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PART 602

COLLEGE FINANCE AND BUSINESS OPERATIONS (COLLEGE OPERATING FUND)

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§ 602.1 Introduction.

(a) The financial and business policies and practices of the community colleges shall comply with article 126 of the Education Law, the Code of Standards and Procedures for the Administration and Operation of Community Colleges under the Program of State University of New York prescribed by the State University trustees, and a manual for community college business offices, and such other instructions as may be appropriate and necessary from time to time as prescribed by the Chancellor of State University or designee.

(b) Records and accounts must be maintained in accordance with the national accounting standards for budgeting and financial reporting as prescribed by the State University Board of Trustees, and shall be subject to audit by the State.

(c) The records and accounts of the community college shall be audited annually by an independent certified public accounting firm.

(d) The college operating fund balance is to be reviewed periodically and maintained at a level consistent with sound fiscal management procedures.

(e) To gain the benefit of interest earnings, operating fund cash in excess of current needs is to be held in authorized investments. The chancellor or designee shall determine the classification (offset or revenue in lieu of local sponsor share) interest income in the college operating budget and annual financial report.

(f) Subject to the approval of the college sponsor, the college board of trustees may enter into a contract with a not-for-profit corporation for the purpose of operating food-service, bookstore and/or conducting other appropriate auxiliary service activities. Such contract shall provide that the food and bookstore services be provided at the lowest possible cost to the students consistent with sound business and financial practices. Where a not-for-profit corporation has been established for the purpose of operating food-service, bookstore and/or conducting other appropriate activities, the rights and responsibilities of the corporation shall be included in the contract between the corporation and the college board of trustees.

§ 602.2 Preliminary college operating budget estimate.

On or before the date prescribed by the Chancellor of State University or designee, the college shall file a preliminary operating budget estimate with State University of New York for the next succeeding college fiscal year.

§ 602.3 The college operating budget request.

(a) On or before the date prescribed by the Chancellor of State University or designee, the college shall file the college operating budget request with State University for the college fiscal year commencing on July 1st or September 1st.

(b) Prior to filing the operating budget request with the State University of New York, the sponsor's contribution and budget total shall have been approved by the college trustees and the sponsor, and the request shall contain evidence of such approval.

(c) The State University trustees shall take appropriate action relative to the total operating budget and the State financial assistance, subject to the availability of funds appropriated by the Legislature therefore.

(d) Should the State University trustees and/or the local sponsor fail to approve the budget submitted by the college trustees, the college trustees shall request the Chancellor of State University or designee to arrange for a conference to include representatives of the three bodies to produce agreement on the amount of the budget.

(e) Any needed adjustments in the budget that might result from the outcome of the foregoing negotiations shall be made by the college trustees and within the total amount of funds agreed upon.

§ 602.4 Revenues and appropriations/expenditures to be reported in the preliminary operating budget estimate, college operating budget request, amendments to college operating budget request and annual financial report.

(a) The college operating budget request shall include all estimated revenues to be received by the college for operating expense purposes. These revenues may include but are not limited to the following:

- (1) student tuition;
- (2) State aid;
- (3) sponsor contribution;
- (4) charges to nonresidents not presenting certificates of residence; (5) out-of-state resident tuition;
- (6) operating chargebacks to other counties; (7) gifts and donations;
- (8) endowment income;
- (9) unclassified revenue-local sponsor share; (10) organized activity income;
- (11) service fees, including parking fees and fines, and library fines;
- (12) interest and earnings on all operating funds and reserve for capital cost chargebacks;
- (13) rental of real property, including rental income on college-owned houses and rental revenue received from bookstore and food-service concessionaires;
- (14) rental of equipment, including locker rentals;
- (15) forfeiture of tuition deposits;
- (16) sales of scrap and excess material;
- (17) other minor sales;
- (18) sales of equipment;
- (19) insurance recoveries;
- (20) other compensation for loss, including reimbursement for laboratory breakage;
- (21) refunds of prior year's expenses;
- (22) unclassified revenues-offset to expenses, including vending machine, bookstore and food-service concession income; telephone commissions; employee jury duty fees paid to the college, parking fees and fines, and library fines;
- (23) Federal aid provided in the name of the college; and
- (24) for other allowable items, please refer to the manual for community college business officers.

(b) Federal, private or separately funded State revenues received for 100 percent support of student financial aid programs should not be included in the college unrestricted operating budget. However, complete records should be maintained on these funds and any liabilities should be reported in the operating fund balance sheet.

