THE UNIVERSITY OF ARIZONA
Office of the Provost

UNIVERSITY FEES

PROV-fees@arizona.edu

Created: 08/01/2024

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01. ACADEMIC FEES OVERVIEW

The University of Arizona charges additional academic fees approved by the Arizona Board of Regents (ABOR) to provide high-quality learning experiences. Starting in FY25, ABOR's tuition and fee setting process changed to meet annually in November to review tuition and academic fee proposals. Also, starting in FY25, the undergraduate fee model transitioned to a College Fee tier model. The purpose of establishing these fees is to ensure that students who pay them benefit from improvements in the quality of their academic program. Please visit the University Fees website for a complete list and details of all active academic fees.

01. CONTINUE...

ABOR

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

University

The academic fee proposal process begins with the university and is completed by ABOR. The board meeting to set tuition and fees at the three universities will be held in the fall of each year instead of spring. Following is an overview of the type of fees, processes, and management.

TYPES OF ACADEMIC FEES

- Differential Tuition - Tuition that is higher or lower than the Published Tuition established for each university campus or location and applies to all graduate or undergraduate academic programs in a college or school.

- Program Fees - Additional amounts are 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. Only graduate programs can request a program fee.

- College Fees - Additional amounts are charged to students in all graduate or undergraduate academic programs in a college, school, or division. The college fee will reflect additional charges for specific programs with demonstrably higher instructional costs.

- Mandatory Fees - Fees that are charged to students for a specific purpose, activity, or service. Mandatory Fees can be university-wide or differentiated by campus location, delivery method, enrollment level, or other board-approved criteria. The board must approve all Mandatory Fees.

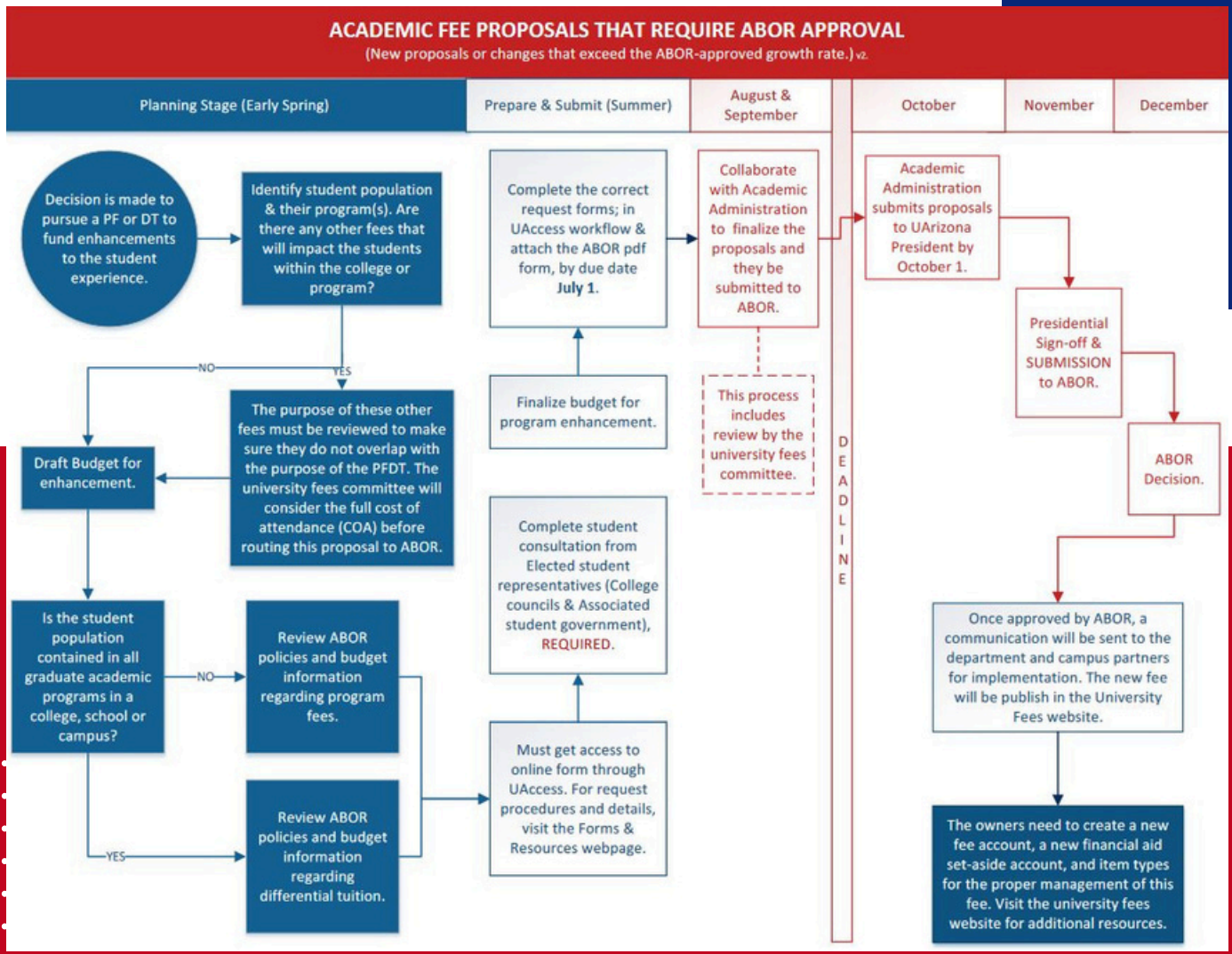
- Other Academic Fees - These are fees levied by the university due to enrollment, which are additional charges for particular purposes with demonstrably higher costs, such as administrative fees, orientations, penalty charges, etc.

