

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, vpsl@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~~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 Trustee'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~~ 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~~ ASUO's Incidental Fee ~~recommendations for allocation~~ recommendation shall be organized by ~~four~~ three Major Programs, ~~including:~~
 - ~~a. — EMU Major Program, which shall include student union activities and services;~~
 - ~~b. a. ASUO Student Organizations~~ Major Program, which shall include student government programs and activities, ~~and ASUO-recognized student organizations, programs and activities, and all other non-EMU, non-intercollegiate athletics and non-department programs and services funded in whole or in part with Incidental Fees that contribute to the cultural and physical development of students' organizations' programs and activities;~~
 - ~~c. — Intercollegiate Athletics Major Program, which shall include student access to athletic events funded in whole or in part with Incidental Fees through agreement with the Athletic Department; and~~
 - ~~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 conducted with other University organizationally based in university departments or programs; and~~
 - ~~d. c. Contracts~~ Major Program, which shall include agreements with service providers for programs and services not provided by the university, that are ~~provided on campus~~ funded wholly or in part with Incidental Fees.
6. The ASUO President shall transmit the Incidental Fee request in writing to the University President (~~or designee~~) ~~by the date specified by the University President (or designee); 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 ~~fee calculation by fee category~~ budget, including assessments and reserves;
 - b. The process by which the ASUO established such requested fees;
 - c. A statement regarding whether the requested ~~fee~~ 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. ~~Line item budgets for~~ The amount allocated to each student organization ~~recommended for program funding, 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. ~~The Incidental Fee request may be refused by the University President or the Board based on criteria articulated in ORS 352.105.~~
 - ~~a. — 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.~~

Formatted: Numbered + Level: 2 + Numbering Style:
a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at:
0.5" + Indent at: 0.75"

~~b.a.~~ The mandatory incidental fee, allocation of the fee or decision to modify an existing fee Incidental Fee request may not be refused by the ~~Board or the~~ University President ~~or the Board of Trustees~~ based on ~~considerations about the point of view that the funding seeks to advance criteria articulated in ORS 352.105.~~

8. The University President shall notify the ASUO in writing within seven working days of ~~approval or denial with any portion the date of receipt~~ of the Incidental Fee ~~request; recommendation, with approval or denial, wholly or in part, of the Incidental Fee request.~~
9. Except as required by law, ~~University~~ 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. ~~A recommendation to reduce a Major Program, or the reduction is approved by more than 10% requires~~ a two-thirds affirmative vote of the prescribed members of the Student Senate, ~~and, 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~~ university policy, or preexisting contractual financial commitments, a proposed funding decrease for any ~~traditionally individually~~ funded program, ~~which is a program within a Major 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 ~~traditionally funded program or service~~ specifically requests the reduction. ~~Such a recommendation requires a unanimous vote of or the traditionally funded funding decrease is approved by 1) a two-thirds affirmative vote of the prescribed membership of the program's designated finance committee, as well as Finance Committee, 2) a two-thirds affirmative vote of the prescribed membership of the Student Senate and 3) approval by of the ASUO president~~ President.
11. Contracted services funded by the Incidental ~~fee recommendations for contracted services~~ Fee must:
 - a. Comply with applicable law and ~~University~~ university policy;
 - b. ~~Require~~ Be reviewed by the designated ASUO review and Finance Committee with oversight of contracts and receive written approval of the ASUO President before any such contract is executed, ~~and,~~

~~e.i.~~ In the event that if the ASUO and the ~~University Administration~~ 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.

~~f.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 ~~do are~~ not jointly agreeable to reach agreement on the Incidental Fee ~~request; recommendation (as approved by the Student Senate and recommendations~~ ASUO President) prior to the ~~date the request and recommendations are to be submitted to the Board of Trustees~~ deadline established in Section B.6, each party may separately submit ~~the their~~ recommendations ~~to which the parties agree and the recommendations to which the parties do not agree~~, along with the underlying bases for agreement and disagreement.
- ~~2.~~ If the University President and ASUO President do not jointly agree to the Incidental Fee request and recommendations prior to the date the recommendations are to be submitted to the Board of Trustees, either party may submit their disagreement to a Hearings Board, in accordance with Hearings Board rules of procedure:
 - a. ~~The~~ Hearings Board shall be constituted pursuant to this policy.