(c) The college operating budget request shall include all valid appropriations for restricted and unrestricted operating expense purposes. These appropriations may include appropriate expenses for the following functions:

- (1) Instruction
- (2) Public service
- (3) Academic support
- (4) Libraries
- (5) Other
- (6) Student services
- (7) Institutional support
- (8) General administration
- (9) General institutional support
- (10) Operation and maintenance of plant
- (11) Scholarships and fellowships (restricted)
- (12) Auxiliary enterprises (restricted)
- (13) Scholarships

(d) The following is a listing of specific operating expenses which are allowable for State aid and support by student tuition revenues. This listing is not intended to be all-inclusive.

- (1) Compensation for personal services.
- (2) Lease and maintenance costs for rented physical space and equipment where used for college purposes. Rental leasing of instructional space shall be subject to the approval of the chancellor or designee.
- (3) Property and liability insurance. The practice of the local sponsor in regard to insurance coverage may govern in determining allowable insurance charges. Insurance premiums are an allowable expense. If the local sponsor is a self-insurer, no part of the charges should be included in the budget, except for compensation for losses incurred.
- (4) Consumable supplies.
- (5) Repairs to buildings, grounds and equipment. For purposes of this section, a repair is a maintenance expenditure for the purpose of maintaining a facility in an ordinarily efficient operating condition. A repair does not significantly add to the value of the facility, nor does it appreciably prolong its life. It merely keeps the property in an efficient operating condition over its probable useful life for the uses for which it was acquired.
- (6) Travel expenses for college purposes, including expenses related to the recruitment of professional staff.
- (7) Communications and postage expenses for college purposes.
- (8) Printing and advertising expenses for college purposes.
- (9) Library acquisitions. For purposes of this section, the initial \$50,000 expenditure for instructional resources for each college or each campus of a multiple campus community college, where such multiple campuses have been approved by the university trustees, must be included as a capital expense.
- (10) Institutional membership in local, State and national education-related organizations and associations.
- (11) Conference fees and travel expenses related to staff attendance at conferences, where such conferences are related to college purposes.
- (12) Expenses related to foreign student exchange programs.
- (13) Moving expense of newly appointed members of the professional staff.
- (14) Fees and costs for evaluation and accreditation by Middle States Association of Colleges and

Secondary Schools and other accreditation associations.

- (15) Graduation exercise expenses for speaker, reception for honored guests, music, decorations for platform, and cost of caps and gowns for guests, speakers, college trustees, faculty and administrative staff.
- (16) Expenses relating to refreshments, luncheons and dinners if for the purpose of conducting official college business.
- (17) Expenses of moving college furnishings and equipment.
- (18) Costs of training programs for college staff, including on and off-campus seminars for professional staff.
- (19) Expenses in accordance with the terms of a collectively negotiated agreement.
- (20) Expenses related to appropriate nonrevenue producing community service programs.
- (21) Equipment costs not included in the capital construction budget.
- (22) Employer contributions to fringe benefits negotiated under the terms of a collectively negotiated agreement.
- (23) Expenses related to a college-operated alumni program.
- (24) Other general education expenses.

- (25) Personal services and fringe benefit expenses for coaches.
- (26) Scholarships.

(e) The following is a listing of operating expenses which are not allowable for State aid and support by student tuition revenues:

- (1) Expenses of service area educational programs where such programs have not been approved by State University.
- (2) Individual memberships in professional organizations and associations, except in those instances where institutional memberships beneficial to the educational purposes of the college are not available, in which instances the individual membership fee will be allowable for State aid purposes.
- (3) Contingency accounts.
- (4) Food service and bookstore expenses and losses where such services are subcontracted.
- (5) Rental of caps and gowns for students.
- (6) Student activity functions, such as student receptions, socials, publications, and communication expenses related to student activity programs and faculty-student association activities.
- (7) Rental and maintenance costs for property not used for college purposes.
- (8) Expenses relating to the activities and administration of faculty-student associations.
- (9) Expenses relating to the operation and administration of dormitories.
- (10) Penalty fees for overdue payment of legal obligations.
- (11) Costs of food, beverages and entertainment for college social functions.
- (12) Collection agency fees for delinquent student accounts. This shall not be construed to prohibit the engagement of collection agencies to collect overdue student accounts. However, the collection agency fee shall be added to the student account.
- (13) Matching funds for off-campus college work-study programs.
- (14) Administrative overhead expenses otherwise chargeable to Federal programs.

(15) Depreciation.

(16) Costs for transportation of intercollegiate athletic teams or of students to attend athletic contests shall be a direct charge to the student-athletic association, faculty-student corporation, or other similar organization. Other expenses, such as payment of officials, purchases of uniforms and athletic equipment, guarantees and other related intercollegiate athletic expenses, shall not be included in the operating budget of the institution.

