



University System of Georgia

Creating A More Educated Georgia

Business Procedures Manual

Section 24 Introduction

Student fees are the primary funding source for student activities, student technology, athletic programs, student centers, parking/transportation and other non-academic, student-focused facilities. Additionally, the special institutional fee is used on an institution-wide basis to supplement institutional needs. As the demand to improve and expand student services has increased student fees have become an important funding source in support of our mission to ensure “access to academic excellence and educational opportunities” for our students.

Student fee revenues are generated from the following sources:

Mandatory Student Fees – As defined in Section 7.3.2.1 of the Board of Regents (BOR) Policy Manual, these fees are paid by all students unless waiver provisions apply;

Elective Fees and Special Charges- As defined in Section 7.3.2.2 of the BOR Policy Manual, these fees are generally authorized and approved by institution presidents, with the exceptions noted in the Policy Manual regarding fees or special charges that apply to the entire undergraduate student body or for a specific degree program, which must be approved by the BOR.

The purpose of this section is to establish guidelines to ensure the effective and appropriate use of student fee revenues. These guidelines are not intended to be all inclusive, but to provide a general framework on how student fees should be used to support operations, services, programs and activities of each Institution.

Topics in this section include:

- Establishment of Fees
- Budgeting of Fees
- Purposes and Uses of Fees
- Monitoring

24.1 Establishment of Fees

All requests for the establishment, modifying or repurposing of mandatory fees must follow BOR Policy 7.3.2.1, which states in part, “Proposals submitted by an institution to increase mandatory student fees, proposals to create new mandatory student fees, or a change in the purpose of a mandatory fee, shall first be presented for advice and counsel to a committee at each institution composed of at least fifty percent (50%) students, except in special circumstances when a general purpose fee is instituted system-wide by the Board of Regents (BoR Minutes, June 2009, revised May 2010)”.

A change in the purpose of a mandatory fee includes any instance where the original purpose for the fee has expired or institutional priorities have changed. An example of an expiration of purpose would be a fee charged to finance lease payments of a student recreation center where the term of the lease has expired. In this

instance, the mandatory fee must either be rescinded or submitted to the Board of Regents (Board) for a requested repurposing. An example of a change in institutional priorities would be a fee that was originally approved to support construction of a student center, but later repurposed to fund a parking deck. In either case, the advisory committee should review the change(s) and provide recommendations to the President.

As a matter of practice, when drafting requests for new fees or changes to existing fees, institutions should include pertinent information such as expected revenues, use of increased revenues and any applicable sunset dates and information on how the use of the fees will be monitored to ensure fees are spent according to the approved purpose.

Before submitting a new fee request to the Board for approval, institutions are encouraged to engage the student body to gauge student support. Demonstrated student support is viewed as a positive factor when considering whether to approve an institution's fee request.

24.2 Budgeting of Fees

Institutional budgeting is covered in Section 8 of the Business Procedures Manual (BPM). Budgeting for mandatory and elective student fees is specifically addressed in Section 8.3 of the BPM. For mandatory fees (excluding the special institutional fee), an advisory committee as described in BOR Policy 7.3.2.1 should review the annual budget and make recommendations to the institution president regarding the adoption of the budget. It is recommended that any significant mid-year amendments or changes to the budget that are associated with activities not included in the original purpose of the fee be shared with the advisory committee.

The financial information presented to the advisory committee (for both the original budget and any amendments) should include the beginning fund balance amount (less committed reserves) and projected current year revenue and disbursements.

When reviewing budgets, it is not the advisory committee's responsibility to determine the salary amount for any position, however, total salaries and the positions funded should be disclosed on the budget reports presented to the advisory committee. It is acceptable to present these amounts combined on one line for salary and benefits with a disclosure indicating the positions.

In general, the Board will approve the total budget at an overall summary level in accordance with state budgetary laws and regulations. Student fees are generally included in one of three revenue categories: other general, auxiliary, or student activities, depending on the nature of the fee. The specific expenditures, (e.g. travel, salaries, training) included in the approved budget are recommendations to the President who has discretion in spending the funds as long as the expenditures are used for the intended purpose of the fees.

24.3 Purposes and Uses

Most student fees have specific purposes that govern their assessment and use. Student fees should be managed and accounted for in a manner that will reflect the proper usage of these fees. The business purpose and usage of the various student fees will be discussed below.

24.3.1 Mandatory Student Fees

Student activity fees, Technology fees, and the Special Institutional Fee are the three basic mandatory fees charged by all "teaching" institutions. The BOR Central Office and the Skidaway Institute of Oceanography do not charge student fees.

