

**COST RECOVERY AND FEE GUIDELINES  
COLORADO STATE UNIVERSITY  
EXTENSION**

Colorado State University Extension operates in the public domain and receives funding from public and private sources for its educational programs and projects. The public funds include annual appropriations from the federal, state, and county governments. Private dollars include grants, contracts, and gifts from individuals, organizations and foundations. Although program fees have historically been a limited source of operating revenue for Extension, the fiscal reality highlights a need for additional funding that exceeds the availability of appropriated dollars.

Under United States Department of Agriculture (USDA) legal rulings and administrative guidelines:

- Extension may not charge user fees to offset the salaries of Extension faculty and staff that are funded at least in part with county, state or federal general purpose revenues. In compliance with this federal policy, state and county cost recovery efforts may not extend to the salaries of these personnel.
- User fees may not be substituted for state or county-appropriated funds.
- Fees can cover only the cost incurred, and that clients be informed what the fee includes.

B. Aside from the exceptions cited below in sections C. and D., USDA policy further denies charging user fees for "basic educational services" which are defined as:

- Identifying county and statewide issues and developing related educational programs conducted by agents, specialists, and trained volunteers.
- Providing access to the knowledge and research base of the University through the applied research and instructional offerings of university-based specialists.
- Providing instruction, conducting applied research and evaluating programs following plans of work.

C. Per USDA guidelines, educational activities and service for which fees may be charged to partly or wholly recover costs include the following:

- Services that enhance the basic educational program, like video conference production and transmission expenses, publications and other materials, computer analysis, computer software, and the overhead costs associated with these types of enhanced services.
- Conference-related activities that contribute to agent and specialist teaching, such as expenses for outside instructors, materials, specialized electronic equipment, audiovisual equipment, and rental costs for meeting rooms.
- Services provided for Extension-related organizations. Such services include printing and distributing newsletters, rental costs for meeting rooms and providing expendable supplies. The financial contribution of these organizations is accounted for as an offset to overall county extension office budgets. Examples: commodity groups, green industry, and family community leadership.

D. Non-educational costs, such as meals and refreshments, are always subject to full cost

recovery.

## **GUIDING PRINCIPLES**

The following guiding principles are fundamental values that should guide CSUE as it generates revenue:

1. **Mission drives program:** All activities for which fees are charged must be consistent with the mission and current program direction of CSUE Extension. The opportunity or need to collect fees shall not be a determinant in setting program priorities.
2. **Appropriate uses:** Revenue generated from program fees shall be used for expenses related to the enhancement of Extension programs.
3. **Responsibility of all faculty and staff:** Revenue source identification and acquisition to support priority programs and services is the responsibility of all CSUE employees. Accuracy and completeness of determining the costs is the responsibility of all faculty and staff.
4. **Accessibility:** The cost recovery program should be consistently applied to most programs with primary emphasis placed on identification of the actual cost of each program and the recovery of non-salary costs if possible. It would be inappropriate for one audience to receive educational services at a reduced or minimal rate while others pay, at the minimum, consumable costs. Due to the public nature of Extension, educational programs and services must be open to all regardless of individual ability to pay. An equal opportunity statement needs to be included whenever a cost-recovery fee is charged. [Sample statement: NO ONE SHALL BE DENIED THE OPPORTUNITY TO PARTICIPATE OR RECEIVE INFORMATION BASED ON THE ABILITY TO PAY.] Programs that target low income individuals as the audience or that are fully covered by grant funds may forego charging fees.

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## **COORDINATION AND ADMINISTRATION OF THE FEE POLICY**

- A. It is the responsibility of the faculty/staff member coordinating the program or service to insure that the guidelines outlined in this paper and appropriate county or university policy are followed when fees are charged.
- B. Fees must be collected, deposited and expended under the appropriate county, university/state and federal regulations and guidelines.
- C. Fees should be deposited with the county office or university department that incurred the associated costs. Joint decision-making is required of programs that are coordinated through multi-county/regional efforts, as to proper reimbursement for expenses and the handling of generated fees. When multiple units have contributed to the effort, one unit may collect the fees and transfer them as appropriate.
- D. When similar programs, materials or services are offered at different locations, a consistent approach will be used to set fee levels. Differences in local costs for meals, materials, etc., may cause fees to vary. The local office or university department may

choose to not recover all of the allowable costs associated with a program.

