

# UCR Policies and Procedures

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*Revised*

**Campus Policy Number:** 550-25  
Course Materials and Services Fees (CMSF) Establishment and Budgetary Review  
**Policy Owner:** Resource Planning and Budget (RP&B)  
**Effective Date:** 05/19/2015  
**Revision Date:** 02/01/2016

## A. Introduction and Overview

In October 2009, the Office of the President revised [Delegation of Authority 2559, Set Miscellaneous Student Fees, Course Materials and Services Fees, Service Charges, Deposits, and Summer Session and University Extension Fees](#), delegating to each Chancellor the authority to establish Course Material and Services Fees (CMSF) to recover the costs of materials, supplies, equipment, and support services not covered by the normal instructional budget. The revision was made to provide consistent creation and treatment of CMSF across the UC System, to clarify the line of authority between the President and the Chancellors on policies relating to the establishment of CMSF, and to ensure that students are not burdened with instruction-related costs that should be borne by the State.

## B. Definitions

**Allowable Costs**, for the purposes of establishing CMSF, are those direct costs associated with providing a special supplemental educational experience of direct benefit to the students enrolled in the course. However, in identifying and establishing allowable costs, departments must apply a test of reasonableness and ensure that there is a practical relationship between the fee and its purpose. Guidance in identifying allowable costs for establishing CMSF is provided below.

1. Generally, all direct costs consumed during the course of instructional activities may be included.
2. Materials used for reproduction of non-copyrighted supplemental materials, such as laboratory manuals, may be included.
3. Non-inventorial equipment directly utilized for instruction, as defined in [UCR Policy and Procedures 750-12: Equipment Management - Purpose and Responsibilities for Management of](#), directly utilized for instruction may be included based upon annual depreciation.

Note: The principle behind this being identified as an allowable cost in establishing a CMSF is that students pay all or part of the costs of the equipment they are utilizing. Accordingly, annual depreciation should be calculated based on the original, rather than the replacement, cost of the equipment on a straight-line basis over the useful life of the equipment.

4. Direct costs associated with providing special supplemental educational experiences, such as travel costs for field trips, may be included.
5. Acquisition and licensing costs of computer software, as it is used directly to provide instruction and educational experience, may be included on the basis similar to non-inventory equipment described above.
6. Other direct expenses including acquisition and maintenance of course materials, such as shipping and handling charges, may be included.
7. Information technology materials and services, as related to a specific course, may be included. For example, materials and services to cover the costs of course websites and course management systems, including instructional support staff needed to develop and maintain such materials and services, may be identified as allowable costs.
8. Indirect costs resulting from a University of California Office of the President (UCOP) and/or central campus administrative support may be included.

9. Compensation for temporary faculty needed to provide enhanced, highly specialized instruction may be included.
10. After costs are calculated, you are encouraged to use at least a 25% mark-up for the purposes of need based financial assistance programs.

**Unallowable Costs**, for the purposes of establishing CMSF, include:

1. Any costs related to the provisions of the facilities.
2. Other services required for the general operation of the campus. The following expenses may not be included in establishing CMSF:
  - a. Expenses for salaries and wages and related employee benefits for ladder rank faculty, lecturers, graduate teaching assistances, or staff providing general instructional support (except where such faculty or staff are assisting in providing enhanced, highly specialized instruction authorized above);
  - b. allowances for maintenance, depreciation and replacement of instructional equipment located or utilized in classrooms and laboratories primarily during scheduled periods of instruction; reproduction of copyrighted materials for course readers or audio or video collections;
  - c. and course syllabi.

### **C. Policy**

Through [Delegation of Authority 2559, Set Miscellaneous Student Fees, Course Materials and Services Fees, Service Charges, Deposits, and Summer Session and University Extension Fees](#), the Chancellor has the authority to establish CMSF to recover the costs of materials, supplies, equipment and support services not covered by the normal instructional budget. This policy is intended to encompass all budgetary, policy, and procedural aspects of CMSF. This includes developing a CMSF proposal, identifying allowable costs, developing the CMSF rate, conducting an annual review, processing and utilizing CMSF income, establishing a CMSF fund, and adhering to the applicable delegations and re-delegations of Authority.