§ 602.5 State aid for noncredit remedial programs.

(a) Noncredit remedial programs operated by community colleges can be included for State aid if the sponsor contributes its share of operating costs and each program meets the following criterion: Instruction concerned with diagnosing, correcting or improving such basic skills as oral and written communications, reading, analytical concepts and general study habits and patterns, to overcome in part or in whole any particular marked deficiency which interferes with a student's ability to pursue an educational objective effectively. State financial assistance shall be allowed for all noncredit remedial programs, which programs may, as a prerequisite to enrollment, require specific educational requirements heretofore or presently undertaken by community colleges.

(b) Fees for noncredit courses shall not exceed the tuition for credit-bearing courses having an equivalent number of credit hours.

(c) The following courses are specifically not eligible for State aid: a vocational, recreational, and social group courses.

(d) The local operating budget shall indicate whether such noncredit courses are offered. Additional procedures for periodic review of all noncredit courses to determine eligibility for State aid shall be in accord with guidelines developed and issued by the chancellor or designee.

(e) All courses and programs not eligible for State aid shall be in the aggregate self-sustaining. The revenues collectively received for such courses and programs must be adequate to cover the direct costs of all the courses and programs including faculty salaries and fringe benefits, the costs of supplies and materials consumed in the courses and programs, the costs of equipment used only for the programs and other expenses directly incurred by the courses and programs. Each individual course or program need not be operated on a self-sustaining basis.

(f) Fees for noncredit courses which are not eligible for State aid and which have no practical credit equivalency shall be determined by policy of the local trustees or their designee.

(g) In order to receive State financial assistance for noncredit courses, each community college must submit to the chancellor, or designee, a request for funding which, at a minimum, shall contain the name of any co-sponsoring institutional group or agency, a description of the college's control of operation of the course in the areas of fiscal administration, selection of faculty and course development, a description of the course or program to be offered, the major purpose of the course or program as it relates to the mission of the college, the projected full-time equivalent student or headcount enrollment of the proposed course or program, and such other data as required by the chancellor, or designee, on forms designated for this purpose.

(h) Each community college shall maintain a record of costs and revenues, and other descriptive data in accordance with guidelines issued by the chancellor, or designee, for its total noncredit program in order to be eligible for State financial assistance for such courses. Each community college shall submit such records to the chancellor, or designee, at the time and in the manner established by the chancellor, or designee.

§ 602.6 Gifts and bequests.

(a) The college is empowered and authorized through its board of trustees to accept gifts, grants, bequests and devises absolutely or in trust for such purposes as the college trustees may deem appropriate or proper for carrying on the programs and objectives of the college. The college shall neither participate in the selection of nor accept contributions which may in any way distinguish among individuals or groups on the basis of sex, age, race, color, religion, creed or national origin.

(b) All gifts of money made in the name of the community college shall be recorded in the college fund or foundation.

(1) Restricted gifts of money shall be used for the purposes specified by the donor.

(2) Unrestricted gifts of money may be used for such purposes as are determined by the college trustees, subject to the approval of the sponsor.

(c) Gifts of personal property, instructional equipment, library books or special collections, works of art, and other items of value to the college shall not be considered as part of the operating budget.

§ 602.7 Sponsor services.

(a) Sponsor services, are those direct services rendered on behalf of a community college, by the sponsor, which have been determined by the college board of trustees to be necessary for the maintenance and operation of the college, and which would otherwise be provided by the college staff or a vendor.

(b) The community college board of trustees shall approve or disapprove each sponsor service and its estimated value in advance of the service being rendered, and shall approve the payment for each sponsor service satisfactorily performed. Only services approved by the college trustees shall be deemed eligible for State aid.

(c) In submitting its operating budget request, the college shall provide a listing containing a description of the nature and estimated cost of each approved sponsor service.

(d) In approving the college operating budget, unless specific exceptions have been taken, the State University trustees shall have approved the valuation of the sponsor services included in the college operating budget.

(e) The following general types of sponsor services, although not inclusive, will be considered for approval where such direct services are beyond the capability of the college staff and the costs of such direct services are competitive, as demonstrated by competitive bidding, with those of reliable vendors:

(1) Maintenance and repair of college buildings.

