

DRAFT 11/12/07--Reflecting deliberations of the Committee to Review Segregated Fees Policies at its September, October and November meetings

CONSOLIDATED POLICY PAPER ON SEGREGATED FEES

Scope

This policy sets forth legal and policy principles applicable to the administration of segregated student fees (referred to in this policy as "segregated university fees" or "SUF").

Policy

I. Segregated University Fees

A. Definitions. Segregated university fees (SUF) are charges, in addition to instructional fees, assessed to all students for student services, activities, programs and facilities that support the mission of University of Wisconsin System institutions. There are two categories of SUF, as follows:

(1) *Allocable.* Allocable SUF are those SUF that provide substantial support for campus student activities and services as outlined in Section I.(B)(6)(a) and that are allocated by students, in consultation with the chancellor and subject to the final confirmation of the Board of Regents, in accordance with s. 36.09(5), Wis. Stats. The student group organized at each UW institution for the purpose of engaging in the allocation process under s. 36.09(5), Wis. Stats., is referred to in this policy as the Student University Fee Allocation Committee or "SUFAC."

(2) *Non-allocable.* Non-allocable SUF are those SUF that are used to support long-term commitments for fixed financial obligations, ongoing operating costs of university owned or controlled buildings, and similar commitments for student unions, health centers, child care centers and recreational sports centers. In accordance with s. 36.09(3), Wis. Stats., chancellors, following consultation with students in accordance with Regent Policy [30-5](#), as amended, are responsible for the development of budgets and expenditures of non-allocable SUF.

B. Limitations on Expenditures of SUF. (1) *General.* SUF may only be expended for items and activities that are related to the mission of the institution and to the purposes of the organization. Expenditures of SUF must also conform with all applicable state and federal laws and policy requirements including, but not limited to, the decision of the United States Supreme Court in *Board of Regents v. Southworth*, 529 U.S. 217, 120 S. Ct. 1346 (2000), current [Wisconsin Statutes](#), Wisconsin Attorney General's opinions, Board of Regents' administrative rules and policy documents, and UW System policy papers.

(2) *Permitted SUF Expenditures.* Except as limited elsewhere by law or policy, SUF may be assessed and collected for the following:

(a) Travel expenses in accordance with applicable state and UW System travel regulations, and admissions and registration expenses incurred by UW staff or students for:

1. Attending educational, cultural, social, recreational, or university athletic events.
2. Recruiting students for musical groups, theatrical groups, or publication writing, and the like.
3. Representing the institution or a recognized student organization in the operation and fulfillment of the mission of the student organizations, student service operations, and student government, subject to approval by the chancellor or his/her designee.
4. Recruiting athletes, as allowed by conference or membership affiliation.
5. Busing students within the campus. Payments for bus services that extend beyond the campus boundaries must be approved by the Chancellor.

(b) Expenses related to educational, cultural, social, and recreational activities for:

1. Personal or professional services (e.g., concert performers, bands, officials, lecturers, and other performers); reimbursement for such services provided by UW System faculty or staff may be made in accordance with the provisions of UW System Financial and Administrative Policy (FAP) [F31](#) on “Personal Services Payments” and [Academic Planning Statement #4](#).
2. Meals, receptions, and transportation incurred by UW faculty or staff or students while performing a host function for a guest speaker, performer, etc., brought to the campus for a SUF funded activity, if such expense was part of the budget approved for the activity.
3. Production of an event (e.g., films, advertising, promotion, printing, facilities rental, ushers, and security guards). On-campus facilities (buildings and grounds) must be used whenever possible. Exceptions require the prior approval of the Chancellor or his/her designee.
4. Trophies, medallions and other types of awards for student competitive functions, scholastic excellence, or outstanding school/community service, and funding of athletic or honor banquets or receptions subject to the following guidelines:

- i. If the organization holding the banquet or reception or presenting the awards receives any SUF support, the institutional SUFAC must specifically approve the expenditure as part of the allocable SUF budget prior to the event.
- ii. Cash or product awards in excess of \$100 but less than \$500 may be given only upon prior approval of the Chancellor. Those in excess of \$500 must be approved by the UW System Vice President for Finance.