### **D. Procedures (Roles and Responsibilities/Principles and Guidelines)**

#### 1. CMSF Oversight

The [Office of the Associate Vice Chancellor-Resource Planning and Budget \(RP&B\)](#), as part of its role as the campus budget office, is charged with the responsibility of applying this policy to ensure adequate campus oversight over all CMSF. This responsibility includes:

- a. reviewing each new CMSF proposal to ensure that students are provided adequate advance notice of new fees and charges;
- b. reviewing existing CMSF when they are increased to ensure the costing methodology and included costs are appropriate (i.e. test for reasonableness);
- c. making recommendations to the Chancellor for approval; and
- d. notifying the UC President of any new fees, deposits, or charges.

Each unit with an approved CMSF is ultimately responsible for ensuring that the funds are appropriately used in accordance with this policy, as well as adhering to the guidelines submitted in the applicable CMSF proposal.

#### 2. Establishing CMSF

##### a. Overview

Each academic unit requesting the establishment of a new or the adjustment of an existing, CMSF must have the applicable dean forward the request to RP&B for review and subsequent presentation to the Chancellor for approval. RP&B will also report to the UC President on new fees, deposits or charges. Each academic unit is advised to refer to the Budgetary Principles and Guidelines section of this policy for information regarding the principles and guidelines that are applied in the review of all CMSF requests. For additional guidance concerning putting together a request and completing the applicable costing forms contact the RP&B at (951) 827-3241.

b. Description of Steps and Timeline in the CMSF Approval Process  
(Assuming an Effective Date of July 01)

- 1) Each unit/department/school/college enters into a consultation process with RP&B to secure input on policies, materials, and guidelines to help facilitate the development of the CMSF proposal. (July - December)
  - 2) Each unit/department/school/college develops a proposal, including delineation of course materials budget and corresponding CMSF, then forwards it to the applicable dean/Vice Chancellor (VC) no later than December. (July - December)
  - 3) The applicable dean/VC forms advisory committee(s) comprising of, either, separately or as a whole, students, staff, and faculty. The purpose of the committee(s) is to ensure that adequate notice is provided to students on the creation of a new CMSF or the increase of an existing CMSF. This notice must include information that provides an understanding of the need for new fees or the increase in existing fees, what costs were included, how the fees were calculated, and what financial aid was included if applicable. Further, each committee is tasked with ensuring adequate documentation of the student notice and consultation process. This documentation may include copies of student survey results, e-mail correspondence, and meeting minutes and is provided with the CMSF proposal. The CMSF proposal must be furnished with adequate cost justifications and rate design support. The applicable dean/VC forwards the proposed CMSF and recommendations, including those of the advisory committee(s), to RP&B for review and subsequent approval by the Chancellor. (December - January)
  - 4) RP&B reviews each submitted proposal in terms of this policy, working with the office of the applicable dean/VC to resolve any issues. RP&B then forwards its recommendation to the Chancellor for final approval. If RP&B raises issues which require significant changes in the structure of CMSF, such as costing components, the applicable dean/VC must refer the revised proposal back to the CMSF advisory committee(s) prior to resubmission to RP&B for review and subsequent approval by the Chancellor. (January-March)
  - 5) Each unit/department/school/college, upon receiving notification from RP&B of final approval of CMSF, works with Student Business Services (SBS) to establish appropriate accounting procedures for collection, distribution, and reconciliation of CMSF income. In addition, the SBS will provide adequate advance notice to students of increased fees and charges, as well as the establishment of new fees and charges. (March - June)
  - 6) Each unit/department/school/college, upon receiving notification from RP&B of final approval, publishes the CMSF in the [Schedule of Classes](#) and the [Course Catalog](#).  
Publication Deadlines:  
Schedule of Classes - April 15  
Course Catalog - June 15
3. CMSF Consultation
- a. The Office of the President recommends, as appropriate, that campuses use ongoing advisory groups that include students to advise them when establishing CMSF. This is achieved through an advisory committee that reviews all CMSF proposals at the unit-specific level.
  - b. The applicable dean/VC is responsible for ensuring that appropriate advisory committees are formed consisting of students, faculty, and staff.
  - c. To gain student representation the applicable dean/VC can contact the Vice Chancellor of Student Affairs (VCSA) and utilize the existing process for nominating and appointing students to campus committees. The VCSA, as part of an annual call, requests students be nominated by the Associated Students of the University of California, Riverside (ASUCR) and the Graduate Student Association (GSA) to serve on CMSF advisory committees from which each dean/VC can select the requisite number of student representatives. The resulting recommendations from the committees will accompany the CMSF proposal submitted to RP&B.
  - d. An advisory committee need not be formed if there is no CMSF being proposed.
4. Adjusting Existing CMSF
- a. An Existing CMSF may be adjusted annually to reflect price increases or in response to a dramatic increase or decrease in the utilization of course materials and corresponding