- E. The regional director is to be kept informed of all major cost recovery or fee generating activities.

**COST ANALYSIS**

Fees are based on actual costs. Faculty and staff should complete a program budget that includes an analysis of basic expenses, and a means for cost recovery of those expenses. These actual costs are taken into consideration at the time of program planning. These costs include curriculum materials, postage, marketing, facility rental, equipment, name tags, refreshments, chart pads, markers, photocopying, and printing.

Examples of items to consider for fees, noting increasing limitations:

Category	Related items which may have a cost to be recovered
Refreshments	Food, plates, napkins, utensils, coffee, cups, tablecloths, non-alcoholic beverages
Meals	Groceries, purchased meals, trays, tip, delivery, transportation
Publications	Wholesale/retail cost, ordering, shipping, postage, billing costs, receipts
Handouts	Original printed documents, printing, duplicating, staples, folders, binders
Meeting Management	Notices, postage, marketing, news releases, signage, name tags, pens/pencils, markers, display boards, chalk, boards, clipboards, pads
Direct Service	Tools for service to be completed (travel, canner, microscope, reference manuals, mailing cartons, postage, etc.)
Volunteers (includes master training)	Program design, job descriptions, recruitment, orientation, selection, training, supervision, monitoring, recognition, tools, evaluation, networking, planning group, middle management, see other categories
4-H Programs	Publications, flag sets, gavel, banners, certificates, newsletters, postage, posters, curricular materials, recognition items, ribbons, mailings, introductory materials, officers books, exhibit expenses, premium receipts, tags transportation, consumable expenses for training.
A-V/Technology Equipment	Rental/purchase: FAX, duplicators, copiers, overhead, slide projector, camera, film, developing, video cassettes, video player, audio cassettes, tape player, computer, CD/Rom, printers, software programs, projector screens, telephones, communication devices, phone lines, modems, connectivity charges
Curriculum Development Lesson Plan	Research tools, books, software, computer searches, note cards, research travel, videos, specimens, applied research, telephone interviews, site visits, paper drafts, statistical consulting, overheads, slide sets, evaluation, statistical analysis
Events/Activities	Rental, insurance, catering, signage, consumables, meals, etc.
Beyond "basic educational program"	Travel, hotel, meals, consumable supplies (see publications, handouts, direct service, a/v), etc.
Facilities	Location, square footage, cost per foot, utilities, parking
Support Staff	Salaries, percentage of time, fringe benefits, equipment, training
Personnel Directly Involved	Salaries for professional, adjunct, paraprofessional, support staff, consulting, training, computer support, speakers, percentage of time, fringe benefits, travel <u>(not agents or specialists salary)</u> .
Administrative Support	Supervisor, facilities, marketing, public information, resource development, grants and contracts, computer support systems,

←←← More Limitations... ALLOWABLE COST RECOVERY... Less Limitations →→→

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		library/research facilities, university offices, personnel/fiscal support services, etc.
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## REASONABLE ACTIVITIES FOR COST RECOVERY

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There are a variety of programs, services, and educational materials, consistent with the mission and current program direction of CE, which are appropriate for cost recovery or fee for service.

