



Policy on Online Net Revenue Sharing

Policy Number	ACA-035; BUS-035
Effective Date	When Signed
Responsible Office/Person	Academic Affairs: Provost; Budget and Finance: CFO
Related Policies	ACA-042 Policy on Online Revenue Share Funds Carryforward ACA-043 Policy on Usage of “In-Year” Online Revenue Share Funds
Additional History	

**University of Massachusetts Dartmouth
Division of Academic Affairs; Division of Finance
Policy on Online Net Revenue Sharing**

Purpose

The Online Revenue Sharing Policy is designed to provide an economic incentive for UMass Dartmouth faculty, colleges, and academic departments to develop revenue-generating online courses and programs that enhance educational opportunities and further the mission and vision of the University. The resource allocation is also intended to recognize the contribution of Colleges, Departments, programs, and faculty who are responsible for the development, implementation, and revenue generated by online courses and programs. A goal of the policy is to increase enrollments and degree attainment at UMass Dartmouth by expanding academic programs to new populations; the policy is not intended to redistribute current enrollments to another modality of instruction.

Scope

This policy outlines the specific criteria and procedures for sharing net revenue generated by eligible online revenue-generating courses and programs that originate from UMass Dartmouth colleges and academic departments. This Policy ACA-035 pertains only to funds generated within a prior fiscal year and does not pertain to funds that have been “carried forward” from prior years. Those “carry forward” funds are governed by Policy ACA-042.

Definitions

Online Education is a form of ‘electronic learning’ that delivers educational curriculum on the Internet to provide more flexible access to content and instruction at any time, from any place outside of a traditional classroom. Online education can be offered in either an asynchronous or synchronous format.

Online Revenue Share Funds (ORSF) are derived from net tuition revenue generated through online instructional activity such as online course registrations.

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The *Department of Online and Continuing Education (OCE)* is the unit within the Division of Academic Affairs that coordinates, organizes and facilitates electronic course and program access and delivery in concert with academic colleges, departments, and other institutional stakeholders. It also manages the business component of online program revenue and expenses. The Department reports to the Provost.

Gross Online Revenue: sum of online tuition and fees collected; does not include any special fees charged to students for costs such as technology, software, etc.

Net Online Revenue: gross revenue proceeds less direct expenses for OCE operations, marketing expense, staff, technology support, financial aid, applicable instructional costs, etc. and indirect expenses such as UMass Online fees, and course development costs.

Revenue Share Fund: the difference between the gross revenue proceeds minus direct and indirect expenses for each online program/department. Unit direct expenses include, for example, cost of instruction, cost of course development, cost of advising/administrative support, etc.

Policy

Online net revenue (tuition) will be distributed annually by September 1 to departments, colleges, and provost following criteria described herein. These Online Revenue Share Funds (ORSF) will be deposited in a designated account to be used for investment in growth of programs, grants for teaching transformation and innovation, support for the academic mission of the University, or for general operating expenses as outlined in Policy ACA-043. OCE will receive a portion of ORSF to reinvest in online program support and delivery enhancements.

All surplus revenue produced by online courses and degree programs after all program expenses (direct and indirect costs) will be included in the Revenue Share Fund.

Academic Program fee revenue (“major fees”) from online registrations is distributed to Colleges following the procedure specified in Policy ACA-032. Carryforward of ORSF is bound by Policy ACA-042.

Procedures

The Revenue Share Fund (net revenue pool) will amount to the difference between the gross revenue proceeds minus direct and indirect expenses for each online program/department.

The aggregate Net Online Revenue will be distributed to the following areas:

- University Strategic Initiatives: 15%
- Provost Office: 15%
- Online and Continuing Education: 15%
- Chancellor: 15%
- Academic College/School: 20%
- Academic Department: 20%

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Specific College and Department Obligations:

To be eligible to participate in revenue sharing, colleges and departments will need to provide:

- *Annual Fiscal year Budget Plan*, for expending their online revenue sharing budgets before May 1st. Budget approval by the Provost must be complete before fiscal year funds are released. Budget Plans will be shared with the University's Division of Budget and Finance.
- *Quality Review Plan*. By June 30th, each department/program must provide the Dean a Quality Review Plan for reviewing the quality of course offerings in the program. These plans may not be used for faculty evaluation, but are to ensure courses offered in the program meet departmental/program/University quality standards.
- *Two-Year Tentative Schedule*. Each department/program must submit a draft schedule to the Dean and OCE by June 30th, for the upcoming 2 years. While these schedules are subject to change, they will be used to help with student advising and schedule requests.

Responsibility

The Office of the Provost is responsible for administering this policy. The Department of Online and Continuing Education will manage business aspects of this policy. OCE will prepare an annual financial report on program specific enrollments/registrations, associated revenue and expenses and production of new University revenue. OCE will provide this report to the Provost and the Division of Budget and Finance. The Division of Budget and Finance will distribute the ORSF by September 30th.


Policy Changes

The Division of Academic Affairs and the Division of Budget and Finance will review this policy every three years or sooner. The revenue share distribution percentages will be reviewed annually.

Related Policies

ACA-043	Policy on Usage of Online Revenue-Share Funds
ACA-042	Policy on Carryforward of Online Revenue Share Funds


Approvals:

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Date