expenditures due to course modifications or program changes. CMSF increases should be kept moderate and applied gradually.

- b. Any other changes to CMSF, such as a material change in the cost pools or calculation methodology must be proposed and submitted to RP&B for presentation to the Chancellor for approval following the steps as outlined for the establishment of a new CMSF.

- c. Changes to existing fee levels are not required to be reported to the UC President by RP&B.

#### 5. Constructing and Assessing CMSF

- a. Appropriate CMSF are established based upon historical costs of course materials and number of students enrolled over a minimum of three years, provided sufficient data are available. CMSF may not exceed the actual cost per student of the materials at the unit/department/school/college level on which the applicable CMSF was developed. Once costs have been compiled they are then encouraged to be marked-up by a minimum of 25% for need based financial assistance programs.

- b. CMSF shall be assessed only to those students who are enrolled in the applicable course, including all concurrently enrolled UNEX students.

- c. Under no circumstances will a CMSF waiver be granted to a student, all students must be charged.

#### 6. Designating and Collecting CMSF Revenue

- a. All students enrolled in the applicable course are charged the appropriate CMSF – there are no waivers.

- b. CMSF is established in the student fee fund range.

- c. CMSF is eligible for inclusion of the student financial aid budget in determining financial aid awards.

- d. CMSF is collected only through centralized billing system in SBS. All existing collection and refund policies on student fees apply.

#### 7. Using CMSF Revenue

Revenue from each CMSF must be expended only for expenditures which were included in the development of the applicable CMSF.

#### 8. Annual CMSF Review

- a. Units/departments/schools, through the applicable dean, shall provide annual reporting of CMSF income and expense to RP&B at year-end. RP&B will use this information to conduct its annual review of all CMSFs to ensure continued compliance to campus policy, as well as for campus annual reporting of new fees, deposits or charges to the Office of the President, as required by the revised Delegation of Authority. In addition, this review will ensure that the costs which were used to establish the CMSF are still relevant. RP&B will provide copies of year-end reports to GSA and ASUCR. For guidance regarding the annual report contact the RP&B at (951) 827-3241.

- b. The annual report will include the income and line item expenditures in the same manner the CMSF was developed.

- c. Any balances at year-end must be identified with a statement of planned expenditures or a deficit reduction plan.

#### 9. Refunds

Based upon the need of academic departments to purchase the supplies, materials, and services necessary to maintain instructional quality in advance of actual instruction, the Course Materials and Services Fee associated with the course a student is enrolled in is non-refundable after add/drop.

## F. Frequently Asked Questions

Direct any general questions about this UCR Campus Policy 550-25, *Course Materials and Services Fees (CMSF) Establishment and Budgetary Review*, to the Office of Resource Planning and Budget, at (951) 827-3241 or via email at [UCRPolicy@ucr.edu](mailto:UCRPolicy@ucr.edu).

## G. References and Resources

- [University of California, Delegation of Authority 2559, dated October 7, 2009](#)
- [UCR Policy and Procedures 750-12: \*Equipment Management - Purpose and Responsibilities for Management of,\*](#)
- [UCR Policy and Procedures 750-51: \*Policy for Disposal or Sale of Surplus Plant Material Growing on AES Land\*](#)

#### **H. Feedback**

For comments or questions regarding this policy, please contact Office of Resource Planning and Budget, at (951) 827-3241 or via email at [UCRPolicy@ucr.edu](mailto:UCRPolicy@ucr.edu).