4.0 Contractual Agreements: Delegation of Signature Authority (SB)

4.0.0 Purpose

This policy describes the responsibilities of the State Board for Community Colleges, the Chancellor, Community College Presidents, and Legal Counsel for the execution of all contractual agreements entered into by, for, or on behalf of the Virginia Community College System and its component colleges (the System).

4.0.1 Scope of Policy

This policy will apply to any and all contractual agreements entered into by the System Office or any college, division, department, office, or activity whatsoever in the name of the Virginia Community College System or of any of its component colleges. This policy does not, however, apply to any personnel actions regarding faculty or staff. This policy applies to any and all documents in whatever form and for whatever purpose, including but not limited to the following: Deeds, Leases, Contracts, Purchase Orders, Certificates, Receipts, Deeds of Trust, Promissory Notes, Bonds, Checks, Tax Returns and Reports, Claims for Refund, Releases, Waivers, Bills of Sale, Stock Certificates, Proxies, Security Agreements, Financing Statements, Affidavits, Pleadings, and Responses to Interrogatories.

4.0.2 Vested Signature Authority

In the following cases, no contracts shall be executed on behalf of the Virginia Community College System or any of its component colleges except by specific authorization of the State Board for Community Colleges:

a. The conveyance of real estate, or the System's interest in real estate.

b. Contracts, leases, or other documents by which the System leases or acquires a leasehold interest in real estate for more than one year with an annual cost exceeding $250,000.

c. Contracts, leases, or other documents by which the System leases any of its real estate for more than six months with an effective monthly rental exceeding $2,500.

d. Contracts or other documents for the expenditure of funds appropriated for capital outlay. (See Section 10, Physical Facilities).

e. Contracts or other agreements pertaining to the employment and compensation of the Chancellor.

In the following cases, no contracts shall be executed on behalf of the Virginia Community College System or any of its component colleges except by specific authorization of the Chancellor:

a. Contracts or other agreements by which the System acquires goods, equipment, or supplies exceeding a one-time or annual cost of $250,000, excluding capital outlay.
b. Contracts or other agreements by which the System acquires services valued at or at a cost exceeding $500,000 on a one-time or annual basis, excluding capital outlay.

Other contracts falling within guidelines and authorizations established by the budget adopted by the State Board for Community Colleges may be executed by the Chancellor in the case of contracts entered into by the System Office, or by a community college president in the case of contracts entered into by his or her college, without other express authorization. No other person shall have any authority to sign any contract on behalf of the System except as hereafter specifically provided.

4.0.3 Delegation of Signature Authority

The Chancellor and each community college president are hereby authorized to delegate their signatory authority as defined herein to any System or college official provided that:

a. Such delegation shall be operative only during the fiscal year in which the delegation is made.

b. Such delegation shall specify which type of documents may be executed, including a dollar limitation if applicable.

c. Such delegation shall provide for a certification of procurement compliance to be completed at the end of the delegation period.

4.0.4 Conformance to Law

All procurement of property, equipment, goods, supplies, and services of all types shall be made in conformance with the Commonwealth of Virginia's Public Procurement Act and the regulations promulgated by the Department of General Services, Division of Purchases and Supply and the Division of Engineering and Buildings (and all other cognizant State and Federal Agencies). The solicitation and selection of all contractors shall be performed in accordance with said regulations.

4.0.5 Legal Review

The System will endeavor to use standard contract formats approved by the Commonwealth for all contractual agreements. Proposed contracts, requests for proposals, and all other pre-award documentation will be submitted to the Attorney General's Office for review.

4.0.6 Contract Administration

The Chancellor shall designate a Contract Administration Officer for the System Office, and each college president shall designate a Contract Administration Officer for the college. College and System Office contract administration officers and designated staff shall be responsible, in accordance with all relevant State, Federal, and System regulations, for all aspects of contract administration for their respective entities.

Contract administration will include (but not be limited to) preparation and review of all solicitation for goods and services, review and execution of all contractual agreements (as outlined in this policy), legal liaison where necessary, maintaining centralized files of all contracts entered into by the
4.1 Payroll Information (SG)

All employees of the VCCS (full-time and part-time) must be paid on State payrolls regardless of the source of funds. Any payroll actions are subject to prior approval by the State Division of Personnel.

4.2 Accounting and Fiscal Management (SG)

SCHEV developed the Chart of Accounts by direction of the Governor in consultation with the Division of the Budget, the Auditor of Public Accounts, and the Department of Accounts. Amendments and revisions are made, when required.

The Chart of Accounts developed exclusively for the VCCS conforms with the requirements established by SCHEV. In general, this Chart of Accounts is also compatible with the system recommended by the National Association of College and University Business Officers in its publication entitled College and University Business Administration (Administrative Service), which is in use by a majority of the institutions of higher education throughout the United States.

A current VCCS Chart of Accounts can be obtained from the System Accounting Office.

4.2.0 Accounting Procedures for Community Service Activities (C)

a. All revenues derived from non-credit community service activities shall be deposited with the Treasurer of Virginia, Community Service Income.

b. Individual colleges shall have the authority to establish charges as appropriate for the various community service offerings in accordance with State Board Policy. (Reference Section 5.0.1.1).

c. All related expenditures shall be charged to the appropriate program/sub-program code.

d. All lecturers and seminar leaders who meet the test of independent contractor shall be paid on a contractual service basis.

e. All lecturers and seminar leaders who do not meet the test of independent contractor must be paid by the State payroll.

f. Supplies and materials needed for community service courses shall be obtained through normal purchasing procedures.

g. Other related costs such as rentals, special luncheons, and awards shall be paid by State invoice.