- (2) Snow removal from roadways and parking lots.
 - (3) Repair of roadways and parking lots.
 - (4) Repair of automotive equipment.
 - (5) Waste and garbage removal.
 - (6) Laundry services.
 - (7) Photographic services.
 - (8) Provision of equipment, materials and supplies from the sponsor's central stores.
 - (9) Academic and administrative computer services.
 - (10) Operation of college telephone switchboard.
 - (11) Allocation of utility service charges - steam, electricity, water and sewage, where the college is one activity within a larger sponsor complex.
- (f) The local sponsor may not bill the community college for indirect costs.

§ 602.8 Limitations on operating costs for purposes of State financial assistance.

During the community college fiscal years commencing on and after July 1, 1975, State financial assistance for community college operating costs shall be determined by the State University trustees pursuant to section 6304 of the Education Law as follows:

- (a) Definitions for this section.
- (1) Net operating costs, such as gross operating expenditures minus actual offsetting operating revenues (such as Federal aid) and actual operating expenditures not allowable for State aid.
 - (2) Net operating budget. Gross operating budget minus budgeted offsetting operating revenues (such as Federal aid) and budgeted appropriations not allowable for State aid.
 - (3) Rental cost for physical space. The costs of rented physical space, excluding costs of such services as electricity, gas, heat or janitorial services where the expenses of the latter types of services are included in the rental charges.
 - (4) Disadvantaged students. Students eligible for supplemental financial assistance in education opportunity programs under criteria established by State University of New York, pursuant to section 6452 of the Education Law and Subpart 27-2 of this Title (rules of the Board of Regents).
 - (5) Full-time equivalent student. A hypothetical student who has enrolled in a course load consisting of 30 semester credit hours or 45 quarter credit hours, or the equivalent of such credit hours in the case of noncredit course offerings, during the course of one college fiscal year.
 - (6) Full-time equivalent faculty. One full-time faculty position. To ascertain full-time equivalent faculty, divide the total class hours taught at the college, including classroom hours and laboratory hours, by the average classroom and laboratory hours taught by the college's full-time faculty, excluding overload hours taught for extra compensation.

Full-time faculty for this purpose is defined as all personnel holding faculty rank and being paid on a full-time basis with the exclusion of:

- (i) persons assigned to perform non-teaching functions including, for example, personnel holding the title of president, vice-president, dean, librarian, registrar or student counselor;
- (ii) personnel holding the title of, or formally designated to function as academic department heads, not to exceed one per department; and
- (iii) faculty members granted release time of at least six credit hours per semester to undertake duties required under the terms of a grant or contract funded by an outside agency; provided, however, that such release time is accompanied by an equivalent reduction in salary or an offsetting recovery of revenues by the college.

For example, where 100 full-time faculty as defined above generate 3,200 class hours during the academic year, the average class hours taught is 32; and where the total class hours taught during the same academic year is 3,856, the number of full-time equivalent faculty is 120.5 (3,856 divided by 32).

- (7) Costs of institution and departmental research. The costs of personal services, equipment and contractual expenses for instruction and departmental research for the day and evening sessions, winter intersessions, and summer sessions of the college.
- (8) Full-time credit student. A student who is enrolled in a minimum of 12 credit hours or credit hour equivalents of academic work per semester or quarter.
- (9) Diploma and certificate programs. Those programs approved by the State University of New York and the State Education Department as leading to a recognized credential, either diploma or certificate.

(b) Before approving the budget of any community college, the State University trustees shall review such budget and may make such adjustments thereto, in aggregate amount as they may deem appropriate with respect to the programs and operation of the college and in relation to the maximum limitations on State-operating assistance for community colleges prescribed in this Subchapter. Nothing contained in this Subchapter shall be deemed to require the approval of any operating budget at the amounts as herein limited, nor to prevent the operation of a community college in excess of the amount of the costs approved by the State University trustees, provided such excess costs shall be borne and paid for or otherwise made available to or by the local sponsor or sponsors.

(c) Basic State financial assistance.

(1) Full opportunity colleges. The basic State financial assistance for community colleges, implementing approved full opportunity programs, shall be the lowest of the following:

- i. two-fifths (40%) of the net operating budget of the college, or campus of a multiple campus college, as approved by the State University trustees;
- ii. two-fifths (40%) of the net operating costs of the college, or campus of a multiple campus college; or
- iii. for the current college fiscal year the total of the following:
 - a. the budgeted or actual number (whichever is less) of full-time equivalent students enrolled in programs eligible for State financial assistance multiplied by \$2,697; and
 - b. up to one-half (50%) of rental costs for physical space.

