

### **3-36 Self-Supporting Classes and Programs**

The college supports the offering of self-supporting classes and programs in all areas of instruction (curriculum and continuing education). In accordance with State Board Policy, each student is required to pay a prorated share of the cost of a self-supporting class. Given the uncertain nature of estimating the number of participating students and other related aspects, acquiring excess receipts for a given class is not inconsistent with State Board policies. This policy will address the acceptable direct and indirect costs associated with self-supporting classes and, when a significant fund balance results, how to expend these dollars appropriately.

- I. The following categories of costs related to instruction can be computed in determining the costs of a self-supporting class:

#### **A. Direct Costs**

The following items should be considered direct costs in providing self-supporting instruction:

1. Instructor(s) salary including FICA, travel, course development costs, etc.,
2. Instructional supplies and materials,
3. Rental of building, and other directly assigned costs,
4. Advertising; e.g. printing costs associated with a brochure, postage, mailing, etc.
5. Equipment associated with the instruction for a self-supporting class,
6. Refreshments, and
7. Other costs necessary for and directly assignable to a class or costs that are directly assignable to self-supporting classes (could include administrative/clerical costs if verified as directly assignable).

#### **B. Indirect Costs**

Indirect costs for activities supporting the offering of classes are those costs which ordinarily cannot be directly and exclusively assigned to a self-supporting class or self-supporting program. If indirect costs can be directly and exclusively assigned to a self-supporting class or self-

supporting program, the costs can be considered direct costs. Examples of indirect costs include:

1. Utilities, custodial, and security,
2. Coordinator/Administration, and
3. Clerical salary and fringes.

**C. Mark-up**

The mark-up for self-supporting classes or programs cannot exceed 10% of the direct and indirect costs combined.

- II. When receipts (including all categories; curriculum and continuing education) exceed expenditures for the fiscal year and a surplus exists the following provisions apply:
- A. The surplus revenue will be expended for student financial aid/ scholarships and/or program improvement. Expenditures should be of direct benefit to students. Examples of how the surplus can be used include the following:
    1. Equipment
    2. Instructional supplies, including software, textbooks, uniforms
    3. Scholarships and/or tuition reductions
    4. Emergency loan fund for students
    5. To support instructional programs that could not be offered without additional funding.
  - B. Funds in excess of the above direct and indirect expense will not be used for:
    1. Supplemental salaries of any personnel
    2. Administrative support of the college other than noted above of direct benefit to students
    3. College entertainment expense (Educational activities for non-college or college personnel to enhance student success will not be considered entertainment. Activities whose primary purpose is fund raising will be considered entertainment).