4.2.1 Disbursement and Deposit Procedures

4.2.1.0 Cash Receipts (SG;SB; and C)

Cash receipts shall be handled in the following manner.

a. Tuition and other State revenues shall be coded according to State revenue classification code and deposited to the credit of the Treasurer of Virginia in an approved bank.

b. Local fund revenues shall be established in a separate fund and bank account and subject to State audit.
c. It shall be the responsibility of each college to maintain detailed records on cash overages and shortages including written explanations.

d. A subsidiary account must be established within the vending commission local funds to reflect cash overages and shortages on a cumulative basis. This account must be used to make up any shortages on deposits to State funds. Any overages shall be retained in the account to offset shortages.

4.2.1.1 Expenditures (SG and SB)

No expenditure shall exceed the amount appropriated and approved by the State Board. Should a college need to exceed its budgetary appropriation, application shall be made by the college to the Vice Chancellor for Administrative and Fiscal Affairs for a transfer of funds.

4.2.2 Local Community College Funds (SB)

a. Local funds may be established by the colleges and the System Office of the VCCS. These funds shall derive their revenue from enterprise activities, contributions of local political sub-divisions, contributions of educational foundations, student activity fees, other direct contributions to the community college or the System Office, and from interest earned on the investment of these funds. Funds held by the VCCS in a fiduciary capacity (e.g., student clubs) shall be held locally but are classified as agency funds. All activity for local and agency funds shall be accounted within the VCCS’ Administrative Information System (AIS).

b. Expenditures of local funds may be made for the benefit of the college’s operation, development and construction of facilities. Local funds are public funds and subject to all laws, rules, and policies appropriate to public funds including the requirement that public funds outlined in the Code of Virginia and the Virginia Public Procurement Act.

c. Local funds of more than $5000 per year may not be disbursed or transferred to college foundations for any purpose with the following exceptions:

1. Annual college donations to the Virginia Foundation for Community College Education to support the Chancellor’s discretionary fund.

2. Lease payments made to the college’s foundation (colleges shall follow lease policies within Section 10 of the VCCS Policy Manual and the VCCS Operation and Income Lease Policy Manual)

d. Procurement of goods or services with local funds, including contributions from supporting foundations, shall be made in accordance with the Virginia Public Procurement Act and the rules and regulations applicable to the type of procurement as follows:

- Local capital funded projects shall follow DGS’ Construction and Professional Services Manual (as adopted by the VCCS)
- IT purchases shall follow the VCCS Guidelines and Procedures for the Purchase of Information Technology Goods and Services.

- General goods and services purchases shall follow the Virginia Department of General Services (DGS) Agency Procurement and Surplus Property Manual (APSPM).

e. College local fund disbursements associated with revenues received from localities, student fees, self-operated auxiliaries (bookstores, food services, parking, and student centers) shall follow the “Improper Expenditure” and “Advance Payment” disbursement guidelines in Commonwealth Accounting Policies and Procedures (CAPP) manual section 20310. In addition, college disbursements from these local fund sources shall follow the travel reimbursement guidelines outlined in CAPP manual section 20335. The local fund policies in this paragraph do not apply to commission revenues (including bookstore and food services), vending revenues, private gift income, investment income, or agency funds (see definition in paragraph 4.2.2a) including student fees disbursed from agency funds in support of student clubs or student activities.

f. The State Board may establish for the Chancellor and the College Board may establish for its President a discretionary local funds account to support the activities and obligations of those respective offices. The sources of discretionary funds shall be those not subject to the CAPP Manual policies in item e above.

g. Management of the local funds shall be the responsibility of the local board and the college administration in the case of the colleges, and of the State Board and the System Office administration in the case of the System Office. All activities within the local funds, including discretionary funds accounts, shall be within the limits set through budgets prepared by the college administration and approved by the local board, or by the System Office administration and approved by the State Board in the case of the System Office local funds. Contributions by political sub-divisions shall be based on a formula agreed to by the local college board and the political sub-divisions. Local funds budget expenditures shall be reviewed at least annually by the respective board.

h. Full financial reports and other reports as deemed necessary shall be prepared in accordance with the regulations promulgated by the Chancellor, and these reports and other such reports as required from time to time shall be submitted to the VCCS Comptroller's Office as requested. The VCCS Comptroller's Office shall combine these reports and make an annual report to the State Board. Colleges shall provide an annual local funds financial report to their local college board. All activities of the local funds shall be subject to audit by the VCCS Internal Auditor and the Auditor of Public Accounts (State Auditor). The State Board reserves the right to approve or disapprove any local fund activity.
i. Fund accounting principles shall be applied to set forth results of operations and ensure contributions and revenues generated are administered in accordance with the conditions in which they were given or generated.

j. Local bank accounts shall be established to transact the business of the local funds. These accounts shall be in the name of the college or the VCCS, and not the State Treasurer. Individual funds should be combined into single bank account to the greatest extent allowable given the college's requirements for convenience of deposit and other functions related to banking, with the exception of federal government financial aid and other grant funds which shall be deposited in accordance with federal regulations. Funds deposited in the local bank account(s) shall be in compliance with the requirements of the Virginia Security for Public Deposits Act, Chapter 23 of the Code of Virginia.

k. Investment of idle local funds is encouraged. Amounts available for investment from various local funds may be pooled in order to maximize investment return. Interest earned on pooled principle may be prorated, as earned, to the individual fund based on the relative ratio of individual funds contribution amount to the total pooled amount. Interest earned by the various funds may be transferred, as approved in the local funds budget, to other local funds for scholarships, general use, student activities, etc., so long as it benefits the operation of the colleges as defined by this Section.

