

Incidental Fee Authorization

Policy Number:

III.03.02

Reason for Policy:

To articulate processes and practices for establishment of the ASUO's Incidental Fee.

Entities Affected by this Policy:

All students, and staff engaged in ASUO, student life, or tuition and fee matters.

Responsible Office:

For questions about this policy, please contact the Division of Student Life at 541.346.3216, vppl@uoregon.edu.

Website Address for this Policy:

<https://policies.uoregon.edu/vol-3-administration-student-affairs/ch-3-tuition-student-fees/incidental-fee-authorization>

Enactment & Revision History:

20 September 2017 - Enacted by the University President

20 September 2017 - Replaced former Oregon Administrative Rule 580.010.0080-0090 and "the Clark Document."

Policy:

Introduction

The purpose of this policy is to establish the Associated Students of the University of Oregon ("ASUO") as the body which requests the amount of the Incidental Fee, recommends uses of the proceeds of the Incidental Fee, and recommends the modification of the existing Incidental Fee. The provisions outlined herein follow from state law, from the UO Board of Trustees's delegation of authority, and assignment of responsibility to the University of Oregon President ("University President") through its Policy on Retention and Delegation of Authority. Nothing herein is intended or may be construed to diminish the authority of the ASUO, University President, the Board of Trustees, or to conflict with applicable local, state, or federal law.

A. Authorization

1. The authority to request the amount of the Incidental Fee, recommend uses of the proceeds of the Incidental Fee, and to request modification of the Incidental Fee is delegated to the ASUO, as the University of Oregon's recognized student government association, per Oregon Revised Statutes (ORS 352.105).
2. The ASUO shall provide its Incidental Fee request to the University President in writing for the president's transmittal to the Board of Trustees for approval.

B. Allocation Policies

1. The ASUO shall seek to maintain an efficient fee request, allocation, and establishment process in compliance with local, state, and federal law and University policy.
2. In accordance with applicable law and University policy, Incidental Fee allocation decisions must comply with legal obligations and must not interfere with the University's ability to carry out its educational mission or with preexisting contractual financial commitments.

3. The Incidental Fee shall be allocated in accordance with the mission of the ASUO and as outlined in ORS 352.105.
4. The ASUO's Incidental Fee request shall be based on enrollment and fee revenue estimates provided by the University President (or designee).
5. ASUO's Incidental Fee recommendation shall be organized by three Major Programs:
 - a. Student Organizations Major Program, which shall include student government programs and activities and ASUO-recognized student organizations' programs and activities;
 - b. Department-Based Programs Major Program, which shall include activities or on-campus programs funded, in whole or in part, with Incidental Fees, and that are organizationally based in university departments; and
 - c. Contracts Major Program, which shall include agreements with service providers for programs and services not provided by the university, that are funded wholly or in part with Incidental Fees.
6. The ASUO President shall transmit the Incidental Fee request in writing to the University President no less than four weeks prior to the start of the March Board of Trustees meeting. At a minimum, the Incidental Fee request must include:
 - a. The requested per student, per term Incidental Fee for the following fiscal year with a summary sheet that provides detail of the budget, including assessments and reserves;
 - b. The process by which the ASUO established such requested fees;
 - c. A statement regarding whether the requested Incidental Fee amount is different than the previous year and, if so, by how much, in both dollars and as a percent;
 - d. A summary of ASUO-approved Incidental Fee budgets by Major Program, including a brief description of any major changes in the use of the fees over the previous year;
 - e. The amount allocated to each student organization, itemized as 1) stipends and 2) programmatic expenses; and,
 - f. If requested in advance by the University President, an explanation of how the fees support programs and services which are advantageous to the cultural or physical development of students.
7. The University President will review the Incidental Fee request prior to transmittal to the Board of Trustees (Board) for consideration.
 - a. The Incidental Fee request may be refused by the University President or the Board of Trustees based on criteria articulated in ORS 352.105.
8. The University President shall notify the ASUO in writing within seven working days of the date of receipt of the Incidental Fee recommendation, with approval or denial, wholly or in part, of the Incidental Fee request.
9. Except as required by law, university policy, or preexisting contractual financial commitments, a proposed funding decrease for any Major Program shall not exceed 10% of the preceding year's allocation unless the reduction is requested by all the affected programs within the Major Program, or the reduction is approved by a two-thirds affirmative vote of the prescribed members of the Student Senate. A funding decrease for any Major Program in excess of 10% must also be approved by the ASUO President.
10. Except as required by law, university policy, or preexisting contractual financial commitments, a proposed funding decrease for any individually funded program or service that has been funded for at least four consecutive years, shall not exceed 25% of the preceding year's allocation unless the program or service

