

Minnesota State Colleges and Universities – Office of Internal Auditing
Legislative Audit Report – St. Cloud State University
June 15, 2010

Legislative Audit Finding 7 – Summary of Concerns:

St. Cloud State University collected approximately \$250 million in tuition and fees from students during the period under audit, July 1, 2007 thru December 31, 2009. The Office of the Legislative Auditor identified questions about the appropriateness of some tuition and fees charged to students. These concerns can be classified into three categories:

- 1. Transparency of Student Charges:** Students were not overcharged fees and repayment is not warranted.
 - Bullet 1 - University collected \$3.4 million by charging a facilities assessment fee during the audit period, which the Board had not approved or reviewed annually.
 - Bullet 3 - University inappropriately collected \$557,000, during the audit period, for unapproved room and board rates (early check-in, extended stay, and summer housing).
 - Bullet 8 - University incorrectly assessed health service fee for fiscal year 2008. The rate reviewed by the board was \$4.22; the university charged \$4.29 per credit.

Board Policy Consideration: The Board of Trustees should consider whether Board Policy 5.11 on tuition and fees should be revised to ensure the board is aware of all fees assessed to students, regardless of funding type, when approving tuition and fees.

- 2. Student Tuition and Fees Overcharges:** Students may have been overcharged tuition and fees totaling \$600,000 during audit scope. More work needs to be done to determine student impact. Depending on impact to students, the university may need to seek advice from General Counsel on whether students should be reimbursed.
 - Bullet 2 - University inappropriately collected \$400,000, during audit period, because it charged a higher tuition rate for certain off campus courses, without board approval.
 - Bullet 4 - University overcharged 5,300 students \$200,000, during audit period, for student union fees above the maximum.

Board Policy Considerations:

The Board of Trustees should consider what information it needs when approving non-standard tuition rates. Consider a policy under which conditions student refunds are necessary and appropriate.

- 3. Student Tuition Undercharges:** Nominal undercharges with no impact to students and nominal impact to university.
 - Bullet 5 - University undercharged nonresident students \$75,000. The students were charged resident rates on certain courses rather than reciprocity rates.
 - Bullet 6 - University undercharged some graduate students \$7,800. Students were charged \$289 per credit rather than the approved rate of \$289.85.
 - Bullet 7 - University undercharged new Wisconsin students the incorrect tuition rate.

Management Consideration: Verification of board approved rates are properly recorded in Accounts Receivable Module.

Board Policy 5.11 – Tuition and Fees

Part 1. Authority

Minnesota Statute 136F.06, Powers and Duties, states that the board shall set tuition and fees and adopt suitable policies for the institutions it governs.

Part 2. Tuition

Tuition shall be charged by all colleges and universities. All tuition must be identified separately on a tuition and fee statement.

Subpart A. Board approved tuition

The Board of Trustees shall approve the tuition structure for all colleges and universities. All colleges and universities shall charge tuition consistent with Minnesota statutes, board policies, and system procedures. The chancellor is authorized to make any necessary technical adjustments to the tuition rates.

Subpart B. Market-driven tuition

Colleges and universities may set and charge market-driven tuition for customized training, continuing education, distance learning, non-credit instruction, and contract post-secondary enrollment options programs.

Part 3. Fees

Three categories of fees shall be applied to students by Minnesota State Colleges and Universities.

- a. Mandatory fees are in statute or policy and are required to be charged by all colleges and universities.
- b. Optional fees are established by the board and adopted at campus discretion.
- c. Personal property and service charges include items that are retained by the student or services that are on the student's behalf.

No fee shall be charged unless authorized by the board. All fees must be identified separately on a tuition and fee statement.

Subpart A. Mandatory fees

There are five mandatory fees: senior citizen fee in lieu of tuition, parking fee, late fee, payment plan fee and statewide student association fee. All colleges and universities shall charge these fees consistent with Minnesota statutes, board policies, and system procedures ([see related documents below](#)). The chancellor is authorized to make any necessary technical adjustments to the fee rates.

Subpart B. Optional fees

The board approves the optional fee maximums. Colleges and universities may establish policies to charge fees not to exceed the maximum amount approved by the board.

The authorized optional fees are:

1. Application fee
2. Credit for prior learning assessment fee
3. Student life/activity fee
4. Athletics fee
5. Health services fee
6. Special events fee
7. Residential learning community fee
8. Technology fee

Subpart C. Personal property and service charges

Colleges and universities may charge students the actual cost of property and services. The fee shall be for items that become the personal property of a student and have an educational or personal value beyond the classroom or for services for or on the behalf of the students. The actual cost shall be the allowable maximum charge.

Part 3. Student Consultation

All tuition and fees are subject to student consultation requirements as defined by [Board Policy 2.3](#), Student Involvement in Decision Making.