Each college shall develop and implement an investment policy covering, as a minimum, the institutional objectives, authorized investments and credit quality, diversification, maturity limitations, divestiture, and safekeeping policies; and is encouraged to use as a guideline the policies set forth in the Local Government Investment Pool Investment Circular and any successor publication issued by the Commonwealth of Virginia Department of the Treasury. Investment vehicles are limited to those allowed under Chapter 45, Sections 2.2-4500 and 2.2-4501 of the Code of Virginia.

l. Enterprise fund activities shall be self-supporting. Auxiliary enterprises shall be charged for services rendered by the Educational and General Programs.

m. Student activities supported in whole or in part by local funds or student activity fees must be subject to the same controls as other local fund operations. Campus organizations recognized by the college which are not supported in whole or in part by local funds or student activity fees, but which collect and disburse funds on a continuing basis, shall be required to conduct those transactions within the local agency funds if the college administration deems it in the best interest of the college and/or the individuals of the organization.
4.2.3 Checks

4.2.3.0 Policy for Acceptance of Personal Checks (SB)

Checks shall be accepted subject to collection for authorized charges only. Cashing of checks is discouraged. However, at the discretion of the chief business officer or designee, and when circumstances warrant, checks may be cashed although they are made payable for more than the amount of tuition and fees. Sound business practices and procedures should govern the acceptance and cashing of checks.

4.2.3.1 Procedures Regarding Bad Checks (SB)

a. When a bad check for State funds is returned to the college from the bank for any reason, it shall be necessary to take the amount of the check from petty cash and deliver it to the bank for restitution. This is not done by use of a Certificate of Deposit.

The college is to retain the bad check with petty cash as receipt for disbursement. Diligent efforts must be made by the college’s business office through letters, phone calls, etc., to obtain payment from the party issuing the check. If the college has not succeeded in making collection after diligent efforts, then the bad check along with copies of collection letters and memoranda in regard to telephone calls should be attached to a State voucher Form No. DA-02-181 Revenue Refund Voucher requesting reimbursement to the petty cash fund. The voucher shall be charged as a “Revenue Refund” to the revenue code to which the bad check was originally deposited.

b. When a bad check on local funds is returned to the college, it shall be necessary to draw a check for the same amount from the fund in which original deposit was made. This is delivered to the bank for restitution.

The college is to retain the bad check as a receipt. Diligent efforts must then be made by the college business office to obtain payment from the party issuing the check.

c. The college must assess a $35 service charge for handling returned checks or dishonored credit card or debit card payments for accounts not in past due collection status.

The college must assess a $50 service charge for handling returned checks or dishonored credit card or debit card payments when the account is in past-due collection status.

Collection of returned check charges shall be deposited to State or local funds depending on the fund source of the bad check.
4.3 Student Charges

4.3.0(a) **Tuition** (SB)

VCCS tuition and fee rates are reviewed and approved annually by the State Board for Community Colleges. The detail tuition and fee rates are published at the following: [http://www.vccs.edu/students/tuition-and-fees/](http://www.vccs.edu/students/tuition-and-fees/)

The e-Rate is applicable to designated distance learning courses delivered entirely over the Internet. The e-Rate only for out-of-state students includes an indirect cost fee which accrues to the System Office to defray related expenses.

Eligibility for the in-state tuition is provided for in Section 23-7.4 of the Virginia Code and implementing SCHEV guidelines.

A technology fee shall be charged for all credit courses including those delivered by distance learning.

A capital fee shall be charged to all out-of-state students for all credit courses with the following exceptions:

1. Out-of-state dual enrolled students who meet the requirements in section 4.3.0.1 of the VCCS Policy Manual.

2. Out-of-state students deemed to be either domiciled in Virginia or counted as in-state students for purposes of eligibility for in-state tuition and fees by specific language in the Code of Virginia. This includes dependents of active duty military personnel (VCCS Policy section 4.3.0.4) and reciprocal students (VCCS Policy section 4.3.0.5).

Unless otherwise permitted by law, colleges have no authority to waive credit hour tuition or fees that have been established by the State Board for Community Colleges within Section 4.3.0 of the VCCS Policy Manual, nor do colleges have authority to charge tuition and fees above the State Board approved rates for credit courses.
4.3.0(b) **Differential Tuition Policy (SB):**

Effective with the Fall 2009 term, VCCS colleges are authorized to implement the following differential tuition policies:

1. **Local Tuition Differential**

   With approval of the State Board for Community Colleges, individual colleges in the VCCS may assess a local tuition differential to students taking credit courses. The purpose of the tuition differential is to increase capacity in order to improve service to college communities and to address access issues for expanding student populations. The following criteria apply to the local tuition differential:

   a. The local tuition differential must be approved by the Local College Board prior to submission to the State Board for Community Colleges.

   b. The college must submit a request to the VCCS Chancellor and the State Board for Community Colleges for approval to assess the local tuition differential. The request must include:

      1. Detail justification of the tuition differential including specific plans of how additional revenues will be used to increase capacity to better serve the needs of the community.

         a. The amount of the local tuition differential per credit hour (the differential must be assessed on a per credit hour basis.)

         b. Detail justification for the tuition differential relative to the student’s ability to pay (measured by disposable income of the area and other factors, market conditions, cost of living, etc.)

      2. Provisions to sustain and/or improve access to need based financial aid relative to the increase (through foundations, unfunded scholarships, etc.)

      3. Evidence of local board approval of the tuition differential.

   c. Colleges assessing a tuition differential may collect and retain all differential tuition revenue with the following stipulations:

      1. Colleges with an efficiency factor equal to or less than 1.0 in the Resource Distribution Model will contribute an amount of funding equivalent to 20% of the differential collected into a fund for distribution to colleges for purposes as determined and approved annually by the Chancellor and State Board for Community Colleges.
2. Colleges with an efficiency factor greater than 1.0 in the Resource Distribution Model will contribute an amount to the fund equivalent to 20% of the differential collected above the amount needed to recover the efficiency factor contribution required in the Resource Distribution Model.

3. Should a college be funded above the Base Budget Adequacy guideline amount for the college, an amount equivalent to 30% of the differential will be contributed to the fund.

d. Differential tuition rates approved by the State Board for Community Colleges remain in effect at the applicable college in subsequent fiscal years. However, subsequent increases or decreases to the approved differential tuition rate must be approved by the Local College Board, the VCCS Chancellor, and the State Board for Community Colleges using applicable criteria within this Differential Tuition policy.

e. Colleges with approved differential tuition rates must provide the State Board for Community Colleges an annual report on the continued use and justification of the differential tuition by March 1.

f. The local tuition differential revenues must be deposited to state educational and general funds. The college assessing this tuition differential will retain all revenues.

g. Eligibility to receive the funding will be determined by the State Board for Community Colleges, including such factors as size, stability of college enrollment base, constrained resources, and opportunities to undertake cost effective initiatives.