- **Donations** or outright monetary gifts to CSU may be encouraged in lieu of reimbursement for programs that may appear to be compensating salary (such as honorariums or consulting). Donations and agreements have fewer restrictions on use and have the potential for maximizing CE program support.
- Participation, registration, or conference fees for programs are appropriate when they reflect actual costs incurred for enhancement of the basic educational program. These fees may include publications, printed materials, technology enhancements, outside instructors, specialized equipment, equipment, room rental, etc. The fees collected for activities, events, or conferences should reflect actual costs, and participants should be informed about what is included in the registration or participant fee.
- **Newsletters/Short Courses** should have a fee structure and subscription mechanism that includes all out-of-pocket expenses including marketing, layout, letterhead, duplication, mailing services, postage, and introductory copies. Development costs, length of startup, complimentary copies, and other management details need to be carefully considered prior to establishing a subscription fee. Alternative funding sources may be sought to underwrite a portion of all of the costs. (Reminder--we cannot endorse a business or product.)
- **Shows and fairs**, although very labor intensive, provide numerous opportunities for small registration fees, individual services, and easily identifiable expenses. Agency, home, flower, and educational shows or fairs are unique opportunities for coordinated professional planning for mass education efforts. There is great potential for volunteer involvement in the marketing of CE, as well as good potential for publication sales.
- **Specialized services** may range from testing pressure canners or site visits or entertaining speeches, but the over-riding determinate of this activity is that it usually benefits one or two individuals, groups, or businesses rather than a larger number of the public. These services may have a reasonable fee attached to them that helps compensate for the purchase of specialized assessment or research tools, travel, or technology devices necessary for the service. In some cases, volunteers may also be trained to execute these specialized services and a fee may continue to be charged.
- **Grants and Contracts** are written agreements between one or more funders that stipulate specific professional educational activities or programs. These formal documents are usually for professional services of Extension staff, and usually include complex agreements about services that require dedicated effort over time. Agreements of this nature are required to be administered through the CSU Sponsored Programs Office. Because grants and contracts are usually for a specific purpose, not necessarily related to the plan of work process, it is possible to include salary costs in the projected cost analysis. All other expenses accrued by CE should also be considered in the preparation

of this document, including the recovery of direct and indirect costs. Determination needs to be made of costs that are to be recovered and those that are “in-kind” (not reimbursed, but utilizing CE resources). Administrative consultation and approval is necessary for this work.

- **Honorarium and Consultation Fees** in the form of a donation to CSUE is a viable alternative. (See Donations).

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**APPENDIX A** ¶

**Program/Event Budget** ¶

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APPENDIX A<sup>[b1]</sup>  
**Program/Event Budget**

<b>Program / Event Budget</b>		
	<b>Actual Budget</b>	<b>Program Costs to Clients</b>
Direct Costs		
Development Costs		
Staff Time Costs		
System Costs @ 26%		
<b>TOTAL</b>		
Number of clients participating		
Cost per clients		

<b>Direct Costs</b>		
<b>Items</b>	<b>Actual Budget</b>	<b>Program Costs to Clients</b>
Publication and other handout materials		
Teaching supplies and equipment		
Facilities	Facilities rental	
	Refreshments	
	Meals	
Instructor's travel	Mileage	
	Lodging	
	Per Diem	
Honorariums/salaries for non-CE presenters		
Marketing / Advertisement (including printing and postage)		
Other out-of-pocket expenses		
<b>TOTAL DIRECT COSTS</b>		

<b>Staff Time Costs – Program Delivery</b>			
	<b>Total Hours</b>	<b>Actual Budget</b>	<b>Program Costs to Clients</b>
Specialists @			
Agents @			
Program Assistants @			
Support Staff @			
<b>TOTAL – Staff Time Costs</b>			

<b>Program Development Costs</b>			
<b>Items</b>		<b>Actual Budget</b>	<b>Program Costs to Clients</b>
Publications, print materials and AV	Teaching outline		
	AV materials		
	Student materials		
	Marketing materials		
	Other teaching materials		
Other teaching supplies and equipment			
Staff support for program development	Refreshments		
	Meals		
	Mileage		
	Lodging		
	Other		
Other out-of-pocket expenses for program development			
Non-CE staff time			
Staff Time Costs	Specialists @		
	Agents @		
	Program Assistant @		

	Support Staff @		
<b>TOTAL</b>			