

11/2/2017

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business and Finance Committee

Thursday, November 9, 2017
8:30am – 9:30am
Gordon Dining and Event Center
770 W. Dayton Street, 2nd Floor
Concerto Room
Madison, Wisconsin

- a. Approval of the Minutes of the October 5, 2017 Meeting of the Business and Finance Committee
- b. Approval to Negotiate and Enter into an Appropriate Contractual Agreement to Transfer Management of UW System Trust Fund Assets to the State of Wisconsin Investment Board (SWIB)
[Resolution I.2.b.]
- c. Approval of Revisions to Regent Policy Documents 30-3 “Guidelines for Student Governance” and 30-5 “Policy and Procedures for Segregated University Fees
[Resolution I.2.c.]
- d. Quarterly Gifts, Grants, and Contracts Report (FY2018 Q1)
- e. Report of the Vice President(s)

Approval to Negotiate and Enter into an
Appropriate Contractual Agreement to Transfer
Management of UW System Trust Fund Assets to the
State of Wisconsin Investment Board (SWIB)

BUSINESS AND FINANCE COMMITTEE

Resolution:

Whereas under Section 36.11 (11m) of the Wisconsin statutes, the UW System Board of Regents may elect to contract with the State of Wisconsin Investment Board (SWIB) to manage the investment of revenues from gifts, grants, and donations; and

Whereas SWIB has demonstrated a positive track record of prudent investment strategies to maximize investment returns; and

Whereas SWIB's nine-member Board of Trustees practices sound governance and oversight that can supplement the UW System Board of Regents' fiduciary duty with respect to UW System Trust Fund assets;

Therefore be it resolved that the UW Board of Regents directs the UW System President and Vice President for Finance to undertake to negotiate and enter into an appropriate contractual agreement under which the UW System Trust Fund assets will be moved to SWIB for the ongoing purpose of investment management.

**APPROVAL TO TRANSFER MANAGEMENT OF
UW SYSTEM TRUST FUND ASSETS TO THE
STATE OF WISCONSIN INVESTMENT BOARD
(SWIB)**

BACKGROUND

The University of Wisconsin (UW) System Office of Trust Funds is responsible for managing approximately \$550 million in total assets for the benefit of all of the University of Wisconsin institutions. The Office of Trust Funds currently consists of a Director/Assistant Trust Officer and two full-time accounting/financial specialists working within the UW System Office of Finance. Annual fund performance reviews and associated activities are reported to the UW System Board of Regents' Business and Finance Committee through the recently constituted Subcommittee on Investments. There are no outside consultants providing services related to asset allocations, manager selection, or investment performance; all of the decision-making responsibilities are maintained within the UW System Office of Trust Funds, under the auspice of the University of Wisconsin System Board of Regents and UW System Vice President for Finance.

The invested Trust Funds of the University of Wisconsin System consist predominately of bequests from individuals via wills or other trusts, as well as outright gifts from living donors, corporations (including matching gift programs), and external foundations and trusts. Such bequests and gifts come to the Board of Regents of the University of Wisconsin System whenever the donor and documentation name the beneficiary as either the Board of Regents or any UW System institution directly. Bequests and gifts flow directly to a UW-affiliated foundation only when the donor and documentation specifically name the foundation as beneficiary. Although active fundraising is primarily the purview of individual UW campus-affiliated foundations (independent entities with separate governing boards), the University also benefits from the generosity of alumni and friends who have gifted directly to one of the UW institutions rather than through an affiliated foundation.

Gifts and donations originate as either, a) "true endowments," where the donor has in essence restricted the use of principal and may or may not have imposed additional restrictions as to purpose or, b) "expendable funds," where the donor has placed no restriction on use of principal and may or may not have imposed restrictions as to purpose.

For the fiscal year ended June 30, 2016, UW System Trust Funds received \$16.3 million in gifts, compared to \$10.4 million received in the prior year. Disbursements from Trust Funds to benefiting UW institutions totaled \$22.5 million, compared to \$19.5 million in the previous fiscal year. Consistent with donor designations, disbursements have predominately been dedicated to research, student aid, public service, and instruction.

REQUESTED ACTION

Approval of resolution I.2.b., which authorizes the movement of management of the University of Wisconsin Trust Fund assets to SWIB under an appropriate agreement with the SWIB Board of Trustees.

DISCUSSION

The University of Wisconsin System has the statutory authority to manage trust funds assets in one of three ways: 1) internally by UW System employees, 2) via an RFP for outside management consultants, or 3) through the State of Wisconsin Investment Board (SWIB).

Currently, the UW System's Trust Funds Office has three full-time employees to manage and execute all of the transactions for the fund. SWIB is an agency of 165 employees, including portfolio managers, analysts, and traders, positioned to leverage economies of scale with respect to both lower management fees and access to SWIB's internal management expertise. SWIB's robust functions of oversight and accountability, particularly through SWIB's nine-member Board of Trustees, would serve to enhance the UW System Board of Regent's role as a fiduciary and responsible steward of UW trust fund assets.

Additional background on the State of Wisconsin Investment Board (SWIB)

The State of Wisconsin Investment Board (SWIB) is the state agency responsible for investing the assets of the Wisconsin Retirement System (WRS), the State Investment Fund (SIF) and several other investment portfolios including the Historical Society Trust Fund, the State Life Insurance Fund, the EdVest Tuition Trust Fund, and the Injured Patients and Families Compensation Fund. Investments are made according to the purpose and risk profile of each trust. The WRS – with nearly \$90 billion of assets under management -- is the 9th largest U.S. public pension fund and the 25th largest pension fund in the world.

SWIB is directed by a nine-person, independent Board of Trustees. The Board of Trustees appoints the executive director of the Investment Board and sets the overall policy for SWIB. The executive director oversees the staff, develops and recommends agency and investment policies for Board adoption, and ensures adherence to state law and policies. The chief investment officer serves as chair of the Investment Committee. The Investment Committee provides oversight of SWIB's investments and reports to and makes recommendations to the Trustees.

RELATED REGENT POLICIES

Regent Policy Document RPD 31-2 Management and Administration of Trust Funds

Regent Policy Document RPD 31-3 Transfer of Securities

Regent Policy Document RPD 31-9 Investment Policy Statement: Key Elements and Review Process

Regent Policy Document RPD 31-10 Proxy Voting

Regent Policy Document RPD 31-13 Social Responsibility and Investment Considerations

Regent Policy Document RPD 31-15 Large Unendowed Bequests or Gifts

Regent Policy Document RPR 31-16 Sudan Divestment

Approval of Revisions to Regent Policy Documents
30-3 “Guidelines for Student Governance” and
30-5, “Policy and Procedures for Segregated University Fees”

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached revisions to Regent Policy Document 30-3, “Guidelines for Student Governance” and 30-5, “Policy and Procedures for Segregated University Fees”

**APPROVAL OF REGENT POLICY DOCUMENT REVISIONS:
RPD 30-3 “GUIDELINES FOR STUDENT GOVERNANCE”
RPD 30-5 “POLICY AND PROCEDURES FOR SEGREGATED UNIVERSITY FEES”**

BACKGROUND

The UW System Board of Regents’ policies are codified in Regent Policy Documents (RPDs) that have been adopted over time, some dating back to the creation of the UW System. The Board has adopted these policies under the authority granted in Chapter 36, Wis.Stats. The RPDs address a wide array of subjects, including academic policies and programs, contracts, student activities, and trust and investment policies.

2017 Wisconsin Act 59, the 2017-19 State of Wisconsin Budget, creates statute 36.11 (57) Classification of Segregated Fees. This statute requires the Board of Regents to revise the policies regarding segregated fees to ensure the classification of allocable and non-allocable is consistent across institutions. It also requires the Board to submit the revised policies to the Joint Committee on Finance for a 14-day passive review. If the co-chair persons do not schedule a meeting within the 14 working days, they are considered approved. If the co-chair persons do schedule a meeting, the policies may not be implemented until they are approved by the Committee on Finance. The Board of Regents cannot approve any allocable segregated fee increases until the policies are approved.

Three policies were identified to be revised as a result of the new statute: RPD 30-3 “Guidelines for Student Governance”, RPD 30-5 “Policy and Procedures for Segregated University Fees,” and UW System Administrative Policy 820 “Segregated University Fees.”

At its November 2017 meeting, the Business and Finance Committee will consider revisions to RPD 30-3 “Guidelines for Student Governance” and 30-5 “Policy and Procedures for Segregated University Fees.”

Should the revisions be approved, President Cross is prepared to approve related revisions to UW System Administrative Policy 820 “Segregated University Fees.”

REQUESTED ACTION

Adoption of Resolution I.2.c., which revises Regent Policy Documents 30-3 “Guidelines for Student Governance”, and 30-5 “Policy and Procedures for Segregated University Fees.”

DISCUSSION

A segregated fee policy revision group was appointed in August 2017 to address the provision included in the budget requiring policy changes to more consistently categorize allocable and non-allocable segregated fees among the institutions. The group had 25 members including 8 students, two senior student affairs officers, one chief business officer, and budget and auxiliary staff. Each campus had representation on the group which met three times during August and September to arrive at the recommended policy revisions that are being proposed.

Regent Policy Document 30-3 “Guidelines for Student Governance” had previously indicated the Chancellor, in consultation with students could define what fees are allocable and non-allocable. Due to the language included in Act 59 the definitions of allocable and non-allocable must be consistent across all institutions therefore that language was removed in the proposed policy revision. (See Attachment A)

Regent Policy Document 30-5 “Policy and Procedures for Segregated University Fees” currently requires campus administrations and student governance groups to develop procedures which allow students a “timely and meaningful review of the non-allocable Student University Fee budget.” The proposed policy revision expands that to allow “student governance groups to request earlier and more extensive participation in specific program areas such as (but not limited to) transit/bus and intercollegiate athletic programming” if they choose. (See Attachment B)

Should the proposed policy revisions be approved, the procedures for reviewing non-allocable fees would need to be revised by each institution and submitted to UW System Administration with their 2018-19 annual budget.

UW System Administrative Policy 820 “Segregated University Fees”, which would be approved by President Cross should the proposed Regent Policy revisions be approved, has been revised to categorize organized activities, which include student organizations, club sports and sustainability/green fees as allocable. Limited term employee (LTE) salaries, student help salaries and the associated fringe benefits in organized activities would also be allocable.

All other salaries and program areas receiving segregated fees will be categorized as non-allocable. (See Attachment C)

RELATED REGENT POLICIES

Regent Policy Document 30-3 “Guidelines for Student Governance”

Regent Policy Document 30-5 “Policy and Procedures for Segregated University Fees”

Regent Policy Document 30-6 “Policy on Recognition of Student Organizations”

Attachment A

Regent Policy Document 30-3

Guidelines for Student Governance

Whereas, each institution shall do the utmost to implement the letter and spirit of Wis. Stats. § 36.09(5), as interpreted by the Board of Regents and Wisconsin Courts; and

Whereas, the fundamental thrust of § 36.09(5) is to insure that students are viable participants in university affairs, subject to the responsibilities of the board, the president, the chancellor and the faculty; and

Whereas, students have primary responsibility in the formulation and review of policies concerning student life, services and interests, as defined by each institution, as well as responsibility for the disposition of those segregated university fees that constitute substantial support for campus student activities; and

Whereas, students shall have the right to select their representatives to participate in institutional governance, which means that students may choose the students who will be appointed by appropriate authorities to participate in institutional and faculty committees as determined by institutional policies and procedures and in accordance with the interpretation of the statute by the Wisconsin Courts.