(2) Non-full opportunity colleges. The basic State financial assistance for community colleges not implementing approved full opportunity programs shall be the lowest of the following:

- i. one-third (33%) of the net operating budget of the college, or campus of a multiple campus

college, as approved by the State University trustees;

- ii. one-third (33%) of the net operating costs of the college, or campus of a multiple campus college; or
- iii. for the current college fiscal year, the total of the following:
 - a. the budgeted or actual number (whichever is less) of full-time equivalent students enrolled in programs eligible for State financial assistance multiplied by \$2,248; and
 - b. up to one-half (50%) of rental cost for physical space.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this subdivision, a community college or a new campus of a multiple campus community college in the process of formation shall be eligible for basic State financial assistance in the amount of one third of the net operating budget or one third of the net operating costs, whichever is the lesser, for those colleges not implementing an approved full opportunity program plan, or two fifths of the net operating budget or two fifths of the net operating costs, whichever is the lesser, for those colleges implementing an approved full opportunity program, during the organization year and the first two fiscal years in which students are enrolled.

(d) Funded enrollment. Notwithstanding the provisions of this section, assistance payable for the current community college fiscal year on the basis of full-time equivalent credit enrollment and noncredit remedial enrollment shall be paid on an aidable college enrollment defined to be the greater of:

- (1) the actual full-time equivalent credit enrollment and noncredit remedial enrollment for the previous community college fiscal year; or
- (2) the sum of the following: 50 percent of the actual full-time equivalent credit enrollment and noncredit remedial enrollment for the previous college fiscal year, plus 30 percent of the actual full-time equivalent credit enrollment and noncredit remedial enrollment for college fiscal year two years prior, plus 20 percent of the actual full-time equivalent credit enrollment and noncredit remedial enrollment for college fiscal year three years prior. For such enrollment full assistance is payable as provided in clauses (c)(1)(iii)(a) and (2)(iii)(a) of this section.

(e) Excess student revenues. Local sponsors may use funds contained in reserves for excess student revenue, excluding any excess student revenues attributable to the current community college fiscal year, for operating support of the community college program even though said expenditure may cause expenses from student revenues to exceed one-third of the college's net operating budget provided that such funds do not cause the college's revenues from the local sponsor's contributions in aggregate to be less than the comparable rates for the previous community college fiscal year.

§ 602.9 Amendments to college operating budget requests.

(a) Within the total approved college operating budget, the college trustees may transfer appropriations from one function or object of expense account to another.

(b) Amendments to increase the total college operating budget may be effected by the college trustees with the approval of the sponsor and State University trustees. Anticipated requests for amendments to increase the total operating budget shall be reported to and discussed with the Chancellor of State University or designee at the earliest possible date, in order that the need for changes in college operations from those described in the budget first approved can be fully analyzed and understood.

(c) Prior to filing with the State University of New York, a request to increase the State financial assistance shall have been approved and certified by the college trustees.

(d) The Chancellor of State University shall take appropriate action relative to the request to amend the total operating budget in the amount of five percent or less of the approved total operating budget. The total of all such requests approved by the chancellor for a community college year shall not exceed five percent of the original approved budgeted amount. The State University Board of Trustees shall take appropriate action relative to the request to amend the total college operating budget in amounts greater than five percent of the approved total operating budget.

(e) The Chancellor of State University shall take appropriate action relative to the request to amend the State financial assistance in the amount of five percent or less of the approved State financial assistance. The total of all such requests approved by the chancellor for a community college year shall not exceed five percent of the original approved budgeted amount. The State University Board of Trustees shall take appropriate action relative to the request to amend the State financial assistance in amounts greater than five percent of the approved State financial assistance.

(f) The Chancellor of State University of New York shall annually report to the State University Board of Trustees concerning all amendments to community college operating budget requests approved by the chancellor during the preceding college year.

§ 602.10 College tuition and fees.

(a) On or before the date prescribed by the Chancellor of State University or designee, the college shall file the tuition and fee schedule with State University of New York for the college fiscal year commencing on July 1st or September 1st.

(b) The college tuition and fee schedule shall be filed in accordance with article 126 of the Education Law, this Subchapter, and the manual for community college business offices, and on the forms and in accordance with the instructions promulgated by the Chancellor of State University or designee.

(c) Student tuition and fees.

(1) Tuition and student revenue fees shall not exceed, in the aggregate, more than one third of net operating costs. Student service fees, such as laboratory fees, late registration fees and transcript fees, will be applied as offsetting revenues of the operating costs. Policies governing student revenue fees or any other general fee charged to all students, such as registration fees, shall be determined, as appropriate, by the State University trustees.

(2) The full-time tuition rate for residents of the sponsorship area, and nonresidents of the sponsorship area presenting certificates of residence, shall not exceed the amount authorized by the State University Board of Trustees.