02. PROPOSAL PROCESSES

Tuition + program fee or differential tuition must be equal to or greater than base tuition. Program Fees or Differential tuition for undergraduates will not be accepted right now.

New proposals or changes to existing fees that exceed the ABOR-approved growth rate of 5% need ABOR approval and have a different application process, as shown below in Figure 1.

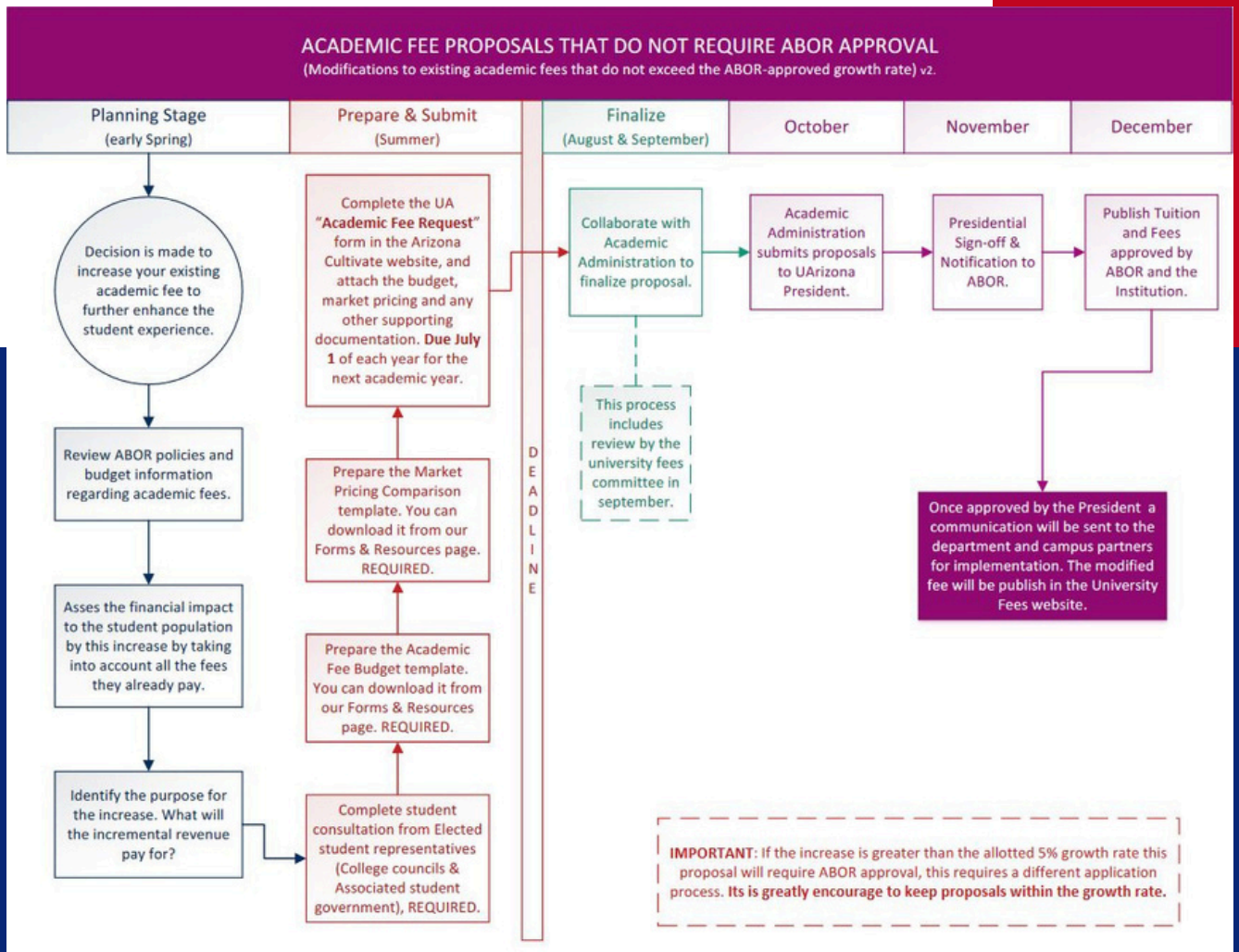
Figure 1. Establishing a new fee or modifications that exceed the Growth Rates **(click to enlarge)**



