ADULT AND CONTINUING EDUCATION (ACE) STANDARD OPERATING PROCEDURES

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STANDARD OPERATING PROCEDURES

ADULT
AND
CONTINUING EDUCATION

Office of the Executive Vice Chancellor & Chief Operating Officer

July 1, 2011
Standard Operating Procedures: Adult and Continuing Education

Adult and Continuing Education programs are governed by New York State Education Law 6206, which authorizes the CUNY Board of Trustees to "...conduct on a fee basis extension courses and courses of adult education appropriate to the field of higher education." These Standard Operating Procedures describe the responsibilities of colleges with regard to collecting and reporting ACE enrollment data, setting tuition, managing ACE budgets and revenue, and overseeing ACE expenditures.

I. Definition

For the purposes of the Tuition and Fee Manual, ACE programs are defined as noncredit programs in the following five categories:

- **Remedial Instruction**: Basic skills training or education, also known as Adult Basic Education.

- **Vocational Preparation**: Workforce and professional development programs, including both certificate and noncertificate programs, for entry-level and incumbent workers.

- **Community Service**: Programs that provide opportunities for individuals to contribute to community projects or address community needs.

- **Avocational, Recreational, or Social Group**: Programs focused on personal development or growth outside the workplace, and social and recreational programs.

- **College Transition Programs**: CUNY Start, which includes pre-college math, academic reading/writing and advisement for college-bound adults and GED graduates, as well as the CUNY Language Immersion Program, CUNY's intensive English-language instruction program for non-native students.

This definition does not include credit-bearing courses that may on some campuses be offered under the aegis of the Adult and Continuing Education office.

II. Related System-wide Standard Operating Procedures

ACE programs are subject to all relevant University-wide standard operating procedures, including but not limited to:

- Cash Management and Banking Policy: [http://www.cuny.edu/about/administration/offices/bf/uc/uc-links/Cash_Management_and_Banking_Policy.pdf](http://www.cuny.edu/about/administration/offices/bf/uc/uc-links/Cash_Management_and_Banking_Policy.pdf)

- Records Retention and Disposition Schedule: [http://policy.cuny.edu/toc/rts/](http://policy.cuny.edu/toc/rts/)
ACE programs are subject to internal and external programmatic and fiscal audit.

III. Collecting and Reporting Enrollment Data

ACE programs are not currently included in the online student enrollment data management system (CUNYfirst or e-SIMS). Accordingly, each college is responsible for designating a college official who is responsible for collecting ACE enrollment data, verifying its accuracy, and reporting it four times a year to CUNY’s Office of Institutional Research and Assessment using Adult and Continuing Education Non-Credit Enrollment Form A reports. These reports collect aggregate information on headcounts and contact hours using the definitions in section I above. They also distinguish between programs funded by student tuition and fees and those funded by grants or contracts.

IV. Revenue Management

ACE revenue derives from student tuition and fees, grant and contract reimbursements, and state aid reimbursement for eligible remedial courses. As set forth below, colleges must set reasonable tuition, ensure that ACE programs are self-sufficient, deposit ACE revenue derived from tuition and fees into State, City, or Research Foundation accounts as appropriate, and segregate ACE revenue deposits from other funds.

A. Setting and Collecting ACE Tuition and Fees

Unlike degree credit courses and programs, there is no University-wide tuition schedule for ACE programs. ACE tuition and fees paid directly by students must be collected via check, money order, or credit card. Cash may not be accepted for payment of student tuition or fees unless (1) the student pays the cash directly to the college bursar’s office or (2) tuition and fees combined are $20 or less and a nonstudent member of the bursar’s staff collects the funds. For information on revenue deposits, see section IV.C.