(3) The full-time tuition rate for baccalaureate and master's degree level programs offered pursuant to the authorization set forth in subdivision (3) of section 6302 of the Education Law, shall be not more than the rate for such programs at the State-operated units of the State University.

(4) The part-time tuition rates for residents of the sponsorship area, and nonresidents of the sponsorship area presenting certificates of residence, shall be no more than 1/24th the maximum full-time tuition rate per academic year for those colleges operating on a semester system, rounded up to the nearest whole dollar, and no more than 1/36th the maximum full-time tuition rate per academic year for those colleges operating on a quarter system, rounded up to the nearest whole dollar.

(5) Lower part-time tuition rates may be established for courses offered at off-campus locations, or during winter intersessions and summer sessions, or during off-peak hours as determined by the college trustees; provided, however, that such rates shall not be established on a programmatic basis.

(6) The part-time tuition rates shall be expressed in terms of a rate per credit hour.

(7) The full-time tuition rate shall be applicable to those students enrolled in 12 or more credit hours, or credit hour equivalents in the case of aidable noncredit courses, per academic term; and the part-time tuition rates shall be charged for those students enrolled in less than 12 credit hours, or credit hour equivalents in the case of aidable noncredit courses and programs, per academic term, including individual summer sessions and winter intersessions.

(8) Noncredit courses eligible for State aid shall be equated to credit hours in accordance with the procedures published by the State University of New York in the glossary section of the Official Enrollment

Requests in accordance with procedures established by State University trustees.

(9) Fees charged for all courses and programs not allowable for State aid shall be sufficient in the aggregate to support the total direct costs of all such courses and programs.

(10) The full-time and part-time tuition rates for out-of-state students and nonresident students not presenting certificates of residence shall be set at a rate no higher than three times the approved full-time and part-time tuition rates, respectively, for residents of the sponsorship area and nonresidents of the sponsorship area presenting certificates of residence. Out-of-state students shall be assessed an annual capital revenue fee of up to \$300 for full-time students and pro-rated for part-time students at a maximum of \$10 per credit hour. The capital revenue fee shall not be included in the operating budgets of community colleges and shall be subject to the restrictions and guidelines applicable to capital chargebacks set forth in section sixty-three hundred five of the Education Law.

(d) Prior to filing with the State University of New York, the tuition and fee schedule shall have been approved by the college trustees, and shall contain a certification to this effect by either the chairperson or secretary of the college trustees.

(e) The tuition and fee schedule shall be subject to approval by State University trustees.

(f) Deferral of payment of tuition and, fees by veterans. Upon request by a student who is an eligible veteran, the payment of tuition and fees, less the amounts payable for such purposes from scholarships or other financial assistance awarded said veteran pursuant to article 13 or 130 of the Education Law or any other community college, State or Federal financial aid program, shall be deferred in such amounts and until such times as the several payments of veterans' benefits under the Veterans' Readjustment Benefit Act of 1966, as amended, are received by the veteran, provided that the veteran has filed a claim for such benefits and presents to the community college proof of eligibility, extent of entitlement to benefits, and the need for deferral until the receipt of such benefits. The board of trustees of a community college may promulgate such additional regulations and procedures, not inconsistent with this section, as may be required to facilitate implementation of this regulation.

(g) Resident Tuition for Military Personnel and Dependents. Notwithstanding New York State resident status, the following individuals shall be charged the resident rate of tuition as approved by the state university trustees:

1. Any student attending a community college who is a member or the spouse or dependent of a member of the armed forces of the United States on full-time active duty and stationed in New York State;
2. Any student attending a community college in accordance with the federal GI bills and in compliance with all applicable eligibility requirements thereof; and
3. Veterans and their dependents covered under the Veterans' Access to Care through Choice, Accountability, and Transparency Act of 2014, 38 U.S.C.

§3679, who are living in New York State while pursuing a course of education at a community college with assistance under chapter 30 or 33 of Title 38 of the

U.S. Code. A covered veteran under 38 U.S.C. §3679 is one who was discharged or released from a period of not fewer than 90 days of service in the active military, naval, or air service less than three years before the date of enrollment in the course at the community college. A covered dependent is one who is entitled to assistance under 38 U.S.C. §3311(b)(9) or §3319 by virtue of his or her relationship to a covered veteran.

(h) Tuition payments are to be recorded for all students except citizens 60 years of age or over who are auditing courses on a space-available basis.

(i) Student revenue surpluses. With the exception of the excess student revenues expended as provided in section 602.8(d)(2) of this Part, when a college has accrued excess student revenues, the college when submitting its annual financial report shall submit a plan of action that will effectively reduce the surplus each successive year and eradicate it within five years.

