

RCM WORKSHOPS - Questions/Answers September/October 2003

TOPICS:

- GENERAL QUESTIONS
- TUITION
- SURPLUS/DEFICIT FUNDS
- BUDGETS/FUNDING
- FAST REPORTING/FINANCE
- RELOCATION
- ADVERTISING
- SALARY SAVINGS
- LABOUR RELATIONS
- CHARGE BACKS
- COST RECOVERY PROGRAMS
- OVERHEAD
- PURCHASING COURSE SECTIONS

GENERAL QUESTIONS

1. What is the RCM unit? Is it the faculty or the department?

The RCM unit is either the faculty in Kelowna or the regional campus. The RCM units include the following:

- *three regional campuses at Vernon, Salmon Arm and Penticton*
- *Faculty units in Kelowna*
 - *Arts,*
 - *Business Administration,*
 - *Education,*
 - *Adult and Continuing Education,*
 - *Health and Social Development,*
 - *Science,*
 - *Engineering Technologies,*
 - *Industrial Trades and Services.*

2. New Initiatives – How do new programs which may take up to three years to initiate get supported?

New programs need appropriate academic approval. Program development funds could then be accessed for curriculum development. In most situations new programs would then be supported through the budget development process. There may be an opportunity to use surplus funds for additional one time costs related to program development.

3. Sustainability & flexibility at the centers - How do you get around the faculty issue? For example, how do you reassign faculty members elsewhere if you know a course at a particular center is going to lose money?

The assignment of faculty should be based on the academic/educational plan for OUC as approved by senior management. In some situations issues of student access to a course versus the cost of the course may need to be considered in the educational plan. Overall, the government grant subsidizes all academic programming at OUC, albeit through varying degrees.

4. How will quality issues such as class size and workload equity be dealt with?

These will need to be dealt with through the VP Academic, AEC and the educational planning process.

5. How can we increase revenue if we are restricted by physical class size?

It is difficult to increase revenue if restricted by physical class size. There is a plan to build an addition to the library at NKC that will provide bigger classrooms. In addition new buildings at Vernon and Salmon Arm have provided increased capacity. Portable classrooms were also added at NK to increase capacity. Super classrooms have been constructed at SKC.

6. Responsibility and accountability for enrolments and FTE targets need to be addressed. A Dean cannot be held accountable to meet FTE targets if he/she has no control over a regional campus.

We agree. The FTE targets of each RCM unit should be the responsibility of that RCM unit manager.

7. Additional work is required in clarifying roles and responsibilities. For example, how do you support research and scholarly activity if it crosses more than one campus. Who is responsible the Dean or the Regional Principal?

These processes need to be determined through the VP Academic. In most cases the Dean will be responsible for workload assignments and would be involved in the support of research and scholarly activity. He/she should consult with the Regional Principal of the campus that is involved to determine workload assignments.

8. The Academic Plan has to be moved forward one year to be in sync with the budget process.

The OUC academic plan should drive the budget process each fiscal year. The rolling three year academic plan provides for a plan for each year in advance of the budget development process.

9. Forecasting to help a department determine how they are doing throughout the year sounds like a good idea but where is the money to pay for the accountants who can do the forecasting?

There have been no additional funds added for additional accountants but Finance has restructured their staffing to provide financial analysis and support to the RCM units. Once we get some experience with the RCM model we may find there is a need to add additional Finance staff resources

10. Will there be more decentralization in the future? For example, will the Faculty of Arts be split into two faculties/RCM units?

We do not expect further decentralization of the faculties or splits of faculties into further RCM units.

11. What happens if significant costs are incurred by a department based on someone else's projection that doesn't materialize?

OUC central administration does not under-write the risk. All such situations would need to be discussed with the VP Academic. Negotiation plays a key role within/between departments or RCM units. If a department/unit doesn't feel they are being fairly compensated for the work or the risk of a project they can always decline the offer.

12. There are consequences to RCM – duties (accounting) are being downloaded. How can this be addressed?

RCM units should make a budget development request for the additional resources required if they find they need additional help.

13. Is the RCM model that OUC has adopted the only decentralized model available? Is there a model that would address the conflicts faced by regional campuses vs faculty RCM units?

The RCM model is not the only decentralized model. There are other incentive based budgeting systems however the differences in these systems often reflect differences in values, aspirations, priorities and political realities of the universities in which they are implemented.

The conflicts between the regional campuses versus faculty RCM units relate more to the “regionalization” of the academic plan (where responsibility for the academic plan at the regional campus has been decentralized to the campus Principal) and not the RCM budget model per se. Conflicts related to regionalization need to be addressed through the VP Academic.

14. Is the Faculty of Science at North Kelowna a RCM unit? Is the Dean responsible for this RCM unit? If the Dean plans a project that affects another region what responsibility does he/she have to the regional campus? If a conflict arises who or how is it settled?

The Faculty of Science is an RCM unit. The Dean is responsible for this RCM unit. If the Dean plans a project that affects another region he has a responsibility to discuss the project with the Regional Campus Principal as part of the planning process. If a conflict arises the VP Academic would be involved in settling the issue.