Formatted

b.—The members of the Hearings Board shall be selected promptly upon receipt of a request for a hearing. Hearings Board members shall not be members of the Student Senate or its staff, members of the ASUO finance committees or their staff, the ASUO Executive or its staff, the staff or management of the affected program, or the immediate staff of the University President or of the Vice President for Student Life.

c.—The Hearings Board shall be comprised of five members:

i.—Two (2) appointed by the University President;

ii.—two (2) appointed by the ASUO President; and;

iii.—One (1) mutually agreed upon member who shall serve as the presiding officer of the Hearings Board.

iv.—Prior to November 1, both parties will compile a list of persons mutually acceptable to sit on the Hearings Board;

v.—The ASUO President shall make this list available to the Student Senate and finance committees each year by November 1; and;

vi.—In the event a hearing is requested, the University President and ASUO President shall jointly select the fifth Hearings Board member from this list.

d.—The Hearings Board shall establish its own rules of procedure subject to the requirements of applicable law and University policy.

e.—Any recommendations of the Hearings Board shall be considered by both the ASUO President and the University President prior to the transmittal of final incidental fee request and recommendations for allocations to the Board, provided that such consideration is possible prior to the date the request and recommendations are to be submitted to the Board.

f.—Acceptance or rejection Both parties shall notify the Hearings Board and each other within five working days and in writing whether they accept or reject the recommendation(s) of the Hearings Board.

~~3.1.~~ Nothing in this policy is intended to affect the ASUO's right to appeal to the Higher Education Coordinating Commission, to the Board of Trustees, as outlined in ORS 352.105.

~~4.—The ASUO and~~Nothing in this section prevents the Board shall seek ASUO President from returning to reach agreement on any dispute involving mandatory incidental fees, if necessary with the aid of mediation (i.e. the Hearings Board or other body deemed appropriate), prior to a decision by the Board.

~~5.—If an agreement is not reached, the decision of the Board may be appealed to the Higher Education Coordinating Commission by the ASUO within seven days of the Board's decision. The Board shall submit its response within seven days of the appeal. The Commission shall render its decision within seven days of its receipt of the Board's response.~~

~~6.—If Oregon law is amended, this policy shall be amended by operation of law in accordance with those changes.~~

~~D. Incidental Fee Reserve Funds~~

~~The Incidental Fee budget shall include~~ a number of reserve funds. These funds shall be divided among five separate accounts, including the Incidental Fee Clearing Account, the Prudent Reserve, the Surplus Fund, the Over-Realized Fund, and the Building and Equipment Reserves, as outlined herein.

a.—Unallocated Reserve. An appropriated Contingency or Surplus fund shall include an unallocated reserve budgeted by the Student Senate. This unallocated reserve shall be augmented each fiscal year

with ASUO Programs funds which have been appropriated but unexpended during the prior fiscal year or carried over from the prior fiscal year:

2.—~~EMU Building Reserve.~~ The Erb Memorial Union (EMU) Building Reserve shall be established as a component of Incidental Fee calculation in the spring following conclusion of the ASUO budgeting process:

a.—~~The EMU Building Reserve shall equal 3.5% of the total estimated incidental fee budget, and this reserve allocation shall be excluded from ASUO calculations determining compliance with EMU major program growth limits:~~

~~b.i.—Such appropriated reserve funds have the status of allocated monies that have been approved by student government, and to the extent approved by the University President, may be spent by the EMU director without further approval or authorization by the EMU Board or student government:~~

3.—~~**Prudent Reserve.**~~ An unappropriated Prudent Reserve shall be maintained with Incidental Fee income. The Prudent Reserve shall be created at the beginning of the fiscal year at a level equal to at least 5% of the current fiscal year's total Incidental Fee budget to ensure against shortfalls due to under-realized enrollment and/or other unforeseen contingencies:

a.—~~This fund may be used only to address emergency budgetary shortfalls, or other compelling prudent fiscal actions. In all cases, requests for use of the 5% Prudent Reserve should be identified in specific written transmittals to the President:~~

b.—~~When the Prudent Reserve is used, the ASUO President shall consult with the President (or designee) by November 1st to assess the risk of a lower Prudent Reserve and to determine an appropriate course of action. The ASUO President shall inform the Student Senate of such a course of action:~~

c.a.—~~An emergency allocation from the 5% Prudent Reserve funds must include certification of the unusual nature of the proposed expenditure(s) and have modification of the recommendation of the Student Senate and the written approval of the ASUO President as well as the formal approval of the President or their designee, 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.

