Handbook for Program Fee and Differential Tuition Management

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1.0 PFDT Management Overview

The Arizona Board of Regents (ABOR) sets tuition and fees for the three Arizona universities. All tuition, mandatory fees, differential tuition, program fees, course fees, and other academic fees must be approved by the board. The policies that govern differential tuition and program fees are available here.

Program Fees and Differential Tuition (PFDT) are charged to students in specific University of Arizona colleges and programs. The intent in establishing fees is that students who pay fees benefit through enhancements to the quality of those programs. Visit the University Fees website for a listing of PFDT by college.
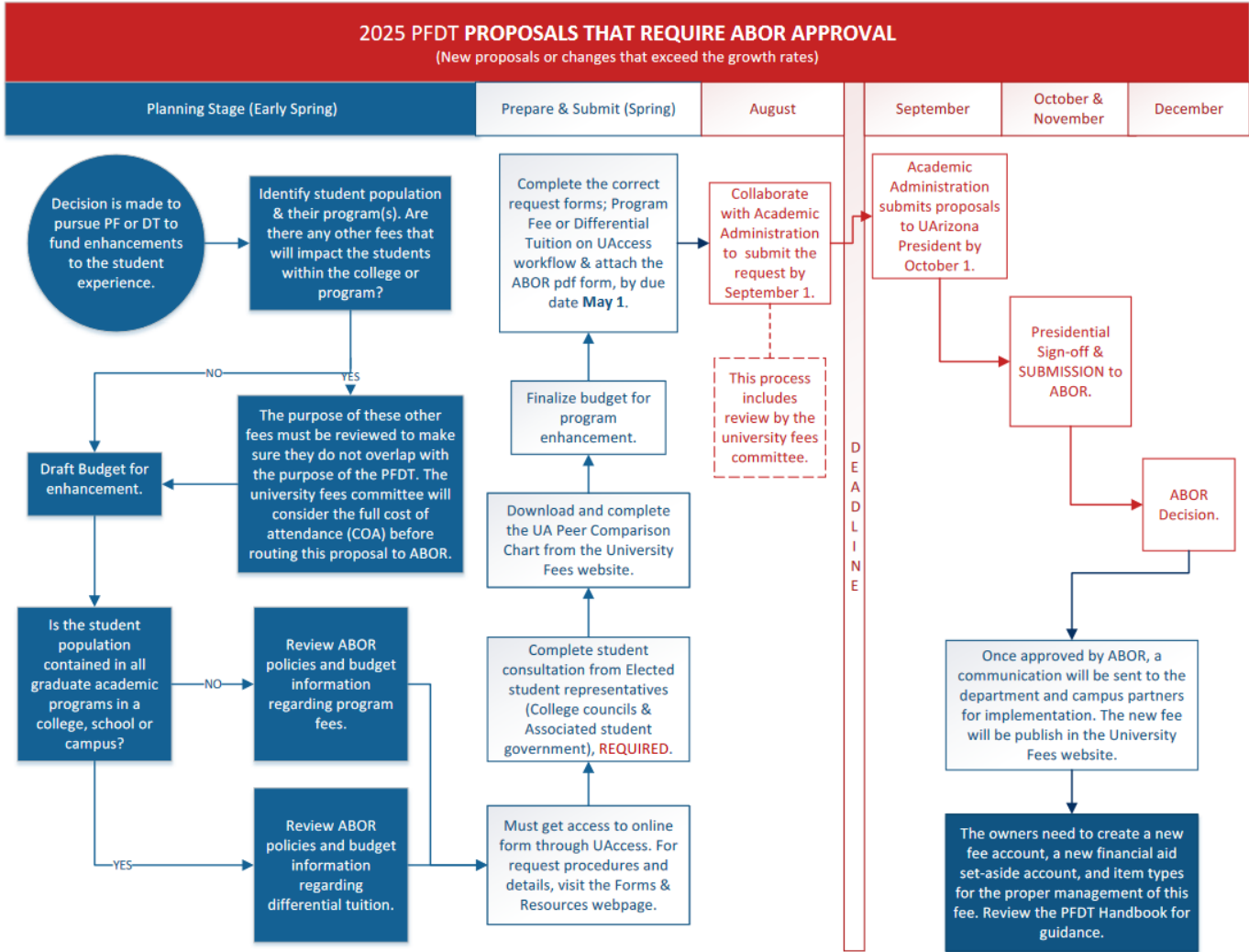
- Program Fees mean additional amounts charged to students in select singular degree programs within colleges, schools, or departments, including honors colleges or programs that do not fit into the tiered college fee structure. Beginning FY25 Only graduate programs that demonstrate one or more of the following: higher costs of delivering instruction; the need for or use of special equipment, technology, or key personnel expenses; market conditions. The university has determined that, in contrast to differential tuition, program fees may be charged at 100% based on the first unit of enrollment unless stated as a per-unit fee in the proposal approved by ABOR.

- Differential tuition means Tuition higher or lower than the Published Tuition established for each university campus or location. It applies to all graduate or undergraduate academic programs in a college or school. The university has determined that differential tuition should be calculated based on the number of units a student is enrolled within a term and reaches its maximum value at full-time enrollment. For example, full-time enrollment for undergraduate students is 12 units; therefore, students would pay 1/12th of the differential tuition per unit up to 12 units. After 12 units, the cap is reached, so no additional differential tuition is assessed.

College and department administrators who identify a need for PFDT must understand the process and responsibilities associated with establishing and managing this source of revenue, evaluate, and report appropriately. This handbook focuses on the business processes related to PFDT.
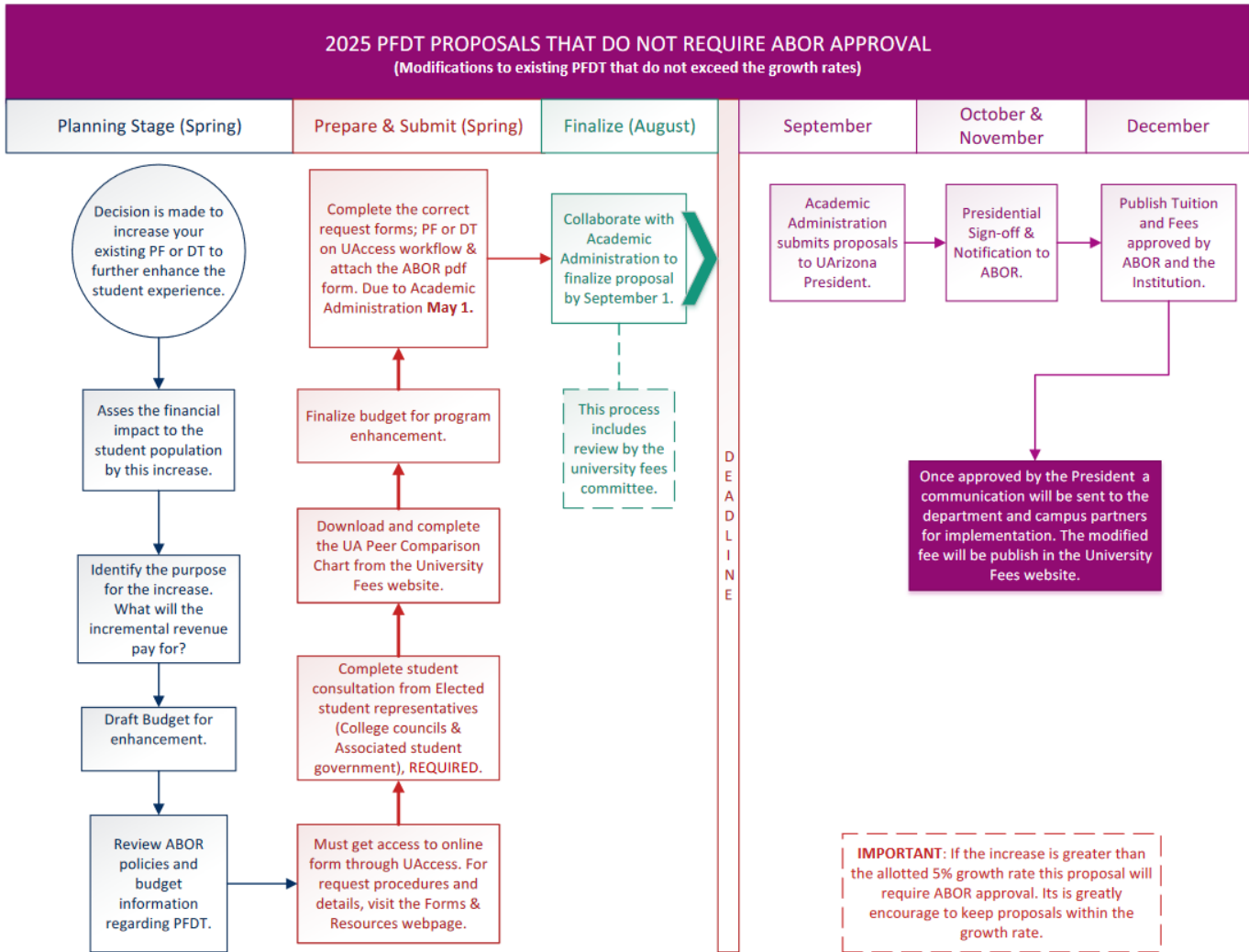
2.0 Planning / Proposal Process

New: The PFDT proposal process begins with the university and is completed by ABOR. The board meeting for setting tuition and fees at the three universities will be held in the Fall instead of Spring. Following is an overview of the process.

Flowchart 1: Establishing a new PFDT or modifications that exceed the Growth Rates (click to enlarge)

2025 PFDT PROPOSALS THAT REQUIRE ABOR APPROVAL
(New proposals or changes that exceed the growth rates)

| Planning Stage (Early Spring) | Prepare & Submit (Spring) | August | September | October & November | December |

Decision is made to pursue PF or DT to fund enhancements to the student experience.

Identify student population & their program(s). Are there any other fees that will impact the students within the college or program?

Complete the correct request forms; Program Fee or Differential Tuition on UAccess workflow & attach the ABOR pdf form, by due date May 1.

Collaborate with Academic Administration to submit the request by September 1.

Academic Administration submits proposals to UArizona President by October 1.

The purpose of these other fees must be reviewed to make sure they do not overlap with the purpose of the PFDT. The university fees committee will consider the full cost of attendance (COA) before routing this proposal to ABOR.

Finalize budget for program enhancement.

This process includes review by the university fees committee.

Presidential Sign-off & SUBMISSION to ABOR.

Draft Budget for enhancement.

Download and complete the UA Peer Comparison Chart from the University Fees website.

ABOR Decision.

Is the student population contained in all graduate academic programs in a college, school or campus?

Review ABOR policies and budget information regarding program fees.

Complete student consultation from Elected student representatives (College councils & Associated student government), REQUIRED.

Once approved by ABOR, a communication will be sent to the department and campus partners for implementation. The new fee will be publish in the University Fees website.