Other student service related mandatory fees charged by most institutions include health fees, athletic fees and transportation fees. Many institutions also charge facility fees which are used to support rental/lease payments on Public Private Venture (PPV) projects. In the event that any such fee is elective rather than mandatory, the process in Section 24.2 related to mandatory fees shall not apply.

Institutions should refer to Section 7.3.4.2 of the BOR Policy Manual for guidance on waivers of mandatory fees.

Student Activity Fees

Student activity fees are collected for the purpose of supporting programs and services affecting all aspects of student life. Correspondingly, the expenditure of these fees should be student centered with the students being the primary participants or beneficiaries.

As with all institutional funds, USG policies and procedures must be considered when expenditures are made from student activity funds. Budgets allocated to student organizations and expended under the authority of the student group represent a shared responsibility between institutional officers, the respective student group and the student fee committee. Thus, it is the responsibility of these groups to ensure that expenditures made are an appropriate use of student activity funds in line with applicable USG policies and procedures.

Student activity fee revenues may be used to support a broad spectrum of student related services, most commonly in the areas of social and entertainment activities, intramural sports, student publications and student government associations. While it is not the intent of this section to provide an exhaustive list of USG rules and regulations for expenditures, the following guidance is provided on expenditures of student activity fees.

If a specific Public Private Venture project is funded with a student activity fee, those fees should be designated to support project costs, such as lease payments and expenses for project operations. See section on Facility Fees below.

Appropriate expenditures of Student Activity fees would include:

- Hiring and paying travel for performers- Meals and travel expenses are subject to per-diem and non-employee travel regulations (Section 19.9). If all costs of performing group, including travel expenses, are included as part of a lump-sum contract, travel regulations would not apply.
- Consultant expenses
- Prizes/awards from raffles-Participation in raffle must be available to all students. Raffles/lotteries may be lawfully conducted without a license if participants are allowed to enter at no cost. For these events, individual prizes must be de minimis in value (not to exceed \$100). If licenses are obtained and raffle tickets are sold, gifts are limited to funds collected in raffle.
- Food and refreshments for student group events-Appropriate if event is open to all students within specific identifiable group.
- Promotional Items-Associated with promotional events for students, such as student recruitment. Acceptable items would be T-shirts, mugs, plaques, click drives, etc. Individual value should not exceed \$ 50. **Cash awards are strongly discouraged.** The institution may be subject to additional prohibitions on promotional items resulting from athletic conference regulations.
- Performance Based Awards-Considered acceptable if student has provided some service and/or performed some function to receive award (e.g., writing contests, dance contests, and various student skills competitions). Award amounts may vary based on value of service/performance, not to exceed \$ 500.

- Staff salaries and benefits-Appropriate if included in budget as reviewed by student fee advisory committee.
- Employee travel (including student employees)-Appropriate, but subject to State travel regulations (Section 4). For student employees, the institution will have to determine if student employee travel is related to whether the student in question is traveling as a student or an employee to determine which section of travel regulations apply.
- Event costs-Appropriate to stage events (e.g., decorating event area, printing programs, advertising).
- Furniture, fixtures, equipment
- Lease payments for Public Private Ventures if fee was assessed to fund service “rental” payments. See section on Facility fees.
- Other operating costs-Normal supply, maintenance and utility costs.

Student Activity fees should not be expended on the following:

- Donations-Except where proceeds of fund-raiser go directly for that purpose.
- Scholarships- Prohibited unless based on some performance measure or service requirement. Performance measures would require some academic or student activity skill to be displayed (e.g., athletics, music, literary, math, etc.). Simply being an enrolled student would not qualify as a performance measure.
- Tips-Unless covered by State travel guidelines or service contract.
- Faculty salaries and benefits-Student activity fees should not be used to directly fund instructional costs of credit hour courses.
- Intercollegiate Athletic program costs-Normally these costs should be paid from Athletic fees. Possible exceptions could be for support groups, such as dance teams, club sports or cheerleaders, if included in the budget as reviewed by the student fee advisory committee.
- Student employee recognition luncheons/meals-Not allowable if provided for an individual or a specific group. Student employees may receive food if partaking in an event open to all students and student employees are at function as a “student”. See bullet item 4 under Allowable Uses.
- Prospective Student travel-Not allowable unless certain conditions are met as outlined in Section 19.9.
- Alcoholic beverages or any illegal substances.
- Individual or club memberships in civic organizations
- Political campaigns or events

Technology Fees

Technology fees are charged by all “teaching” institutions. The BOR Central Office and the Skidaway Institute of Oceanography do not charge technology fees. Financial accounting for technology fees is addressed in Section 2.9 of this Manual.