Therefore, be it resolved that, upon the recommendation of the President of the System, the document entitled "Guidelines for Implementation of 36.09(5), Wis. Stats.," dated November, 1986, be approved.

Background

Wisconsin is one of a few states in the nation to provide students with a statutory role in university governance. Wisconsin Statutes, § 36.09(5), adopted in 1974, states:

36.09(5) STUDENTS. The students of each institution or campus subject to the responsibilities and powers of the board, the president, the chancellor and the faculty shall be active participants in the immediate governance of and policy development for such institutions. As such, students shall have primary responsibility for the formulation and review of policies concerning student life, services and interests. Students in consultation with the chancellor and subject to the final confirmation of the board shall have the responsibility for the disposition of those student fees which constitute substantial support for campus student activities. The students of each institution or campus shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance.

The Board adopted "Interim Guidelines" for the implementation of § 36.09(5) in 1974 (Policy Document 74-11), and a policy for implementation in 1975 (Policy Document 75-10), which interpreted the statutory language in the context of overlapping and sometimes conflicting

interests of students, faculty, and administrators of the System institutions. The policies outline a general framework for interpreting the section, delegate responsibility for implementing the section to the Chancellors, and provide an appeals process so that students who believe an administrative action is not in the Spirit of § 36.09(5) can bring such grievances to the Board of Regents for resolution.

After the Interim Guidelines were passed, each institution conducted a study of the students' role in shared governance and devised a plan to implement the statute. These plans were submitted to System Administration in December, 1975 and were updated in 1978. The plans may be amended and improved by each institution through the governance process at any time without review by System Administration or the Board of Regents.

The implementation plans vary considerably from institution to institution. They vary because there are differences in the student bodies, in the interests of the student governments and organizations, in the academic and extracurricular programs, and in the governance structures of the institutions. For example, most institutions have separate faculty and student senates, but a few have university-wide senates on which students participate in addition to the student senate. Each institution also has a different configuration of committees, in substance and number, with different numbers and proportions of faculty and student members. Two examples may clarify this point:

1. At several institutions, child care is a program for students, supported by student fees, while other institutions provide this service for students, staff, and faculty, and yet others contract with outside agencies for child care; and
2. The problems facing the parking committee at University of Wisconsin-Milwaukee would be quite different from those of a parking committee at the University of Wisconsin-Colleges Baraboo County. Whereas, the students at Milwaukee might want a large number of students on the committee, students at Baraboo might not see parking as a problem warranting much attention.

In short, it would be difficult for the Board of Regents to devise a specific structure or to mandate involvement at certain levels in certain issues that would be acceptable to students at each institution. The details of institutional governance are best left to the parties involved. Nevertheless, it is appropriate for the board to set forth some specific directions and general principles to guide the institutions in the proper implementation of the statute. The guidelines in this document, which primarily represent an update of the 1974 Interim Guidelines, seek to fulfill that purpose.

The fundamental thrust of § 36.09(5) is to insure that students are viable participants in university affairs. When the implementation plans were last review in 1978, the reports indicated that each unit had implemented § 36.09(5) in accordance with the Regents guidelines and judicial interpretations of the language. Plans at each institution operate in the ways envisioned in the Regents' Guidelines.

The Board recognizes that at some institutions the students may not be fully satisfied with the implementation plan. The plans are documents negotiated between students, faculty, academic

staff, and administrators and therefore may not be exactly what each party would want. Thus, Regent Policy Document 75-10 afforded students, faculty, or administrators an opportunity to appeal any substantial difference of opinion involving the spirit or letter of § 36.09(5) to the Board of Regents:

In the event an irreconcilable difference of opinion develops at any institution between or among student organizations, the faculty, and the Chancellor, over whether or not a particular campus policy or procedure meets the letter and spirit of Section 36.09(5), then any of the contending parties may request through the President's Office that the Regents review the dispute and take such action as may be appropriate to its resolution. The request for review should be made in writing, and should include the evidence and reasoning upon which the request for review is made. Upon receiving such a request through the President, the Board shall determine whether or not to provide a review.

This procedure has been used once since it was adopted in 1975. In 1977, the University of Wisconsin-Milwaukee Student Association appealed the segregated fee budget that was recommended by the Chancellor to the Board because it differed substantially from the students' own submission. The Board supported the Student Association's position. Based on evidence to date, System Administration has no reason to believe that this procedure has been inadequate to deal with disagreements about the implementation of the statute. Minor changes in the procedure are provided herein in order to provide more expeditious resolution of student concerns.

Guidelines

A. General Principles

1. DELEGATION:

Implementation of § 36.09(5) is a responsibility delegated to the Chancellors or their designees in consultation with the students, faculty, and academic and university staff of their institutions.

2. ACTIVE PARTICIPATION:

Student input to immediate governance and policy development of the institutions will be given serious attention and consideration. As active participants there must be a meaningful opportunity for input so that student ideas are received and considered before decisions are made and the meaningful opportunity must include timely notice to students of pending issues concerning immediate governance and policy development of the institutions. The requirement of § 36.09(5) that students be "active participants in the immediate governance of and policy development for" their institution also includes the provision that student participation be "subject to the powers and responsibilities of the board, the president, the chancellor, and the faculty." For this reason, "active participation" will necessarily be defined to an extent in the procedures by which the several agencies of shared or faculty governance for each institution receive student recommendations and opinion. The mechanisms for active participation may be several, ranging from opportunity for students or student organizations to be heard, to non-

voting representation on certain policy-making committees, to voting representation on such committees.

3. SELECTION OF STUDENT REPRESENTATIVES:

Section 36.09(5) provides that students “shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance.” This language was interpreted by the Wisconsin Supreme Court to mean that the University of Wisconsin-Milwaukee Student Association, under its constitution, had the right to select representatives to institution-wide committees as the “students” in § 36.09(5). *UW-Milwaukee Student Association v. Baum* (1976) 74 Wis. 2d 283. While this case is subject to various interpretations where the students have chosen forms of organization that differ from that at the University of Wisconsin-Milwaukee, it is clear from the decision that the choice of representatives must rest with the students under a structure determined by and agreed to by the students. The statute was interpreted further by the Wisconsin Court of Appeals to mean that students cannot be required to submit more names into nomination than there are student positions to fill on committees. *UW-Oshkosh Student Association v. Board of Regents* (App. 1979) 90 Wis. 2d 79.

The form and procedure for assuring appropriate student representation shall be determined by the students at each institution in consultation with the Chancellor, faculty, and academic staff, with reference to the particular governance or policy making function being performed, and with attention to the most appropriate student constituency for achieving student participation. Under existing university laws and regulations, the agencies of shared or faculty governance are several, and the procedures for establishing membership on such agencies are varied, ranging from appointment, to ex officio designation, to election by a defined constituency. Where student membership on a given policy development agency is authorized by institutional rules, the procedures for establishing such membership also shall be defined, with the right to select representatives vested in the appropriate student group consistent with judicial interpretation and using a method agreed to by the students. The size and diversity of the student body and the history of procedures for achieving student participation are important factors in the determinations to be made. Where students have organized for participation and representation below the institution-wide level (such as colleges, schools, divisions, and departments), the form and procedure for assuring appropriate representation in a unit shall be determined by the students in that unit.

4. PRIMARY RESPONSIBILITY:

Because § 36.09(5) grants to students primary responsibility (subject to the responsibilities and powers of the board, the president, the chancellor, and the faculty) “for the formulation and review of policies concerning student life, services, and interests,” each institution, through consultation with its student government association, should identify the student agencies (organizations, committees, councils, etc.), or agencies with a preponderance of student membership to whom responsibility can be delegated for initiation and review of policies of a particular category. Where no formal student group exists in a particular area, procedures shall be devised by the student government association to address the appointment of student participants.

Primary responsibility means that students have the obligation and authority to initiate policies concerning student life, services, and interests, and to review existing and proposed policies in these areas before they are amended or adopted by the other constituencies of the university. Where approval of such policies rests with the faculty or administration, the basis for changing or denying the student recommendations shall be substantial and shall be communicated to the recommending student agency in a timely manner. Institutions, in consultation with the student government association, shall define the area of “student life, services, and interests” with particularity, observing that this area cannot by definition include those areas assigned in §§ 36.09(1), 36.09(2), 36.09(3), 36.09(4), and 36.09(4m) as primary responsibilities of the regents, president, chancellor, faculty, and academic staff. The fact that areas are not a primary responsibility of students does not, however, preclude their active participation. It is presumed that the membership of committees dealing primarily with formulation and review of policies concerning student life, services, and interests as defined by the institution will have a majority of students.

5. SEGREGATED UNIVERSITY FEES (SUF):

As a specific stipulation of the statute, students “shall have the responsibility for the disposition of allocable portions of the revenue received from student fees. Students, acting through the SUF Allocations Committee (SUF AC) or other designated institution-wide body, shall be responsible for formulation of the allocable SUF budget, subject to the responsibilities of the chancellor. The basis for denying or changing the student decision shall be substantial and shall be communicated by the chancellor to the recommending student agency in a timely manner. The chancellor shall discuss any changes s/he recommends to the SUF budget for student consideration and decision before the chancellor forwards the institution’s budget to System Administration and the Regents.

The chancellors are responsible for administering funds received from student fees. Specifically, no expenditure of such funds can be authorized except with the approval of the chancellor through the processes established for any expenditure of public funds held by the University System or its institutions. [University of Wisconsin System rules concerning the approval and administration of segregated fees are contained in the UW System Administrative Policies (SYS), see e.g., SYS 820, *Segregated University Fees*.]

B. Appeal of Issues

In the event an irreconcilable difference of opinion develops at any institution between or among student organizations, the faculty, the academic or university staff, and the Chancellor, over whether or not a particular campus policy or procedure meets the letter and spirit of § 36.09(5), and after institutional procedures have been exhausted, any of the contending parties may request the President to review the dispute and take such action as may be appropriate to its resolution. The request for review shall be made in writing, and shall include the evidence and reasoning upon which the request for review is made. If a decision is necessary, the President shall render the decision within 20 working days of receiving the request for review. Upon receiving the decision of the President, any of the contending parties may request a review of the President’s decision by the Board of Regents by writing to the President of the

Board. Upon receiving such a request, the Board shall determine whether or not to provide a review.

If irreconcilable differences of judgment on the uses of allocable student fee income develop between a chancellor and the student organization charged with responsibility for initiating recommendations in this regard, the views of both shall be brought to the Regents through the President's Office in a timely manner and the Regents shall determine the distribution of such resources for the particular institution. System Administration may attempt to mediate and resolve the dispute before it is forwarded to the Board.

History: Res. 3666 adopted 11/07/86; supersedes Regent Policy Documents 74-11 and 75-10. Res. 5452, adopted 04/06/1990. Res. 10835, adopted 03/09/2017, authorized technical corrections. (See also Regent Policy Document 30-6)

SEE ALSO:

[SYS 820, Segregated University Fees](#) (formerly F50)

[SYS 822, Student Services Funding](#) (formerly G15)

[UW System Administrative policies are included for reference and are separate from Regent Policy Documents adopted by the Board.]