CONTINUE...

Changes to existing fees that do not exceed the ABOR-approved growth rate of 5% are approved by the University President and have a different application process, as shown below in Figure 2.

Figure 2. Modifications to existing Academic Fees that do NOT exceed the Growth Rates **(click to enlarge)**



Download the appropriate ABOR Form (new or changed proposal) and market and budget templates from the **University Fees** website. Attach these templates as required by each online form

03. PLANNING STAGE

The planning stage begins when a unit has identified a need to enhance student experiences, which can only be accomplished with additional funding from an academic fee. When an academic unit decides to pursue a new academic fee, it must determine the amount to propose and consider the impact on the student population. 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 compared 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 (additional academic fees) and review their purpose 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.

Completing the Forms

Purpose

Under purpose, provide a brief statement detailing the purpose of the fee, including the anticipated expenditures of fee revenue and benefits the fee will provide students. Include an explanation of the additional benefits funded by the increase.

Justification

Under justification, provide a brief statement on what the proposal is intended to pay for and how much of the costs will be covered by the incremental revenue. This sections should explain each budget line. Give examples on general expense lines like “operational expenses.”

Student Consultation

ABOR policy requires evidence of student consultation, including notification of and consultation with elected student representatives concerning the proposed fee. The method and outcomes of the student consultation must be explained. Include how many students participated and how many supported the fee proposal.

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 does not need to be filled out. Enter the information in descending order from highest cost to lowest per institution. ·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.

Budget Estimate

Note that the information requested is for annual revenue and annual expenditures estimates. Enter the individual amounts for other budget categories needed for your proposal, such as operating expenses, personnel expenses, student support expenses, etc. If additional pages are needed for any section,please attach them separately.

04. IMPLEMENTATION

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

All academic Fees should be accounted for separately to meet the intent of academic fee reporting requirements and facilitate the appropriate management and stewardship of funds. Funds should not be combined among programs.

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

Creating a New Account

Separate accounts must be set up in the university's accounting system to record the revenues and expenses for each program fee or differential tuition in compliance with policy **4-105 Fees**. Unique accounts are necessary for the following:

- Academic Fees: Record the net revenue for each unique fee, accounting for the net income generated and the associated expenses (sub-fund ALCPRG for program fees, including summer).

- Financial aid set-aside account(s): For each unique program fee or differential tuition.

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

Please refer to the **Financial Services page** for general instructions on opening, updating, closing accounts, and creating a new account.

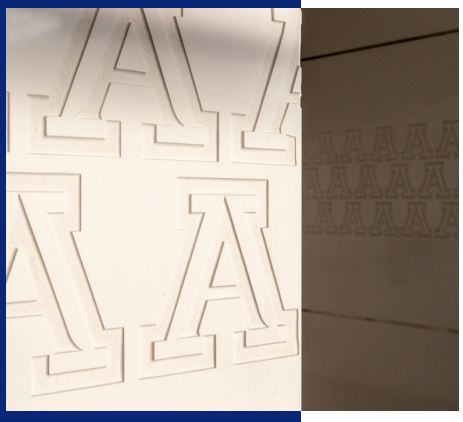
Creating New Item Types

The university's student records system uses item types to link with billing and financial aid activities. Different item types are necessary for program fees, differential tuition, and financial aid set aside. Accounts must be established before item types can be requested. For summer and winter sessions, separate funds are needed for tuition and aid.