15. Is it possible to avoid cash exchanging hands? For example, if a RCM unit borrows a faculty member in year one can he agree to pay back the other RCM unit by giving them use of a faculty member in year 2?

The expenses need to be recognized and recorded in the RCM unit at the time and in the place where they occur therefore it would not be appropriate to trade resources with no “cash exchanging hands”. Appropriate accounting entries need to be made to reflect where the actual activity is occurring.

16. Incentives – how far do incentives go? It doesn't mean we can get a raise or more vacation?

The main incentive for an RCM unit is the ability to retain surplus. Incentives for staff raises and vacation are not part of this model. These are collective bargaining items.

17. If you have a pilot project on the go what happens after the pilot project is over? How do you continue?

How a pilot project continues would need to be determined in consultation with the VP Academic

TUITION

1. Is the tuition split of 80% / 20% already set?

Yes. The Tuition Fee Revenue Allocation policy (6.2) was developed by the Tuition Allocation Committee and approved by Cabinet. The policy provides for the sharing of tuition revenue for base

funded programs across both the academic and support units of OUC. The policy indicates that tuition fee revenue will be shared 80% to the academic units and 20% to central and support services. Sharing tuition revenue supports growth for the whole organization when there is a growth in student enrollments.

2. Tuition is being allocated 80% to the RCM unit and 20% to central administration. What is the 20% suppose to cover? Why are these support departments charging additional fees if they have funding?

20% of the tuition contributes to the support of all the central and support unit activities which make up the infrastructure of OUC. Support departments should not charge additional fees for the services they are funded to provide. In situations where extra services are requested over and above what they are funded to provide there may be some charge backs. All charge back fees should be approved through the budget development process.

3. Will tuition be allocated out to the regional campus for each faculty?

Tuition fees will be allocated to each RCM unit based on the location in which the student is registered in the course.

4. Tuition intake varies for trades. This means trades stable enrolment will vary and will be different than academic courses. How/when will trades tuition allocation be handled?

Tuition revenue will be allocated to RCM units in October and February. Any adjustments required will be done at the end of March. Tuition recorded as revenue by these dates will be allocated at that time.

5. In the first year of RCM it will be difficult to manage to a March 31st deadline. With tuition being allocated twice a year (October and February) a department is going to have approximately six weeks to react to a negative bottom line.

Tuition budgets are based on an average of the previous two-year credit billing hours. RCM unit managers need to monitor their enrollment data that they receive from the Registrar as it will provide an indication of how their course registrations and head counts compare to the previous year. If these are in line with the previous year the revenue should also follow. If they were less than the previous year they should analyze the results and take corrective action if necessary.

6. What is the revenue split for projects? Is it also 80/20?

The revenue for projects is not split on an 80/20 basis. Projects are usually funded outside the base funded programs and instead should contribute an overhead percentage to the organization. Revenue for projects is assigned directly to the project.

7. Why does the tuition allocation get allocated down to the department level and not stay at the Dean's level?

Allocating the tuition revenue to the department level provides useful information to the department chair as to how the actual tuition revenue for the fiscal year is tracking relative to the tuition budget, which has been based on historical data.

The Dean can see where there are increases or decreases in enrollments by looking at the actual tuition revenue versus the budget for each department.

8. Video conferencing – who gets the revenue, the host campus?

The host campus that is paying the instructor and the costs of the course should get the revenue. It does not matter where the student is located. Video-conference courses should be identified specifically in the registration system so that students can register in that class wherever it is located.

9. Tuition revenue for based funded programs is shared 80% to academic programs and 20% to central and support services. How does a base program generating non-base tuition split their tuition? Is it on the same 80/20 split?

Non-base tuition is not split 80/20 but would all be recorded directly in the appropriate program. These types of programs are usually contracts and should include an overhead contribution, which is allocated to the central fund.

10. Billing Credit Hours – how is it defined? How would a short two-week vocational course be calculated?

The credit billing hour is the value used to determine the cost of a course in the base funded programs. For academic courses it is based on academic credits. For many courses billing credit hours are equal to academic credits. For any course with higher costs of delivery such as lab courses, studio courses and courses with tutorials, the billing hours are calculated to be academic credits multiplied by a factor of 1.15.

For Health, Vocational and Trades programs billing credit hours are the number of hours delivered in a program component divided by 30. This represents the number of full time weeks of instruction delivered in the program component.

For a short two-week course you would most likely be looking at a cost recovery billing amount and would not use the calculations above.

11. How/when will non-traditional start date programs such, as a trades program, starting in November have their tuition allocated?

The tuition would be calculated from the start date of the program and allocated to the unit in February. Any additional adjustments will be made at March 31 (year-end).

12. How are courses that switch between campuses handled?

The tuition will be recorded where the course is offered. Tuition budgets need to be adjusted to reflect the switch in campus location.

13. Is it possible to distinguish tuition between diploma and degree programs? Is it possible to distinguish costs between diploma and degree programs?