Authorized Usage

There are two basic principles governing use of student technology fees:

Student technology fees should be used to support and supplement normal levels of technology spending. Institutions should be able to provide evidence that overall institution technology expenditures clearly reflect that expenditures based upon fee revenues are above and beyond normal levels.

The focus of student technology fees should be on technology related to either **academic outcomes** or **instructional objectives**. Distinctions should be drawn between expenditures for administrative applications or

scientific and laboratory equipment, and instructional technology. Technology fee revenues should be used for the primary benefit of students by:

- Directing expenses to assist students in meeting educational objectives of their academic programs;
- Ensuring that there are sufficient campus software licenses, so that students have easy access to “technological” tools needed in their chosen disciplines;
- Ensuring that “computer” labs used by students are adequately equipped and have sufficient network bandwidth and appropriate internet access;
- Providing training for students in the use of computing and networking resources, when needed. Generally faculty and staff training should be paid for from general operating funds, but faculty and staff may avail themselves of student training sessions if space permits.
- Leveraging with other funds to yield greater resources for students; (Technology fee revenues may be combined with another fund source(s) to make purchases that will enhance technological resources provided to students).
- Providing new staffing only when it will clearly add documented value for students. **Under no circumstances can technology fees be used to fund existing positions that would otherwise be cut from an operational budget, nor should fees be used to fund general computing and networking positions that have a significant administrative or research support component.**

Generally technology fees should not be used to acquire general supplies or software or hardware products for faculty use. General operating funds should be used for these purposes, unless there is a demonstrated and direct value to students which would justify use of technology fees.

Also, technology fees should not be used to purchase technological resources that will be used for administration purposes. System hardware, software, and other related costs that do not have a direct impact on academic outcomes and/or instructional objectives should be paid from general operating funds.

Special Institutional Fee

This is a general purpose fee charged system-wide by the Board of Regents at all “teaching” institutions. This fee was established in 2009 (BOR Minutes, June 2009) to ensure continued academic excellence during times of reductions in State funding.

Authorized Usage

Since this is a general purpose fee, institutions may use it to support any level of operations that would be appropriate for any educational and general fund source.

Athletic Fees

Athletic fees are collected for the purpose of funding USG institutions intercollegiate athletic programs. Athletic fees charges vary by institution depending of the number of intercollegiate sports offered and conference and association affiliations.

Authorized Usage

The management of Athletic programs is addressed in Section 4.5 of the BOR Policy Manual. The primary purpose of athletic fees should be to provide scholarships for student athletes, fund athletic staff salaries and operating expenses. For institutions which have Athletic Associations, portions or all of the athletic fees are

transferred to the related Athletic Associations to supplement funding of athletic scholarships and related expenses.

Health Fees

Health fees are collected to provide health services for students. Health services offered by institutions vary depending on the size of the institution and the planned use of the fees.

Authorized Usage

Generally health fees are used to support costs of campus health centers. In some instances, health fees cover most, if not all, costs of services provided, however, there are instances where the health fee is supplemented by voluntary fees for service which are paid by students for desired clinical services outside of the scope of the mandatory health fee.

Transportation/Parking Fees

Transportation fees at some institutions are charged to provide students access to an institution's transit system, while at others, this fee may be identified as a parking fee to provide access to campus parking for students.

Authorized Usage

Transportation and parking are generally managed as auxiliary enterprises and the student fees associated with those activities should be used to support those auxiliary functions. Section 15 of this manual provides guidance on the expenditure of auxiliary enterprise funds.

If a specific Public Private Venture transportation/parking project is funded with a mandatory student fee, those fees should be designated to support that project's lease payments and other required project costs. See Facility Fees below.

Facility Fees

Facility fees are generally charged in conjunction with Public Private Venture (PPV) projects whereby students are assessed a fee to fund the cost of operations and service capital lease payments on a specific facility, such as a housing unit, food service operation, parking deck, student centers, etc.

Facility fees should typically be charged to students who have access to the facility constructed. Therefore, there will likely be instances where these fees should only be assessed to a certain segment of students. For example, assessing a facility fee to students who do not have access to the facility might not be an appropriate or prudent decision. Section 7.3.4.2 of the BOR Policy Manual provides guidance on mandatory fee waivers. Also, if there are any questions about the students to be charged or served by a fee funded facility, please contact the Office of Fiscal Affairs and the Office of Real Estate and Facilities.