2. **Weekend Tuition Discounts**

   Colleges wishing to offer tuition discounts for weekend (Saturday and Sunday) credit courses to better utilize facilities may do so with approval of the Local College Board, the VCCS Chancellor, and the State Board for Community Colleges. A detailed plan must be submitted to the Chancellor that justifies the cost and the benefit of the college’s proposal. Subsequent changes to approved weekend tuition discounts must be approved by the Local College Board, the VCCS Chancellor, and the State Board for Community Colleges.

3. **Reduced Tuition and Fees**

   Colleges may reduce State Board approved tuition and fee rates for courses taken for credit. Credit tuition rates are published in section 4.3.0(a) of the VCCS Policy Manual. Prior to reducing tuition rates, colleges must submit a request detailing the proposal to the Chancellor. The reduced tuition proposal must be approved by the Local College Board, the VCCS Chancellor, and the State Board for Community Colleges. Subsequent changes to approved “reduced” tuition and fee rates must be approved by the Local College Board, the VCCS Chancellor, and the State Board for Community Colleges.
4.3.0.0 Waived Tuitions - Children of Certain Veterans (SG)

Section 23-7.1 of the Code of Virginia provides that free tuition shall be granted to children of permanently disabled or deceased veterans of the armed forces of the United States to State-supported institutions of secondary grade or college level.

Eligibility of such children shall be determined by the Division of War Veterans’ Claims who shall certify in writing to the admitting institution that tuition should be waived in accordance with the provisions of Section 23-7.1.

4.3.0.1 Waived Tuition - Students in Certain Dual Enrollment Courses (SB)

Tuition shall be charged at the Virginia in-state rate for any high school or magnet school student, not otherwise qualified for in-state tuition, pursuant to Section 23-7.4 of the Code of Virginia, who is enrolled in courses specifically designed as part of the high school or magnet school curriculum in a community college for which he/she may, upon successful completion, receive high school and community college credit pursuant to a dual enrollment agreement between the high school or magnet school and the community college. This waiver is made pursuant to Section 23-7.4 of the Code of Virginia.


Subject to SCHEV regulations and any legislative revisions, the Act gives senior citizens certain rights.

a. “Senior citizen” shall mean any person who, before the beginning of any semester in which such person claims entitlement to senior citizen benefits, (1) has reached sixty years of age, and (2) has had his legal domicile in Virginia for one year.

b. A senior citizen shall be entitled:

1. To register for and enroll in courses as a full-time or part-time student for academic credit if such senior citizen had a taxable individual income not exceeding $15,000 for Virginia income tax purposes for the year preceding the year in which enrollment is sought;

2. To register for and audit courses offered for academic credit regardless of income level; and

3. To register for and enroll in courses not offered for academic credit regardless of income level.
c. Such senior citizen shall pay no tuition or fees for courses offered for academic credit or for courses not offered for academic credit, except fees established for the purpose of paying for course materials, such as laboratory fees, subject to a determination by the institution of its ability to offer the course or courses for which the senior citizen registers. The Council of Higher Education shall establish procedures to ensure that tuition-paying students are accommodated in courses before senior citizens participating in this program are enrolled. However, the state institutions of higher education may make individual exceptions to these procedures when the senior citizen has completed seventy-five percent of the requirements for a degree.

4.3.0.3 Contracted Instruction For Federal Installations and Virginia Employers (SB)

Contract instruction for employees of Federal Installations and Virginia Employers shall comply with Section 23-7.4.G of the Code of Virginia pertaining to eligibility for in-state tuition. For credit instruction, the contract shall stipulate that the tuition charge for out-of-state students shall be at the VCCS contract rate established annually by the State Board. Further, each contract shall stipulate that those persons eligible for instruction under the contract shall be designated by the Federal installation or company.

4.3.0.4 In-State Tuition – Dependents of Active Duty Military Personnel (SG)

Section 23-7.4.E of the Code of Virginia provides that all dependents, as defined by 37 U.S.C. Section 401, of active duty military personnel, or activated or temporarily mobilized reservists or guard members, (i) assigned to a permanent duty station or workplace geographically located in Virginia, or in a state contiguous to Virginia or the District of Columbia, who reside in Virginia; or (ii) assigned unaccompanied orders and immediately prior to receiving such unaccompanied orders were assigned to a permanent duty station or workplace geographically located in Virginia; or (iii) assigned unaccompanied orders with Virginia listed as the designated place move shall be deemed to be domiciled in Virginia for purposes of eligibility for in-state tuition and shall be eligible to receive in-state tuition in Virginia. All such dependents shall be afforded the same educational benefits as any other individual receiving in-state tuition pursuant to this section as long as they are continuously enrolled or are transferring between Virginia institutions of higher education. Temporarily mobilized means activated for service for six months or more.
4.3.0.5 In-State Tuition – Reciprocal Arrangements (SG)

Section 23-7.4.2.D of the Code of Virginia provides that the governing board of the Virginia Community College System shall charge in-state tuition to any person enrolled in one of the System’s institutions who lives within a 30-mile radius of a Virginia institution, is domiciled in, and is entitled to in-state tuition charges in the institutions of higher learning in any state which is contiguous to Virginia and which has similar reciprocal provisions for persons domiciled in Virginia.

4.3.0.6 In-State Tuition – Active Duty Military Personnel (SG)

Section 23-7.4.2.G of the Code of Virginia provides that any active duty members, activated guard or reservist members, or guard or reservist members mobilized or on temporary active orders for six months or more, that reside in Virginia, shall pay tuition, to the public institution of higher education in which they are enrolled, in an amount no more than the institution’s in-state tuition rate.