Review ABOR policies and budget information regarding differential tuition.

Must get access to online form through UAccess. For request procedures and details, visit the Forms & Resources webpage.

The owners need to create a new fee account, a new financial aid set-aside account, and item types for the proper management of this fee. Review the PFDT Handbook for guidance.

DEADLINE

Flowchart 2: Modifications to existing PFDT that do NOT exceed the Growth Rates (click to enlarge)

2025 PFDT PROPOSALS THAT DO NOT REQUIRE ABOR APPROVAL
(Modifications to existing PFDT that do not exceed the growth rates)

Planning Stage (Spring)	Prepare & Submit (Spring)	Finalize (August)	September	October & November	December

Decision is made to increase your existing PF or DT to further enhance the student experience.

Asses the financial impact to the student population by this increase.

Identify the purpose for the increase. What will the incremental revenue pay for?

Draft Budget for enhancement.

Review ABOR policies and budget information regarding PFDT.

Complete the correct request forms; PF or DT on UAccess workflow & attach the ABOR pdf form. Due to Academic Administration **May 1.**

Finalize budget for program enhancement.

Download and complete the UA Peer Comparison Chart from the University Fees website.

Complete student consultation from Elected student representatives (College councils & Associated student government), REQUIRED.

Must get access to online form through UAccess. For request procedures and details, visit the Forms & Resources webpage.

Collaborate with Academic Administration to finalize proposal by September 1.

This process includes review by the university fees committee.

D E A D L I N E

Academic Administration submits proposals to UArizona President.

Presidential Sign-off & Notification to ABOR.

Publish Tuition and Fees approved by ABOR and the Institution.

Once approved by the President a communication will be sent to the department and campus partners for implementation. The modified fee will be publish in the University Fees website.

IMPORTANT: If the increase is greater than the allotted 5% growth rate this proposal will require ABOR approval. Its is greatly encourage to keep proposals within the growth rate.

2.1 Planning Stage

The planning stage begins when a unit has identified an opportunity to provide enhanced student experiences that can only be accomplished with additional funding provided by a program fee or differential tuition.

Due to the nature of differential tuition proposals, these typically originate at the college level, in consultation with school directors/department heads and financial and academic managers. A school director, department head, or program director usually develops program fee proposals. The school director/department head and the unit's financial and academic managers would then review the submission with the college dean or designated person.

The Office of the Provost communicates the deadline for submission of the program fee and differential tuition proposals during the end of the Fall semester to colleges, including deans, College Academic Administrators Council (CAAC), and Council of Academic Business Officers (CABO) members. The deadline is also posted on the University Fees website page for PFDT and includes links with further instructions regarding the process.

2.2 Determining Appropriate Amount to Charge and Developing Initial Budget

When an academic unit decides to pursue a new PFDT to enhance the student experience, the amount to propose as the charge must be determined.

The following factors should be taken into consideration when determining the amount to charge students:

- **Funding required -** The fee amount should generate the necessary amount to fund the enhanced student experience objectives.
- **Market conditions -** The total cost to the student, including the proposed PFDT, must be competitive and reasonable when comparing the total cost to similar programs at AAUDE and ABOR peer institutions.
- **Growth Rate -** The board approved tuition and fee growth rates for the next five years that reflect a new multi-year tuition setting structure to increase cost predictability for resident students at Arizona's public universities.
- **Maximum Fee -** the highest amount, as fixed by the board, at which an academic fee can be set for a given academic year.
- **Other active fees -** The department/college needs to consider other active fees the student is already paying (program fees, differential tuition, and additional academic fees) and review the purpose of these fees to ensure they do not overlap with their proposal. The university fees committee will consider the student's total cost of attendance (COA) before routing the proposal to ABOR using the COA report from UAccess Analytics.

To determine the gross and net revenue that will be generated from the PFDT, the following components must be built into the budget model:

- Number of students that will be subject to the fee.
- The fee amount of the PFDT per unit or term.
- Impact of less-than-full-time students if differential tuition.
- The Amount to be allocated to financial aid set-aside: As ABOR mandates, a minimum of 14% of the PFDT will be allocated to a financial aid set-aside account to support eligible students affected by the PFDT.
- The Amount for administrative costs of Net Revenue. The administrative cost represents the AIB model's Strategic Budget Allocation (SBA). The rate changes annually.
- When students are enrolled in multiple majors with a differential tuition or program fee, students are charged 100% of each major's differential tuition or program fee (unless approved otherwise by ABOR).

When budgeting expenditures from the PFDT, below are some factors that may be appropriate to consider:

- Equipment
- Software
- Travel expenses
- Operating supplies
- Facility renovations (examples: upgrades to a computer lab, changing a traditional classroom to a collaborative classroom)

If the PFDT funds personnel, the following additional items must be considered:
- The associated employee-related expense (+ERE).
- The annual per FTE charge for data/telecom.
- Graduate Tuition Remission if hiring graduate students.

2.3 Preparing Proposal

ABOR policies, especially 4-101 to 4-105, should be reviewed and fully understood before submitting a proposal.

New Rules

- **No fixed-price fees will be accepted.** The amount shown on the proposal must offer only the program fee or differential tuition. (However, the price could be marketed in ways that include the base tuition and the program fee).
- Tuition + program fee or differential tuition must be equal to or greater than base tuition.
- Double majors will pay 100% of the program fee or differential tuition for each program except for differential tuition in the same college.
- If more than one department or college will share the program fee or differential tuition, the percentage of revenue distribution needs to be shown for each department on the proposal.
- Dual Degree programs pay a discount rate of 75% of the program fee or differential tuition for each program.

