



THE FLORIDA STATE UNIVERSITY  
BUDGET OFFICE

## Departmental Guide to Distance Learning Auxiliary Operations

### Distance Learning Defined

Distance learning is a formal educational process in which the majority of the instruction (interaction between students and instructors and among students) in a course occurs when students and instructors are not in the same place. Instruction may be synchronous or asynchronous. A distance learning course may use the internet; one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; audio conferencing; or video cassettes, DVD's, and CD-ROMs if used as part of the distance learning course or program.

### Departmental Contacts at Florida State University

Distance learning at Florida State University is coordinated by the Office of Distance Learning (ODL). Departments who would like information on offering distance learning instruction should contact ODL for guidance.

ODL Website: <http://distance.fsu.edu/>

ODL Email: [inquiries@campus.fsu.edu](mailto:inquiries@campus.fsu.edu)

ODL Telephone: (850) 645-0393

For administrative purposes (including financial), activities coordinated by ODL are recorded as auxiliary operations. The Budget Office assists the Auxiliary Service Board (ASB) in the oversight of all Florida State University auxiliary operations, and therefore works closely with ODL on the establishment and management of distance learning auxiliaries.

Budget Office Website: <http://www.budget.fsu.edu/>

Budget Office Telephone: (850) 644-4203

Florida State University Auxiliary Policy: <http://policies.vpfa.fsu.edu/bmanual/budget.html>

### Tuition and Fees for Distance Learning Instruction

Distance learning may be either “fundable” (instructors funded from Education and General (E&G) resources and counted as part of E&G enrollment) or “non-fundable” (funded from non-E&G resources and not counted as part of E&G enrollment). Non-fundable courses should not replace fundable courses, and should be offered only if enrollment targets have been met.

For fundable courses, students are assessed regular tuition and other fees as appropriate, and may also be assessed a *fundable distance learning course fee*. For non-fundable courses, students are not assessed regular tuition or fees, but pay a *non-fundable distance learning course fee* specific to the course in which they are enrolled. For select non-fundable graduate courses (as approved by the Office of the Provost, the Florida State University Board of Trustees (BOT), and the State University System Board of Governors (BOG)) students may be assessed *market tuition rates*.

A course or program may have both fundable and non-fundable sections; however, fees from fundable and non-fundable sections must be deposited to separate auxiliary operations. Departments offering both fundable and non-fundable sections must have two separate auxiliary operations.

The following sections discuss tuition and fees assessed for:

1. Fundable Distance Learning with a Distance Learning Course Fee
2. Non-Fundable Distance Learning
3. Market Tuition Rate Graduate Programs (Non-Fundable Distance Learning)

## 1. Fundable Distance Learning with a Distance Learning Course Fee

For fundable distance learning courses, students are assessed regular tuition and fees. Tuition and out-of-state fees are deposited to the university's Student and Other Fee Trust Fund, while other fees (e.g., activity and service, health, athletic, etc.) are deposited to the appropriate non-E&G budget entities. Where tuition and out-of-state fees are not sufficient to cover the cost of developing and delivering a fundable distance learning course, a per-credit-hour *fundable distance learning course fee* may also be assessed. Distance learning course fees are specific to each distance learning course, and are calculated based on departmental estimates. Distance learning course fees are deposited to the appropriate departmental auxiliary operations (requested via ODL and established by the Budget Office at the approval of the ASB). The distance learning course fee must cover only those costs directly attributable to developing and delivering the distance learning course; that is, distance learning course fee auxiliaries should not have revenues in excess of costs.

The *Fundable Distance Learning with a Distance Learning Course Fee* template can be used to calculate a *fundable distance learning course fee*.

### Section 1: Estimated Credit Hours

Use section 1 to estimate total credit hours.

### Section 2: Estimated Expenditures

Use section 2 to estimate total expenditures. Include only those expenditures that are directly related to offering the fundable course in a distance learning format that will be paid by the auxiliary operation (e.g., OPS test proctors, telecommunications expenses, etc.).

For fundable courses, instructors should be paid using E&G resources. Therefore, instructor wages and benefits should not be included in the distance learning course fee calculation.

An auxiliary overhead assessment of 1% of operating expenditures will be charged starting in the auxiliary's third year of operations. This should be included in the fee calculation.

### Section 3: Distance Learning Course Fee Calculation

Section 3 divides estimated expenditures by estimated credit hours to determine a per-credit-hour distance learning course fee.