4.3.0.7 In State Tuition – Military Veterans (SG)

Section 23-7.4.2.H of the Code of Virginia provides that notwithstanding any other provision of law, veterans residing within the Commonwealth shall be eligible for in-state tuition charges. Any students granted in-state tuition pursuant to this subsection shall be counted as in-state students for the purposes of determining college admissions, enrollment, and tuition and fee revenue policies.

4.3.1 Other Fees, Charges, and Fines (SB)

The VCCS mission includes the concepts of economic and geographic accessibility. Consistent with this commitment, efforts are made to set the tuition rate at a level that shall provide for economic accessibility and generate the non-general funds portion of the budget as required by action of the General Assembly.
Transcripts and graduation awards shall not be issued, nor shall a student be permitted to register, until all accounts due the college have been paid in full. However, an exception may be granted if a student’s debts to the college have been discharged in bankruptcy.

Each college requesting an increase in a mandatory non-educational and general program fee will prepare appropriate documentation to demonstrate the required cost justification for the fee increase and submit the fee increase request to the Chancellor for consideration by the State Board for Community Colleges. Mandatory non-educational and general program fees are defined as those that are assessed to a student for services provided (e.g., auxiliary parking fees and student activity fees) and are not deposited and retained in state educational and general operating funds. All mandatory non-educational and general fee increases are subject to dollar limits outlined in the Appropriations Act, Section 4-2.00 Revenues.

Except for auxiliary enterprise fees, student activity fees, and local bad checks, all fees must be deposited to and remain in the State Treasury (i.e., not transferred to the colleges’ local funds). While student activity fees should be initially deposited to the State Treasury, they may be refunded to local funds and utilized by the college to support student activity programs.

4.3.1.0 Community Education/Public Service Fees (SB)

Fees shall be established for Community Education and Community Service offerings appropriated in the Education and General Program such that revenues generated in the aggregate shall be equal to or greater than the direct cost of such offerings plus thirty percent for administrative overhead support. See section 4.3.1.7.b for a definition of direct costs.

4.3.1.1 Fees Paid to a Third Party (SB)

Costs of educational programs shall generally be borne by the general and non-general fund appropriations of the General Assembly. Only the specific exceptions to this general principle provided herein shall be authorized.

a. Physical Education Facilities and Personal Equipment Rental Fees

College presidents may require students to pay facilities use and equipment rental fees for physical education instruction held in specialized facilities and/or requiring special personal equipment. Examples of such fees are bowling lane fees and shoe rental for a bowling class held at a local bowling alley.

b. Field Trip Expenses

College presidents may require students to pay transportation, admissions, and other similar charges associated with field trips that are included in the syllabus of a course.
c. Applied Music Private Lesson Fees

College president may require students to pay the cost of private music instruction included in applied music programs.

d. Other Fees Paid to a Third Party

Contractual arrangements with third parties to provide instruction or services requiring students to pay a fee beyond regular tuition charges not specifically authorized in Sections 4.3.1.1 a., b., and c., above, require the prior approval of the State Board.

e. General

(1) Fees authorized by this section shall either be paid by the students directly to the provider of the facility, equipment, or service or to the college for reimbursement of payments to the third party provider. The fees must be no more than the normal fees charged the general public for the same services.

(2) The nature of each fee authorized by this section shall be described in course schedules.

(3) All fees authorized by this section shall be reported to the VCCS System Office annually.

4.3.1.2 Standardized Placement Test Fees (SB)

College presidents may require students to pay the processing charge levied by outside testing agencies for the administration of standardized placement tests. A standardized placement test is an examination used to test a student's academic ability or progress in a certain field (prior to enrolling in a course) so that the student may either be placed in or allowed to take the appropriate course(s). Colleges should deposit such fees for administration of standardized placement tests as revenue in a state educational and general revenue account. Payments to outside testing agencies should be processed as refunds against the same revenue account.

Colleges do not have the authority to charge fees for college costs to administer standardized placement tests that are bought from external testing entities and administered by the college.

Colleges are not authorized to charge testing fees (administered by the college or a third party) for assessment, program review, or certification when such testing is required for successful completion of a credit course.
4.3.1.3 **Miscellaneous Education and General Program Fees** (SB)

College presidents may establish fees and fines as a means of improving efficiency, effectiveness, economy of operation, and encouraging compliance with rules and regulations. For example, a transcript fee may be established to discourage excessive student requests for transcripts or a late registration fee may be charged to encourage compliance with certain registration deadlines. Policies concerning these fees and fines shall be printed in appropriate college publications. All fees collected under these provisions shall be retained by the college generating the revenue.

Revenues generated from the use of college owned facilities for instructional and community service-based activities that make higher education more accessible to and benefit the constituency of the college service area and the Commonwealth of Virginia, in general, may be retained by the college generating the revenue. Revenues will be from sources such as, casual rental of college owned facilities to community groups and organizations for the use of general classrooms, Commonwealth classrooms, meeting rooms or auditoriums, long-term rental agreements for Teletechnet programs, business and industry partnerships for economic development initiatives and incubator programs.

Revenues generated from activities that are not instructional or community service-based, such as the lease of college owned property and/or land for the housing of microwave towers and the lease of office space or general facility use to outside entities, may be retained by the college generating the revenue provided that these activities are approved in writing by the VCCS Chancellor.

4.3.1.4 **Student Activity Fees** (SB)

a. Co-curricular and extra-curricular student activities are viewed as a valid part of the community college educational experience. Such activities are intended to provide an environment in which students may experience democratic decision-making through participating in college and civic governance processes; participate in social, recreational, and leisure time activities; become involved in community and campus political and social activities; and pursue cultural, educational, and vocational interests. Student activity fees may be established by the college boards to help fund such activities, subject to approval of the State Board for Community Colleges in accordance with Section 4.3.0 of the VCCS Policy Manual. Fees are to be collected and administered in accordance with regulations pertaining to the administration of local community college funds.
b. Student activity fees may not be used for site construction, repair, or maintenance unless approved by the College Board and the State Board for Community Colleges.