Download the **ABOR Form** that best fits your type of proposal (new or changed) and the **UA Peer Comparison Chart**
from the University Fees website.

Completing the ABOR Forms for Program Fees or Differential Tuition Proposals:

Purpose

Under purpose, clearly define the purpose for the fee by outlining the benefits that those who pay the fee should expect to obtain.

Justification

Under justification, please clearly explain the costs of the items or services the fee is intended to pay, including whether the proposed rate will cover all or a portion of these costs and specifying the benefit of those items or services. Also, include an explanation of the cost-determination method.
- Ex, If the fee covers additional advisors, you must include the number of advising FTE, the estimated personnel costs, and the portion the fee covers. The Justification section should align with the proposed annual expenditures table.

Student Consultation

ABOR policy requires evidence of student consultation, including notification of and consultation with elected student representatives concerning the proposed PFDT. Per ABOR Policy 4-101, "Elected student representatives" means the students elected to the college councils and associated student government. The department must meet with this student group and discuss the fee proposal. If the fee proposal is for a new program, students who are likely to enroll in that program should be engaged. If that student population is unknown, students in a similar program, such as the same college, school, or department, can be used.

Under student consultation, please outline the steps taken to obtain student input on this proposal and a summary of the information received (How many received the survey? And of those, how many support the fee?). Also, attach proof of student consultation to the form (i.e., a copy of the meeting agenda, survey, meeting minutes, etc.).

- Student consultation should occur before submitting the proposal by the due date.

Market Pricing

Market pricing is completed by using peer institution data. "Peer Institution" means a board-approved list of higher education institutions for each Arizona University to provide benchmarks for assessing institutional effectiveness. The criteria for selection may include an institution's size, student characteristics, program mix, institutional mission, and research focus. Each row of the marketing table is not required to be filled. Enter the information in descending order from highest cost to lowest per institution. To complete this table, you must:

- Use the UA Peer Comparison Chart to enter data comparing the cost of the proposed fee to similar fees in peer institutions. Document similar PFDT at UA Peer institutions, the elasticity of demand for the program offered, and the probability the program will lead to employment opportunities that are demonstrably worth the higher price.
- Detail the reasoning behind the variance in costs covered by the program fee or differential tuition with the prevailing expenses. ABOR will consider whether the program has markedly higher expenditures or if market conditions warrant the program fee or differential tuition.
- If the peer institutions listed do not have a similar fee, it would be appropriate to add other institutions that do charge an equal fee to the chart.
  - **NOTE:** Do not remove peer institutions with no fee; these should be marked "N/A" to indicate that a comparison is unavailable.

Budget

Note that the information requested is for annual revenue and annual expenditures. Enter the individual amounts for other budget categories needed for your proposal, for instance, operating expenses, personnel expenses, student support expenses, etc.

Proposed Annual Revenue

- *Enter the TERM Fee Amount*: Enter the proposed fee amount.
- *Number of Students Enrolled ANNUALLY*: Enter the anticipated annual full-time equivalent of student enrollment.
- *Total Annual Revenue*: The form will calculate this for you; verify the correct amount.

Proposed Annual Expenditures

- o *Financial Aid Set-Aside*: Enter 14% in this field, and the form will calculate the total **(required category).**
- o *Administrative Costs:* For FY2023, the cost is estimated to be 15% (SBA – Strategic Budget Allocation) from Net Revenue: Total Gross Revenue – FAS = Net Revenue. *"Consistent with all tuition and fees, a portion of the program fees or differential tuition will be allocated for administrative costs following the procedures described by the University's Activity Informed Budget model"* **(required category).**
- o *Institutional and Advising Personnel:* Enter the expected amount to be paid for the program's instructors, advisors, program coordinators, including cost and FTE, etc.
- o *Support Staff Expense:* Enter the expected amount to be paid for the program's administrative staff, IT staff, etc.
- o *Operating Expense:* Enter the expected amount for office supplies, technology, etc.
- o *Student Support:* Enter the expected amount for student engagement*,* activities, conferences, travel, scholarships, etc.
- o *Total Program Cost:* The form will calculate this field. The total Revenue should not exceed total Program costs.

If additional pages are needed for any section, please attach them separately.

2.4 Submission

The proposals must be completed through the UAccess workflow. To submit a proposal through UAccess Student, you must get access. The procedures for gaining access and completing the proposal can be found on the Forms & Resources section of the University Fees website.

The PFDT online application is needed for UA purposes; however, the UA Peers Tuition Comparison Chart and the PDF ABOR Fillable Form (New or changed to existing) must also be attached to the online proposal. Both are now available on the Forms & Resources section of the University Fees website. This site also includes links to current fees, ABOR rate sheets, and other PFDT resources.

The Vice Provost, the Program Manager, and College representatives collaborate in an iterative process until the proposals are finalized and ready for submission to ABOR or withdrawn or deferred. Near the time of the ABOR meeting (typically held in December) at which the proposals will be considered, the final proposals will be included in the agenda and posted to the ABOR website for the Board Meeting.

NOTE: If a program fee is for a *NEW* Program, you must complete the process previously mentioned on top of the new program forms submitted to Curricular Affairs.

2.5 ABOR & Institutional Review

New proposals or proposals that exceed the allotted growth rates need ABOR approval. If your proposal is a change to an existing PFDT and does not exceed the growth rate, then the provost will approve this change internally.

If it needs ABOR approval, the board now meets in the Fall. The board decisions are documented in ABOR minutes. The University Fees Program Manager notifies colleges, departments, and programs of the decision via email. The Office of the Provost posts the approved proposals to the university fees website. Tuition and Fee proposal approval will be published for the next academic year in December.

