approval by University Budget and Finance and included in the proposed budget submitted for final approval to the Board of Regents. The Tuition and Fee Management System (TFMS) is the tool used to manage the request, approval and set-up process. Chief Financial Managers (CFMs) are responsible for ensuring accuracy and appropriateness of fee requests. Fee requests must be submitted by the deadlines published during the budget development process each year for consideration for the following year.

In rare cases, it may be necessary to request a fee outside of the standard fee request timeline. Fee requests submitted after the deadlines will be addressed through an off cycle request process.

### **Approvals**

Submission to University Budget and Finance by the CFM or designee indicates full approval at the college or campus level. CFMs are responsible for all submissions. Submissions will be reviewed and approved in University Budget and Finance. Fees that pass this first stage of review will be compiled for inclusion in the proposed budget submitted to the Board of Regents. Fees are fully approved and may be implemented only after Board of Regents approval of the proposed budget.

### **Expectations for Preparers**

Fee proposals should be developed in coordination with academic officers. Rates should be developed based on actual or expected costs that are allowable based on the Regents Policy and the guideline published by University Budget and Finance. Primary consideration should be given to impact on students. Fee request preparers should be ready to answer questions about fees submissions.

## **QUESTIONS**

Contact Emily Larson (e-lars@umn.edu) with questions.