(c) Student media expenditures for:

1. Publishing student newspapers, yearbooks, magazines, paid admission event programs, and other print media. (Student publications are exempt from the state printing regulations per Section 35.012 [Wisconsin Statutes](#). However, they are not exempt from the regular purchasing regulations in Section 16.70.)
2. Operating student radio and television facilities.
3. Student film and videotape productions.

(d) Officially recognized athletic program expenditures for:

1. Uniforms, athletic equipment, travel, supplies and personal services.
2. Athletes' housing and meals prior to opening of a semester or during vacation periods.
3. Grants-in-aid as allowed by conference or membership affiliation.
4. Medical expenses for an athletic injury incurred while participating in an officially recognized athletic event. Injuries related to intramurals, open gym periods, club sports, and student-sponsored athletic events are not covered. (Information on student health insurance is available from the Institution's Risk Management Office.)

(e) Expenditures relating to the operations and activities of student organizations, student health services, day care centers, union student center, parking utility, stadium-arena, intramurals, and other student services for:

1. Salaries for students and other UW staff where related to the activity and in accordance with existing institutional and state wage rates and employment procedures. Payments shall be made in accordance with

the provisions of the UW System Financial and Administrative Policy [F31](#) on “Personal Services Payments.”

2. Professional services.
3. Facilities, equipment, personal services, and supplies. Organization membership fees in other related and nonprofit organizations.
4. Debt service.

(f) Promotional items such as matchbooks, key rings, pencils, etc., used to promote an organization's single event or services, provided they are approved through the SUF allocation process.

(g) Special and ceremonial campus activities in which students are primarily involved provided they are approved through the SUF allocation process.

(3) *Prohibited SUF Expenditures.* In addition to other limits established by law or policy, SUF shall not be assessed or charged for:

- (a) Academic credit-producing activities;
- (b) Student services determined to be essential to the basic mission of the university, as identified in the UW System Financial and Administrative Policy [G15](#) on “Student Services Funding.”
- (c) Normal campus-wide activities and functions that service the entire institution, such as campus-wide, centrally provided physical plant and institutional support.
- (d) Direct financial aid to an enrolled student such as scholarships, tuition, room and board, but excluding child care payments.
- (e) Gifts, donations and contributions.
- (f) Awards to UW faculty or staff, other than non-monetary, *de minimis* items such as certificates, plaques and the like.
- (g) Costs of legal services, except where the governor has approved hiring an attorney to provide student legal services at an institution.
- (h) Lump sum payments to student organizations (as opposed to payments for specific purposes supported by invoices).
- (i) Contracts between a UW institution and a recognized student organization, except where subparagraph (6)(a)8, below, applies.

(j) Overhead costs of student organizations in facilities not owned, leased or subject to control by the university, except as permitted in Section I.B.(6)(a), below. As used in this section, overhead costs means those general organization expenses which cannot be charged as belonging exclusively to any particular part of the organization's activities or work, including without limitation because of enumeration, salaries of the organization's employees who are not UW employees, rent, taxes, insurance, lighting, heating and similar expenses.

(4) *Conditions related to special policies.* In order to provide a basic level of stability in student health services, athletics and intramurals, and child care, the Board of Regents has approved the following special policies related to the use of SUF for those activities:

(a) *Student Health.* In accordance with Regent Policy [23-1](#), "Basic Health Module," the chancellor of each institution has responsibility for determining the minimum level of student health service, however students may increase the level of service with allocable SUF approved through the established institutional process. The chancellor or designee will consult with SUFAC and/or the appropriate student health committee as to the appropriate programmatic level of student health care at the institution.

(b) *Athletics and Intramurals.* To the extent that guidelines for termination or non-renewal notices to personnel must be followed, and contracts for schedules exist, the SUF allocation for athletics and intramurals is non-allocable. A three-year budget review is required at the time the annual budget for athletics and intramurals is approved by students. Since the third year is normally beyond the time requirement of contracts for personnel notices, the budget for athletics and intramurals for the third year after the current budget year is allocable SUF, except for any outstanding schedule commitments or personnel contracts.

The foregoing is not intended to prevent the students from approving an increase in the program level during the first two years of the three-year cycle. It also is not intended to prevent a chancellor from approving a decrease in the program level during the first two years of the three-year cycle. The chancellor's action must be accompanied by a re-determination by the students of the level of third-year support.