3.0 Implementation of New PFDT

When a new program fee or differential tuition is approved, the academic unit must create new accounts in the university's accounting system new item types in the university's student records system, establish business procedures, and submit the initial budget.

3.1 Creating New Account(s)

To meet the fees and differentials' intent and reporting requirements and facilitate appropriate management and stewardship of funds, the fees, differentials, and set-aside should be accounted for as discretely as possible. Funds should not be co-mingled among programs.

Separate accounts should be established in the university's accounting system to record the revenues and expenses associated with each program fee or differential tuition. Per policy 4-105 Fees, unique accounts are required for the following:

- Program fee account(s) (sub-fund ALCPRG) to record the net revenue for each unique program fee / differential tuition to account for the net income generated and the associated expenses.
- Financial aid set-aside account(s) for each unique program fee / differential tuition to account for the amount allocated for financial aid and the aid awarded to students paying the fee.
- Summer session account(s) are also required if PFDT are also charged during summer/winter session.

Additional accounts may be required depending on the details of the proposal.

Refer to the Financial Services page for general instructions on opening, updating, and closing accounts and how to create a new account.

For guidance in selecting appropriate account numbers and attributes, contact the Office of Budget & Planning and Financial Services as needed.

3.1 a Creating New Sub-Object Codes

Financial Aid Set-aside (FAS) and Strategic Budget Allocation (SBA) sub-object codes should be established for each object code 7930/7939 account. This is to ensure transparent reporting of these items. The actuals will then align with the budget.

3.2 Creating New Item Type(s)

Item types are the mechanisms used by the university's student records system to associate with the related billing and financial aid activities. Separate item types will be required for program fees, differential tuition, and for the financial aid set aside. The accounts must be created before the item types can be requested. PFDT charged in summer/winter will require separate funds for tuition and aid.

To create new Item Types:
- Bursar Item Type Proposal: This item type will be associated with the program fee/ differential tuition charge. The form is available on the Bursar's Office site.
- Financial Aid Item Type Proposal: This item type will be used to award financial aid from the set-aside

account. The form is available in UAccess Student (Student Financials → Tuition and Fees → UA University Fees → UA Item Type Proposal Form). More information is available on the Financial Aid website under Faculty & Staff resources.

3.3 Establishing Business Procedures

The unit must establish business procedures incorporating internal controls to ensure appropriate management and monitoring of the new revenue and expenses.

3.4 Preparing and Submitting Initial Budget

The new PFDT budget is submitted when the fee is submitted to ABOR. The Office of Budget & Planning (OBP) will use those budgets to inform the Annual Operating Budget submitted to ABOR.

Existing PFDT budgets are updated during the annual All Funds planning cycle. During this process, OBP will propose next year's budget.

Use the template below to help guide the development of new and existing PFDT. The gross revenue budget will be posted to the Program Fee account (sub-fund = ALCPRG). Contributions to financial aid set aside and assessments will be recorded as transfers.

EXAMPLE: Following is an example budget for a fee that is expected to generate gross revenue of $112,000

Description	Object Code	Sub-Object	Amount	Notes
Sources of Funds:				
Gross Revenue	0096/0097/0098/0099	---	$112,000	Gross Revenue Estimate
Financial Aid Set-Aside	7939	FAS	$15,680	14% of Gross Revenue
Net of Aid			**$96,320**	
Uses of Funds:				
Strategic Budget Allocation	7930	SBA	$14,448	15% of Net Revenue
Departmental Allocation	3000		$81,872	Net Revenue less SBA

4.0 Budgeting and Managing Funds

Once a PFDT is in place, periodic reporting and verifications are required, and appropriate budgeting, accounting, and reporting must occur throughout the year, as noted in the following flowchart. Additional information is provided below.

Flowchart 2: Managing Program Fees / Differential Tuition [(click to enlarge)](#)
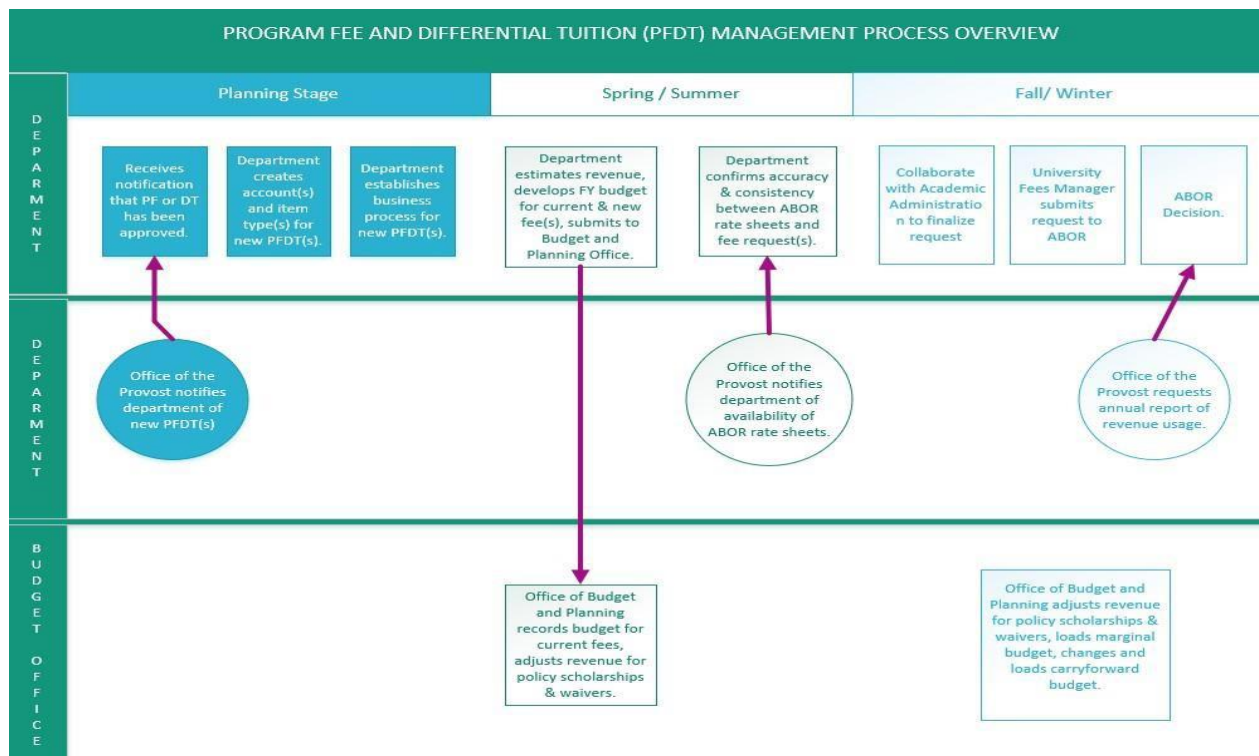
*In the spring (April/May), The Office of Budget & Planning adjusts the revenue budget to actuals. This process is called "Recording Over/Under Realized Revenue." They do it again in the summer on a year-end document.