Board of Regents
POLICIES

Regent Policy Document 30-3

Guidelines for Student Governance

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Whereas, the fundamental thrust of § 36.09(5) is to insure that students are viable participants in university affairs, subject to the responsibilities of the board, the president, the chancellor and the faculty; and

Whereas, students have primary responsibility in the formulation and review of policies concerning student life, services and interests, as defined by each institution, as well as responsibility for the disposition of those segregated university fees that constitute substantial support for campus student activities; and

Whereas, students shall have the right to select their representatives to participate in institutional governance, which means that students may choose the students who will be appointed by appropriate authorities to participate in institutional and faculty committees as determined by institutional policies and procedures and in accordance with the interpretation of the statute by the Wisconsin Courts.

Therefore, be it resolved that, upon the recommendation of the President of the System, the document entitled "Guidelines for Implementation of 36.09(5), Wis. Stats.," dated November, 1986, be approved.

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The Board adopted "Interim Guidelines" for the implementation of § 36.09(5) in 1974 (Policy Document 74-11), and a policy for implementation in 1975 (Policy Document 75-10), which interpreted the statutory language in the context of overlapping and sometimes conflicting interests of students, faculty, and administrators of the System institutions. The policies outline a general framework for interpreting the section, delegate responsibility for implementing the section to the Chancellors, and provide an appeals process so that students who believe an administrative action is not in the Spirit of § 36.09(5) can bring such grievances to the Board of Regents for resolution.

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The implementation plans vary considerably from institution to institution. They vary because there are differences in the student bodies, in the interests of the student governments and organizations, in the academic and extracurricular programs, and in the governance structures of the institutions. For example, most institutions have separate faculty and student senates, but a few have university-wide senates on which students participate in addition to the student senate. Each institution also has a different configuration of committees, in substance and number, with different numbers and proportions of faculty and student members. Two examples may clarify this point:

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3. SELECTION OF STUDENT REPRESENTATIVES:

Section 36.09(5) provides that students "shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance." This language was interpreted by the Wisconsin Supreme Court to mean that the University of Wisconsin-Milwaukee Student Association, under its constitution, had the right to select representatives to institution-wide committees as the "students" in § 36.09(5). *UW-Milwaukee Student Association v. Baum* (1976) 74 Wis. 2d 283. While this case is subject to various interpretations where the students have chosen forms of organization that differ from that at the University of Wisconsin-Milwaukee, it is clear from the decision that the choice of representatives must rest with the students under a structure determined by and agreed to by the students. The statute was interpreted further by the Wisconsin Court of Appeals to mean that students cannot be required to submit more names into nomination than there are student positions to fill on committees. *UW-Oshkosh Student Association v. Board of Regents* (App. 1979) 90 Wis. 2d 79.

The form and procedure for assuring appropriate student representation shall be determined by the students at each institution in consultation with the Chancellor, faculty, and academic staff, with reference to the particular governance or policy making function being performed, and with attention to the most appropriate student constituency for achieving student participation. Under existing university laws and regulations, the agencies of shared or faculty governance are several, and the procedures for establishing membership on such agencies are varied, ranging from appointment, to ex officio designation, to election by a defined constituency. Where student membership on a given policy development agency is authorized by institutional rules, the procedures for establishing such membership also shall be defined, with the right to select representatives vested in the appropriate student group consistent with judicial interpretation and using a method agreed to by the students. The size and diversity of the student body and the history of procedures for achieving student participation are important factors in the determinations to be made. Where students have organized for participation and representation below the institution-wide level (such as colleges, schools, divisions, and departments), the form and procedure for assuring appropriate representation in a unit shall be determined by the students in that unit.

4. PRIMARY RESPONSIBILITY:

Because § 36.09(5) grants to students primary responsibility (subject to the responsibilities and powers of the board, the president, the chancellor, and the faculty) "for the formulation and review of policies concerning student life, services, and interests," each institution, through consultation with its student government association, should identify the student agencies (organizations, committees, councils, etc.), or agencies with a preponderance of student membership to whom responsibility can be delegated for initiation and review of policies of a particular category. Where no formal student group exists in a particular area, procedures shall be devised by the student government association to address the appointment of student participants.

Primary responsibility means that students have the obligation and authority to initiate policies concerning student life, services, and interests, and to review existing and proposed policies in these areas before they are amended or adopted by the other constituencies of the university. Where approval of such policies rests with the faculty or administration, the basis for changing or denying the student recommendations shall be substantial and shall be communicated to the recommending student agency in a timely manner. Institutions, in consultation with the student government association, shall define the area of "student life, services, and interests" with particularity, observing that this area cannot by definition include those areas assigned in §§ 36.09(1), 36.09(2), 36.09(3), 36.09(4), and 36.09(4m) as primary responsibilities of the regents, president, chancellor, faculty, and academic staff. The fact that areas are not a primary responsibility of students does not, however, preclude their active participation. It is presumed that the membership of committees dealing primarily with formulation and review of policies concerning student life, services, and interests as defined by the institution will have a majority of students.

5. SEGREGATED UNIVERSITY FEES (SUF):

As a specific stipulation of the statute, students "shall have the responsibility for the disposition of" allocable portions of the revenue received from student fees. ~~Chancellors, in consultation with the students, shall define the allocable and non-allocable portions of the student fee with particularity, observing that this area shall not and cannot, without appropriate policy action by the institution and board, include withdrawal of fee support from on-going fiscal commitments such as debt service, or the support of staff personnel on continuing appointments.~~ Students, acting through the SUF Allocations Committee (SUF AC) or other designated institution-wide body, shall be responsible for formulation of the allocable SUF budget, subject to the responsibilities of the chancellor. The basis for denying or changing the student decision shall be substantial and shall be communicated by the chancellor to the recommending student agency in a timely manner. The chancellor shall discuss any changes s/he recommends to the SUF budget for student consideration and decision before the chancellor forwards the institution's budget to System Administration and the Regents.

The chancellors are responsible for administering funds received from student fees. Specifically, no expenditure of such funds can be authorized except with the approval of the chancellor through the processes established for any expenditure of public funds held by the University System or its institutions. [University of Wisconsin System guidelines rules concerning the approval and administration of segregated fees are contained in the UW System Administrative Policies (SYS), see e.g., SYS 820, *Segregated University Fees*.]

B. Appeal of Issues

In the event an irreconcilable difference of opinion develops at any institution between or among student organizations, the faculty, the academic or university staff, and the Chancellor, over whether or not a particular campus policy or procedure meets the letter and spirit of § 36.09(5), and after institutional procedures have been exhausted, any of the contending parties may request the President to review the dispute and take such action as may be appropriate to its resolution. The request for review shall be made in writing, and shall include the evidence and reasoning upon which the request for review is made. If a decision is necessary, the President shall render the decision within 20 working days of receiving the request for review. Upon receiving the decision of the President, any of the contending parties may request a review of the President's decision by the Board of Regents by writing to the President of the Board. Upon receiving such a request, the Board shall determine whether or not to provide a review.

If irreconcilable differences of judgment on the uses of allocable student fee income develop between a chancellor and the student organization charged with responsibility for initiating recommendations in this regard, the views of both shall be brought to the Regents through the President's Office in a timely manner and the Regents shall determine the distribution of such resources for the particular institution. System Administration may attempt to mediate and resolve the dispute before it is forwarded to the Board.

History: Res. 3666 adopted 11/07/86; supersedes Regent Policy Documents 74-11 and 75-10. Res. 5452, adopted 04/06/1990. Res. 10835, adopted 03/09/2017, authorized technical corrections. (See also Regent Policy Document 30-6)

SEE ALSO:

SYS 820, *Segregated University Fees* (<https://www.wisconsin.edu/uw-policies/docs/segregated-university-fees/>) (formerly F50)

SYS 822, *Student Services Funding* (<https://www.wisconsin.edu/uw-policies/docs/student-services-funding/>) (formerly G15)

[UW System Administrative policies are included for reference and are separate from Regent Policy Documents adopted by the Board.]

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Attachment B

Regent Policy Document 30-5

Policy and Procedures for Segregated University Fees

That, upon the recommendation of the President of the University of Wisconsin System, Regent Policy 88-6, "Policy and Procedures for Segregated University Fees," be amended to read as follows:

1. The Board reaffirms that the institutions are responsible for ensuring allocable and non-allocable portions of the student fee are assessed in accordance with UW System Administrative Policy 820, *Segregated University Fees*. Only irreconcilable differences between students and the chancellor regarding allocable fees may be brought before the Board for resolution, in accordance with Regent Policy Document 30-3, *Guidelines for Student Governance*, and SYS 820.
2. The Board affirms that:
 - a. Each campus administration, with their student governance groups shall develop specific procedures to ensure that there is an opportunity for the Segregated University Fee Advisory Committee (SUFAC) to conduct a timely and meaningful review of the non-allocable segregated fee budget. This shall include the ability for student governance groups to request earlier and more extensive participation in specific program areas such as (but not limited to) transit/bus and intercollegiate athletics programming. A copy of these procedures, signed by appropriate campus administrators and student representatives, shall be filed with the UW System President's designee. The agreed upon procedures shall be reviewed with student governance groups annually and consistently followed from one year to the next. Any changes to those procedures will be documented and filed with the UW System President's designee. Consistent with section B.1 of Regent Policy 30-3, "Guidelines for Student Governance," the President's designee shall mediate if a campus administration and its student representatives cannot reach agreement upon the procedures to be followed.
 - b. Student representatives shall be given an opportunity to review and offer advice concerning the budget of each activity and program that is funded primarily with non-allocable segregated fees.

- c. Every effort should be made to provide sufficient time for students to formulate allocable segregated fee budgets and to review non-allocable segregated fee budgets as provided in institutional policies.
 - d. Each campus administration shall also develop, in consultation with its student governance groups, a format for presenting non-allocable segregated fee funded budgets to SUFAC that is standardized within an institution to the greatest extent possible.
 - e. Any proposed major remodeling or major new construction project as defined by section 20.924(1)(a), *Wis. Stats.*, that will increase the non-allocable portion of the segregated university fee on any campus shall be reviewed by the Chancellor with appropriate student representation. There will be specific action by the SUFAC on the project in question, which will be presented as part of the required information for the Regents at the time the project is advanced for approval.
 - f. When debt service is no longer required, the related segregated fee shall cease.
 - g. The status of all major capital projects for which fee collection has begun, but construction has not, shall be explicitly discussed by campus administrators with SUFAC when non-allocable fee budgets are presented for review.
 - h. All ad hoc system-wide committees and task forces formed to deal with issues of segregated fee support shall have student membership.
3. Any appeals to the Board for resolution of irreconcilable differences between the students and the chancellor on the recommended disposition of allocable segregated fees should be filed in the Office of the System President by April 1; and
4. The Board adopts the following criteria for appeals for inclusion in the "Student Governance Guidelines":

In considering an appeal, the Board will ask the following questions:

- a. Has the item been defined by the institution, in consultation with the students, as an allocable fee?
- b. Has the chancellor discussed the difference(s) with the students and provided an opportunity for the students to reconsider their recommendation?
- c. Does the student-proposed budget item require the university to violate any statute, administrative code, policy, or contract?
- d. Is the basis for the chancellor's decision substantial (i.e., are there significant policy or management reasons for differing from the students' recommendation)?
- e. Is the expenditure related to a legitimate education purpose within the meaning of section 36.27(1), *Wis. Stats.*?

History: Res. 4052 adopted 05/06/1988; amended by Res. 9306, adopted 03/09/2007. Res. 10835, adopted 03/09/2017, authorized technical corrections.