To create new Item Types:

- Bursar Item Type Proposal: This type will be associated with the academic fee tuition charge.

- Financial Aid Item Type Request: This item type will be used to award financial aid from the set-aside account.
  - 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).



Creating New Sub-Object Codes

Financial Aid Set-aside (FAS) sub-object codes should be established for each object code 0930/0939 account. This is to ensure transparent reporting of these items.

05. FINANCIAL AID SET-ASIDE

According to Arizona Board of Regents (ABOR) **policy 4-321**, each university must set aside a portion of program fees and differential tuition revenues to award students with demonstrated financial need, with priority given to undergraduate Arizona residents. The required rate set by ABOR policy is currently 14%. Financial aid can be applied to tuition, fees, or other charges.

Under the new college fee model, starting in FY25, the Office of Scholarships and Financial Aid will manage all Financial Aid Set-Aside (FAS) for undergraduate students (except for the Honors College Fee).

Significant allocation changes will occur in the Fall of 2024. The Office of Budget and Planning will no longer process FAS transfers for units. Units will now be responsible for initiating and processing these transfers.

- Units must process over/under FAS and Budget adjustments periodically (option to follow OBPs prior timeline - Spring & Year-end).

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

DOCUMENTATION OF AWARD PROCESS

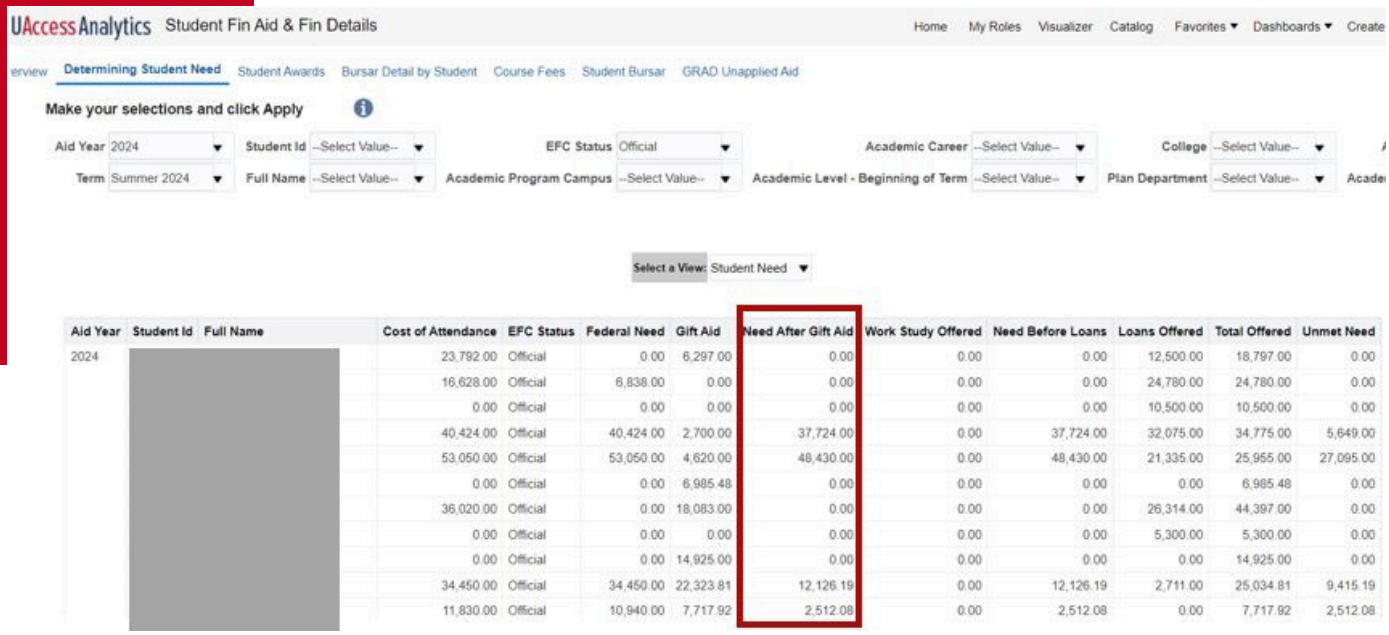
Each academic department that charges program fees or differential tuition should create and document a fair and consistent process for distributing financial aid. This will help ensure that the proper steps and controls are followed. These procedures must align with ABOR, university, and, if applicable, college policies. 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.
- Compliance with the **Family Educational Rights and Privacy Act of 1974** (FERPA) and **UITS Security Policy and Guidance** is essential.
- 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, selecting financial aid recipients and processing awards should be segregated. Smaller units that do not have the staffing to provide segregation of duties should coordinate with the college business office.
- The process may include distributing aid evenly among all eligible students or distributing it based on the level of unmet need. It may also include an additional application requirement.
- The 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** if you have questions.