4.3.1.5 Parking and Other Auxiliary Service Fees (SB)

a. Reasonable fees may be established by college boards for the support of selected auxiliary enterprises associated with the mission of the college. Such charges may include parking permit fees and fines, tennis court fees, etc. The collection and retention of such fees in local fund accounts shall be contingent upon the existence of a clearly defined auxiliary enterprise subject to the provisions of Section 4.2.2 of the VCCS Policy Manual. Establishment of parking fees and subsequent increases must be approved by the State Board for Community Colleges in accordance with Section 4.3.0 of the VCCS Policy Manual.

b. A clearly defined auxiliary enterprise has a separate set of accounts to which fees and revenues are deposited and to which all expenses (direct and indirect) are charged. Fees for individual auxiliary enterprises shall be directly related, although not necessarily equal, to the cost of the service. Auxiliary enterprises of the college are required, in the aggregate, to be self-supporting.

c. It is a general policy of the Commonwealth that parking is to be operated as an auxiliary enterprise; therefore, State funds shall not be used to construct, maintain or operate parking lots. Colleges shall establish a capital outlay plan for parking and a reserve fund from auxiliary enterprise revenues and/or contributions from local government jurisdictions to provide for the construction, repair, and maintenance of college parking facilities approved by the College Board, which shall be submitted to the Chancellor by July 1 of each new biennium.

d. Auxiliary enterprise funds may be used for site improvements other than for construction, repair, and maintenance of parking facilities when approved by specific action of the College Board for projects with a total project budget of up to $25,000, and additionally, approved by the State Board for Community Colleges when the project budget exceeds $25,000.

4.3.1.6 Video Bridge “Association Fee” (SB)

The Virginia Community College System has Video Bridges that connect three or more video classrooms so participants can see and hear each other. VCCS colleges may schedule video sessions with each other, high schools, universities or other organizations. Some organizations, like high schools and universities, desire to schedule the use of the Video Bridges without the VCCS colleges being involved.
A Video Bridge “Association Fee” of $7,500 per year may be assessed non-VCCS organizations that wish to independently schedule the Video Bridges. The annual fee permits an organization to schedule events without a guarantee of times and dates. VCCS colleges are automatically included in the “association”, however, other organizations within Virginia may voluntarily join the “association” by paying the annual fee.

Proceeds of the fee will be used to defray technology expenses for equipment and services like maintenance, technical support, etc.

4.3.1.7 Noncredit Workforce Training Programs

a. Sufficient revenue must be generated from fees, gifts, grants, donations or state funds dedicated solely for noncredit workforce training programs to support all of the programs’ direct costs. Such revenues and costs shall be measured in the aggregate for each fiscal year. Colleges may determine how revenues generated by these programs in excess of direct costs are used including, but not limited to, reinvesting in workforce programs or being used to offset indirect costs.

b. Direct costs are expenses attributable to a specific class, service, or series which would not be present if the class, service, or series did not exist. Examples of direct costs include:

- Instruction:
  - Instructor/Facilitator compensation and benefits
  - Third-party vendor fees
  - Curriculum development expenses
- Marketing:
  - Advertising expenses when directly associated with a specific class, service, or series of classes
  - Market studies directly associated with a specific class or series of classes
- Materials/Incidentals:
  - Handouts, books, and other costs to provide the learners with learning materials
  - Instructional consumables such as food for a culinary class or wires and cables for an electrical class
  - Space rental for non-college owned facilities such as a conference center
  - Hospitality expenses such as food and drink
  - Give-aways such as name badges, pads, and pencils
c. Indirect costs are expenses not directly attributable to a specific class, service, or series and which would be present even if a specific class, service, or series did not exist. Examples of indirect costs include:

- Staffing (salary and benefits) for individuals not directly instructing/facilitating learning
  - Administrative/Managerial such as dean and vice-president
  - Coordination staff such as program developers and managers
  - Clerical staff such as customer service, registration, record maintenance, and support staff
  - Professional development
- Marketing
  - General marketing not directly attributable to a specific class, service, or series
- Physical Plant
  - Office space
  - Instructional space owned by the college or the division/department and regularly used for programming and perhaps other functions
  - Common areas such as lobbies, waiting areas, convenience centers like kitchens or vending areas, restrooms, conference rooms
  - Maintenance and upkeep of spaces
  - Utilities
  - Office equipment
  - Instructional equipment (including software and license fees) not specific to a particular class, service, or series

4.3.2 **Tuition Refunds**

Students are eligible for a refund for those credit hours dropped during the add/drop period. After the add/drop period has passed, there shall be no refunds, except as provided in subsection 4.3.2.3. and 4.3.2.4

4.3.2.0 **Tuition Refund Eligibility**

To be eligible for refund under any of the circumstances set forth in the foregoing paragraph, a student must either execute an official drop form at the college or drop classes on the internet using the VCCS Student Information System (SIS) by refund dates published by academic term. Official resignation for a student shall become effective on the date that written notification of intent to resign is received by the Office of Admissions and Records or the date the student drops the course(s) on the internet using the VCCS SIS.
All services shall be withheld from a student who owes money to the college for any reason or who has books or materials outstanding from the college.

4.3.2.1 Tuition Refund Procedures (SG and SB)

Revenue refunds are generally generated automatically from the Student Information System (SIS) from which a general State warrant shall be issued. The revenue refund is prepared payable to the student at the student’s last known address as payee.

Exception: at the discretion of the chief business officer, a total refund of tuition may be made from petty cash in cases where courses are cancelled by the college and the student has no election in the action. This procedure should be exercised only under extraordinary circumstances.