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Regent Policy Document 30-5

Policy and Procedures for Segregated University Fees

That, upon the recommendation of the President of the University of Wisconsin System, Regent Policy 88-6, "Policy and Procedures for Segregated University Fees," be amended to read as follows:

1. The Board reaffirms that the institutions are responsible for ~~defining the ensuring~~ allocable and non-allocable portions of the student fee ~~are assessed in accordance with UW System Administrative Policy SYS 820, Segregated University Fees, and that—only—~~ allocable fee disputes may be brought before the Board for resolution, in accordance with the Student Governance Guidelines—and UW System Administrative Policy (SYS) 820, ~~Segregated University Fees~~. ~~Only irreconcilable difference between students and the chancellor regarding allocable fees may be brought before the Board for resolution, in accordance with Regent Policy Document 30-3, Guidelines for Student Governance and SYS 820 Segregated University Fees.~~
2. The Board affirms that:
 - ~~a. Each campus administration, with their student governance groups shall develop specific procedures to ensure that there is an opportunity for the Segregated University Fee Advisory Committee (SUFAC) to conduct a timely and meaningful review of the non-allocable segregated fee budget. This shall include the ability for student governance groups to request earlier and more extensive participation in specific program areas such as (but not limited to) transit/bus and intercollegiate athletic programming. A copy of these procedures, signed by appropriate campus administrators and student representatives, shall be filed with the UW System President's designee. The agreed upon procedures shall be reviewed with student governance groups annually and consistently followed from one year to the next. Any changes to those procedures will be documented and filed with the UW System President's designee. Consistent with section B.1. of Regent Policy 30-3, Guidelines for Student Governance, the President's designee shall mediate if a campus administration and its student representatives cannot reach agreement upon the procedures to be followed. (MOVED UP AND EDITED FROM SECTION "c." BELOW)~~
 - ~~a-b.~~ Students ~~representatives~~ shall be given an opportunity to review and offer advice concerning the budget of each activity and program that is funded primarily with non-allocable segregated fees.
 - ~~b-c.~~ Every effort should be made to provide sufficient time for students to formulate allocable segregated fee budgets and to review non-allocable segregated fee budgets as provided in institutional policies.
 - ~~c.~~ Each campus administration shall, in consultation with its student governance groups, develop specific procedures to ensure—that there is an opportunity for the Segregated University Fee Advisory Committee (SUFAC) to conduct a timely and meaningful review of the non-allocable segregated fee budget. A copy of these procedures, signed by appropriate campus administrators—and student representatives, shall be filed with the UW System President's designee. The agreed upon procedures shall be consistently followed from one year to the next and any changes to those procedures will be documented and filed with the UW System President's designee. Consistent with section B.1 of Regent Policy 86-4, "Guidelines for Student—Governance," the President's designee shall mediate if a campus administration and its student representatives cannot reach agreement upon the procedures to be followed. (MOVED UP TO SECTION "a." ABOVE)
 - d. Each campus administration shall also develop, in consultation with its student governance groups, a format for presenting non-allocable segregated fee funded budgets to SUFAC that is standardized within an institution to the greatest extent possible.
 - e. Any proposed major remodeling or major new construction project as defined by section 20.924(1)(a), *Wis. Stats.*, that will increase the non-allocable portion of the segregated university fee on any campus shall be reviewed by the Chancellor with appropriate student representation. There will be specific action by the SUFAC on the project in question, which will be presented as part of the required information for the Regents at the time the project is advanced for approval.
 - f. When debt service is no longer required, the related segregated fee shall cease.
 - g. The status of all major capital projects for which fee collection has begun, but construction has not, shall be explicitly discussed by campus administrators with SUFAC when non-allocable fee budgets are presented for review.
 - h. All ad hoc system-wide committees and task forces formed to deal with issues of segregated fee support shall have student membership.
3. Any appeals to the Board for resolution of irreconcilable differences between the students and the chancellor on the recommended disposition of allocable segregated fees should be filed in the Office of the System President by April 1; and
4. The Board adopts the following criteria for appeals for inclusion in the "Student Governance Guidelines":

In considering an appeal, the Board will ask the following questions:

- a. Has the item been defined by the institution, in consultation with the students, as an allocable fee?
- b. Has the chancellor discussed the difference(s) with the students and provided an opportunity for the students to reconsider their recommendation?
- c. Does the student-proposed budget item require the university to violate any statute, administrative code, policy, or contract?
- d. Is the basis for the chancellor's decision substantial (i.e., are there significant policy or management reasons for differing from the students' recommendation)?
- e. Is the expenditure related to a legitimate education purpose within the meaning of section 36.27(1), *Wis. Stats.*?

SEE ALSO:

SYS 805, *Tuition and Fee Policies for Credit Instruction* (<https://www.wisconsin.edu/uw-policies/docs/tuition-and-fee-policies-for-credit-instruction/>) (formerly F44)

SYS 820, *Segregated University Fees* (<https://www.wisconsin.edu/uw-policies/docs/segregated-university-fees/>) (formerly F50)

SYS 822, *Student Services Funding* (<https://www.wisconsin.edu/uw-policies/docs/student-services-funding/>) (formerly G15)

[UW System Administrative policies are included for reference and are separate from Regent Policy Documents adopted by the Board.]

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Attachment C

UW System Administrative Policy 820 (formerly F50)

Segregated University Fees

- [Scope](#)
- [Constraints](#)
- [Policy](#)
- [Related Policies](#)
- [Footnotes](#)

Revised: XXXXXXXXXX

Scope

This policy sets forth legal and policy principles applicable to the administration of student fees (referred to in this policy as “segregated university fees” or “SUF”).

[Top](#)

Constraints

[University Travel Policies](#)

[UW System Administrative Policy 435 \(SYS 435\), Headquarter City & UW Sponsored Events](#)

Covers policies, procedures, and rate maximums for travel and entertainment related to students for educational, cultural, social, and recreational and athletic activities.

[Top](#)

Policy

I. Segregated University Fees

A. DEFINITIONS

Segregated university fees (SUF) are charges, in addition to instructional fees, assessed to all students for student services, activities, programs and facilities that support the mission of University of Wisconsin System institutions. There are two categories of SUF, as follows:

(1) *Allocable*. Allocable SUF are those SUF that provide substantial support for campus student activities as outlined in Section I.(B)(6)(a) and that are allocated by students, in consultation with the chancellor and subject to the final confirmation of the Board of Regents, in accordance with [s. 36.09\(5\), Wis. Stats.](#) The student group organized at each UW institution for the purpose of engaging in the allocation process under [s. 36.09\(5\), Wis. Stats.](#), is referred to in this policy as the Student University Fee Allocation Committee or “SUFAC.”

(2) *Non-allocable*. Non-allocable SUF are those SUF that are used to support commitments for fixed financial obligations, personnel costs (except as indicated in Section I (B)(6)(a)(3), ongoing operating and debt service costs of student unions, health centers, child care centers, recreational and athletic facilities and other university owned or controlled buildings; transit and busing services, child care grants; and sports programming including inter collegiate athletics and intramurals, but not club sports. In accordance with [s. 36.09 \(3\), Wis. Stats.](#), chancellors, following consultation with students in accordance with Regent Policy [30-5](#), Policy and Procedures for Segregated University Fees, are responsible for the development of budgets and expenditures of non-allocable SUF.

B. LIMITATIONS ON EXPENDITURES OF SUF

(1) General.

SUF may only be expended for items and activities that are related to the mission of the institution and to the purposes of the organization. Expenditures of SUF must also conform with all applicable state and federal laws and policy requirements including, but not limited to, the decision of the United States Supreme Court in *Board of Regents v. Southworth*, 529 U.S. 217, 120 S. Ct. 1346 (2000), current [Wisconsin Statutes](#), Wisconsin Attorney General's opinions, Board of Regents' administrative rules and policy documents, and UW System policy papers.

(2) Permitted SUF Expenditures.

Except as limited elsewhere by law or policy, SUF may be assessed and collected for the following:

- a. Travel expenses in accordance with applicable state and UW System travel regulations, and admissions and registration expenses incurred by UW staff or students for:
 1. Attending educational, cultural, social, recreational, or university athletic events.
 2. Recruiting students for musical groups, theatrical groups, or publication writing, and the like.
 3. Representing the institution or a recognized student organization in the operation and fulfillment of the mission of the student organizations, student service operations, and student government, subject to approval by the chancellor or his/her designee.
 4. Recruiting athletes, as allowed by conference or membership affiliation.

5. Transit and busing services.
- b. Expenses related to educational, cultural, social, and recreational activities for:
 1. Personal or professional services (e.g., concert performers, bands, officials, lecturers, and other performers); reimbursement for such services provided by UW System faculty or staff may be made in accordance with the provisions of [UW System Administrative Policy 235 \(SYS 235\), Personal Services Payments](#) on Personal Services Payments and [UW System Administrative Policy 165 \(SYS 165\), Academic Year Definition and Assorted Derivatives](#).
 2. Meals, receptions, and transportation incurred by UW faculty or staff or students while performing a host function for a guest speaker, performer, etc., brought to the campus for a SUF funded activity, if such expense was part of the budget approved for the activity.
 3. Production of an event (e.g., films, advertising, promotion, printing, facilities rental, ushers, and security guards). On-campus facilities (buildings and grounds) must be used whenever possible. Exceptions require the prior approval of the Chancellor or his/her designee.
 4. Trophies, medallions and other types of awards for student competitive functions, scholastic excellence, or outstanding school/community service, and funding of athletic or honor banquets or receptions subject to the following guidelines:
 - i. If the organization holding the banquet or reception or presenting the awards receives any SUF support, the institutional SUFAC must specifically approve the expenditure as part of the allocable SUF budget prior to the event.
 - ii. Cash or product awards in excess of \$100 but less than \$500 may be given only upon prior approval of the Chancellor or his/her designee. Those in excess of \$500 must be approved by the UW System Vice President for Finance.
- c. Student media expenditures for:
 1. Publishing student newspapers, yearbooks, magazines, paid admission event programs, and other print media. (Student publications are exempt from the state printing regulations per [Section 35.012, Wis. Stats.](#) However, they are not exempt from the regular purchasing regulations in [Section 16.70, Wis. Stats.](#))
 2. Operating student radio and television facilities.
 3. Student film and videotape productions.
- d. Officially recognized athletic program expenditures for:
 1. Uniforms, athletic equipment, travel, supplies and personal services.

2. Athletes' housing and meals prior to opening of a semester or during vacation periods.
 3. Grants-in-aid as allowed by conference or membership affiliation.
 4. Medical expenses for an athletic injury incurred while participating in an officially recognized athletic event. Injuries related to intramurals, open gym periods, club sports, and student-sponsored athletic events are not covered. (Information on student health insurance is available from the Institution's Risk Management Office.)
- e. Expenditures relating to the operations and activities of student organizations, student health and counselling services, child care centers, student unions, parking, intercollegiate athletics and sports programming, and other student services for:
1. Salaries for student and other UW staff where related to the activity and in accordance with existing institutional and state wage rates and employment procedures. Payments shall be made in accordance with the provisions of the [UW System Administrative Policy 235 \(SYS 235\), Personal Services Payments](#)
 2. Professional services.
 3. Facilities, equipment, personal services, and supplies. Organization membership fees in other related and nonprofit organizations.
 4. Debt service.
 5. Direct financial aid as scholarships or stipends to student government leaders.
 6. Child care payments in the form of direct financial aid or grant to an enrolled student.
 7. Payments for municipal services
- f. Promotional items such as key rings, pencils, etc., used to promote an organization's single event or services, provided they are approved through the SUF allocation process.
- g. Special and ceremonial campus activities in which students are primarily involved provided they are approved through the SUF allocation process.