4.1 Annual Review and Confirmation Process

The Office of the Provost sends a proposal for confirmation each year of the currently effective and newly approved PFDTs to all relevant colleges as outlined on the [University Fees](#) website. The confirmation proposal is usually sent in the spring. The colleges' review and confirmation should occur before the tuition rates are published and tuition calculations are run for student billing (usually in early July). Units will be required to confirm that all rates are correct. If confirmation is not received, the rates will be published as they are, and it is the College's responsibility to report any incorrect information.

4.2 Budgeting / Variance Analysis

The OBP will coordinate with academic units each spring to determine the projected gross and net revenue for the following fiscal year. Refer to Section 3.4 for information on developing the initial budget for each PFDT and how the budget will be reflected in the financial accounting system. In subsequent years, the amount of

expected funding generated from the PFDT may change based on current information and the factors and assumptions used to develop the budget.

To assist in understanding variances between budgeted and actual revenues, reports are available in UAccess Analytics that provide information on the gross and net income generated from the PFDT. UAIR is currently working on updating the report to reflect new SBA rates. Log in to Analytics and navigate to:

Dashboards → Student → Course and Fee Management → Program Fee and Differential Tuition Dashboard

Item types have been set up to map directly to the program fee accounts to allow for timely revenue posting. For summer and winter revenue, separate accounts must be provided for the PFDT item types. Academic units should monitor this account to determine if they will under or over-realize revenue for the fiscal year. This dashboard does not account for summer or winter revenue yet.

Revenue Collections

As students are charged, and payments are collected, gross differential tuition/program fee revenue is deposited into individual object codes in the PFDT operational accounts. New object codes were set up in FY15 to identify revenues for Graduate/Undergraduate and program fees/differential tuition. The object codes are 0096-Program Fee Undergraduate (only Honors College), 0097-Program Fee Graduate, and 0099-Differential Tuition Graduate.

Over-Realized / Under-Realized PFDT Revenue

Actual revenue collected will vary from the originally budgeted amount, and the Office of Budget & Planning will adjust the budget to reflect realized income in April/May and at the end of the fiscal year. The current Year Budget will be adjusted for SBA, FAS, and department operations based on over/under-realized revenue. In addition, the Office of Budget & Planning will process funds transfer to adjust the SBA and FAS.

4.3 Financial Management

Activity processed through PFDT accounts should conform to University and ABOR policies and be consistent with the intent as outlined in the approved proposal.

Authorizations and Approvals: As with all other department accounts, only those expenditures that are appropriate and consistent with intent should be authorized and approved. Fiscal authority and oversight should be established consistent with the unit's accounting and financial management practices and policies, with special care taken to ensure that all delegates are appropriately informed about the intended uses of the PFDT and the reporting requirements attached to these accounts.

Monthly Review and Reconciliation: As with all other department accounts, activity should be reviewed and reconciled monthly.

Monitoring Budgeted v. Actual Revenue: The amount budgeted as revenue is the estimated amount provided by the academic unit. Program Fee accounts are a sub-fund type in the UAccess Financials, ALCPRG. Departments should be able to identify their revenue by the amount deposited in their accounts. (This is explained in the *Monitoring and managing budgeted v. actual operational expenses* section below.) Academic

units should monitor this account to determine if they will under-realize or over-realize revenue for the fiscal year.

If actual revenue appears to be significantly above or below budget, research to identify the cause of the discrepancy. Allocations are based on assumptions, and it may be that one or more of the assumptions may need to be reviewed. For example, if revenue is 20% lower than expected, it may be that the unit estimated that one hundred students will pay the PFDT, and only eighty are subject to the fee.

Alternatively, policy and institutional scholarships and waivers may reduce the revenue more than expected.

