Policy on Online Net Revenue Sharing

<table>
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<tr>
<th>Policy Number</th>
<th>ACA-035; BUS-035</th>
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<tr>
<td>Effective Date</td>
<td>When Signed</td>
</tr>
<tr>
<td>Responsible Office/Person</td>
<td>Academic Affairs: Provost/COO; Vice Chancellor Administration &amp; Finance: Vice Chancellor/CFO</td>
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<tr>
<td>Related Policies</td>
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University of Massachusetts Dartmouth
Division of Academic Affairs; Division of Administration & 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 Colleges, Departments, programs, and faculty who are directly responsible for the development, implementation, and revenue generated by online courses and programs. A primary goal of the policy is to increase enrollments and degree attainment at UMass Dartmouth by expanding academic programs to new populations.

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.

Definitions
Online Education is a form of ‘electronic learning’ that delivers educational curriculum on the Internet.

Online Revenue Share Funds derive from net tuition revenue generated through online course registrations.

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

Gross Online Revenue is the sum of tuition and fees collected.

Net Online Revenue: gross revenue proceeds less direct expenses for OCE operations, technology support, financial aid, applicable instructional costs, etc. and indirect expenses such as UMass Online/TFA fees, course development costs, etc.
Policy on Online Net Revenue Sharing

Policy
Online net revenue (tuition) will be distributed annually at the beginning of the fall semester to eligible departments, colleges, and provost following criteria described herein. These online revenue share funds (RSF) will be deposited in a designated account to be used for investing in growth of online programs, grants for teaching transformation and innovation, or for other allowable expenses as outlined in Policy ACA-043. OCE will receive a portion of RSF to reinvest in online program support and delivery enhancements.

Academic Program (major) fee revenue from online registrations is distributed to Colleges in accordance with Policy ACA-032.

Use of RSF is specified in Policy ACA-043.

Carryforward of RSF 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. Unit direct expenses include, for example, cost of instruction, cost of course development, cost of advising/administrative support, etc. Indirect expenses, which include shared Online and Continuing Education (OCE) expenses, are prorated by the unit level of online activity (course registrations). Units can maximize their net revenue return by increasing enrollment or by reducing development/delivery costs.

The aggregate Revenue Share Distribution (net revenue) after the program expenses have been deducted, will be distributed to the participating members as follows:
- University Strategic Initiatives: 20%
- Provost Office: 20%
- Online and Continuing Education: 20%
- Academic College/School: 20%
- Academic Department: 20%

Member Obligations:
Online learning programs/departments do not automatically qualify for the Online RSF.
To be eligible to participate in revenue sharing, all members will provide an:
- Annual fiscal year budget plan for expending their online revenue sharing budgets before Feb 1st. Budget approval by the Provost must be complete before fiscal year funds are released.
- Fiscal budgets will be based on the spending plan approved by Provost and the Chief Financial Officer.
Preference will be given to one-time capital purchases.
Specific College and Departmental Obligations:
To be eligible to participate in revenue sharing, colleges and departments will provide:

- An annual Quality Review Plan by June 30. Each department/program must submit a plan for reviewing the quality of course offerings in the program. These plans are to ensure courses offered in the program meet departmental/program quality standards.
- Two-Year Tentative Schedule. Each department/program must submit a draft schedule for the upcoming 2 years. While these schedules are subject to change, they will be used to help with student advising and schedule requests.

Applicability
Qualifying online programs will receive revenue share funds as determined by this policy.

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 and associated revenue and expenses, calculate revenue share amounts by department for review and approval of the Office of the Provost. The Office of Budget and Financial Planning will distribute the RSF.

Policy Changes
The Division of Academic Affairs and the Division of Administration and Finance will review this policy every three years or sooner. The revenue share distribution percentages will be reviewed annually and approved by the Executive Budget Panel.

Related Policies
<table>
<thead>
<tr>
<th>ACA-043</th>
<th>Policy on Online Revenue-Share Funds Usage</th>
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<tr>
<td>ACA-042</td>
<td>Policy on Carryforward of Online Revenue Share Funds</td>
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Approvals:

Mohammad A. Karim  
Provost; Executive Vice Chancellor for Academic Affairs; Chief Operating Officer

David A. Gingerella  
Vice Chancellor for Administration & Finance; Chief Financial Officer

Robert E. Johnson  
Chancellor

4-22-19  
Date