(3) Prohibited SUF Expenditures. In addition to other limits established by law or policy, SUF shall not be assessed or charged for:

- a. Academic credit-producing activities;
- b. Student services determined to be essential to the basic mission of the university, as identified in the [UW System Administrative Policy 822 \(SYS 822\), Student Services Funding](#).
- c. Normal campus-wide activities and functions that service the entire institution, such as campus-wide, centrally provided physical plant and institutional support.

- d. Direct financial aid to an enrolled student such as scholarships, tuition, room and board except as permitted in Section I.B.(2)e.5.
- e. Gifts, donations and contributions.
- f. Awards to UW faculty or staff, other than non-monetary, *de minimis* items such as certificates, plaques, and the like.
- g. Costs of legal services, except where the governor has approved hiring an attorney to provide student legal services at an institution.
- h. Lump sum payments to student organizations (as opposed to payments for specific purposes supported by invoices, budgets and/or grant applications).
- i. Contracts between a UW institution and a recognized student organization, except where subparagraph (6)(b)(6), below, applies.
- j. Overhead costs of student organizations in facilities not owned, leased, or subject to control by the university, except as permitted in Section I.B.(6)(a), below. As used in this section, overhead costs means those general organization expenses which cannot be charged as belonging exclusively to any particular part of the organization's activities or work, including without limitation because of enumeration, salaries of the organization's employees who are not UW employees, rent, taxes, insurance, lighting, heating, and similar expenses.

(4) Conditions related to special policies.

In order to provide a basic level of stability in student health services and child care, the Board of Regents has approved the following special policies related to the use of SUF for those activities:

- a. *Student Health.* In accordance with Regent Policy Document [23-1](#), *Basic Health Module*, the chancellor of each institution has responsibility for determining the minimum level of student health service. The chancellor or designee will consult with SUFAC and/or the appropriate student health committee as to the appropriate programmatic level of student health care for the institution.
- b. *Child Care.* It is the policy of the Regents that:
". . . as an alternative to community child care when it does not meet the needs of the institution or unit, each university should set a goal of seeing that top quality, low cost child care and extended child care services, preferably campus based, are available to the children of students, faculty and staff." (Section II.F of Regent Policy Document 14-3, *Equal Opportunities in Education: Elimination of Discrimination Based on Gender*.) Child care allocations derived from SUF shall be identified separately in the annual institutional budget review process.

(5) Expenditures of SUF-Generated Receipts.

- a. Receipts generated by SUF activities become part of the budgets of those activities and may be used as permitted under I.C. of this policy. On occasions, such as the beginning of an academic year, where a ceremonial activity is merited but SUF-related receipt revenue has not yet been generated, it is permissible to pay the expenses of the activity from SUF and replenish the SUF account when the anticipated receipts are actually generated.
- b. Gate receipts from intercollegiate athletics may be used for athletic scholarships to the extent permitted by state law, university policies and the official conference rules applicable to the respective institutions.
- c. Donations and scholarships if the activity generating the SUF-related receipts was conducted specifically for such purposes. Any SUF expenses for the activity must be returned to the organization's account from gross receipts. The remaining receipts may then be used for the purpose for which they were generated.

(6) Appropriate payments from allocable and non-allocable SUF.

Both allocable and non-allocable SUF may be used to fund certain activities and services. Reflecting the distinction between the two SUF categories, however, the following SUF expenditures are appropriately assigned as follows:

- a. *Appropriate expenditures of allocable SUF.* Except as limited elsewhere by law or policy, allocable SUF may be used to provide support for campus student activities, including:
 1. Operations, activities and programs of recognized student organizations and club sports;
 2. Concerts and lectures;
 3. Student help and limited term employee costs and associated fringe benefits in organized activities;
 4. General operating costs or overhead costs of the student government organized at each institution under [s. 36.09\(5\), Wis.Stats.](#), student newspapers, and student radio and television excluding personnel and facilities costs and contractual obligations;
 5. Costs of leasing non-university facilities for use by recognized student organizations where:
 - i. The SUFAC has demonstrated that there exists a substantial need to lease non-university facilities based on lack of available university space for specific, identifiable needs of recognized student organizations, and has agreed to allocate SUF for this purpose; and
 - ii. The chancellor agrees that the demonstration of substantial need by the SUFAC

warrants the university seeking authorization from the Wisconsin Department of Administration and other state authorities as required by law to lease non-university premises for the specific purposes identified; and

iii. The lease is provided by in accordance with s. [36.11\(1\)\(b\), Wis. Stats](#) and [UW System Administrative Policy 910, Leasing](#). In no event shall this subparagraph be construed to require a UW institution to provide or to dedicate space, or any particular type of space, for registered student organizations.

b. *Appropriate Expenditures of Non-allocable SUF*. Except as limited elsewhere by law or policy, non-allocable SUF may be used to support the following:

1. Debt service and approved capital projects;
2. Expense to enable all SUF-funded facilities and activities to present an operational building or structure ready for use;
3. Base operating funding of student unions, child care centers and grants, arenas, stadia, etc., not covered by direct user charges, including municipal services, adequate funding to provide for deferred maintenance, debt service contingencies and operating contingencies (as defined in the reserve policy), and business services not centrally provided;
4. Sports programming and facilities (which includes intramural sports and intercollegiate athletics but excludes club sports);
5. Support for university personnel hired and supervised in compliance with applicable university personnel policies and procedures, and subject to the requirement that any proposed reduction of SUF support for university personnel due to student recommended alternative uses of non-allocable SUF must allow for proper employee notice and treatment, in accordance with applicable law and Board policies;
6. Costs of contractual or essential services that benefit all students where:
 - i. The chancellor agrees that there is a substantial need for the services, that the institution cannot provide them and that the extraordinary need demonstrated warrants the services; and
 - ii. Contractual services are secured pursuant to required state procurement processes.
7. Student health programs as determined by the chancellor in accordance with Regent Policy 23-1, *Basic Health Module*.
8. Other items as determined by the institution, consistent with this definition and UW System policies.

C. DEPOSIT OF SUF IN STATE TREASURY

1. SUF are state funds which are deposited and held in the State Treasury, and which are subject to same limitations on use as other state funds.
2. Where SUF is used to support an event sponsored by a student organization, the organization must use any revenues generated by the event to reimburse the SUF fee account.
 - a. Any revenues generated by the event in excess of the SUF support provided are available to the organization for its own use, and the organization is not required to deposit these excess revenues in the State Treasury; and
 - b. A student organization using university facilities for an event for which no SUF support was received is not required to deposit those receipts in the State Treasury.
3. Student organizations may use institutional agency accounts, where available and subject to institutional requirements, for the deposit of receipts generated by their organization activities.

II. Allocable SUF

A. ALLOCATION PROCESS

1. Allocable SUF are allocated by students, in consultation with the Chancellor or his/her designee, and subject to the final confirmation of the Board of Regents.
2. Procedures for student participation on the SUFAC and in the SUF budget and allocation process are determined by the students at each institution.
3. In recommending SUF allocations, the SUFAC should recognize the need of the institution to maintain viable programs traditionally supported by allocable SUF.
4. Budget information relevant to the allocable SUF budget for each institution, including, but not limited to enrollment projections, SUF revenue projections, and reserve balances, will be provided to the students annually by the campus administration prior to the students' process for determining allocation levels.
5. Allocable SUF must be allocated in a viewpoint-neutral manner; student referenda may not be used, directly or indirectly, to allocate SUF to student organizations for extracurricular speech or expressive activities.
6. Each student government, in consultation with the chancellor, must develop institutional allocation policies and procedures that, at a minimum:

- a. Describe any written criteria, in addition to those elsewhere established by law, for the allocation of SUF;
- b. Require the creation of a detailed record, which may be a tape recording, of all student fee funding allocation deliberations;
- c. Require that student organizations denied funding be provided, upon request, with a written statement of reasons for the denial;
- d. Provide a mechanism for avoiding conflicts of interest by students participating in the process for allocation of student fee funding, which mechanism may include requiring that participants disclose lobbying contacts; and
- e. Establish an appeal process within student government for the review of student fee funding decisions where it is alleged that the decision was based on a student organization's extracurricular speech or expressive activities, resulting in a violation of the requirement that allocable SUF be distributed in a viewpoint-neutral manner and where the appealing party has exhausted the process for review of student fee funding decisions established by the student government for such cases. The Chancellor's decision in such cases shall be final, unless the matter is brought to the Board of Regents in accordance with Regent Policies [30-3](#) and [30-5.11](#)

B. ELIGIBILITY FOR RECEIPT OF ALLOCABLE SEGREGATED FEE FUNDS

1. Only officially recognized student organizations, club sports, student government and university departments to the extent permitted under [SYS 822](#), *Student Services Funding*, are eligible to receive allocable SUF.
2. Student organizations must meet the following minimum requirements to obtain official recognition:
 - a. Prepare and file with the Office of the Dean of Students, or other designated institutional office, a constitution and bylaws for the organization;
 - b. Consist of at least four members, at least 3/4 (three-quarters) of whom are students enrolled for a minimum of one semester hour of credit at the UW institution for which the organization is seeking official recognition;
 - c. Require that all leadership positions in the organization be held by students enrolled on a fee-paying basis for at least half-time; as used in this policy, "half-time" status means enrollment for a minimum of six credits as an undergraduate student, and enrollment for a minimum of four credits as a graduate student, except that for UW-Colleges students "half-time" status means enrollment for a minimum of three credits;

- d. Obtain an advisor, or the assistance of an advising service, employed by the UW institution where the organization is seeking recognition;
 - e. Be organized on a not-for-profit basis, as demonstrated by evidence that the organization uses any income or profit for organizational purposes, not for any individual or commercial gain;[\[2\]](#)
 - f. As required by Regent Policy Document [30-6](#), *Policy on Recognition of Student Organizations*, extend membership and all membership privileges, including voting and eligibility to hold office, to all students without regard to age, ethnicity, gender (except as otherwise permitted by Title IX of the Education Amendments of 1972), disability, color, national origin, religion, sexual orientation or veteran status, except those student organizations that select their members on the basis of commitment to a set of beliefs (e.g., religious or political beliefs) may limit membership and leadership positions in the organization to students who affirm that they support the organization's goals and agree with its beliefs.
 - g. UW System institutions may establish additional requirements for official recognition consistent with this policy.
3. *Reporting student organization financial information.* Student organizations are required to comply with requests for financial information in the circumstances in (a) and (b) of this section. An organization's failure to comply with a request for financial information may result in the denial of eligibility to receive SUF and/or the use of university facilities.
- a. All student organizations receiving allocable SUF or using institutional facilities must provide financial records, if requested by SUFAC or by the institution, indicating specific revenues and expenditures for specific events for which SUF support or the use of university facilities was provided.
 - b. Where allocable SUF are received for ongoing operations or activities of an organization in accordance with this policy, the organization must provide financial records of its entire operation, when requested by the SUFAC or by the institution.
 - c. Failure on the part of a student organization to provide financial information in accordance with this policy may result in suspension or loss of recognition, and privileges associated with recognition.

III. Non-allocable SUF

A. RESPONSIBILITY OF CHANCELLOR

The chancellor of each institution is primarily responsible for the development of the non-allocable SUF budget, and shall ensure that the institution's annual budget proposal for non-allocable SUF will generate sufficient monies to cover these commitments.