Authorized Usage

Facility fees should be used to pay base rent, additional rents, and operational costs on the project for which the fee was assessed. Base rent covers the principal and interest on capital lease debt. Additional rent is the renewal and replacement reserve that is maintained by the foundation's trustee for repairs and renovation as needed to

keep facility in operation. Operational costs should be limited to costs directly related to the project, such as maintenance, utilities, supplies and personnel.

Historically, the foundation sponsored PPV projects supported by facility fees are designed to generate a 1%-5% operating (coverage ratio) margin on a yearly basis. Georgia Higher Education Facilities Authority (GHEFA) funded projects are also developed with very tight margins. The operating margin is effectively the excess earnings generated from revenues after disbursements for rental payments and operating costs. **Institutions are required to use this operating margin to fund a capital debt service reserve which will be available to cover project costs in the event revenue of shortfalls.** Institutions are not allowed to spend any excess earnings from a project until capital debt service reserve requirements are met.

For all PPV projects, upon meeting capital debt service reserve requirements, an institution may spend excess yearly earnings on the project or related projects in the specific business operation or in the auxiliary unit where the reserves were accumulated. After appropriate reserves are attained, institutions are encouraged to consider reducing fees to a point where the profitability margin is minimal in order to pass some cost savings back to the students.

At the point in time when reserves are sufficient to retire remaining lease payments, the fee associated with a particular project should be reduced or terminated. If the fee has an operational component, the fee should be brought back to the BOR for reduction and repurposing.

[return to top](#)

24.3.2 Elective Student Fees

Elective fees, unlike mandatory fees, generally only apply selectively to students based on the purpose of the fee(s). Section 7.3.2.2 of the BOR Policy Manual provides that institution presidents are authorized to approve elective fees. However, the Policy Manual provides following exception to presidential approval for elective fees: “any fee or special charge that is required to be paid by all fulltime, undergraduate students at the institution or by all undergraduate students in a specific degree program, with the exception of specific course fees for supplementary costs, shall be approved by the Board (BoR Minutes, January 2010).”

The most common types of elective fees are housing fees, food service fees and course fees.

Housing Fees

Housing fees are paid by students to live in institutional residential housing facilities. Housing fees are approved each year by the president.

Authorized Usage

Housing fees are recorded as rental income in auxiliary program revenues and used to support the operational costs of the housing enterprise. Section 15 of this manual provides more specific guidance on expenditures of auxiliary enterprise funds.

Housing fees associated with PPV projects should be used to service the lease payments and cover operational costs. See section on Facility fees above for discussion on appropriate profitability margins and reserves.

Food Service Fees

Food service fees are paid by students who choose an institutional food service meal plan. These fees are approved by the president each year, with the exception of food service fees that are charged to all undergraduate students, which must be approved by the Board.

Authorized Usage

As with housing fees, food service fees are recorded as auxiliary fund revenues and support the operational costs on the food service enterprise as outlined in Section 15. Food service fees associated with PPV projects should be used to service the lease payment on the related projects. See section on Facility fees above.

Course Fees

Course fees are assessed to students enrolled in specific courses.

Authorized Usage

Course fees as defined in the BOR Policy Manual may be charged “to cover supplementary costs for specific courses, such as art materials, course packets/kits, software/videos, and special equipment.”

Since Course fees are only intended to be a supplementary revenue source to offset the costs of instructional course materials, institutions should set these fees to cover actual fee usage. If course fees exceed the cost of course materials, the fee should be reduced.

Other Miscellaneous Fees

There are numerous other miscellaneous fees that institutions may charge depending on needs and the type of services provided. Some examples would be application fees, graduation fees, and transcript fees.

Authorized Usage

In general, miscellaneous fees are charged for specific purposes and should be used to support the services charged. For example, application fees should be used to support the processing of applications.

24.4 Monitoring

Overall responsibility for monitoring of institutional expenditures is assigned to the institution’s chief business officer. Appropriate monitoring of student fee usage is the responsibility of the business office authorizing payments, the program personnel (student life professionals, athletic personnel, etc.), and the student organizations requesting expenditures of funds. At a minimum, institutions should:

- Provide reports (preferably quarterly) detailing student fee expenditures to the student fee committee(s) charged with providing budget recommendations on that respective student fee;
- Periodically conduct independent reviews of or request an internal audit of selected student fee expenditures; and,
- Maintain sufficient records of student fee committee(s) meetings to adequately document the intended use and scope of new student fees and to document the student fee budget(s) presented to the committee.