For refunds generated automatically from the SIS, colleges should maintain the appropriate detail documentation that reconciles to and supports the revenue refunds. The documentation should include the listing of students receiving the refunds from the SIS, daily accounting system activity reports, and the Commonwealth Accounting and Reporting System (CARS) daily transmittals.

4.3.2.2 Exceptional Cases Caused By VCCS or College (C)

The college is authorized to issue a tuition refund based on the following: (1) Administrative error of the VCCS, extreme financial hardship, or, in some extraordinary circumstances, a major medical emergency; (2) A national emergency or mobilization declared by the President of the United States and in accordance with Section 23-9.6.2 of the Code of Virginia. In the latter case, there will be a full refund. If a tuition refund is required as a result of actions of the VCCS or the college, the student may be granted a tuition refund notwithstanding earlier provisions of the section. In addition, if a tuition refund is required due to a highly unusual emergency or extenuating circumstance, any such refund must be approved in writing by the president or his/her designee.

4.3.2.3 Policy on Refunds, Credits, and Reinstatement as a Result of Military Service

Pursuant to 23-9.6:2 of the Code of Virginia, and corresponding SCHEV Guidelines, each community college shall have a policy statement providing for the tuition relief, refund, and reinstatement of students whose service in the uniformed services has required their sudden withdrawal or prolonged absence from their enrollment. Service in the uniformed services is defined as service (whether voluntary or involuntary) on active duty in the
Armed Forces, including such service by a member of the National Guard or Reserve, for a period of more than 30 days under call or order to active duty of more than 30 days. Each community college shall provide for the following:

a. **Tuition and Required Fees**

   Should a student be ordered to active duty (for reservists) or be mobilized (active military) as described in the Code of Virginia, Section 23-9.6:2 and the State Council’s Virginia Tuition Relief, Refund, and Reinstatement Guidelines, and he/she requests to be withdrawn from the college after the census date, the student may elect either to be deleted from the registration file and be awarded a full refund or to be administratively withdrawn with no refund and assigned a grade of "W".

   Each community college shall also have a policy statement regarding the granting of refunds of Miscellaneous Education, General Program, Auxiliary Services and Student Activity fees to students.

   The college shall provide, at the option of the student, for such refunds to be retained and to be applicable to tuition and fees charged in the semester or term in which the student returns to study.

b. **Deposits**

   Each community college shall have a policy statement regarding the granting of refunds of deposits to students.

c. **Textbooks**

   Each community college shall process refunds for textbooks according to contractual arrangement with local vendors.

d. **Academic Credits and Grades**

   Students who are called to active duty or are mobilized, meaning serving in the uniformed services, as described in Virginia Tuition Relief, Refund, and Reinstatement Guidelines should have the opportunity to receive an incomplete grade ("I") until released from active duty (for reservists) or mobilization (for active military personnel). All course requirements shall be completed within one year from the date of release from active duty or mobilization.

   Students may be given the option of taking their examinations prior to regularly scheduled times as an exception to VCCS policy 5.6.1 in accordance with the Virginia Tuition Relief, Refund, and Reinstatement Guidelines.
Careful consideration should be given and special options are advised for students who receive student financial aid or Veterans Administration benefits.

e. Reinstatement

Students who are called to active duty or are mobilized shall be assured a reasonable opportunity to be reinstated in the same programs of study without having to re-apply for admission if they return to the same community college after a cumulative absence of not more than five years so long as the student provides notice of intent to return to the institution not later than three years after the completion of the period of service.

f. Dissemination of Information

Community college officials should make every effort to ensure that the aforementioned VCCS policies relative to tuition relief, refund, academic credit and reinstatement are well disseminated and carefully explained in accordance with the requirements of the Code of Virginia, Section 23-9.6:2, and the Virginia Tuition Relief, Refund, and Reinstatement Guidelines in the appropriate college publications. Moreover, the college shall designate an administrative unit to ensure that these policies are properly disseminated and administered.

4.3.2.4 Tuition Refund Policy for Certain Federal Student Financial Aid Recipients

The Higher Education Amendments of 1992 (Public Law 102-325) require all institutions participating in federal Title IV financial aid programs to have fair and equitable refund policies for all students receiving Title IV funds. An institution's refund policy is considered to be fair and equitable if the policy provides for a refund of at least the larger of the amount provided under:

a. The requirements of the applicable state law.

b. The specific refund standards established by the institution's nationally recognized accrediting agency, if those standards are approved by the U. S. Secretary of Education.

c. The pro-rata refund calculation for any student attending the institution for the first time who withdraws completely during the first 60 percent of the period of enrollment, or drops out without notice to the institution. In the latter case, the refund date is the last day of attendance documented in the institution's records.
d. If the pro-rata refund calculation does not apply, and if there is no refund policy mandated by applicable state law, or accrediting agency standard, then the larger of the following will apply:


2. The institution's refund policy.

As of the date of implementation of this policy, the Commonwealth of Virginia does not have an applicable refund law, and the Southern Association of Colleges and Schools does not have an applicable refund standard. The Virginia Community College System will adhere to the policies as provided in guidance memoranda from the System Office.

4.3.3 Student Payment of Tuition and Fees (SB)

A student’s tuition and fees must be paid, charged to a third party sponsor, or covered under a signed tuition payment plan agreement prior to the end of the add/drop date. Should a student fail to pay or charge to a third party sponsor all tuition and fees prior to the end of the add/drop date, that student must be dropped from his or her class(es). Limited exceptions, approved by the President, may be allowed with appropriate documented justification. Colleges have the option to allow students to pay for enrolled courses throughout the enrolled term by utilizing a formal tuition payment plan. However, the complete amount owed must be satisfied no later than a date determined by the college and, in no case, later than the term end date. Such payment plans must be made available to all students if adopted, and published in the college’s schedule of classes.