B. STUDENT REVIEW

In accordance with Regent Policy [30-5](#), *Policy and Procedures for Segregated University Fees*, students are to be given an opportunity to review and offer advice upon the budget of each program and activity that is funded primarily with non-allocable SUF. To that end, campus administration with their student governance groups shall develop specific procedures to ensure that there is an opportunity for SUFAC to conduct a timely and meaningful review of the non-allocable SUF budget. This shall include the ability for student governance groups to request earlier and more extensive participation in specific program areas such as (but not limited to) transit/bus and intercollegiate athletics programming. A copy of these procedures, signed by appropriate campus administrators and student representatives, shall be filed with the UW System President's designee. The agreed upon procedures shall be reviewed with student governance groups annually and consistently followed from one year to the next. Any changes to those procedures will be documented and filed with the UW System President's designee. Consistent with section B.1 of Regent Policy [30-3](#), *Guidelines for Student Governance*, the President's designee shall mediate if a campus administration and its student representatives cannot reach agreement upon the procedures to be followed.

Any proposed major remodeling or major new construction project as defined by section [20.924\(1\)\(a\) Wisconsin Statutes](#) that will increase the non-allocable portion of the SUF on any campus shall be reviewed by the Chancellor with appropriate student representation. There shall be specific action by the SUFAC on the project in question, which will be presented as part of the required information for the Regents at the time the project is advanced for approval.

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Related Policies

[Regent Policy Document 30-5](#), *Policy and Procedures for Segregated University Fees*

[Regent Policy Document 30-3](#), *Guidelines for Student Governance*

[Regent Policy 30-6](#), *Policy on Recognition of Student Organizations*

[UW System Administrative Policy 822 \(SYS 822\)](#), *Student Services Funding*

[UW System Administrative Policy 316 \(SYS 316\)](#), *Auxiliary Enterprises Support Services Chargebacks*

[UW System Administrative Policy 322 \(SYS 322\)](#), *Physical Plant Service Chargebacks*

[UW System Administrative Policy 180 \(SYS 180\)](#), *Child Care Centers*

[UW System Administrative Policy 314 \(SYS 314\)](#), *Financial Management of Auxiliary Operations*

[UW System Administrative Policy 235 \(SYS 235\)](#), *Personal Services Payments*

[UW System Administrative Policy 910](#), *Leasing*

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Footnotes

[1] Regent Policy Documents 30-3 and 30-5 establish an appeals process for situations in which the students and chancellor disagree about the allocation of SUF. In accordance with [Regent](#)

[Policy Document 30-3](#), if the Chancellor disagrees with the students' recommended disposition, the basis for denying or changing the student decision must be substantial and communicated to the recommending students in a timely manner. The chancellor must discuss any recommended changes s/he recommends to the budget for student consideration and decision before forwarding the institution's budget to System Administration and the Board of Regents. If any disagreement is not reconciled after further discussion at the institutional level, both the students' and the Chancellor's budgets are to be presented to the UW System President's Office by April 1. The President or his or her designee will attempt to mediate the dispute before forwarding it to the Board of Regents with a recommendation for its resolution. (Criteria for the Board's use in considering appeals are set forth in the [Regent Policy Document 30-5](#).) Such budget disputes will be considered by the Board prior to action on the annual budget.

[2] The term "not-for-profit" as used here is not the same definition as used for state or federal tax purposes. Thus, registration as a student organization will not automatically result in exemption from state or federal income tax or state sales tax. If an organization has obtained tax exempt status from taxing authorities, however, documentation of that status would demonstrate that the organization is organized on a "not-for-profit" basis.

UW System Administrative Policy 820 (formerly F50)

Segregated University Fees

Revised: January 4, 2016

Scope

This policy sets forth legal and policy principles applicable to the administration of student fees (referred to in this policy as “segregated university fees” or “SUF”).

Constraints

University Travel Policies

UW System Administrative Policy 435 (SYS 435), Headquarter City & UW Sponsored Events

Covers policies, procedures, and rate maximums for travel and entertainment related to students for educational, cultural, social, and recreational and athletic activities.

Policy

I. Segregated University Fees

A. DEFINITIONS

Segregated university fees (SUF) are charges, in addition to instructional fees, assessed to all students for student services, activities, programs and facilities that support the mission of University of Wisconsin System institutions. There are two categories of SUF, as follows:

(1) *Allocable*. Allocable SUF are those SUF that provide substantial support for campus student activities ~~and services~~ as outlined in Section I.(B)(6)(a) and that are allocated by students, in consultation with the chancellor and subject to the final confirmation of the Board of Regents, in accordance with s. 36.09(5), Wis. Stats. The student group organized at each UW institution for the purpose of engaging in the allocation process under s. 36.09(5), Wis. Stats., is referred to in this policy as the Student University Fee Allocation Committee or “SUFAC.”

(2) *Non-allocable*. Non-allocable SUF are those SUF that are used to support ~~long-term~~ commitments for fixed financial obligations, ~~personnel costs (except as indicated in Section I (B)(6)(a)(3))~~, ongoing operating ~~and debt service~~ costs of ~~university owned or controlled~~

~~buildings, and similar commitments for~~ student unions, health centers, child care centers, ~~and recreational and athletic facilities sports centers and other university owned or controlled buildings; transit and busing services, child care grants; and sports programming including intercollegiate athletics and intramurals, but not club sports.~~ In accordance with s. 36.09(3), *Wis. Stats.*, chancellors, following consultation with students in accordance with Regent Policy 30-5, ~~*Policy and Procedures for Segregated University Fees as amended*~~, are responsible for the development of budgets and expenditures of non-allocable SUF.

B. LIMITATIONS ON EXPENDITURES OF SUF

(1) General.

SUF may only be expended for items and activities that are related to the mission of the institution and to the purposes of the organization. Expenditures of SUF must also conform with all applicable state and federal laws and policy requirements including, but not limited to, the decision of the United States Supreme Court in *Board of Regents v. Southworth*, 529 U.S. 217, 120 S. Ct. 1346 (2000), current *Wisconsin Statutes*, Wisconsin Attorney General's opinions, Board of Regents' administrative rules and policy documents, and UW System policy papers.

(2) Permitted SUF Expenditures.

Except as limited elsewhere by law or policy, SUF may be assessed and collected for the following:

- a. Travel expenses in accordance with applicable state and UW System travel regulations, and admissions and registration expenses incurred by UW staff or students for:
 1. Attending educational, cultural, social, recreational, or university athletic events.
 2. Recruiting students for musical groups, theatrical groups, or publication writing, and the like.
 3. Representing the institution or a recognized student organization in the operation and fulfillment of the mission of the student organizations, student service operations, and student government, subject to approval by the chancellor or his/her designee.
 4. Recruiting athletes, as allowed by conference or membership affiliation.
 5. ~~Transit and busing services. Busing students within the campus. Payments for bus services that extend beyond the campus boundaries must be approved by the Chancellor or his/her designee.~~
- b. Expenses related to educational, cultural, social, and recreational activities for:
 1. Personal or professional services (e.g., concert performers, bands, officials, lecturers, and other performers); reimbursement for such services provided by UW

System faculty or staff may be made in accordance with the provisions of UW System Administrative Policy 235 (SYS 235), *Personal Services Payments* on Personal Services Payments and UW System Administrative Policy 165 (SYS 165), *Academic Year Definition and Assorted Derivatives*.

2. Meals, receptions, and transportation incurred by UW faculty or staff or students while performing a host function for a guest speaker, performer, etc., brought to the campus for a SUF funded activity, if such expense was part of the budget approved for the activity.
 3. Production of an event (e.g., films, advertising, promotion, printing, facilities rental, ushers, and security guards). On-campus facilities (buildings and grounds) must be used whenever possible. Exceptions require the prior approval of the Chancellor or his/her designee.
 4. Trophies, medallions and other types of awards for student competitive functions, scholastic excellence, or outstanding school/community service, and funding of athletic or honor banquets or receptions subject to the following guidelines:
 - i. If the organization holding the banquet or reception or presenting the awards receives any SUF support, the institutional SUFAC must specifically approve the expenditure as part of the allocable SUF budget prior to the event.
 - ii. Cash or product awards in excess of \$100 but less than \$500 may be given only upon prior approval of the Chancellor or his/her designee. Those in excess of \$500 must be approved by the UW System Vice President for Finance.
- c. Student media expenditures for:
1. Publishing student newspapers, yearbooks, magazines, paid admission event programs, and other print media. (Student publications are exempt from the state printing regulations per Section 35.012, *Wis. Stats. Wisconsin Statutes*. However, they are not exempt from the regular purchasing regulations in Section 16.70, *Wis. Stats.*)
 2. Operating student radio and television facilities.
 3. Student film and videotape productions.
- d. Officially recognized athletic program expenditures for:
1. Uniforms, athletic equipment, travel, supplies and personal services.
 2. Athletes' housing and meals prior to opening of a semester or during vacation periods.
 3. Grants-in-aid as allowed by conference or membership affiliation.

4. Medical expenses for an athletic injury incurred while participating in an officially recognized athletic event. Injuries related to intramurals, open gym periods, club sports, and student-sponsored athletic events are not covered. (Information on student health insurance is available from the Institution's Risk Management Office.)
- e. Expenditures relating to the operations and activities of student organizations, student health and counseling services, childday care centers, student unions ~~student center~~, parking ~~utility~~, intercollegiate athletics and sports programming, stadium-arena, intramurals, and other student services for:
 1. Salaries for student and other UW staff where related to the activity and in accordance with existing institutional and state wage rates and employment procedures. Payments shall be made in accordance with the provisions of the UW System Administrative Policy 235 (SYS 235), Personal Services Payments ~~(formerly F31)~~.
 2. Professional services.
 3. Facilities, equipment, personal services, and supplies. Organization membership fees in other related and nonprofit organizations.
 4. Debt service.
 5. Direct financial aid as scholarships or stipends to student government leaders.
 6. Child care payments in the form of direct financial aid or grant to an enrolled student.
 - 6-7. Payments for municipal services.
- f. Promotional items such as ~~matchbooks~~, key rings, pencils, etc., used to promote an organization's single event or services, provided they are approved through the SUF allocation process.
- g. Special and ceremonial campus activities in which students are primarily involved provided they are approved through the SUF allocation process.

(3) Prohibited SUF Expenditures. In addition to other limits established by law or policy, SUF shall not be assessed or charged for:

- a. Academic credit-producing activities;
- b. Student services determined to be essential to the basic mission of the university, as identified in the UW System Administrative Policy 822 (SYS 822), Student Services Funding ~~on Student Services Funding~~.

- c. Normal campus-wide activities and functions that service the entire institution, such as campus-wide, centrally provided physical plant and institutional support.
- d. Direct financial aid to an enrolled student such as scholarships, tuition, room and board except as permitted in Section I.B.(2)e.5.
- e. Gifts, donations and contributions.
- f. Awards to UW faculty or staff, other than non-monetary, *de minimis* items such as certificates, plaques, and the like.
- g. Costs of legal services, except where the governor has approved hiring an attorney to provide student legal services at an institution.
- h. Lump sum payments to student organizations (as opposed to payments for specific purposes supported by invoices, budgets and/or grant applications).
- i. Contracts between a UW institution and a recognized student organization, except where subparagraph (6)(b)(6)(a)8, below, applies.
- j. Overhead costs of student organizations in facilities not owned, leased, or subject to control by the university, except as permitted in Section I.B.(6)(a), below. As used in this section, overhead costs means those general organization expenses which cannot be charged as belonging exclusively to any particular part of the organization's activities or work, including without limitation because of enumeration, salaries of the organization's employees who are not UW employees, rent, taxes, insurance, lighting, heating, and similar expenses.