(c) *Child Care.* It is the policy of the Regents that:

"... as an alternative to community child care when it does not meet the needs of the institution or unit, each university should set a goal of seeing that top quality, low cost child care and extended child care services, preferably campus based, are available to the children of students, faculty and staff." (Section II.F of Regent Policy [14-3](#).) The chancellors and students are encouraged to review funding requests for student child care services with special care. Consideration should be given to utilizing non-allocable SUF or requiring a three year budget process comparable to that required for athletics and intramurals. Child care allocations

derived from SUF shall be identified separately in the annual institutional budget review process.

(5) *Expenditures of SUF-Generated Receipts.*

(a) Receipts generated by SUF activities become part of the budgets of those activities and may be used as permitted under I.C. of this policy. On occasions, such as the beginning of an academic year, where a ceremonial activity is merited but SUF-related receipt revenue has not yet been generated, it is permissible to pay the expenses of the activity from SUF and replenish the SUF account when the anticipated receipts are actually generated.

(b) Gate receipts from intercollegiate athletics may be used for athletic scholarships to the extent permitted by state law, university policies and the official conference rules applicable to the respective institutions.

(c) Donations and scholarships if the activity generating the SUF-related receipts was conducted specifically for such purposes. Any SUF expenses for the activity must be returned to the organization's account from gross receipts. The remaining receipts may then be used for the purpose for which they were generated.

(6) *Appropriate payments from allocable and non-allocable SUF.* Both allocable and non-allocable SUF may be used to fund certain activities and services. Reflecting the distinction between the two SUF categories, however, the following SUF expenditures are appropriately assigned as follows:

(a) *Appropriate expenditures of allocable SUF.* Except as limited elsewhere by law or policy, allocable SUF may be used to provide support for campus student activities, including:

1. Recognized student organization activities and operations;
2. Concerts and lectures;
3. Athletic and intramural support for the third year of a three-year budget, and increases above the level of the first two years approved by the SUFAC and the Chancellor;
4. Student health services above the minimum module;
5. General operating costs or overhead costs of the student government organized at each institution under s. 36.09(5), Wis.Stats., student newspapers, and student radio and television;

6. Support for university personnel, where the personnel are supervised, directed and controlled by the university (not by students) and subject to the requirement that any proposed reduction of SUF support for university personnel due to student recommended alternative uses of allocable SUF must allow for proper employee notice and treatment, in accordance with applicable law and Board policies;

7. Costs of leasing non-university facilities for use by recognized student organizations where:

i. The SUFAC has demonstrated that there exists a substantial need to lease non-university facilities based on lack of available university space for specific, identifiable needs of recognized student organizations, and has agreed to allocate SUF for this purpose; and

ii. The chancellor agrees that the demonstration of substantial need by the SUFAC warrants the university seeking authorization from the Wisconsin Department of Administration and other state authorities as required by law to lease non-university premises for the specific purposes identified; and

iii. The lease is provided by the Wisconsin Department of Administration in accordance with ss. 36.11(1)(b) and 16.84(5), Wis. Stats.

In no event shall this subparagraph be construed to require a UW institution to provide or to dedicate space, or any particular type of space, for registered student organizations.

8. Costs of contractual services that benefit all students where:

i. The SUFAC has demonstrated that there is a substantial need for such services and that they cannot be provided by the UW institution, and has agreed to allocate SUF for this purpose;

ii. The chancellor agrees that there is a substantial need for the services, that the institution cannot provide them and that the extraordinary need demonstrated by SUFAC warrants procuring the services; and

iii. The contractual services are secured pursuant to required state procurement processes.

In no event shall this subparagraph be construed to require a UW institution to provide a particular service.

9. Other items consistent with this policy, as determined by the institution.

(b) *Appropriate Expenditures of Non-allocable SUF.* Except as limited elsewhere by law or policy, non-allocable SUF may be used to support the following:

1. Debt service and approved capital projects;
2. Expense to enable all SUF-funded facilities and activities to present an operational building ready for use;
3. Base operating funding of student centers/unions, arenas, stadia, etc., not covered by direct user charges, including municipal services, adequate funding to provide for deferred maintenance, debt service contingencies and operating contingencies (as defined in the reserve policy), and business services not centrally provided;
4. Athletic and intramural support, to the extent that athletic schedules and/or personnel commitments dictate SUF support for athletics and intramurals, at the levels previously approved by the SUFAC and the Chancellor for the two years after the current budget year (increases permitted);
5. Minimum student health program as determined by the Chancellor; and,
6. Other items as determined by the institution, consistent with this definition and UW System policies, such as personnel contracts, child care, and textbook rental.