Colleges are permitted to offer multi-course, employee, and other types of discounts or tuition waivers and to defer tuition or fees. Before offering any waivers or deferrals, the college must set forth its policies in writing and make the policies readily available to the continuing education population. Likewise refund policies must be published in the ACE catalog or course schedule and also on the college’s website to alert students to the procedures and the time frame in which they can obtain a refund. The college’s business manager must maintain records of waivers, refunds, and deferrals for use in reconciling enrollment and revenue data.
B. Ensuring that ACE Programs Are Financially Self-Sufficient

All colleges are responsible for ensuring that their ACE programs are self-sufficient in the aggregate. This means that the revenue across all ACE programs must equal or exceed the program’s costs (including its indirect costs).

Colleges are permitted to temporarily fund their ACE programs with non-ACE related tax-levy funds. However, this is allowable only if the college uses ACE revenue to fully reimburse this money by the CUNY fiscal year deadline for colleges to journal expenses. (Community colleges do not need to reimburse for tax levy money received for eligible remedial courses.) Colleges must retain records that reflect the use of all tax-levy money for ACE purposes; these records must identify the college official who authorized the use and provide a justification for it. All such expenditures must comply with state and city procurement rules.

C. Deposits of ACE Revenue

There are strict requirements that govern where colleges can deposit ACE funds; different rules apply to senior colleges than to community colleges. ACE revenue must be deposited as set forth below.

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Two Year Colleges</th>
<th>Four Year Colleges</th>
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<tbody>
<tr>
<td>Student tuition and fees</td>
<td>Transfer funds to University Controller for deposit into an ACE City account.</td>
<td>Transfer funds to University Controller for deposit into an ACE State Income Fund Reimbursable (IFR) Account.</td>
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<tr>
<td></td>
<td>Funds may be held in a local bank account for up to 30 days but must then be transferred to the University Controller for deposit into an ACE City account.</td>
<td>Funds may be held in a local bank account for up to 30 days but must then be transferred to the University Controller for deposit into an ACE State IFR account.</td>
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<td>Student tuition and fees may not be deposited into a college foundation account.)</td>
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</tr>
<tr>
<td>Tuition and fees reimbursed by grants or contracts</td>
<td>Transfer funds to University Controller for deposit into a CUNY Research Foundation ACE account.</td>
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1. **Senior Colleges.** At senior colleges, tuition and fees from ACE courses must be transferred on a timely basis to the University Controller for scheduled deposit into a State Income Fund Reimbursable (IFR) account, a tax levy account specifically designed for self-sustaining programs. The University maintains a monthly deposit schedule with the City for ACE tuition and fees.

Senior Colleges are responsible for the various fees associated with IFR accounts. Specifically, they must pay the state IFR cost recovery fee and fringe benefits on a
scheduled basis to the University Controller's Office. The University Controller's Office processes these payments. Colleges are also responsible for scheduling the indirect (overhead) rate (currently 5.9%) that applies to all IFR programs.

2. **Community Colleges.** At community colleges, ACE tuition and fee supported programs are managed through New York City's Financial Management System. Revenue must be forwarded to the University Controller for deposit into a City account. Currently, the total account balance must equal at least 117.5% of fiscal-year continuing education program expenditures, including fringe benefits. For example, $100,000 in expenditures leads to a transfer to the city of at least $117,500. Colleges are responsible for ensuring that sufficient funds remain at the end of the fiscal year to cover this requirement. Any shortfalls are expected to be covered with the subsequent year's revenue. The failure to cover revenue shortfalls will result in budget reductions.

3. **Grants and Contracts.** ACE revenue generated through federal grant and contract programs must be transferred to the University Controller for deposit in a CUNY Research Foundation ACE account. Colleges are responsible for fringe benefits and Research Foundation indirect costs. ACE staff can be paid from a Research Foundation account only if the ACE staff member is working directly on an ACE-related program.

All ACE funds must be expended in accordance with applicable State, City or CUNY Research Foundation requirements.

