Non-Auxiliary Budgets & Fees

I. Definition

A. Charges for products or services not included in tuition, segregated fees, or auxiliary fees for services. Not for services required for operating and processing formal instructional programs normally included in tuition and GPR (see UW System Administrative policy 822 for detailed student fee guidelines [formerly G15]).

B. Most user fees are associated with program revenue accounts (Fund 128 or 136) or with general program operations (Fund 101) sales credits.

C. User fees covered by special guidelines include:
   1. Study Abroad Programs (Fund 128)
   2. Special Course Fees (Fund 128 or 189)
   3. Facility Use Fees (Fund 136)
   4. Sales credits/chargebacks (fees for products and services between divisions and departments such as mail, postage, duplicating, equipment, physical plant services) (Fund 101 or 136)
   5. Event Fees (Fund 136)
   6. Miscellaneous—Not included above (Fund 136)

D. Distance Education Fees

   1. Distance Education is a planned teaching/learning experience in which teacher and students are separated by physical distance. In Distance Education courses and programs student-teacher interactions and course materials delivery may occur in a synchronous mode (real time communication, such as part of a classroom, telephone or teleconference, or chatting via instant messaging) or in an asynchronous mode (flexible time communication such as email, e-courses, online forums, audio or video recordings) over a wide spectrum of existing and evolving media.

   2. Annually, Schools/Colleges are required to submit a “Distance Education Fee Authorization” Form to the Office of the Provost for approval.

II. Setting Fees

A. Products and services must be priced to recover direct & indirect charges as follows:

   1. Direct costs (charged to campus and external users): salaries, fringe benefits, supplies and capital directly attributable to the product or service
2. Indirect costs (charged to external users only for facility rentals on a per square foot basis): depreciation, utilities, municipal services, interest, support services, custodial services, etc. allocable to the product or service. May be obtained by using the campus indirect cost rate administered by the Office of Research. (See UW System Facilities & Administration (Indirect) Costs Rates)

B. User Fee Calculation: the basic formula for setting fees is as follows:
   1. Calculate the total program costs remaining after other sources of revenue such as GPR, co-sponsor support, and grant/contract funds have been applied.
   2. Divide those costs by the estimated number of program participants.

C. Each division must retain detailed information to support user fee rate calculations and related budgets for a minimum of five years and may be subject to audit.

D. Fees for Non-credit Continuing Education Programs (Fund 132): Contact the School of Continuing Education for applicable UW Extension policies and procedures.

E. Private Sector Competition
   1. When a potentially competitive situation exists, divisions must consider the affected private businesses and act with sensitivity and good faith regarding their concerns. Competition is a concern whenever charging user fees to students, faculty, staff and the general public. (See UW System Regent Policy – Competition with the Private Sector)
   2. New fees competing with the private sector must meet at least one of the following criteria to be deemed appropriate:
      a. The activity fulfills the division's instructional, research, or public service missions.
      b. Compelling economic efficiency: campus/division resources can be made available to the general public at relatively little additional cost to the campus/division.
      c. The product or service is unavailable elsewhere in the community.
      d. The product or service is a major convenience geographically to the campus community. Example: bookstore
      e. The product or service is important to maintaining the quality of the institution

III. User Fee Approvals and Non-auxiliary Budget Process

A. All proposed user fee rate changes must be reported to the Budget and Planning Office during the budget building process
   1. The Office of Budget & Planning will review new programs, products or services with user fees generating revenue of $10,000.
   2. Between November and January of each fiscal year, divisions establish user fee rates for the next fiscal year for all new and existing programs/fees, and submit User Fee information to the Budget & Planning office by unit's due date per our annual
**Non-Auxiliary Budget memo.** The memo covers due dates, instructions for forms, the user fee approval process and the non auxiliary budget process.

B. For Special Course Fees: Schools and Colleges must enter Special Course Fee information into PAWS in a timely manner to meet deadlines established by Enrollment Services in coordination with the Office of Budget & Planning.

C. When establishing a new fee outside of the budget process time frames, in addition to the requirements in the above referenced memo, divisions submit the following information to the Controller’s office:

1. If establishing a new organization or revising an existing organization, an [Organization Action Request](#) is required. Contact the Controller in [Accounting Services](#) with questions about the appropriate fund/program.

2. If desired for budget management purposes, use a [Request for Budget Transfer](#) form to establish a budget for the current fiscal year.

IV. Other Related Procedures

A. Risk Management

1. User fee related programs have the potential of raising various liability and risk management issues.

2. Program directors should be familiar with [University Safety and Assurances](#) policies.

B. Accounting

1. Divisions with programs funded by program revenue will carry forward to the next fiscal year any cash balances remaining at the end of the current fiscal year; use only for purposes related to the program.

2. The Controller’s office will monitor cash balances, either negative or excess balances, on a semi-annual or annual basis, as appropriate.

3. Receipts
   a. Divisions should be familiar with and ensure that departments follow proper [cash handling procedures](#).
   b. Wisconsin State Sales Tax must be collected on all taxable items - Click [here](#).

4. Schools and Colleges normally retain all funds to be used exclusively for related programming activities and their development.