Financial Arrangement Policy and Procedure

MHPC OCCUPATIONAL THERAPY ASSISTANT PROGRAM

Subject: Program Structure Number: 202

Title: Financial Arrangements

Date: 3/31/10

Reviewed/Revised: 6/20/16

Purpose: To ensure financial viability of the MHPC OTA Program

Policy: Development and proposed changes to the MHPC OTA Program Financial Arrangements must be approved by the MHPC Governing Board.

Procedure:
Annual Planning Process - The MHPC Governing Board of Directors (Governing Board) and Program Director, shall work together to develop guidelines and processes to promote and adhere to financial stability and program viability for the MHPC OTA Program, including:

1. Projecting an annual operating budget revenues and expenses
2. Establishing enrollment cycles and quotas, by institution and program
3. Creating an academic calendar for program delivery and billing cycles
4. Setting annual member charge back use fees to pay for defined expenses
5. Billing and collecting fees from member institutions
6. Developing contingency plans which may include accessing additional member fees in the event of financial shortfall
7. Establishing guidelines for approval and payment of expenses

Minimum Enrollment Requirements – Members shall work together and make every reasonable attempt to meet minimum enrollment numbers sufficient to satisfy budgetary requirements, as approved annually by the Governing Board. On an annual basis, the Governing Board shall mutually name each community college(s) that agrees to participate in the next Consortium program marketing, recruiting, admissions and enrollment cycle(s).

1. The Consortium recognizes there may be circumstances which prevent one or more of the member community colleges from achieving the prescribed total enrollment in a program. *It is the intent of this agreement that if enrollment at any given member institution should fail to meet the prescribed minimum Consortium commitment, then, with sufficient notice, the remaining member institutions shall resolve to work together to increase their respective enrollments to maintain financial and programmatic viability.*

2. Revenue Generated from General Education Preparation – In the course of operating any Consortium program, it is expected that a pool of prospective applicants will aspire admission to more than one of the Consortium programs at respective member institutions. It is understood that due to the competition for admissions seats in the proposed Consortium programs, prospective students will work ahead to complete required general education and pre-requisite courses prior to being admitted to a Consortium program. The programs are designed to admit students who have already completed all required general education as well as selected pre-requisite courses (e.g., some times called a "one plus one program"). It is therefore assumed that participating community college(s), in the next budget year enrollment operating cycle, may experience an enrollment increase as prospective students complete these courses. *It is the intent of this understanding that of the students who are completing appropriate general education and pre-requisite coursework prior to admission to a Consortium program(s), 100 percent of the tuition/fee revenues generated from this activity, shall be earned and retained by the individual community college.*

3. Financial Contributions and Funds Flow – Through a recommendation by the Consortium Governing Board, the respective Board of Trustees of each member community college reserves the right to approve each next fiscal year operating budget commitment for each Consortium program. A fiscal year shall be defined to mean: begins on July 1 and ends on June 30. The institutional funds required to operate a Consortium program shall be billed and collected from each member community college named to participate in the next budget year enrollment operating cycle on a "charge back use fee" plan (*See Attachment).* The method and manner of assessing/billing/collecting a charge back use fee shall be mutually decided by the Governing Board, or their designees (e.g., chief financial officers.)

    a. The Governing Board may enable annual Consortium charge back use fees (revenues) to intentionally and systematically exceed annual Consortium operating expenses, which yield net surpluses. Any net surpluses generated shall be placed in an agency account. *It is understood that any accumulated surpluses may be used to reduce the fees/billings to members in future years, or offset future planned operating deficits. The intent of this understanding is that each Consortium program will operate on a cost-break-even basis, and further, that the Governing Board may authorize the return of excess surpluses back to the contributing institutions when not needed.*
    b. The University of Missouri in Columbia agrees to serve as fiscal agent for the Consortium program, and handle, in conjunction with the Consortium program's representative, the collection of the charged back use fees from each participating member institution, as well as paying expenses as requested by the Program's Director and as authorized by the Consortium Governing Board. As such, the University of Missouri in Columbia financial, purchasing, payroll, and accounting systems will be used for funds flow and disbursement.
    c. As fiscal agent, the University of Missouri in Columbia financial system will be guided by published University of Missouri—System Collected Rules and Regulations to ensure maximum program flexibility and meet acceptable State auditing standards and practices. *As the initial Consortium fiscal agent, It is the intent of the School of Health Professions at the University of Missouri in Columbia to provide standard business services in conjunction*

with operating any Consortium program at very minimal to no additional costs to the Consortium. In the future, if the University of Missouri in Columbia finds it necessary to charge the Consortium program(s) an administrative service fee, the School of Health Professions pledges to fully and openly communicate such changes in advance during the planning cycle of the next year's Consortium budget request.

Attachment A
EXAMPLE of CHARGE-BACK FEES

Occupational Therapy Assistant (OTA) Curriculum

The charge-back fee for each year is based on MHPC annual budget, including MHPC tuition x credit hours x number of students enrolled in the Professional Year (currently 48 credit hours per year).

Should a student or students enrolled in the first semester courses withdraw prior to enrollment in the second semester, the member colleges will only be billed for the semester in which the student enrolled. Currently, semesters run January through April, May through August, and mid-August through mid-December.

Charge back fees will be billed to coincide with each semester of the program's academic year. The Fiscal Agent will bill Missouri Health Professions Consortium (MHPC) Members in **January, May,** and **September** for the actual number of students enrolled in the MHPC Program on the date of billing.

For example, the following fees will be charged per student during the 2010 academic/calendar year.

JAN-Spring Semester	$134 x 17 hours	=	$2,278.00 per student
MAY-Summer Semester	$134 x 15 hours	=	$2,010.00 per student
SEP-Fall Semester	$134 x 16 hours	=	$2,144.00 per student
MHPC Charge Back Fee	**$134 x 48 hours**	**=**	**$6,432.00 Total/Student**

Number of Students	Cost per Student	Total Cost ($)
1	6,432.00	6,432.00
2	6,432.00	12,864.00
3	6,432.00	19,296.00
4	6,432.00	25,728.00
5	6,432.00	32,160.00
6	6,432.00	38,592.00
7	6,432.00	45,024.00
8	6,432.00	51,456.00
9	6,432.00	57,888.00
10	6,432.00	64,320.00

Etc.

Payments should be made payable to University of Missouri and remitted to:

Attn: Kim Earney
University of Missouri
203 Clark Hall
Columbia, MO 65211