4.3.4 Suspension of Students for Non-payment of Tuition and Fees, College Loans, College Fines, or Other Debts Owed the College (SB)

a. A student’s continued attendance at the college is dependent upon proper settlement of all debts owed the institution. Should the student fail to satisfy all due and payable amounts for tuition and fees, college loans, college fines, or other debts owed the college, the student may be suspended. No student shall be allowed to register in any succeeding semester until all current debts owed to the college have been satisfied. An exception to this policy will be granted when a debt owing student registers under a third party contract arrangement. If the third party is responsible for the tuition payment under the contract, the named students on the contract may register even if individual debts to the college are outstanding.

b. Students who owe $500 or more to any individual college in the VCCS will not be allowed to register at another college in the VCCS until their debt is satisfied. A cross college financial hold must be placed by the college on a student’s account in the Student Information System when the student’s past due debt is equal to or greater than $500. The hold
will automatically block registration at another college in the VCCS until the debt is satisfied by the student and the hold is cleared by the hold-setting college. An exception to this policy will be granted when a debt owing student registers under a third party contract arrangement. If the third party is responsible for the tuition payment under the contract, the named students on the contract may register even if individual debts to any college in the VCCS are outstanding.

4.4 Library - Fiscal Procedures

4.4.0 Library Fines (C)

Each college may charge fines for overdue books and materials consistent with the policy contained in Section 4.3.1. If a college chooses to charge library fines, it shall develop a policy relating the amount of charges and conditions under which fines shall be charged and shall publish this policy in the college catalog. A college charging library fines shall be audited on the basis of its published policy upon generally accepted procedures for handling State funds.

4.4.1 Disposal of Surplus Library Books and Periodicals (SG and SB)

In the case of library books and periodicals that are surplus to the needs of an institution, since this type of item is quite difficult to sell or transfer through our normal surplus procedures, disposition should be made to the best interest of the Commonwealth in one of the following approved ways:

a. Exchange with other State-supported institutions;

b. Exchange with other non-supported State institutions;

c. Dispose of through the "Duplicate Exchange League;"

d. Dispose of through the "U.S. Book Exchange" in Washington, D.C.;

e. Sell locally intact or as wastepaper, depositing any monies to the State Treasurer, giving credit to the institution's surplus property code. This would require reporting dollar amount received and certificate of deposit number to the System Office Purchasing Division;

f. Donate, only after the above methods have been explored and with written authority from the System Office Purchasing Division, since the Code of Virginia requires donations to be reported by us to the Auditor of Public Accounts; or

g. Dispose of all other library items through the normal surplus property procedure as set forth in the Code of Virginia.

4.5 Acceptance of Gifts, Grants, and Contracts (SB)

Gifts, grants, and contracts are important revenue sources, and the solicitation and acceptance of them is encouraged insofar as they enhance the accomplishment of the mission of the system and its colleges.
4.5.0 **Definitions**

Gifts, grants, and contracts include amounts accepted from governmental agencies, individuals and non-governmental organizations, including college foundations. They may be in the form of cash; provision of gifts of services, generally referred to as in-kind gifts; real property; tangible personal property; or intangible property. Accountability to the grantor or donor of use and/or disposition may or may not be required depending upon the terms and conditions of the gift or grant instrument. They are further defined as follows.

Unrestricted gifts, grants, and donations include all resources received for which no stipulation was made by the grantor or donor as to the purpose for which they should be expended or used.

Restricted gifts, grants and contracts include all those resources received for which the grantor or donor has stipulated a specific use or disposition or requires the college to furnish goods and/or services of an instructional or public service nature, this latter type being generally referred to as Sponsored Programs. They are generally conferred by a written grant or gift instrument which constitutes a contract between the grantor and the college. They may be revocable upon certain actions or events, such as disallowed use or discontinuance of use.

4.5.1 **Authority and Responsibilities**

The State Board is authorized to accept and the Chancellor is authorized to receive gifts, grants, and contracts (see Section 2A.IX. A.3.c. of this Manual, §23-230 of the Code of Virginia, and pursuant to §4-02.1a of the Appropriations Act.).

The Chancellor is granted the authority to accept gifts and grants in the name of and for the benefit of the State Board.

The Chancellor is delegated the authority and has the responsibility to establish such policy and procedure deemed necessary to ensure sound fiscal management of the receipt and disposition of gifts, grants, and contracts.

4.5.2 **General Provisions**

The president of each college shall develop and implement guidelines for the acceptance of gifts, grants, and contracts; to include the level and type of gifts, grants and contracts to be pursued and both fiscal and program administrative procedures. The latter shall identify as a minimum, the functions, including the responsible college official, procedures for proposal preparation and review for both program and budget content, conduct of negotiations, preparation and submission of technical and financial reports, and compliance with the terms and conditions of the agreement or other conditions imposed by the grantor through federal and state law.

Such procedures shall use as a guide, *College and University Business Administration*, Chapter 18, Research and Sponsored Programs; and shall be submitted to the Chancellor for approval as developed and as periodically modified.
4.5.3 Gifts Requiring the Approval of Chancellor or State Board

a. Offers of gifts of data processing, word processing and telecommunications products, software, or services must be submitted to the Chancellor for approval.

b. Other than noted in 4.5.3 a. above, gifts of tangible personal property with a value of $25,000 or more, must be approved by the Chancellor prior to acceptance.

c. Gifts of real estate must be approved by the State Board for Community Colleges and the Governor prior to acceptance.

d. Adhering to the basic standards in designing, implementing and monitoring internal controls, which include, but are not limited to: documentation, recording of transactions, execution of transactions, segregation of duties, supervision, access to resources, competent personnel and reasonable assurances;

e. Maintaining current and effective accounting, administrative and program control system;

f. Periodically performing a risk assessment to determine the vulnerability of each assessable unit;

g. Identifying any weaknesses or high risk areas and developing corrective actions; and

h. Assessing its internal control environment annually and providing the Chancellor a statement regarding the status of the college internal control program. Such a statement shall be signed by the president and included with the year-end financial statement.