(4) Conditions related to special policies.

In order to provide a basic level of stability in student health services, ~~athletics and intramurals,~~ and child care, the Board of Regents has approved the following special policies related to the use of SUF for those activities:

- a. *Student Health.* In accordance with Regent Policy Document 23-1, Basic Health Module, the chancellor of each institution has responsibility for determining the minimum level of student health service _, however students may increase the level of service with allocable SUF approved through the established institutional process. The chancellor or designee will consult with SUFAC and/or the appropriate student health committee as to the appropriate programmatic level of student health care for at the institution.
- ~~b. *Athletics and Intramurals.* To the extent that guidelines for termination or non-renewal notices to personnel must be followed, and contracts for schedules exist, the SUF allocation for athletics and intramurals is non-allocable. A three-year budget review is required at the time the annual budget for athletics and intramurals is approved by students. Since the third year is normally beyond the time requirement of contracts for~~

personnel notices, the budget for athletics and intramurals for the third year after the current budget year is allocable SUF, except for any outstanding schedule commitments or personnel contracts.

The foregoing is not intended to prevent the students from approving an increase in the program level during the first two years of the three-year cycle. It also is not intended to prevent a chancellor from approving a decrease in the program level during the first two years of the three-year cycle. The chancellor's action must be accompanied by a re-determination by the students of the level of third-year support.

c.b. *Child Care.* It is the policy of the Regents that:

"... as an alternative to community child care when it does not meet the needs of the institution or unit, each university should set a goal of seeing that top quality, low cost child care and extended child care services, preferably campus based, are available to the children of students, faculty and staff." (Section II.F of Regent Policy Document 14-3, *Equal Opportunities in Education: Elimination of Discrimination Based on Gender*). The chancellors and students are encouraged to review funding requests for student child care services with special care. Consideration should be given to utilizing non-allocable SUF or requiring a three-year budget process comparable to that required for athletics and intramurals.

Child care allocations derived from SUF shall be identified separately in the annual institutional budget review process.

(5) Expenditures of SUF-Generated Receipts.

- a. Receipts generated by SUF activities become part of the budgets of those activities and may be used as permitted under I.C. of this policy. On occasions, such as the beginning of an academic year, where a ceremonial activity is merited but SUF-related receipt revenue has not yet been generated, it is permissible to pay the expenses of the activity from SUF and replenish the SUF account when the anticipated receipts are actually generated.
- b. Gate receipts from intercollegiate athletics may be used for athletic scholarships to the extent permitted by state law, university policies and the official conference rules applicable to the respective institutions.
- c. Donations and scholarships if the activity generating the SUF-related receipts was conducted specifically for such purposes. Any SUF expenses for the activity must be returned to the organization's account from gross receipts. The remaining receipts may then be used for the purpose for which they were generated.

(6) Appropriate payments from allocable and non-allocable SUF.

Both allocable and non-allocable SUF may be used to fund certain activities and services. Reflecting the distinction between the two SUF categories, however, the following SUF expenditures are appropriately assigned as follows:

- a. *Appropriate expenditures of allocable SUF.* Except as limited elsewhere by law or policy, allocable SUF may be used to provide support for campus student activities, including:
 1. Operations, activities and programs of recognized student organizations and club sports;
 2. Concerts and lectures;
 - ~~3.—Athletic and intramural support for the third year of a three-year budget, and increases above the level of the first two years approved by the SUFAC and the Chancellor;~~
 - ~~4.3.~~ Student help and limited term employee costs and associated fringe benefits in organized activities; Student health services above the minimum module;
 - ~~5.4.~~ General operating costs or overhead costs of the student government organized at each institution under s. 36.09(5), Wis.Stats., student newspapers, and student radio and television excluding personnel and facilities costs and contractual obligations;
 - ~~6.—Support for university personnel hired and supervised in compliance with applicable university personnel policies and procedures, and subject to the requirement that any proposed reduction of SUF support for university personnel due to student recommended alternative uses of allocable SUF must allow for proper employee notice and treatment, in accordance with applicable law and Board policies; (MOVED DOWN AND EDITED IN SECTION b.5.)~~
 - ~~7.5.~~ Costs of leasing non-university facilities for use by recognized student organizations where:
 - i. The SUFAC has demonstrated that there exists a substantial need to lease non-university facilities based on lack of available university space for specific, identifiable needs of recognized student organizations, and has agreed to allocate SUF for this purpose; and
 - ii. The chancellor agrees that the demonstration of substantial need by the SUFAC warrants the university seeking authorization from the Wisconsin Department of Administration and other state authorities as required by law to lease non-university premises for the specific purposes identified; and
 - iii. The lease is provided ~~by the Wisconsin Department of Administration~~ in accordance with ss. 36.11(1)(b) and UW System Administrative Policy 910, Leasing. 16.84(5), Wis. Stats.
- In no event shall this subparagraph be construed to require a UW institution to

provide or to dedicate space, or any particular type of space, for registered student organizations.

~~8.—Costs of contractual services that benefit all students where:~~

- ~~i. The SUFAC has demonstrated that there is a substantial need for such services and that they cannot be provided by the UW institution, and has agreed to allocate SUF for this purpose;~~
- ~~ii. The chancellor agrees that there is a substantial need for the services, that the institution cannot provide them and that the extraordinary need demonstrated by SUFAC warrants procuring the services; and~~
- ~~iii. The contractual services are secured pursuant to required state procurement processes.~~

~~In no event shall this subparagraph be construed to require a UW institution to provide a particular service. (MOVED DOWN AND EDITED IN SECTION b.6.)~~

~~9.—Other items consistent with this policy, as determined by the institution.~~

b. *Appropriate Expenditures of Non-allocable SUF.* Except as limited elsewhere by law or policy, non-allocable SUF may be used to support the following:

- 1. Debt service and approved capital projects;
- 2. Expense to enable all SUF-funded facilities and activities to present an operational building or structure ready for use;
- 3. Base operating funding of student centers/unions, child care centers and grants, arenas, stadia, etc., not covered by direct user charges, including municipal services, adequate funding to provide for deferred maintenance, debt service contingencies and operating contingencies (as defined in the reserve policy), and business services not centrally provided;
- 4. Sports programming and facilities (which includes intramural sports and intercollegiate athletics but excludes club sports); Athletic and intramural support, to the extent that athletic schedules and/or personnel commitments dictate SUF support for athletics and intramurals, at the levels previously approved by the SUFAC and the Chancellor for the two years after the current budget year (increases permitted);
- 5. Support for university personnel hired and supervised in compliance with applicable university personnel policies and procedures, and subject to the requirement that any proposed reduction of SUF support for university personnel due to student recommended alternative uses of non-allocable SUF must allow for proper employee notice and treatment in accordance with applicable law and Board policies; Minimum student health program as determined by the Chancellor; and, (MOVED DOWN AND EDITED FROM SECTION a.6. ABOVE)

6. Costs of contractual or essential services that benefit all students where: i. The Chancellor agrees that there is a substantial need for the services, that the Institution cannot provide them, and that the extraordinary need demonstrated warrants the services; and ii. Contractual services are secured pursuant to required state procurement processes. (MOVED DOWN AND EDITED FROM SECTION a.8. ABOVE)

7. Student health programs as determined by the Chancellor in accordance with Regent Policy Document 23-1, *Basic Health Module*.

6.8. Other items as determined by the institution, consistent with this definition and UW System policies, ~~such as personnel contracts, child care, and textbook rental.~~

C. DEPOSIT OF SUF IN STATE TREASURY

SUF are state funds which are deposited and held in the State Treasury, and which are subject to same limitations on use as other state funds.

1. Where SUF is used to support an event sponsored by a student organization, the organization must use any revenues generated by the event to reimburse the SUF fee account.
 - a. Any revenues generated by the event in excess of the SUF support provided are available to the organization for its own use, and the organization is not required to deposit these excess revenues in the State Treasury; and
 - b. A student organization using university facilities for an event for which no SUF support was received is not required to deposit those receipts in the State Treasury.
2. Student organizations may use institutional agency accounts, where available and subject to institutional requirements, for the deposit of receipts generated by their organization activities.

II. Allocable SUF

A. ALLOCATION PROCESS

~~Allocable SUF are allocated by students, in consultation with the Chancellor or his/her designee, and subject to the final confirmation of the Board of Regents.~~

1. Allocable SUF are allocated by students, in consultation with the Chancellor or his/her designee, and subject to the final confirmation of the Board of Regents.

~~1.2.~~ Procedures for student participation on the SUFAC and in the SUF budget and allocation process are determined by the students at each institution.

~~2.3.~~ In recommending SUF allocations, the SUFAC should recognize the need of the institution to maintain viable programs ~~supported by allocable SUF in the fine arts, child care, recreation, athletics and other programs~~ traditionally supported by allocable SUF.

~~3.4.~~ Budget information relevant to the allocable SUF budget for each institution, including, but not limited to enrollment projections, SUF revenue projections, and reserve balances, will be provided to the students annually by the campus administration prior to the students' process for determining allocation levels.

~~4.5.~~ Allocable SUF must be allocated in a viewpoint-neutral manner; student referenda may not be used, directly or indirectly, to allocate SUF to student organizations for extracurricular speech or expressive activities.

~~5.6.~~ Each student government, in consultation with the chancellor, must develop institutional allocation policies and procedures that, at a minimum:

- a. Describe any written criteria, in addition to those elsewhere established by law, for the allocation of SUF;
- b. Require the creation of a detailed record, which may be a tape recording, of all student fee funding allocation deliberations;
- c. Require that student organizations denied funding be provided, upon request, with a written statement of reasons for the denial;
- d. Provide a mechanism for avoiding conflicts of interest by students participating in the process for allocation of student fee funding, which mechanism may include requiring that participants disclose lobbying contacts; and
- e. Establish an appeal process within student government for the review of student fee funding decisions where it is alleged that the decision was based on a student organization's extracurricular speech or expressive activities, resulting in a violation of the requirement that allocable SUF be distributed in a viewpoint-neutral manner and where the appealing party has exhausted the process for review of student fee funding decisions established by the student government for such cases. The Chancellor's decision in such cases shall be final, unless the matter is brought to the Board of Regents in accordance with Regent Policies 30-3 and 30-5.^[1]

B. ELIGIBILITY FOR RECEIPT OF ALLOCABLE SEGREGATED FEE FUNDS

~~Only officially recognized student organizations, and university departments to the extent permitted under SYS 822, Student Services Funding, are eligible to receive allocable SUF.~~

1. Only officially recognized student organizations, club sports, student government, and university departments to the extent permitted under SYS 822, *Student Services Funding*, are eligible to receive allocable SUF.