4.—~~Over-realized Fund.~~ Revenue due to over-realized enrollment income remaining in the Incidental Fee Clearing Account in excess of the total appropriated Incidental Fee budget for that year shall be identified as over-realized funds:

a.—~~Over-realized funds accrued each academic year shall be held in the Over-realized Fund ("ORF") until the end of the fiscal year. After the fourth week of the subsequent fall term, all over-realized funds shall be available for expenditure by the ASUO in accordance with the guidelines set forth in this policy and in the rules of the ASUO, provided that the Prudent Reserve is not under-realized for that current year, in which case available over-realized funds shall be used first and foremost to cover the deficit in the Prudent Reserve:~~

b.—~~The ASUO shall be responsible for developing its own processes for determining ORF allocations. In addition to determining a schedule for making allocations of available over-realized funds in accordance with the criteria below, the Student Senate and the ASUO President may agree to set aside a portion of available over-realized funds to be awarded on an ongoing as-needed basis throughout the year, in accordance with criteria agreed upon by the Student Senate and the ASUO President:~~

c.—~~No more than 90% of the available over-realized funds in an academic year shall be considered available for allocations that year, except to address issues of an emergency nature, in which case the~~

Formatted

Formatted: Font: Bold

Formatted: Numbered + Level: 2 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Indent at: 0.75"

Student Senate, by an affirmative vote of two-thirds of filled seats, and the ASUO President shall agree that such expenditure is warranted:

d. ~~In the event that the ASUO determines that over-realized funds may be best used to lower the Incidental Fee, a course of action hereon to be referred to as a "buy-down," the ASUO President and a representative of the Student Senate, to be designated by the Student Senate, shall consult with the University President (or designee) to discuss whether such a decision would be advantageous for students:~~

i. ~~A proposal to use over-realized funds for the purposes of a buy-down must be submitted to the Student Senate as part of its normal ORF allocation process:~~

ii. ~~A buy-down proposal may only be submitted by the ASUO President, and a buy-down must be approved by an affirmative vote of two-thirds of the filled seats of the Student Senate, and approved by the ASUO President. Any buy-down must leave no less than 10% of the total over-realized funds in the ORF:~~

iii. ~~An allocation of over-realized funds must include certification of the unusual nature of the proposed expenditure(s) and have the recommendation of the Student Senate and the written approval of the ASUO President as well as the formal approval of the President or their designee:~~

E. Incidental Fee ~~D. Timelines and Schedules~~

1. ~~No later than September 1 of each year, the University President (or designee) will meet with the ASUO President (or designee) to review any legislation, Board or University policy changes related to the Incidental Fee, and determine if any changes to the policy are warranted:~~
2. ~~No later than November 7 of each year, the President (or designee) and other administrators, as requested by the University President, will meet with the ASUO President and Vice President(s), the Student Senate President, members of finance committees, the ASUO Advisor and other elected or appointed members of the ASUO as requested by the ASUO President to review responsibilities, standards, and University policies for participating in the establishment of recommended Incidental Fee levels:~~

1. By November 15 of each year, the University President (or designee) shall notify the ASUO President, in writing, of the date by which following:

a. The precise deadline for the ASUO must submit its annual President to transmit the Incidental Fee recommendation request in writing to the University President. This deadline shall take into account any analysis and feedback time required by the Board. The notification will include the (or designee), as outlined earlier in this policy.

~~3-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.

Formatted

~~4.3.~~ The dates articulated in ~~sections 1 through 3~~ **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.

Formatted

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.

Formatted: Font: Bold

- 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:

