

**Guidelines
for Entrepreneurial Programs Tuition Agreements
(EPT Agreements)**

General Guidelines

1. EPT Agreements are intended primarily for credit instruction activities and can include on-campus and off-campus programs. (Appendix A addresses non-credit programs.) Courses held in facilities owned or leased for the Monroe Park Campus, MCV Campus, VCU School of Medicine – Northern Virginia Division (INOVA), Rice Environmental Life Sciences Center, and Qatar Campus are classified as on-campus. All other course locations are classified as off-campus.
2. EPT Agreements are intended to expand, not supplant, current activity levels. They should be limited to new programs or significant enrollment increases beyond current projections. Schools participating in EPT Agreements are required to meet minimum enrollment levels and/or tuition revenue targets. Specific enrollment/revenue targets will be established for departments or schools with an EPT Agreement.

Process and Approvals

1. Schools interested in establishing an EPT Agreement should discuss the preliminary proposal with the appropriate Vice President to get an initial concurrence.
2. The Vice President's Office will forward the preliminary proposal to Finance and Administration staff, who will work with the Vice President's fiscal staff and the School, to develop a draft Agreement in the form of a decision brief.
3. The School must contact the Vice Provost for Academic Affairs to determine if any program approvals are required. This assessment is critical in determination of the EPT Agreement date.
4. The President is to approve EPT Agreements based upon the recommendation of the two academic Vice Presidents and the Senior Vice President for Finance and Administration (for compliance with state requirements and EPT Agreement guidelines).
5. EPT Agreements are to be developed during the University's budget development process.
6. EPT Agreements will be approved and reviewed on a 3-year cycle. In the third year, the EPT Agreement will be evaluated as part of the University's budget development process and recommended for continuation for an additional 3-year cycle, elimination, or permanent incorporation into the base budget.
7. Existing special tuition arrangements will be evaluated to determine if they are subject to EPT Agreement guidelines. If so, a timeline to bring the agreements into compliance will be developed.

Tuition Rates

1. Tuition rates must comply with all state (e.g., out-of-state students are to pay 100% of direct and related indirect costs) and University requirements.
2. A school may charge either standard tuition rates or develop a unique rate for the program. If a unique rate is set, the school will be required to return an amount for mandatory university fees charged to all students (e.g., University Fee, technology fee, etc.).
3. All unique tuition rates are to be submitted in time for Board of Visitors' annual approval in April of each year. In the event that an opportunity to develop and implement an EPT Agreement occurs after the April Board meeting, the Board has authorized the President to approve tuition and fee charges as appropriate. The President may delegate this authority in writing to the dean. Rates established by the dean through Presidential delegation must be reviewed and recommended by the dean's respective Vice President and the Senior Vice President for Finance and Administration.

Financial and Administrative Requirements

1. EPT Agreement revenues must be deposited and managed in E&G accounts.
2. EPT Agreements will be budgeted on a permanent and/or current basis as appropriate (e.g., one-time vs. on-going program).
3. EPT Agreements will be reflected in the University's budget and may be subject to budget reductions, such as a return of base funds and/or an allocation of tuition revenues generated from rate increases.
4. Schools should identify any EPT Agreement courses/programs in advance of the student registration and billing process in order for revenues associated with the program to be separately recorded in the University's accounting and student systems.
5. EPT Agreements will receive the net tuition revenues associated with the program. Tuition revenues may be adjusted for uncollectable tuition as well as student waivers (from both mandatory state programs and University scholarship programs), as appropriate.
6. Schools are responsible for all direct program costs, including any off-site facilities costs. Programs with unique academic or administrative requirements (e.g., library, technology, security, etc.) will be required to directly fund those costs.
7. In general, central administrative costs associated with EPT Agreements will be funded from University resources. For off-campus EPT Agreements, the Off-Campus Programs Office (OCPO) will provide a minimal level of support to the schools related to these programs, such as negotiation of tuition rates with third parties, special arrangement contracts, and registration of off-campus students. Additional administrative, development, and delivery support will be available, although schools will be charged for these services. Schools will be required to identify a contact to work with the OCPO.

8. Schools will be required to return to the University 30% of the out-of-state tuition differential in accordance with the nonresident enrollment initiative for new or expanded programs. The amount will be based on the standard undergraduate and graduate tuition rates. The 30% return is required even if resident and nonresident students pay the same rate. Also, all nonresident student enrollment growth attributable to the EPT Agreement will be excluded from the School's nonresident enrollments for the purpose of determining budget allocations made through the University's nonresident enrollment initiative.
9. Schools are eligible to retain any surplus funds at year-end. Conversely, any deficits are to be funded by the appropriate Dean. EPT Agreements are subject to state carryover rules and as such there is no guarantee that unspent revenues will be carried forward from one fiscal year to another. University Administration is committed to working with the schools to protect year-end balances.
10. University-funded scholarships, including employee tuition waivers, for students in EPT Agreement Programs are limited to the amount of general University tuition and fees.
11. The Office of Budget and Resource Analysis will be responsible for monitoring enrollment levels and tuition revenue for purposes of determining E&G budget adjustments permitted under the EPT Agreement.
 - a. Each fall, the School will provide an estimate for both the current fiscal year as well as the upcoming fiscal year. The School is responsible for updating these projections as changes are identified or as requested by the Office of Budget and Resource Analysis.
 - b. Budget adjustments will be prepared following Fall Census I and then again following Spring Census I in each year that the EPT Agreement is in effect. A final allocation adjustment will be made prior to year-end based on actual revenues attributable to the EPT program.

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Non-Credit Instruction

1. In general, non-credit continuing education activity is to be deposited and managed in E&G accounts. There are exceptions for certain non-credit, continuing education programs run through the VCU Foundation.
2. While state funding policies assume that non-credit programs pay 100% of the program's direct costs plus 30% of indirect costs, the Commonwealth is not following this policy in the current economic times. Schools are not required to return any indirect costs to the central University pool. However, this practice is subject to change based on any changes to state law or a return to state funding policies.
3. Each school may set rates for its non-credit programs. The rates should be set at a level to cover all direct program costs as well as school-based indirect costs. Schools are required to pay any unique academic or administrative costs associated with their programs.
4. Schools are eligible to retain any surplus funds at year-end. Conversely, any deficits are to be funded by the appropriate Dean. EPT Agreements are subject to state carryover rules and as such there is no guarantee that unspent revenues will be carried forward from one fiscal year to another. University Administration is committed to working with the schools to protect year-end balances.
5. Non-credit activities deposited and managed in E&G accounts are to be approved by the responsible Vice President who may delegate this approval to the deans. Non-credit activities run through the VCU Foundation are to be approved by the President upon the recommendation of the responsible Vice President and the Senior Vice President for Finance and Administration (for compliance with state and University requirements).