(j) Tuition limitations.

(1) To the extent authorized by law, community colleges may increase tuition and fees above that

allowable under paragraph d of section 6304 of the Education Law, provided the local sponsor's contribution either in the aggregate or per full time equivalent student shall be no less than the comparable actual rates for the previous community college fiscal year.

(2) Tuition rates shall not exceed the maximum limitations provided in subdivision (c) of this section. However, the State University trustees may, upon a sufficient showing of financial need, approve a tuition rate in excess of the limitations provided in subdivision (c) of this section.

§602.11 Refund of tuition and fees

(a) A student who officially withdraws shall be liable for payment of tuition and refundable fees in accordance with the following schedule:

Schedule of Student Tuition Liability

Liability Semester Prior to first day 0

During 1st week 25% During 2nd week 50% During 3rd week 75% After 3rd week 100% Liability Quarter Prior to first day 0

During 1st week 40% During 2nd week 70% During 3rd week 100% After 3rd week 100% Liability 8 week term or less Prior to first day 0

During 1st week 75% During 2nd week 100% During 3rd week 100% After 3rd week 100%

(1) Approval of the cancellation with the date it becomes effective must be certified by the college president or designee. No money shall be refunded unless application for the refund is made within one year after the end of the term for which the tuition requested to be refunded was paid to the college. The first day that classes are offered, as scheduled by the college, shall be considered the first day of the semester, quarter or other term, and the first week of classes for purposes of this section, shall be deemed to have ended when seven calendar days, including the first day of scheduled classes, have elapsed.

(2) A tuition liability schedule for a term of any length other than those listed in the schedule above shall be similarly prorated.

(b) Exceptions.

(1) There shall be no tuition or refundable fee liability established for a student who withdraws to enter military service prior to the end of an academic term for those courses in which the student does not receive academic credit, provided the student submits proper certification of such military service from an appropriate military official.

(2) A student who is dismissed for academic or disciplinary reasons prior to the end of an academic term shall be liable for all tuition and fees due for that term.

(3) Tuition and fees collected in error, or in amounts in excess of the required amounts may be refunded. The request for refund shall include the reason for and the amount of the refund.

(4) A student who is receiving Veterans Administration benefits under the Veterans Readjustment Assistance Act of 1952, Pub. L. No. 82-550, 66 Stat. 663 (1952), see subdivision (d) of this section, and is enrolled in a non-accredited program may not be charged on withdrawal in excess of the approximate prorated portion of the total charges that the length of the completed portion of the program bears to its total length and shall be entitled to a refund of any amount paid in excess thereof.

(5) Notwithstanding any other provisions for refund, when a student has withdrawn through circumstances beyond his or her control, under conditions in which the denial of refund would cause undue hardship, the chief executive officer of the college may, in his or her discretion, determine that no liability for

tuition and fees has been incurred by the student, provided the student has not received or will not receive academic credit for the term. Such action, including the reason therefore, shall be in writing.

(c) Military personnel withdrawing from any program or term because of changes of assignment beyond their control and upon proper certification of such change from a base education service officer or other appropriate military official shall be deemed to have incurred no liability for tuition and fees due from such personnel, as opposed to tuition and fees paid by the Federal government in their behalf.

(d) Section 668.22 of title 34 of the Code of Federal Regulations, revised as of July 1, 1997, the Veterans Readjustment Assistance Act of 1952, Pub. L. No. 82-550, 66 Stat. 663 (1952), and sections 1070, et sees. of title 20 of the United States Code, as amended by Pub. L. No. 105-33, 111 Stat. 648 (1997), which have been incorporated by reference in this section are on file in the Office of the Secretary of State of the State of New York, 41 State Street, Albany, NY 12231-0001. They are also available for public inspection and copying in the State University of New York Office of the Vice Chancellor for Finance and Business, State University Plaza, Albany, NY 12246. The Code of Federal Regulations and the United States Statutes at Large are published by The National Archives and Records Administration's Office of the Federal Register. The United States Code is published by the Office of the Law Revision Counsel of the United States House of Representatives. Copies of the publications may be obtained from the United States Government Printing Office Superintendent of Documents Sales Service, Washington, DC 20402.

§ 602.12 Operating chargebacks for nonresident students.

(a) Definition of nonresident student. A nonresident student is one who has resided in the State for a period of at least one year but has resided outside of the sponsorship area during a portion or all of the six months preceding the date of the application for a certificate of residence. For tuition purposes, out-of-state students shall be treated in a manner consistent with these regulations and approved by the State University Board of Trustees.

