

I. AUTHORITY TO CHARGE SELF-SUPPORTING FEES

Pursuant to North Carolina law, the College is authorized to offer curriculum and continuing education course sections on a self-supporting basis and charge self-supporting fees to students who enroll in self-supporting course sections.

II. SELF-SUPPORTING FEE RATES

A. Differing Rates

The College may adopt different self-supporting fees for different courses and activities.

B. Curriculum Self-Supporting Fee Rates

The College must determine self-supporting fees for curriculum courses using one of two methods:

1. **Pro-Rata Share Method.** The amount charged to each student shall approximate the pro-rata share of the direct and indirect costs associated with providing self-supporting instruction. Unless the College can demonstrate a need for a higher rate, the College may estimate indirect costs by applying its federal indirect cost rate or a rate up to twenty-five percent (25%), whichever is higher, to the direct costs of providing the self-supporting activity. The amount charged to the student shall be calculated based on either: 1) the estimated costs of an individual self-supporting course section divided by the number of students expected to enroll in the course section; or 2) the estimated costs of a set of self-supporting course sections divided by the number of students expected to enroll in the set of course sections. Each student must pay the self-supporting fee even if the sum of the curriculum tuition and self-supporting fees charged to the student for the academic term exceeds the maximum tuition rate set by the State Board and academic term.
2. **Transparent Rate Method.** The College shall charge each student an amount consistent with the curriculum tuition rate based on residency status. The transparent rate method shall only be used if the receipts generated through this method can adequately support the direct and indirect costs of the self-supporting instruction.

C. Continuing Education Self-Supporting Fee Rates

The College shall set self-supporting fees for continuing education course sections at a level at or below the local market rate for the type of continuing education instruction provided.

III. USE OF SELF-SUPPORTING FEES

A. Deposit of Self-Supporting Fees

The College shall deposit self-supporting fee receipts in an institutional unrestricted general ledger account. Any course section initially designated as self-supporting cannot be changed to a State-funded designation after the College collects any receipts for the course section.

B. Use of Self-Supporting Fee Receipts

Self-supporting fee receipts shall be used to support the direct and indirect costs of the self-supporting course sections. The College shall not use state funds for direct costs of self-supporting course sections. If a full-time curriculum instructor teaches a self-supporting course section, the College shall either: 1) pro-rate the instructor's salary based on the time allocated between state-funded and self-supporting course sections in the instructor's course load; or 2) reimburse State funds an amount equal to the number of instructional hours associated with self-supporting course section multiplied by the instructor's hourly rate of pay.

C. Excess Receipts

Specific fee receipts shall be used for the purpose for which they are charged. If self-supporting receipts exceed expenditures for the purpose for which they are charged, the College shall use excess receipts to support the costs of future self-supporting course sections, instruction, student support services, student financial aid (e.g. scholarships, grants, and loans), student refunds, student activities, curriculum development, professional development, promotional giveaway items, instructional equipment, and capital improvements and acquisition of real property.

Excess receipts shall not be used for any of the following purposes: supplemental compensation or benefits of any personnel, administrative costs, entertainment expenses, and fundraising expenses.

Adopted: August 26, 2022

Legal Reference: N.C.G.S. §§ 115D-5; -39; 1E SBCCC 600.1 – 600.4