specifically requests the reduction or the funding decrease is approved by 1) a two-thirds affirmative vote of the prescribed membership of the program's designated Finance Committee, 2) a two-thirds affirmative vote of the prescribed membership of the Student Senate and 3) approval of the ASUO President.

11. Contracted services funded by the Incidental Fee must:

- a. Comply with applicable law and university policy;
- b. Be reviewed by the designated ASUO Finance Committee with oversight of contracts and receive written approval of the ASUO President before any such contract is executed.
 - i. If the ASUO and the university administration disagree on the final language of an ASUO contract, the ASUO President shall consult with the University President (or designee) to resolve the dispute.
 - ii. Nothing in this section is intended to override or affect the authority granted to the Board of Trustees by state law or to the President as granted by the Board of Trustees.

C. Appeals

1. If the University President and ASUO President are not able to reach agreement on the Incidental Fee recommendation (as approved by the Student Senate and ASUO President) prior to the deadline established in Section B.6, each party may separately submit their recommendations, along with the underlying bases for agreement and disagreement, to the Board of Trustees, as outlined in ORS 352.105.
 - a. Nothing in this section prevents the ASUO President from returning to the Student Senate for modification of the recommendation, per the ASUO Constitution.
 - b. Nothing in this policy is intended to affect the ASUO's right to appeal to the Higher Education Coordinating Commission as outlined in ORS 352.105.

D. Timelines and Schedules

1. By November 15 of each year, the University President (or designee) shall notify the ASUO President, in writing, of the following:
 - a. The precise deadline for the ASUO President to transmit the Incidental Fee request in writing to the University President (or designee), as outlined earlier in this policy.
 - b. The projected enrollment and associated fee revenue estimates to be used by the ASUO in determining the following year's ASUO budget and Incidental Fee recommendation.
 - c. Any changes to law or university policy related to the Incidental Fee, if any.
2. An optional meeting to review responsibilities, standards, and university policies for participating in the establishment of the recommended Incidental Fee may occur at the request of either the University President (or designee) or the ASUO President. Such meeting shall include the ASUO President and Vice President, the Student Senate President, and the chairs of each Major Program finance committee, and shall be timed to precede the start of ASUO's budget hearings.
3. The dates articulated in section D above may be changed by mutual agreement between the ASUO President and University President (or designee) and shall be limited in effect to the current fiscal year.

E. Incidental Fee Reserve Funds

The Incidental Fee budget shall include several reserve funds. These funds shall be divided among three separate accounts: Surplus, the Prudent Reserve, and the Overrealized Fund, as outlined herein.