## 2. Non-Fundable Distance Learning

For non-fundable distance learning courses, students are not assessed regular tuition and fees. Students are assessed a *non-fundable distance learning course fee* that is meant to cover the entire cost of developing and delivering the non-fundable distance learning course. Distance learning course fees are specific to each distance learning course, and are calculated based on departmental estimates. Distance learning course fees are deposited to the appropriate departmental auxiliary operations (requested via ODL and established by the Budget Office at the approval of the ASB). The distance learning course fee must

cover only those costs directly attributable to developing and delivering the distance learning course; that is, distance learning course fee auxiliaries should not have revenues in excess of costs.

The ***Non-Fundable Distance Learning*** template can be used to calculate a *non-fundable distance learning course fee*.

### **Section 1: Estimated Credit Hours**

Use section 1 to estimate total credit hours.

### **Section 2: Estimated Expenditures**

Use section 2 to estimate total expenditures. Include all expenditures that are directly related to offering the non-fundable distance learning course, all of which should be paid by the auxiliary operation.

For non-fundable courses, instructors should not be paid using E&G resources. Therefore, instructor wages and benefits should be included in the *non-fundable distance learning course fee* calculation. (If instructors teach some fundable courses and some non-fundable courses, their funding may be split between budget entities.)

An auxiliary overhead assessment of 1% of operating expenditures will be charged starting in the auxiliary's third year of operations. This should be included in the fee calculation.

### **Section 3: Distance Learning Course Fee Calculation**

Section 3 divides estimated expenditures by estimated credit hours to determine a per-credit-hour distance learning course fee.

## **3. Market Tuition Rate Graduate Programs (Non-Fundable Distance Learning)**

Select non-fundable graduate programs have been approved by the Office of the Provost, the BOT, and the BOG to charge *market tuition rates*. For these non-fundable distance learning programs, students are assessed a fee that is consistent with those assessed for similar programs at other public and private institutions, though the fee may exceed the cost of developing and delivering the non-fundable distance learning program. These fees are specific to each market tuition rate graduate program and are approved by the BOG.

Financial activity related to market tuition rate graduate programs is recorded in a unique auxiliary fund. The fees are deposited to the appropriate departmental auxiliary operations (requested via ODL and established by the Budget Office at the approval of the ASB). Each unit must also have one separate auxiliary operation (also requested via ODL and established by the Budget Office at the approval of the ASB) to be used with the unique fund, to which they transfer any revenues in excess of the costs directly related to offering their market tuition rate graduate program(s). Spending from this "surplus" auxiliary operation may be used in support of activities outside of the auxiliary budget entity, but must follow E&G or auxiliary spending guidelines. If a unit would like to use the "surplus" auxiliary for recurring expenditures, a plan must be submitted (via ODL for approval by the Office of the Provost).

The ***Market Tuition Rate Graduate Programs*** template can be used to project revenues and expenditures for market tuition rate graduate programs.

### **Section 1: Estimated Revenue**

Use section 1 to estimate revenue based on estimated credit hours and the per-credit-hour fee approved by the BOG.

## **Section 2: Estimated Expenditures**

Use section 2 to estimate expenditures. Include only expenditures that are directly related to offering the non-fundable graduate program, all of which should be paid by the auxiliary operation.

For non-fundable courses, instructors should not be paid using E&G resources. Therefore, instructor wages and benefits should be included in the fee calculation. (If instructors teach some fundable courses and some non-fundable courses, their funding may be split between budget entities.)

An auxiliary overhead assessment will be charged. A separate indirect cost assessment may also be charged. These assessments should be included in the fee calculation. (Units will be notified in a timely fashion if/when such assessments will occur, allowing ample time for the charges to be included in fee calculations.)

## **Section 3: Financial Summary**

Section 3 subtracts estimated expenditures from estimated revenue to show an estimated balance forward.

## **Legal & Other References**

Florida Statutes § 1004.09 Florida Higher Education Distance Learning Catalog

Florida Statutes § 1009.24 State university student fees

Florida Statutes § 1011.47 Auxiliary enterprises; contracts, grants, and donations

BOG Regulation 7.001 Tuition and Associated Fees

BOG Regulation 7.002 Tuition and Fee Assessment, Collection, Accounting and Remittance

BOG Regulation 8.002 Continuing Education

Southern Association of Colleges and Schools Commission on Colleges *Distance and Correspondence Education Policy Statement* (June 2010)