Monitoring budgeted financial aid set-aside, assessments, and other transfers: The amount budgeted for the set-aside and assessments are recorded using object code 7930/7939 and sub-object FAS or SBA as appropriate. The Office of Budget & Planning will create transactions to move these funds to the proper account at the beginning of the fiscal year. It is allowable for the department to transfer additional need-based aid from their PFDT account to the aid account (279xxx) if the aid account has been overspent. Refer to section 5.0 Use this handbook for additional information regarding the management of set-aside funds.

Monitoring and Managing Budgeted v. Actual Operational Expenses: The amount budgeted in Operations (object code 3000) is available to the academic unit for expenditure. RBCs can be submitted to move this budget into personal services and ERE lines within this account and other accounts within the same sub-fund (ALCPRG) and Budget Shell Code. **The budget cannot be moved to other sub-funds or Budget Shell Codes**.

Program Fee and Differential Tuition Transfer Guidelines: Each Board-Approved Fee or Tuition is assigned a Budget Shell Code.

To assist in Board reporting and transparency, transfers of funds into, out of, and between PFDT accounts need to be limited. The following guidelines can be used to determine whether a proposed transfer is allowed.

1. Units may process a Proposal for Budget Change (RBC) document to move expenditure authority between <u>revenue</u> accounts within the same PFDT Shell Code (fee). An example would be the College of Engineering giving the College of Optical Sciences budget authority in shell T33204 - Engineering UG Upper Division Differential Tuition.

    Note: Since this sub-fund is considered Allocated, the expenditure authority within an account is tied to cash, and an RBC moves cash along with the budget authority, so a TF should never be processed to move cash on <u>revenue</u> accounts, only an RBC.

2. Colleges with <u>departmental/expense cash accounts</u> should process allocations from the main revenue account in a Transfer of Funds document, using object code 0932 on both sides of the transaction.

No other transfers besides the outlined above will be authorized or approved by the Office of the Provost, FSO, and the Office of Budget & Planning.

Annual Overall Review: Before fiscal year-end, all revenues and expenditures from PFDT and set-aside accounts should be retrospectively reviewed to ensure the following:

- Expenditures from PFDT accounts were made to benefit the specified set of students within the associated program, preferably during the year the fees were collected. The unit should plan sources and uses to ensure that there is no deficit in the account and to achieve a fund balance in the set-aside account at the end of each fiscal year that is zero or nominally positive. Diligent fiscal management of the revenue and expenditures should prevent significant overages/shortfalls from one year to the next.
- Expenditures were consistent with ABOR and University policies and procedures and the intent of the fee as initially established and approved by the Arizona Board of Regents.
- PFDT accounts have been managed to facilitate reporting to ABOR and the students from which the PFDT fee revenue is derived.
- Set-aside funds were disbursed for financial aid to students appropriately identified as having financial need and other characteristics consistent with ABOR policy and written unit protocols.
- **Each fee must be accounted for separately from other university revenue and expenditures. Segregation of funds into the appropriate account will facilitate accurate reporting.**

Planning for Subsequent Year Budget: The annual review will help inform the development of budgets for subsequent years to generate increasingly accurate revenue projections. Factor in the information learned during the annual review to modify assumptions used in the budget development and review with the Dean, department heads, and program directors as appropriate.

After the initial budget load, when the PFDT is established, changes to the budget are reflected as increments or decrements to the budget. The department is responsible for monitoring budget allocations over time.

5.0 Awarding Financial Aid Set-Aside from PFDT

Per ABOR policy, a portion of all program fees and differential tuition revenues must be set aside as financial aid for students with financial need (unless an exemption was awarded with the fee proposal). The rate required by ABOR policy is currently 14%. This section includes information on documenting the award process, procedures, and resources for distributing financial aid, as well as procedures for managing and monitoring set-aside accounts. Information is also provided on financial assistance priorities, which may be helpful when reviewing individual student accounts to determine if financial aid has been applied.

Additional information and resources to help with departmental awarding can be found at https://financialaid.arizona.edu/faculty-staff/stipends.

5.1 Documentation of Award Process

Each academic unit with program fees or differential tuition should develop and document a fair and consistent process for the distribution of financial aid to help ensure that appropriate steps and controls will be followed. These procedures must be compatible with ABOR and University policies and, if applicable, college policies and will be submitted with the annual year-end Report of PFDT Revenue.

When developing the process, consider the following:
- Students must file a Federal Student Aid (FAFSA) application. This will determine the amount of need-based aid a student can receive.
- International students in master's or doctoral programs must complete the Financial Need Calculation for International Students form. Information and instructions are on the Office of Scholarships and Financial Aid (OSFA) website.
- To ensure sound business practices, the functions of financial aid recipient selection and the processing of awards should be segregated. Smaller units that do not have the staffing to provide segregation of duties should coordinate with the college business office.
- Compliance with the Family Educational Rights and Privacy Act of 1974 (FERPA) and UITS Security Policy and Guidance is essential.
- The process may include an application requirement.
- The process may include distributing aid evenly among all eligible students or distributing it based on the level of unmet need.
- Unmet need calculation takes into consideration other aid students receive. The award will not be disbursed if a student is awarded above their need. You may contact OSFA to have the student account reviewed.
- Financial aid can be applied to differential tuition, program fees, base tuition, or bursar charges.

5.2 Procedures and Resources for Awarding Financial Aid

Before the beginning of the academic year, units should identify students eligible for set-aside awards (consistent with the documented process). This procedure should include verification of enrollment in the program subject to the program fee or differential tuition for the upcoming year and confirmation of need based on a current FAFSA.

A report is available to identify students eligible for need-based awards:
UAccess Analytics → Dashboards → Student Fin Aid & Fin Details → Determining Student Need

- Look at the **"Need after gift aid"** column. Your awarding might create an over-award, but other aid, such as loans, can be reduced to allow gift aid to disburse. If you create an over-award, contact OSFA so they can review the account.