1. **Surplus.** Surplus funds are comprised of funds appropriated to programs within the Student Organization Major Program budget which were not expended during the prior fiscal year as well as funds voluntarily returned from Department-Based Programs Major Program budgets.
 - a. At the close of the fiscal year, unexpended student organization funds shall be transferred to the Surplus fund for use beginning the next fiscal year.
 - b. The ASUO shall be responsible for developing its own processes for determining surplus allocations.
 - c. Surplus funds may be used for programs, activities, and services that contribute to the social, cultural and physical development of students.
 - i. An Unallocated Reserve may also be maintained by the Student Senate. This reserve may be augmented each fiscal year as authorized by the Student Organization Major Program finance committee. Augments to the Unallocated Reserve shall not exceed 1.5% of the total Incidental Fee budget. At fiscal year-end, unexpended Unallocated Reserve funds shall be carried over to the next fiscal year.
2. **Prudent Reserve.** A Prudent Reserve shall be maintained with Incidental Fee revenue, to protect against revenue shortfalls resulting from underrealized enrollment or other unforeseen financial circumstances. The fund shall remain unappropriated and used only under specific, limited conditions as described below.
 - a. The ASUO shall maintain a Prudent Reserve equal to exactly five percent (5%) of the total Incidental Fee budget for the current fiscal year. The Student Senate must review the Prudent Reserve annually and, if the balance falls below five percent (5%) of the projected Incidental Fee budget for the upcoming fiscal year, allocate additional funds to restore it to the required level. The Student Senate may not allocate funds to the Prudent Reserve that would result in a balance exceeding this five percent (5%) threshold.
 - b. At the start of each fiscal year, any unexpended balance in the Prudent Reserve that exceeds five percent (5%) of that year's projected Incidental Fee budget shall be transferred to the Overrealized Fund. This ensures the Prudent Reserve remains capped at its intended level and does not accumulate excess funds.
 - c. The Prudent Reserve may only be used to address emergency budgetary shortfalls, or other compelling and prudent fiscal situations that cannot be met through ASUO's regular budget process.
 - d. All requests to use the Prudent Reserve must be submitted in writing to the University President and must include:
 - i. A detailed explanation of the urgent or exceptional nature of the expenditure.
 - ii. A recommendation from the Student Senate, and
 - iii. Written approval from the ASUO President.

Expenditures from the Prudent Reserve require the written approval of the University President (or designee) prior to disbursement.
3. **Overrealized Fund.** Revenue that exceeds the total Incidental Fee budget due to higher-than-anticipated enrollment shall be designated as overrealized funds. The Overrealized Fund consists of:
 - Any revenue from the previous fiscal year's overrealized enrollment;
 - Funds in excess of five percent (5%) of the projected Incidental Fee budget; and

- Any Overrealized Fund balance carried forward from the previous fiscal year.
- a. Overrealized funds accrued during an academic year shall be held in the Incidental Fee Clearing Account until the end of that fiscal year. Beginning in week five of Fall Term in the subsequent fiscal year, these funds become available for expenditure by the ASUO, provided the ASUO's current year budget is not in deficit due to underrealized enrollment. If a deficit exists, overrealized funds must first be used to eliminate the shortfall before any new allocations are made.
 - b. At the start of each fiscal year, any unexpended balance in the Prudent Reserve that exceeds five percent (5%) of that year's projected Incidental Fee budget shall be transferred to the Overrealized Fund. This ensures that the Prudent Reserve remains at its required level and prevents excess accumulation, while making those excess funds available for allocation through the Overrealized Fund process.
 - c. The ASUO is responsible for establishing a process for allocating overrealized funds. This process shall include a timeline and criteria for allocation, and may include a set-aside for ongoing, as-needed distributions throughout the year, subject to agreement between the Student Senate and ASUO President. Due to the timing of final enrollment data, allocations from the Overrealized Fund may not be disbursed prior to December 31.
 - d. If the ASUO determines that overrealized funds may be best used to temporarily reduce the Incidental Fee – a process known as a “buy-down” -- the ASUO President and a Student Senate-designated representative shall consult with the University President (or designee) to evaluate the potential impact and implementation timeline.
 - i. A buy-down proposal must be submitted to the Student Senate as part of the standard Overrealized Fund allocation process.
 - ii. Only the ASUO President may submit a buy-down proposal. Approval requires a two-thirds affirmative vote of the filled seats of the Student Senate, followed by the ASUO President's signature.
 - e. All allocations of overrealized funds for the purpose of an Incidental Fee buy-down require formal approval from the University President (or designee).

Chapter/Volume:

Chapter 3: Tuition and student fees

Related Resources:

NA

Original Source:

UO Policy Statement