

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
REGULATION NO. – AR 7.3**

TITLE: WORKFORCE EDUCATION DIRECT COST RECOVERY

GENERAL SUMMARY STATEMENT OF ADMINISTRATIVE REGULATION PURPOSE: This regulation establishes the method by which the Director of Workforce Education, program coordinators and managers, under the supervision of the Dean for Advancement & Continuing Education set prices for the various products and services sold by the department to external customers.

EFFECTIVE DATE:7/27/04; REVISED 7/12/2022

PROCESS:

1. Pricing strategies for all non-credit Workforce and Community Education Programming must be designed such that all direct costs are recovered through revenue from client fees, registration fees, grants, and/or third party pays.
2. Direct costs include but may not be limited to:
 - a. Instructor/Facilitator stipend and/or any reimbursed expenses
 - b. Books/Materials
 - c. Off-campus (other than college owned) facility rental
 - d. Vendor fees/costs
 - e. College vehicle usage charges (including Mobile Computer Training Center Formula)
 - f. Marketing Costs (including sales and marketing personnel costs)
3. For items “e” and “f” above, the department will establish internal cost tracking systems within the financial analysis portion of its database to determine appropriate internal chargebacks on a project-by-project basis.
4. For each individual class or project, all direct costs will be calculated. An appropriate mark-up based on market considerations will be calculated and added to the total direct cost. The resulting sum will represent the revenue target.
 - a. When book and/or materials fees are publicized and collected separately from regular course fee(s), these costs are not included in the direct cost calculation.
 - b. For brokered courses and programs, a standard mark-up will be determined at the beginning of each fiscal year. This standard mark-up will be based on revenue generation goals and historical brokered program expense data.
 - c. For contracted training projects, the revenue target will represent the total client cost proposal.
 - d. For open enrollment classes, the revenue target will be divided by the total number of reasonably expected registrants. The resulting quotient will be the individual class fee.

5. For open enrollment classes, a decision as to whether or not to cancel any particular class will be based on whether or not the number of registrants will generate enough revenue to recoup the actual day of instructions costs (direct costs minus sunk costs).
6. Special population, early registration, multi-course, group or other discounts may be offered if the benefit to the College can be appropriately documented.
7. Certain contracted training services that do not normally incur direct costs (including, but not necessarily limited to grant writing and management services), will have a fixed fee to be determined at the beginning of each fiscal year.
8. Certain brokered programs arranged through partnership agreements and/or State of West Virginia mandates may place limitations or other requirements on pricing calculations (example ACT Center™ and WorkKeys™ services).
 - a. In such cases, the partnership agreement and/or State mandate will prevail.
 - b. Such partnerships that might limit the College's discretion regarding pricing strategies must be approved in advance by the President and documented appropriately through standard College contracting processes.
9. This regulation does not address indirect cost or operating margin.

The Dean of Advancement & Continuing Education is responsible for the implementation, interpretation, and review of this regulation.



Dr. Thomas Striplin, President

09/26/2022

Date