

# 3-3: Education and General Fund Revenue

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Issued: 9-12-96

Revised: 02-05

### I. PURPOSE

The purpose of this policy is to establish guidelines for recording revenue in the Education & General Fund.

### II. POLICY

All Education & General (E&G) Fund revenue will be maintained in a central revenue account. The only exception is accounting for course fee revenue, which the Colorado Commission on Higher Education (CCHÉ) requires "be used for costs directly related to the course for which they are charged"; and to student fees specifically earmarked such as the Academic Information Technology (AIT) fee.

The E&G Fund reflects the financial activity for Fort Lewis College in providing undergraduate education, the statutory mission of the College. Decisions related to allocating available revenue to achieve this mission are delegated to the president, vice presidents, and deans through the budgeting process. Appropriate budget allocations are based upon factors such as funding trends in state appropriations and tuition increases, anticipated enrollment growth, competing needs and priorities, immediate and anticipated demands, and the overall financial health and stability of the College. In order to maintain a focus of allocating resources based upon the planning and needs of the institution as a whole, the budget committee determines how new funding will be distributed.

Departments are allocated an operating budget for each fiscal year, July 1 to June 30. It is recognized that in providing better service to students, departments may sometimes incur unanticipated additional costs. Also, a department may be faced with an uncontrollable increase in costs. In these instances, a department should determine if they are able to absorb the additional costs within their budget. If this is not possible, a request should be made to the appropriate vice president for a base adjustment in the department's budget. If the vice president cannot provide the needed funding to cover the increased costs, the vice president should bring the matter to the budget committee during the annual budgeting cycle each spring to request a base budget adjustment for the upcoming fiscal year. Based on the availability of funds and the cost/benefit of the request, the budget committee will either approve or deny the request.

In instances where a department or organization wishes to use fund raising or donations to augment their budget or provide for special purchases, such as equipment, costumes, etc., they should contact the Fort Lewis College Foundation. A special account may be set up with the Foundation to account for this revenue and related expenditures. Except in circumstances approved by the College finance committee, expenditures from donated funds will be made from College departmental accounts, with corresponding transfers of revenue from the Foundation into the appropriate College accounts.

In the case of other revenue received by an individual department or organization (i.e., non-Donation & Private Gifts), the department will deposit these funds into the E & G central revenue account and request a one-time budget increase in their departmental budget for the amount of the deposit.

The above policy will apply to all E & G revenue received from outside companies or individuals. Accounting principles prescribe that revenue accounts (5XXX) should be used for funds received from "outside" parties, such as state appropriations, tuition, fines, fees, donations, etc. Revenue received from other Fort Lewis departments ("inside" parties) are accounted for in account 7338 - Interdepartmental Revenue. Interdepartmental revenue is accounted for within the relevant departmental cost center (organization), not the central revenue account.

#### Addendum to Policy 3-3: (1-21-97)

In order to adhere to the "spirit" set forth in Policy 3-3 without unfairly penalizing departments, certain collections may be exempted from the requirement that funds be deposited directly into a central E&G revenue account. Therefore, in addition to the exceptions provided in Policy 3-3 (course fees, Academic Information Technology Fee, matriculation fee, and Donations and Private Gifts), the following will provide interpretation guidelines for additional exceptions to the Education & General Fund Revenue Policy.

In specific, isolated instances when a department receives funds as a result of activities performed outside the normal scope of providing undergraduate education, or engages in activities separate and distinct from the services they generally offer, revenue may be recorded directly in departmental cost centers (rather than the E&G central revenue account). Approval of situations that conform to the exceptions outlined in this interpretation guideline should be made by the finance group, namely the Vice President for Finance and Administration, Controller, Budget Director and Director of Auxiliary Services. The following guidelines will be used in interpreting Policy 3-3 exceptions for recording Education & General Fund revenue into a central account:

Revenue from an event that was openly advertised as a special fundraising activity. These funds would normally be receipted from the FLC Foundation, however they may also be deposited directly into the departmental account.

Funds received from accommodating a special need for a select group of students that actually represents reimbursement for the special services performed. The "test" of this exception is that Fort Lewis is asked to provide a special service not available to the general student population, and the reimbursement from the student is equal to the cost incurred by the College for the special service performed. For instance, when a particular student, because it is more convenient, requests to do their student teaching at a school outside the area where FLC has contracts with supervisors. Since the College must hire a supervisor to serve this special request, the reimbursement/revenue may be deposited directly to the department. This exception does not apply to fees charged to the general student population, or to class, course, or program fees of any nature. These must go through the approval process mandated by the Board of Trustees approved "Institution Plan for Student Fees."

Exceptions granted in interpretation of Policy 3-3 will not diminish the main purpose of the policy, which is the requirement to record E&G revenue into a central revenue account.