C. Deposit of SUF in State Treasury. (1) SUF are state funds which are deposited and held in the State Treasury, and which are subject to same limitations on use as other state funds.

(2) Where SUF is used to support an event sponsored by a student organization, the organization must use any revenues generated by the event to reimburse the SUF fee account, except:

(a) Any revenues generated by the event in excess of the SUF support provided are available to the organization for its own use, and the organization is not required to deposit these excess revenues in the State Treasury; and

- (b) A student organization using university facilities for an event for which no SUF support was received is not required to deposit those receipts in the State Treasury.
- (3) Student organizations may use institutional agency accounts, where available and subject to institutional requirements, for the deposit of receipts generated by their organization activities.

II. Allocable SUF

A. Allocation process.

- (1) Allocable SUF are allocated by students, in consultation with the Chancellor or his/her designee, and subject to the final confirmation of the Board of Regents.
- (2) Procedures for student participation on the SUFAC and in the SUF budget and allocation process are determined by the students at each institution.
- (3) In recommending SUF allocations, the SUFAC should recognize the need of the institution to maintain viable programs supported by allocable SUF in the fine arts, child care, recreation, athletics and other programs traditionally supported by SUF.
- (4) Budget information relevant to the allocable SUF budget for each institution, including, but not limited to enrollment projections, SUF revenue projections, and reserve balances, will be provided to the students annually by the campus administration.
- (5) Allocable SUF must be allocated in a viewpoint-neutral manner; student referenda may not be used, directly or indirectly, to allocate SUF to student organizations for extracurricular speech or expressive activities.
- (6) Each student government, in consultation with the chancellor, must develop institutional allocation policies and procedures that, at a minimum:
 - (a) Describe any written criteria, in addition to those elsewhere established by law, for the allocation of SUF;
 - (b) Require the creation of a detailed record, which may be a tape recording, of all student fee funding allocation deliberations;
 - (c) Require that student organizations denied funding be provided, upon request, with a written statement of reasons for the denial;
 - (d) Provide a mechanism for avoiding conflicts of interest by students participating in the process for allocation of student fee funding, which mechanism may include requiring that participants disclose lobbying contacts; and

(e) Establish an appeal process within student government for the review of student fee funding decisions where it is alleged that the decision was based on a student organization's extracurricular speech or expressive activities, resulting in a violation of the requirement that allocable SUF be distributed in a viewpoint-neutral manner and where the appealing party has exhausted the process for review of student fee funding decisions established by the student government for such cases. The Chancellor's decision in such cases shall be final, unless the matter is brought to the Board of Regents in accordance with Regent Policies [30-3](#) and [30-5](#).¹

B. Eligibility for receipt of allocable segregated fee funds.

(1) Only officially recognized student organizations, and university departments to the extent permitted under the UW System Financial and Administrative Policy [G15](#) on "Student Services Funding," are eligible to receive allocable SUF.

(2) Student organizations must meet the following minimum requirements to obtain official recognition:

(a) Prepare and file with the Office of the Dean of Students, or other designated institutional office, a constitution and bylaws for the organization;

(b) Consist of at least four members, at least 3/4 (three-quarters) of whom are students enrolled for a minimum of one semester hour of credit at the UW institution for which the organization is seeking official recognition;

(c) Require that all leadership positions in the organization be held by students enrolled on a fee-paying basis for at least half-time; as used in this policy, "half-time" status means enrollment for a minimum of six credits as an undergraduate student, and enrollment for a minimum of four credits as a graduate student;

(d) Obtain an advisor, or the assistance of an advising service, employed by the UW institution where the organization is seeking recognition;

¹ Regent Policy Documents 30-3 and 30-5 establish an appeals process for situations in which the students and chancellor disagree about the allocation of SUF. In accordance with [Regent Policy 30-3](#), if the Chancellor disagrees with the students' recommended disposition, the basis for denying or changing the student decision must be substantial and communicated to the recommending students in a timely manner. The chancellor must discuss any recommended changes s/he recommends to the budget for student consideration and decision before the forwarding the institution's budget to System Administration and the Board of Regents. If any disagreement is not reconciled after further discussion at the institutional level, both the students' and the Chancellor's budgets are to be presented to the UW System President's Office by April 1. The President or his or her designee will attempt to mediate the dispute before forwarding it to the Board of Regents with a recommendation for its resolution. (Criteria for the Board's use in considering appeals are set forth in the [Regent Policy 30-5](#).) Such budget disputes will be considered by the Board prior to action on the annual budget.

