



# Internal-External Fee Committee Charter

---

## Purpose

The purpose of the Fee Committee (committee) is to provide oversight of Oregon State University's internal and external fees, ensuring that all non-course related fees are established and maintained in compliance with Generally Accepted Accounting Principles (GAAP), federal regulations and OSU policies, including fiscal policy guidelines for [Sales of Goods and Services](#), [Recharge Activities](#), [Designated Operations](#), [Service Center Operations](#) and [Auxiliary Enterprises](#).

## Scope

Internal fees are charged as non-cash transactions for goods and services necessary to meet the mission of the university. These transactions are processed as journal vouchers and occur within the campus community (between departments/units, grants, contracts, etc.). External fees are charged as cash transactions for goods and services sold to students, faculty, staff (university community) and the public (external community). These transactions are processed as invoices or journal vouchers.

Recharge activities consist of all operations which provide services or supplies to others and charge a fee for the recovery of the cost incurred. Fees may not be established solely for the purpose of generating discretionary departmental income, nor are they allowed for services provided that are funded by budgeted operations. Academic and administrative units may engage in the direct sale of goods and services only when those goods or services are directly and substantially related to the mission of the University.

As a research-intensive university, OSU is subject to many federal regulations including those which affect how the university accounts for recharge activities. The OMB Uniform Guidance Circular 2 CFR 200 establishes principles for determining costs applicable to grants, contracts, and other agreements. It provides guidance for determining acceptable direct or indirect charges to Federal agreements, identifying unallowable costs, preparing the University's facilities and administrative (F&A) rate cost proposal, adhering to cost accounting standards (including CAS 502 "consistency in allocating costs incurred for the same purpose by educational institutions") and submitting a disclosure statement (DS-2) for the university's practices and policies, including recharge operation activities.

## Primary Objectives

The primary purpose of the I/E Fee Committee is to provide quality assurance that OSU's fees comply with University policy and Uniform Guidance as follows:

- Ensure fee costs are appropriate and allowable per OSU policy and Uniform Guidance.
- Validate that costs are reasonably estimated, accurately calculated, and coherently supported by documentation and reviewed and adjusted periodically as necessary.
- Calculation support should be capable of substantiating policy compliance and standing up to auditor scrutiny.

## Membership

The committee will consist of a chair, six general members and two administrators. A quorum of five will be required to make binding decisions. The Controller or their designee will appoint committee members with a minimum three-year commitment. The committee will evaluate membership on an annual basis and recommend new members as necessary.

Committee members with an objective understanding of fiscal requirements will be appointed as follows to provide diverse perspectives:

- 1 Chair – Director of Financial Accounting & Analysis (FA&A)
- 6 Members – Representing administrative units, e.g., Business Centers, Budget & Fiscal Planning, Research Office, and others.
- 2 Administrators – FA&A Analytical Operations

## Roles and Responsibilities

Committee Chair – Coordinate and communicate with committee members about meetings, agendas and committee goals and objectives, maintain comprehensive knowledge of applicable Fee Book policies and regulations, provide training to members on policy and regulatory requirements, serve as leader and facilitator of committee meetings, review and approve fee proposals based on policy and regulatory requirements.

Committee Members – Attend meetings prepared to actively contribute to the discussion, maintain detailed knowledge of applicable Fee Book policies and regulations, participate in campus trainings, and review and approve fee proposals based on policy, regulatory requirements, and direction provided by the committee chair.

Administrators – Conduct communications and logistical functions for the fee committee and overall process. This role includes coordinating with the committee members to update the online system with improvements, disseminating changes in the fee process, corresponding with originators on any outstanding issues, setting up and establishing access to the online system and corresponding with system support when necessary, managing the proposal submission timelines and protocols and evaluating proposals to ensure they meet basic policy criteria and requirements.

Fee Originators – Business Center accountants and some departmental staff act as fee originators and enter fee proposals into the online fee system. Proposals include descriptions of the fee and its purpose, supporting calculations and narratives, as well as other pertinent information about the fee. Originators are responsible for reviewing calculation support for the fees they submit to ensure that all basic required elements are included, and calculation support is coherent and complies with policy and fee criteria. Before originators are eligible to submit fee proposals, they must pass a test covering fee policies and regulations.

# Internal-External Fee Committee Charter

---

Departmental Personnel – Develop fees needed for their research, instruction, public service and administrative operations. Conduct cost analysis and create calculation support documentation to substantiate the prices of their proposed fees.

## **Basic Fee Proposal Review Standards and Practices**

- All new fee proposals are required to be reviewed and approved by the committee.
- Proposals for change fees that entail price increases greater than 15% are required to be reviewed and approved by the committee.
- Non-price related fee changes are reviewed by the committee administrator.
- Fees requiring review and approval will be randomly assigned to three committee members for evaluation.
- All fees must be reevaluated by originators and submitted to the committee for review at least once every four years to ensure that all allowable costs are captured, and pricing is appropriate.
- Both internal and external fees can be submitted at any time during the fiscal year; however, two “open periods” for the submittal of fee proposals are designated each year. The primary open period runs from January to April, and a secondary open period runs from September to October.
- Fees should not be established for goods or services expected to generate less than \$2,500 annually. Although fee committee reviewers do not test for compliance to this guideline, fee originators are asked and encouraged to adhere to this principle.
- External auxiliary fees do not require committee review and approval due to low risk, but they do require an internal review by the originating unit at least every 4 years.
- Fee rates for transactions processed in Banner are required to be verified to the approved rates in the fee book by the person/accountant processing the transaction.