AWARDING FAS

The units should submit awards in the UAccess Student External Awards module 3-4 weeks before the start of the term to ensure timely disbursement. 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. Mandatory training is available in EDGE Learning (UAccess Student: Financial Aid External Awards for Departments). Departments should follow the documented process to identify students eligible for set-aside awards, which includes confirming their enrollment in the program with a fee and verifying their financial need based on a current FAFSA.

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



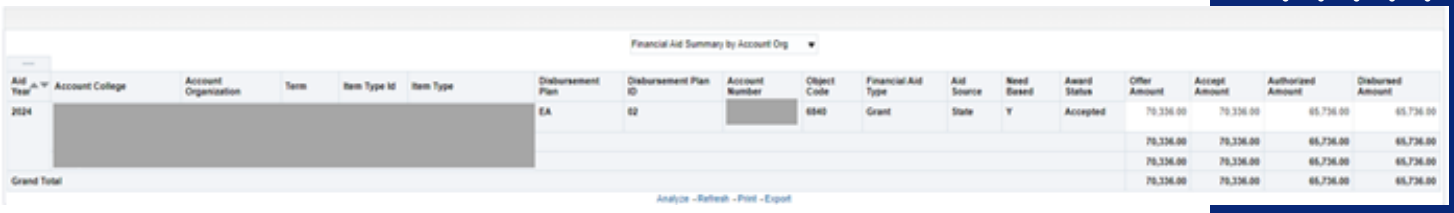
Look at the “Need after gift aid” column. Your awarding might create an over-award, but other aid, such as loans, can be reduced to allow gift aid to disburse. Please allow two weeks for account reviews. If it’s been longer than that and the award has not disbursed, contact **OSFA**.

MONITORING & MANAGING FAS

It is important to make sure that all the available financial aid is awarded by the end of the fiscal year while also ensuring that the aid does not exceed the available funds. Units should regularly review and monitor their activity, balance accounts throughout the year to comply with ABOR and University policies, and ensure that award transactions are processed correctly.

A report is available to review the status of all processed awards:
UAccess Analytics →Dashboards →Student →Student Fin Aid & Fin Details →Student Awards.

Enter your account information and set any other relevant search filters to identify the awarded students.



- If the college or department has already awarded all eligible students but has not met the required 14% of revenue awarded, it has the option to increase the awards for its neediest students, as long as the amount does not exceed the need after gift aid amount.

- If the college or department cannot identify enough needy students to receive the awards, they can collaborate with OSFA to award students who have paid the fee but do not have financial need.

- The objective is to distribute the required financial aid for the year, along with any beginning balance available. The unit will report the beginning balance, current amount set-aside, distributed amount, and remaining balance in the Year-End Reports of Program Fee and Differential Tuition Revenue, as well as the new GRAD FAS Year-End review.

- Charge priorities determine which Bursar charges can be paid by each financial aid disbursement. Charge priorities, along with payment priorities, guide the allocation 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/program fees, and mandatory fees
  - TITLE IV: pays charges allowed by the Department of Education (unless the student completes a waiver, in which case it pays all charges)
  - ALL: pays any bursar charge

06. ANNUAL YEAR-END REPORTING

The University Fees Office will send a request to each college with a high balance for the Year-End Report of Program Fee and Differential Tuition Revenue.

ABOR has affirmed that the department is responsible for ensuring that program fees and differential tuition revenue are spent according to approved proposals and communicating with students regarding their use. University, school, department, and program management should maintain accurate and auditable records.

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.

YEAR-END PFDT REVIEW

The University Fees Office will send a request to each college that has a high balance for the Year-End Report of Program Fee and Differential Tuition Revenue. Every year, the previous fiscal year will be reviewed. This request is usually sent after the Academic Fees Reporting Orientation, which typically takes place in September. The completed form will be due by November 1st each year.

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

*This path is subject to change in January 2025, course and fee will be separated.

- The year-end difference between revenue and expenses should be minimal. The fee-paying students should benefit from it. Additionally, we should aim to distribute the financial aid set aside as close to 100% as possible. Only colleges with a high balance in their PFDT accounts (85% or less or -10%) must submit the Year-End forms.