- (e) Be organized on a not-for-profit basis, as demonstrated by evidence that the organization uses any income or profit for organizational purposes, not for any individual or commercial gain;²
 - (f) As required by Regent Policy [30-06](#), “Policy on Recognition of Student Organizations,” extend membership and all membership privileges, including voting and eligibility to hold office, to all students without regard to age, ethnicity, gender (except as otherwise permitted by Title IX of the Education Amendments of 1972), disability, color, national origin, religion, sexual orientation or veteran status, except that student organizations that select their members on the basis of commitment to a set of beliefs (e.g., religious or political beliefs) may limit membership and leadership positions in the organization to students who affirm that they support the organization’s goals and agree with its beliefs.
 - (g) UW System institutions may establish additional requirements for official recognition consistent with this policy.
- (3) *Reporting student organization financial information.* Student organizations are required to comply with requests for financial information in the circumstances in (a) and (b) of this section. An organization's failure to comply with a request for financial information may result in the denial of eligibility to receive SUF and/or the use of university facilities.
- (a) All student organizations receiving allocable SUF or using institutional facilities must provide financial records, if requested by SUFAC or by the institution, indicating specific revenues and expenditures for specific events for which SUF support or the use of university facilities was provided.
 - (b) Where allocable SUF are received for ongoing operations or activities of an organization in accordance with this policy, the organization must provide financial records of its entire operation, when requested by the SUFAC or by the institution.
 - (c) Failure on the part of a student organization to provide financial information in accordance with this policy may result in suspension or loss of recognition, and privileges associated with recognition.

III. Non-allocable SUF

A. Responsibility of Chancellor. The chancellor of each institution is primarily responsible for the development of the non-allocable SUF budget, and shall ensure that

² The term "not-for-profit" as used here is not the same definition as used for state or federal tax purposes. Thus, registration as a student organization will not automatically result in exemption from state or federal income tax or state sales tax. If an organization has obtained tax exempt status from taxing authorities, however, documentation of that status would demonstrate that the organization is organized on a "not-for-profit" basis.

the institution's annual budget proposal for non-allocable SUF will generate sufficient monies to cover these commitments.

B. Student review. In accordance with Regent Policy [30-5](#), “Policy and Procedures for Segregated University Fees,” students are to be given an opportunity to review and offer advice upon the budget of each program and activity that is funded primarily with non-allocable SUF. To that end, each campus administration, in consultation with its student governance groups, shall develop specific procedures to ensure that there is an opportunity for SUFAC to conduct a timely and meaningful review of the non-allocable SUF budget. A copy of these procedures, signed by appropriate campus administrators and student representatives, shall be filed with the UW System President’s designee. The agreed upon procedures shall be consistently followed from one year to the next and any changes to those procedures will be documented and filed with the UW System President’s designee. Consistent with section B.1 of Regent Policy [30-3](#), “Guidelines for Student Governance,” the President’s designee shall mediate if a campus administration and its student representatives cannot reach agreement upon the procedures to be followed.

Any proposed major remodeling or major new construction project as defined by section 20.924(1)(a) Wisconsin Statutes that will increase the non-allocable portion of the SUF on any campus shall be reviewed by the Chancellor with appropriate student representation. There shall be specific action by the SUFAC on the project in question, which will be presented as part of the required information for the Regents at the time the project is advanced for approval.

Related Policies

[Regent Policy Document 30-5](#), “Policy and Procedures for Segregated University Fees”

[Regent Policy Document 30-3](#), “Guidelines for Student Governance”

[Regent Policy 30-6](#), “Policy on Recognition of Student Organizations”

[FAP - Student Services Funding \(G15\)](#)

[FAP - Auxiliary Enterprises Support Services Chargebacks \(F42\)](#)

[FAP - Physical Plant Services Chargebacks \(F25\)](#)

[FAP - Child Care Centers \(G38\)](#)

[FAP - Financial Management of Auxiliary Operations \(F43\)](#)

[FAP - Personal Services Payments \(F31\)](#)