(b) All instructional programs, including off-site campus locations (high schools, malls, etc.) supported by State aid shall be entitled to chargeback payment by the county of residence of nonresident students.

(c) Within 30 days after the commencement of a student's initial enrollment, each nonresident student shall submit to the college a valid certificate of residence. Such certificate is valid for one year from the date of issuance and is applicable for all terms or programs commenced and completed within that 12-month period.

(d) Within 45 days after the commencement of each college term or program, the president of the college or designee shall submit to the chief fiscal officer of each county a list of nonresident students attending the college on the basis of a certificate of residence and a voucher for the amount payable by each county for these students. The billing of the county of residence for each nonresident student attending a community college shall be determined on the basis of the fractional full-time equivalent student load that each student is enrolled in as of the census date (as defined by the student data file manual).

(e) The operating chargeback rate per full-time equivalent student shall be an amount equal to the community college sponsor's actual contributions, including appropriated fund balance for the support of a full-time equivalent student attending the community college from the sponsorship area as determined in the college operating budget request approved by the State University trustees, adjusted by a factor calculated upon the difference between the budgeted and actual operating costs as determined from the college's annual financial reports, rounded downward to the nearest multiple of \$10. Such operating chargeback rate and calculated adjustment thereto, shall be determined as follows:

(1) subtract from the approved total operating budget, the budgeted offsetting revenues including Federal aid, other operating expenses not allowable for State aid, budgeted student revenues and budgeted State operating aid.

(f) On or before March 31, 1995, and every year thereafter, the State University shall, subject to the availability of appropriations therefore, reimburse each county which has issued a certificate of residence for any nonresident student in attendance at the Fashion Institute of Technology during the 1993-94 academic year and every year

thereafter in an amount equal to 50 percent of the actual amount paid by each such county on behalf of such students, upon certification of such payment by the Fashion Institute of Technology, and on or before June 1, 1995, and every year thereafter, the State University shall, subject to the availability of appropriations therefore, reimburse each county for the remaining 50 percent of the actual amount paid by each such county on behalf of such students, upon certification of such payment by the Fashion Institute of Technology.

§ 602.13 Annual financial report.

- (a) Pursuant to section 30 of the General Municipal Law, the annual financial report shall be, certified by the chief fiscal officer of the college and shall be filed with the State Comptroller within 60 days after the close of the college fiscal year. The chief fiscal officer is the college treasurer for purposes of this certification.
- (b) The annual financial report shall be in compliance with article 126 of the Education Law, this Subchapter, and the manual for community college business offices, and on the forms and in accordance with instructions promulgated by the State Comptroller.
- (c) The State University of New York, which shall also receive copies of the annual financial report, shall review the annual financial report for the purpose of the initial determination of the State liability.
- (d) Any overpayment in State financial assistance for operating costs, as determined in the review of the annual financial report, shall be deducted from the second quarterly advance payment of State aid for the succeeding college fiscal year.
- (e) Any underpayment in State financial assistance for operating costs, as determined in the review of the annual financial report, shall be processed in accordance with sections 602.3 and 602.9 of this Part.
- (f) The college shall be subject to audit by the Office of the State Comptroller for the purpose of the final determination of the State liability.

§ 602.14 Internal business practices.

- (a) Subject to appropriate Federal, State and local laws and regulations, policies and practices relating to the following activities are matters for local college trustees' determination. This list includes but is not limited to:
 - (1) internal business and financial policies and practices;
 - (2) faculty-student association policies and activities;
 - (3) student activity programs and fees;
 - (4) equipment and supplies inventory and utilization control;
 - (5) administration of Federal and State grants and student financial aid programs;
 - (6) the admission of out-of-state and foreign students;
 - (7) participation in interstate and international consortia;
 - (8) purchasing;
 - (9) disbursement;
 - (10) attendance;
 - (11) payroll;
 - (12) cash control;
 - (13) investment procedures; and
 - (14) employees' salaries and benefits.
- (b) For purposes of guidance, the State University trustees shall provide the colleges with appropriate guidelines made available by the State Comptroller relating to such activities as cash control, equipment inventory control and utilization, and time-attendance and payroll.

§ 602.15 Operating aid payment schedule.

(a) State operating aid shall be paid quarterly as follows:

First quarter: September 1st or after college board of trustees, local or regional sponsor, and State University Board of Trustees approve the college operating budget.

Second quarter: December 1st or after the review and approval of the college's prior years annual financial report and FOP annual report. Third quarter: March 1st or after receipt and review of the college's prior year certified financial statement. Fourth quarter: June 1st.