- 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.

- 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 program fee or differential tuition 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.

Year-End Financial Aid Set-Aside Review

The year-end review for GRAD-level FAS awarding begins on July 1 of each year. This specific change in the process started in FY25 due to an internal audit recommendation. Our office has reviewed FAS before, but only for PFDT accounts with a high balance. We will continue to do that but also have a separate FAS YE review process. The University Fees Office will run an agent in UAccess analytics to “flag” the FAS accounts with low awarding (less than 86%).
This agent gives the FAS accounts Managers and Fiscal Officers guidelines for completing and submitting the FAS Year-end form.

Completing the form involves the following:

- Account Activity —The table requests the beginning balance, amount of FAS allocation from PF, amount distributed as Financial Aid, and current fund balance.

- Narrative —Briefly explain why FAS was not fully awarded to the minimum percent equal to the Regents set-aside rate of 14% of the estimated gross fee revenues in the Fiscal Year, and outline the plan to prevent this from happening in future fiscal years.

- Signatures —The Program Business Manager, Unit/ Department head, and Dean or Dean designee must sign the form.

Note: Starting in FY25, undergraduate FAS awarding will be centralized and will not be reviewed at year-end by our office (with the exception of the Honors College).

07. DELETING OR REDUCING FEES

If a college or department determines that a fee is no longer necessary or should be reduced, a proposal to make this change must be approved by the Office of the Provost, and the Arizona Board of Regents (ABOR) will be notified of this change during the Tuition and Fees setting process in the Fall term. You can submit the proposal through an online application in Arizona Cultivate. Visit our **forms and resources** site to access it.

After the proposal is approved, the funds must be used entirely for the originally approved purpose. The account should remain open so that if a student pays their late bursar's balance, the funds can be allocated to this account.

08. FY25 CHANGES SUMMARY

- The undergraduate fee model changed from differential tuition, program, and course fees to a single college fee. The only exception is the Honors College, which will still have its undergraduate program fee. Any proposals for new undergraduate program fees or differential tuition will not be accepted at this time.
- College fees revenues are currently collected centrally to support the unit's Expenditure Authority.
- The Office of Scholarships and Financial Aid (OSFA) will award undergraduate financial aid set aside from college fee revenue. The Office of Budget and Planning (OBP) will sweep FAS balances and transfer them to OSFA. Given that undergraduate FAS awarding will be centralized, our office will not review it at year-end.
- GRAD program fees remain active, and all rules and requirements remain in effect. However, significant allocation changes will occur in the Fall of 2024. The OBP will issue a new FAS assessment and budgeting guidance in the coming weeks. Once those changes are finalized, this handbook will be updated.
- GRAD FAS awarding will be monitored at year-end to ensure 14% allocation and awarding. **Units are responsible for processing FAS transfers.**
    - Units must process over/under FAS and Budget adjustments periodically (option to follow OBPs prior timeline - Spring & Year-end).
- OBP will cease loading or maintaining revenue budgets for PFDT accounts. Budget load to fee accounts - OPTIONAL and processed by units.
- OBP will no longer assess Strategic Budget Allocation (SBA).
- Object Codes (OC) 0938, 7938, 7939, and 7930 will be deactivated. Per the **new guidelines**, OC 0930/0939 should be used instead.

09. CONTACTS

The following individuals are vital support for the collaboration, proposal, implementation, and management of academic fees.

Martha Sesteaga

Program Manager,
University Fees
PROV-fees@arizona.edu
-Management & Compliance of academic fees.

Gregory Heileman

Vice Provost,
Undergrad Education
heileman@email.arizona.edu
-Facilitate collaboration across campus.

Adriana Prado

Principal Analyst, OBP
adriana.prado@arizona.edu
Budget management

Traci Sitzmann

Associate Bursars,
Bursars Office
tsitzman@email.arizona.edu
-Tuition and fees billing.

Najah Muzahem

Accountant Principal,
Financial Management
najahm@arizona.edu
-Establishment of Accounts & Item Types; Expenditure Authorization

Helen Horetski

Director,
Finance & Operations, OSFA
helenh@arizona.edu
-Financial Aid Set-Aside Item Types/Awards

Administration West Building

PROV-fees@arizona.edu

Helpful Websites:

University Fees

Office of Budget and Planning

Office of Scholarships and Financial Aid

Financial Services

Bursars Office