The units should enter awards in the UAccess Student External Awards module before the start of the academic year. To ensure timely disbursement, the awards should be entered 3-4 weeks before the beginning of the term. This will allow for resolving any conflicts with other aid the student is awarded. To obtain the appropriate security to enter or approve awards, access must be requested through the UAccess Access Provisioning Tool. The mandatory training is available in EDGE Learning (UAccess Student: Financial Aid External Awards for Departments).

5.3 Monitoring and Managing Set-Aside Account Activity and Balances

It is essential to guarantee that all available aid is awarded by the end of the fiscal year and, simultaneously, ensure that aid is not awarded more than available funds. Units should review, monitor activity, balance accounts throughout the year for compliance with ABOR and University policies, and ensure that award transactions were processed as intended.

A report is available to review the status of all processed awards:
> UAccess Analytics ➔ Dashboards ➔ Student Fin Aid & Fin Details ➔ Student Awards
> - Enter your account information and set any other relevant search filters to identify the awarded students.

In some cases, aid that is awarded may not be processed because the student is no longer eligible or due to a processing error. As a result, more aid may be available to award to other students. If you encounter errors, please get in touch with OSFA at OSFA-DeptAskAid@arizona.edu.

Suppose the college/department has awarded all eligible students and has not met the required 14% of revenue awarded. In that case, they can increase their neediest students' awards (not exceeding their federal need amount).

If the college/department cannot identify enough needy students to award, they can work with the Office of Scholarship and Financial Aid (OSFA) and award other students who paid the fee but do not have need.

The goal is to award all financial aid set aside for that year and any beginning balance available. The unit will report the beginning balance, the current amount set aside, the amount distributed, and the remaining balances on the Year-End Report of Program Fee and Differential Tuition Revenue.

5.4 Financial Aid Charge Priorities

Charge priorities determine which Bursar charges can be paid by each financial aid disbursement. In conjunction with payment priorities, charge priorities drive the application of Financial Aid disbursements to Bursar charges.

The most common charge priorities used are:
- TUITION: pays base tuition, differential tuition, and program fees
- TUITFEES: pays base tuition, differential tuition, and program fees.

- o DIFF TUI: pays differential tuition and program fees
- o TITLE IV: pays charges allowed by the Department of Education (unless the student completes waiver)
- o ALL: pays any bursar charge

If you would like your set-aside awards to pay only specific charges, please indicate that when [requesting the financial aid item type](). By default, set-aside item types are set up to pay all charges (and any excess is refunded to the student).

6.0 Annual Year-End Reporting of PFDT

The Office of the Provost sends a request to each college with a high balance for the Year-End Report of Program Fee and Differential Tuition Revenue. Usually, this request is sent after the PFDT Reporting Orientation is completed. Beginning with FY2018, the Year-End review is completed through the new PFDT dashboard found in analytics:

Dashboards → Student → Course and Fee Management → Program Fee and Differential Tuition Dashboard

The final year-end difference between revenue and expenses should be minimal. The students who pay the fee should be the ones to benefit from it. Similarly, the amount of the financial aid set- aside should be distributed as nearly 100% as possible.

Only colleges with a high balance (85% or less or -10%) must submit the current template. Instructions for completion and the due date are emailed after orientation in the Fall. The new dashboard is the ideal tool to complete the year-end report. Any supplemental reports should also be attached as needed for documentation.

A listing of all ABOR-approved differential tuition and program fees, electronic copies of the original ABOR-approved proposals, and the ABOR rate sheets for the current academic year are available on the University Fees website for ABOR-approved.

The dean, associate dean, director, department head, or business manager of the program/college can complete the form. A separate report is completed for each differential tuition or program fee whose balance is in bad standing. Each college coordinates the submission of reports, and the college dean or dean's designee signs all forms before submission.

ABOR has affirmed that it is the department's responsibility to ensure that program fee / differential tuition revenue is spent following approved proposals and to ensure communication with the students regarding the use. University, school, department, and program management should maintain accurate and auditable records.

7.0 Discontinuing or Reducing PFDT

If there is an expectation that the need for a program fee or differential tuition will end or be reduced, a proposal to end/reduce the fee must be approved through the Office of the Provost, and ABOR is notified of the deletion or reduction change. Complete the appropriate program fee or differential tuition proposal form and explain why the charge is no longer needed or needs to be reduced. When the proposal is approved, ensure that the budget is modified accordingly. Consult with the Office of the Provost, the OBP, and Financial Services Offices as needed.

8.0 Contacts

The following table provides vital contacts in administrative areas with responsibilities related to program fees and differential tuition administration.

Unit	Name	Title	Responsibility
Office of the Provost - Academic Administration	Gregory Heileman	Vice Provost of Undergraduate Education	Management and Compliance of Program Fees & Differential Tuition
Office of Budget & Planning	Adriana Prado	Senior Analyst, Budget & Financial	Budget Projection & Adjustments
Bursar's Office	Traci Sitzmann	Associate Bursar	Billing Differential Tuition & Program Fees to Students
Financial Management	Brooke Claw	Accountant, Principal	Establishment of Accounts & Item Types; Expenditure Authorization
Office of the Provost - Academic Administration	Martha Sesteaga	Program Manager, University Fees	Management of New or Modified Fee Proposals, review Year-End Report of PFDT
Student Financial Aid	Helen Horetski	Director, Finance-Operations	Financial Aid Set-Aside Item Types/Awards