

TEXAS STATE TECHNICAL COLLEGE SYSTEM
SYSTEM OPERATING STANDARD

No. FA.1.18	Page 1 of 4	Effective Date: 07/23/04
DIVISION:	Fiscal Affairs	
SUBJECT:	Operation of Auxiliary Fund Activities	
AUTHORITY:	Minute Order #79-04	
PROPOSED BY:	<i>Original Signed by Susan Vonder Hoya</i>	
TITLE:	Chief Financial Officer	Date: 07/26/04
RECOMMENDED BY:	<i>Original Signed by Susan Vonder Hoya</i>	
TITLE:	Chief Financial Officer	Date: 07/26/04
APPROVED BY:	<i>Original Signed by Bill Segura</i>	
TITLE:	Chancellor	Date: 07/26/04

STATUS: Approved by BOR 07/23/04 MO #79-04

HISTORICAL STATUS: Approved by MC 06/21/04
Proposed 04/01/04

POLICY

It is the policy of Texas State Technical College to establish and operate Auxiliary Fund accounts and activities which furnish services to students, faculty, staff, or local college communities for which charges are made that are directly related to, although not necessarily equal to, the cost of the service. The Auxiliary Fund accounts and activities shall be established and operated in accordance with applicable laws and regulations.

PERTINENT INFORMATION

Auxiliary Fund accounts have been established within the college in the following areas:

A. Student Fees

Student fees are charged to students enrolled in semester credit hour courses to help fund some student services or for student use of facilities and property. These fees are usually assessed in proportion to the number of semester credit hours for which a student registers up to a maximum amount allowed by State statute. These student fees are:

1. Student Service Fee – A fee authorized by Section 54.503 of the Texas Education Code, charged for the provision of services that directly involve or benefit students. Services may include recreational activities, health and hospital services, medical services, intramural and intercollegiate athletics, artists and lecture series, cultural entertainment series, debating and oratorical activities, student publications, student government, the student fee advisory committee, student transportation services and other student activities and services specifically authorized and approved by the governing board of the college. Per Section 54.5031 of the Texas Education code, a student fee advisory committee shall be established to advise the governing board of the college and administration on the type, amount, and expenditure of these student service fees.
2. Student Union Fee – A fee authorized by Section 54.515 of the Texas Education Code, charged to defray expenses associated with Student Union Building operations. Per Section 54.515 of the Texas Education Code, these funds shall be placed under the control of and subject to the order of a student advisory committee. This committee shall annually submit to the governing board of the college a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the previous fiscal year and all related expenditures made during that year.
3. Special Use Fee (Building Use Fee) – A fee authorized by Section 55.16 of the Texas Education Code, charged for use of the facilities. This fee is pledged to the payment of the debt service on the revenue bonds of the college. The amount collected from this fee in excess of the annual debt service requirements of the revenue bonds may be used for any lawful purpose of the college.

B. Parking Fees

Parking fees, which are authorized by Section 54.505 of the Texas Education Code, are charged for parking of one's motor vehicle on college property. This fee may only be charged to those individuals who choose to park their motor vehicles on campus. Funds raised from this fee may be used to fund the construction and maintenance of parking lots, maintenance of streets on college property, and the campus security function of enforcement and administration of parking and traffic regulations.

C. Auxiliary Enterprises

Auxiliary enterprises are activities which essentially are self-supporting and provide goods and services to students, faculty, staff, or local college communities. Some of these activities are student and family housing, bookstores, food service, airport operations, and leased facilities. Except for airport operations, the revenue earned from these activities is pledged to the payment of the debt service on the revenue bonds of the college. Revenues earned from these activities in excess of the amounts required to pay the debt service on the revenue bonds may be used for any lawful purpose of the

college. The revenues earned from the airport operations may be used only for the maintenance and operation of the airport based upon Federal Aviation Administration (FAA) requirements and regulations for recipients of FAA awards.

D. Administrative and Other

These are accounts established outside the educational and general fund group for administrative, instructional, and other institutional purposes. The sources of funding for these accounts include investment income; net revenues from auxiliary enterprises activities such as housing, bookstores, and food service; and other miscellaneous receipts such as an installment plan fee.

DELEGATION OF AUTHORITY

The Board of Regents delegates to the Chancellor or his designee the authority to establish procedures to implement this System policy. The TSTC System Chief Financial Officer has primary responsibility for defining operating procedures necessary for the administration of the Auxiliary Fund activities. The chief financial officer of each college has primary responsibility for implementation of the operating procedures and administration of the auxiliary fund activities.

OPERATING REQUIREMENTS

Each college may, after determination that the establishment of an auxiliary fund account is required, request the Comptroller's Office to establish the account. The request will contain, as a minimum, the purpose of the proposed account, the estimated annual revenue, and the source of the revenue. Each auxiliary account will retain its separate identity and be reported separately. After receipt of the account number, a budget change will be submitted by the college to establish the account in the financial accounting system. Each active auxiliary account will be included in the annual operating budget submitted to the Board of Regents for approval.

PERFORMANCE STANDARDS

- A. Auxiliary Fund account balances at year end are at "break even" or better.
- B. Student service fees, student union fees, and parking fees are expended solely for support of the services for which the fees were authorized.
- C. Revenue earned from airport operations is spent only for the maintenance and operation of the airport per the contract the college has with the FAA.
- D. Sufficient pledged revenues are earned to satisfy the rate covenants of relevant revenue bond issues.

COLLEGE OPERATING PROCEDURE

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OFFICE OF RESPONSIBILITY:		
APPROVED BY:		
TITLE:		Date
FORWARDED TO SYSTEM OFFICE ON		