~~1.2.~~ Student organizations must meet the following minimum requirements to obtain official recognition:

- a. Prepare and file with the Office of the Dean of Students, or other designated institutional office, a constitution and bylaws for the organization;
- b. Consist of at least four members, at least 3/4 (three-quarters) of whom are students enrolled for a minimum of one semester hour of credit at the UW institution for which the organization is seeking official recognition;
- c. Require that all leadership positions in the organization be held by students enrolled on a fee-paying basis for at least half-time; as used in this policy, "half-time" status means enrollment for a minimum of six credits as an undergraduate student, and enrollment for a minimum of four credits as a graduate student, except that for UW-Colleges students "half-time" status means enrollment for a minimum of three credits;
- d. Obtain an advisor, or the assistance of an advising service, employed by the UW institution where the organization is seeking recognition;
- e. Be organized on a not-for-profit basis, as demonstrated by evidence that the organization uses any income or profit for organizational purposes, not for any individual or commercial gain;^[2]
- f. As required by Regent Policy Document 30-96, Policy on Recognition of Student Organizations, extend membership and all membership privileges, including voting and eligibility to hold office, to all students without regard to age, ethnicity, gender (except as otherwise permitted by Title IX of the Education Amendments of 1972), disability, color, national origin, religion, sexual orientation or veteran status, except those student organizations that select their members on the basis of commitment to a set of beliefs (e.g., religious or political beliefs) may limit membership and leadership positions in the organization to students who affirm that they support the organization's goals and agree with its beliefs.
- g. UW System institutions may establish additional requirements for official recognition consistent with this policy.

2. *Reporting student organization financial information.* Student organizations are required to comply with requests for financial information in the circumstances in (a) and (b) of this section. An organization's failure to comply with a request for financial information may result in the denial of eligibility to receive SUF and/or the use of university facilities.

- a. All student organizations receiving allocable SUF or using institutional facilities must provide financial records, if requested by SUFAC or by the institution, indicating specific revenues and expenditures for specific events for which SUF support or the use of university facilities was provided.
- b. Where allocable SUF are received for ongoing operations or activities of an organization in accordance with this policy, the organization must provide financial records of its entire operation, when requested by the SUFAC or by the institution.
- c. Failure on the part of a student organization to provide financial information in accordance with this policy may result in suspension or loss of recognition, and privileges associated with recognition.

III. Non-allocable SUF

A. RESPONSIBILITY OF CHANCELLOR

The chancellor of each institution is primarily responsible for the development of the non-allocable SUF budget, and shall ensure that the institution's annual budget proposal for non-allocable SUF will generate sufficient monies to cover these commitments.

B. STUDENT REVIEW

In accordance with Regent Policy 30-5, Policy and Procedures for Segregated University Fees, students are to be given an opportunity to review and offer advice upon the budget of each program and activity that is funded primarily with non-allocable SUF. To that end, ~~each~~ campus administration, ~~in consultation~~ with ~~their~~ ~~its~~ student governance groups, shall develop specific procedures to ensure that there is an opportunity for SUFAC to conduct a timely and meaningful review of the non-allocable SUF budget. This shall include the ability for student governance groups to request earlier and more extensive participation in specific program areas such as (but not limited to) transit/bus and intercollegiate athletics programming. A copy of these procedures, signed by appropriate campus administrators and student representatives, shall be filed with the UW System President's designee. The agreed upon procedures shall be reviewed with student governance groups annually and consistently followed from one year to the next. ~~and a~~ Any changes to those procedures will be documented and filed with the UW System President's designee. Consistent with section B.1 of Regent Policy 30-3, Guidelines for Student Governance, the President's designee shall mediate if a campus administration and its student representatives cannot reach agreement upon the procedures to be followed.

Any proposed major remodeling or major new construction project as defined by section 20.924(1)(a) Wisconsin Statutes that will increase the non-allocable portion of the SUF on any campus shall be reviewed by the Chancellor with appropriate student representation. There

shall be specific action by the SUFAC on the project in question, which will be presented as part of the required information for the Regents at the time the project is advanced for approval.

Related Policies

Regent Policy Document 30-5, Policy and Procedures for Segregated University Fees

Regent Policy Document 30-3, Guidelines for Student Governance

Regent Policy 30-6, Policy on Recognition of Student Organizations

UW System Administrative Policy 822 (SYS 822), *Student Services Funding* (formerly G15)

UW System Administrative Policy 316 (SYS 316), *Auxiliary Enterprises Support Services Chargebacks* (formerly F42)

UW System Administrative Policy 322 (SYS 322), *Physical Plant Service Chargebacks* (formerly F25)

UW System Administrative Policy 180 (SYS 180), *Child Care Centers* (formerly G38)

UW System Administrative Policy 314 (SYS 314), *Financial Management of Auxiliary Operations* (formerly F43)

UW System Administrative Policy 235 (SYS 235), *Personal Services Payments* (formerly F31)

UW System Administrative Policy 910, *Leasing*

Footnotes

[1] Regent Policy Documents 30-3 and 30-5 establish an appeals process for situations in which the students and chancellor disagree about the allocation of SUF. In accordance with Regent Policy Document 30-3, if the Chancellor disagrees with the students' recommended disposition, the basis for denying or changing the student decision must be substantial and communicated to the recommending students in a timely manner. The chancellor must discuss any recommended changes s/he recommends to the budget for student consideration and decision before the forwarding the institution's budget to System Administration and the Board of Regents. If any disagreement is not reconciled after further discussion at the institutional level, both the students' and the Chancellor's budgets are to be presented to the UW System President's Office by April 1. The President or his or her designee will attempt to mediate the dispute before forwarding it to the Board of Regents with a recommendation for its resolution. (Criteria for the Board's use in considering appeals are set forth in the Regent Policy Document 30-5.) Such budget disputes will be considered by the Board prior to action on the annual budget.

[2] The term "not-for-profit" as used here is not the same definition as used for state or federal tax purposes. Thus, registration as a student organization will not automatically result in exemption from state or federal income tax or state sales tax. If an organization has obtained tax exempt status from taxing authorities, however, documentation of that status would demonstrate that the organization is organized on a "not-for-profit" basis.

QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2016 THROUGH SEPTEMBER 30, 2017

BACKGROUND

Regent Policy Document 13-1: “General Contract Approval, Signature Authority, and Reporting”, requires that a summary of extramural gifts, grants, and contracts be reported quarterly to the Vice President for Finance for presentation to the Business and Finance Committee of the Board of Regents. The attached report is intended to meet that requirement.

The policy further directs that grants from and contracts with private, profit-making organizations with a value of more than \$1,000,000, as well as athletics employment contracts where the total annual compensation is greater than \$500,000, require formal approval by the Board of Regents prior to execution. In addition, any contract with a value of less than \$1,000,000 that, in the judgment of the President of the UW System, warrants direct Board approval shall also be approved by the Board prior to execution. Grants and contracts covered by these requirements are included in the quarterly reports and are also presented individually to the Business and Finance Committee of the Board of Regents.

The policy also requires that grants from and contracts with private, profit-making organizations with a value between \$500,000 and \$1,000,000 be reviewed by an institution’s legal affairs office or the UW System Office of General Counsel prior to execution.

REQUESTED ACTION

No action is required; this item is for information only.

DISCUSSION

Attached is a summary report of gifts, grants, and contracts awarded to University of Wisconsin System institutions in the three-month period July 1, 2016, through September 30, 2017. Total gifts, grants, and contracts for the period were approximately \$511.7 million; this is an increase of \$9.8 million from the same period in the prior year. Federal awards increased \$65.3 million, while non-federal awards decreased by \$55.5 million.

RELATED REGENT POLICIES

Regent Policy Document 13-1: General Contract Approval, Signature Authority, and Reporting

Institution	STUDENT AID								
	Fiscal Year 2017-18	Total Fiscal Year 2016-17	Increase (Decrease)	Fiscal Year 2017-18	Federal Fiscal Year 2016-17	Increase (Decrease)	Fiscal Year 2017-18	Non Federal Fiscal Year 2016-17	Increase (Decrease)
Total	76,939,061	63,190,693	13,748,368	73,156,219	59,455,745	13,700,474	3,782,843	3,734,948	47,894
Madison	11,554,713	5,450,351	6,104,362	9,593,636	3,520,677	6,072,959	1,961,076	1,929,674	31,403
Milwaukee	17,000,079	15,443,250	1,556,829	17,000,079	15,443,025	1,557,054	0	225	(225)
Eau Claire	6,647,017	6,328,116	318,901	6,647,017	6,328,111	318,906	0	5	(5)
Green Bay	870,660	848,773	21,888	809,521	837,511	(27,990)	61,139	11,262	49,878
La Crosse	4,334,993	3,721,858	613,135	3,635,797	3,721,858	(86,061)	699,196	0	699,196
Oshkosh	7,315,737	6,926,144	389,593	7,315,737	6,926,144	389,593	0	0	0
Parkside	3,352,504	175,881	3,176,623	3,351,654	6,344	3,345,310	850	169,537	(168,687)
Platteville	3,423,068	0	3,423,068	3,260,000	0	3,260,000	163,068	0	163,068
River Falls	3,918,317	3,818,889	99,428	3,913,042	3,818,389	94,653	5,275	500	4,775
Stevens Point	1,881,694	6,905,061	(5,023,367)	1,738,877	6,587,047	(4,848,170)	142,817	318,014	(175,197)
Stout	4,445,116	4,367,776	77,340	4,438,616	4,356,109	82,507	6,500	11,667	(5,167)
Superior	0	2,026,473	(2,026,473)	0	2,015,603	(2,015,603)	0	10,870	(10,870)
Whitewater	6,710,697	6,856,534	(145,837)	6,113,646	5,894,928	218,718	597,051	961,606	(364,555)
Colleges	5,484,468	321,590	5,162,878	5,338,597	0	5,338,597	145,871	321,590	(175,719)
Extension	0	0	0	0	0	0	0	0	0
System Administration	0	0	0	0	0	0	0	0	0

Institution	ALL OTHERS								
	Fiscal Year 2017-18	Total Fiscal Year 2016-17	Increase (Decrease)	Fiscal Year 2017-18	Federal Fiscal Year 2016-17	Increase (Decrease)	Fiscal Year 2017-18	Non Federal Fiscal Year 2016-17	Increase (Decrease)
Total	22,914,393	26,101,462	(3,187,069)	3,664,671	5,462,195	(1,797,524)	19,249,722	20,639,267	(1,389,545)
Madison	17,253,212	18,510,049	(1,256,838)	215,005	791,418	(576,413)	17,038,207	17,718,632	(680,425)
Milwaukee	1,499,983	2,694,558	(1,194,575)	1,495,643	1,894,566	(398,923)	4,340	799,992	(795,652)
Eau Claire	232,265	0	232,265	232,265	0	232,265	0	0	0
Green Bay	214,910	195,693	19,217	10,055	210	9,845	204,855	195,483	9,372
La Crosse	1,143,498	1,026,074	117,424	824,506	1,017,454	(192,948)	318,992	8,620	310,372
Oshkosh	35,300	0	35,300	35,000	0	35,000	300	0	300
Parkside	35,167	2,435	32,733	0	0	0	35,167	2,435	32,733
Platteville	571,252	603,688	(32,436)	386,515	603,688	(217,173)	184,737	0	184,737
River Falls	431,312	957,049	(525,737)	308,626	847,973	(539,347)	122,686	109,076	13,610
Stevens Point	51,453	180,620	(129,167)	0	0	0	51,453	180,620	(129,167)
Stout	464,589	429,253	35,336	149,771	29,000	120,771	314,818	400,253	(85,435)
Superior	37,691	44,666	(6,976)	0	0	0	37,691	44,666	(6,976)
Whitewater	490,040	840,064	(350,024)	7,285	277,886	(270,601)	482,755	562,178	(79,423)
Colleges	99,202	51,492	47,709	0	0	0	99,202	51,492	47,709
Extension	354,521	565,821	(211,300)	0	0	0	354,521	565,821	(211,300)
System Administration	0	0	0	0	0	0	0	0	0

*Includes Libraries, Physical Plant and Miscellaneous categories