V. **Temporary Usage of Local Bank Accounts**

The University discourages the use of local bank accounts to temporarily house ACE student tuition and fees. However, if a college must use a local bank account for this purpose, it must adhere to the following policies and controls:

- CUNY's Cash Management and Banking Policy: [http://www.cuny.edu/about/administration/offices/bf/uc/uc-links/Cash_Management_and_Banking_Policy.pdf](http://www.cuny.edu/about/administration/offices/bf/uc/uc-links/Cash_Management_and_Banking_Policy.pdf). This includes the requirement to report the opening of new accounts to the office of the University Controller using CUNY's Bank Account Notification Form.

- The college's finance/accounting system must segregate ACE activities.

- Funds must be transferred from local bank accounts into the appropriate State or City account no later than 30 days after collection.
• The local bank account cannot be used for disbursements unless they are necessary to meet short-term ACE program needs. Expenditures equal to or less than $1,000 may be authorized by the ACE Director or the college Business Manager. Expenditures between $1,001 and $9,999 require the sign-off of the college’s Vice President for Finance and Administration or designee. Expenditures greater than $10,000 require the sign-off of the University Controller.

Accounts containing ACE revenue must be managed in accordance with CUNY’s Cash Management and Banking Policy, including analysis of the tuition and fee cash account and cash balances on a monthly basis. CUNY policy prohibits payment of personal service (PS) through bank accounts. All ACE personnel must be processed and paid through an appropriate university (State or City) or CUNY Research Foundation (RF) account.

VI. Procurement of Goods and Services – Adult and Continuing Education Program

It is the policy of the University to acquire goods and services using non-tax levy funds through competitive selection to the maximum practical extent while complying with all applicable internal controls and best practices for procurement. While purchases made using such funds are not governed by State procurement laws, sound purchasing procedures must still be followed. If any contract is funded partially from New York State funds or if a contract is expected to convert (in full or in part) to New York State funding in some future year, full compliance with New York State regulations and CUNY’s tax-levy procurement regulations is required from the outset.

Procurements by ACE programs will typically involve non-tax levy funds. College purchasing offices will assist ACE programs with their procurements and generally will follow State procurement laws and University tax-levy procurement regulations. The College purchasing offices shall consult with CUNY’s Office of the University Controller and Office of General Counsel as necessary.

Procurements by ACE programs shall:

• Guard against favoritism, improvidence, extravagance, fraud and corruption;
• Ensure that the results are fiscally prudent and meet CUNY’s needs at a fair and reasonable price;
• Provide for checks and balances to regulate and oversee procurement activities; and
• Protect the interests of the State, the City and their taxpayers.

Please consult the January 31, 2011 memorandum (attached) from Senior Vice Chancellor for Legal Affairs and General Counsel Frederick Schaffer on “Contract Signing Authority” for guidance on which individuals are authorized to commit the College/University to financial and/or other contractual obligations.
VII. Records and Controls

The college’s Vice President for Finance and Administration is responsible for fiscal oversight of ACE programs. These responsibilities include but are not limited to:

- Maintaining the self-sufficiency of ACE programs.
- Tracking ACE revenue.
- Ensuring that ACE revenue is forwarded appropriately to the University Controller for deposit into the appropriate ACE State or City account and for federal grant and contract revenue to the University Controller for deposit into a CUNY Research Foundation ACE account.
- Assuring that expenditures of ACE funds are reasonable and appropriate and in compliance with applicable state, city and CUNY Research Foundation policies.
- Seeking the approval of the Office of the University Controller to open a local bank account.
- Reviewing tuition rates and waivers.

The college’s Vice President for Finance and Administration and ACE Director are jointly responsible for reconciling ACE enrollment and revenue for the fiscal year. Colleges are also responsible for maintaining all records pertaining to ACE program.

To assist colleges, the following Central Administration controls are in place:

- The University Budget Office reviews State and City accounts.
- The Office of the University Controller submits tax-levy ACE revenue to the State or City and reviews tax-levy ACE programs and their cash flow.
- The Office of Internal Audit periodically reviews ACE programs.
- ACE programs are included in CUNY’s annual external audit.

Beginning with Academic Year 2011-2012, college presidents will also attest annually to compliance with ACE program procedures.