It is possible to distinguish tuition revenue between diploma and degree programs although we are not recording tuition to that level of detail. Tuition is recorded at the department level. In those programs offering both diploma and degree programs (example: Business Administration) it is difficult to distinguish the costs between them as there is an overlapping use of resources and therefore costs are not recorded separately.

14. If two science courses were not run in Vernon because it was not viable and the regional campus (RCM unit) chose to loan the faculty to North Kelowna how is the transfer handled?

Vernon could loan the faculty member to North Kelowna. A journal entry can be used to transfer the cost of the faculty or the negotiated transfer rate to North Kelowna. The RCM unit managers involved in this transfer need to notify accounting of the details for the journal entry.

15. Will RCM units (faculties) be able to set individual tuition fees and program differentials for those popular, waitlisted programs?

Tuition fee increases or differentials would need to be approved by the Board of Governors so RCM units cannot set their own fees.

16. Where are the summer session revenue and expenses going?

The summer session revenue is recorded in Extension because that is where the instructor expenses for summer session are recorded.

17. If Extension Services is getting the tuition revenue for summer session what happens if we decide to go to a third semester? Will Extension Services get the revenue or the RCM unit?

Tuition revenue needs to flow to where the course expenses are. If a program moves to a third semester and is funding the cost of instruction then the tuition revenues would flow to that program and not to Extension.

18. For vocational programs that are ten months in length how will tuition allocation for these programs work? Are there any disadvantages or advantages versus academic programs?

Tuition for vocational programs will be allocated in October and February based on the tuition revenue recognized at those times. Budgets have been established on this basis. There are no disadvantages or advantages versus the academic programs

19. Faculty RCM unit budgets were based on a two-year history – current year tuition allocation is based on actual. So the RCM unit could do well, yes?

Yes. If course registrations have increased this year there should be an ability for a RCM unit to do well.

SURPLUS/DEFICIT FUNDS

1. At what level will the surplus/deficit be held? (e.g. Department, RCM unit)

The surplus/deficit is held at the RCM unit level.

2. Minimum surplus reserve of .5% of total operating expenditures:

- Does it have to be earned in the first year? *No*
- Why do we have a minimum surplus? *The minimum surplus acts as a small contingency for unforeseen events. Before the implementation of RCM the surplus was held centrally and served as an overall contingency for OUC but now it is being held individually in each of the RCM units.*
- Do you have to have the minimum before you spend it? *Yes. You need to have the minimum surplus amount (0.5% of operating expenditure base) before you can spend it.*

3. What can you use your surplus for? Can you use it for continuing positions?

Surplus can be used for one-time expenditures such as equipment, program development, staff training, etc. Surplus cannot be used for continuing positions or other continuing expenses.

4. Is there a limit as to how long you can carry forward a surplus?

There is no limit on how long you can carry forward a surplus however the maximum surplus that can be retained at any time is 5% of total base expenditures.

5. Is there an expectation of how managers will manage surplus/deficit funds?

Managers are expected to manage surplus/deficit funds with due diligence and in support of the academic plan.

6. Are there different approaches to how the surplus/deficit is distributed?

Surplus and deficits for each RCM unit will be determined based on generally accepted accounting principles (GAAP) and OUC Finance policies. Distributions to the departments within each RCM unit will be at the discretion of the Dean.

7. Are there revenue/surplus targets that will be instituted? If so, if you don't meet those targets will there be consequences?

Budgets are developed on a balanced basis without surplus targets. Each unit has a budget target that they are expected to meet. At this time each RCM unit has a balanced budget target. Budget deficits must be addressed by the unit.

8. What is the approval process for spending the surplus?

RCM unit managers can spend up to \$10,000 without approval. Any expenditure greater than that must be approved by either the VP Academic or the AVP Finance and Analysis depending on whether it is an academic RCM unit or a support unit.

9. Why do we not spend out of the surplus carry forward account?

Surplus funds should be transferred to the appropriate spending accounts (ie: capital, etc.)

10. We generate revenue from patient clinics. Will the surplus revenue stay in the department?

This revenue from patient clinics would be recorded as revenue of the department and could fall to the bottom line as surplus (if revenues are greater than budgeted expenses) which would then become part of the total RCM unit surplus.

11. Can we get a breakout of the surplus amount at the department level?

A breakout of the surplus amount by department level will be provided to the RCM unit manager (Dean/Principal) following completion of the current fiscal year audited financial statements.

12. Does the surplus go back at the department level?

The surplus is held at the RCM unit level and not at the department level. RCM unit managers (Deans/Principals) will need to work with their departments on how surplus funds are spent.

13. What is the carry forward policy and how much are we allowed to carry forward?

The Carry Forward Surplus/Deficit policy (6.1) allows for the carry forward of surpluses and deficits at an RCM unit level. An RCM unit may accumulate surplus to a maximum level of 5% of its total operating expenditure base. Deficits that carry forward must be resolved in the next budget cycle.

BUDGETS/FUNDING

1. What budget allocation models are used when preparing the budget:

- *Academic - allocate expenses/revenue over 8 months*
- *Vocational – allocate expenses/revenue over 10 months*
- *Support – allocate expenses/revenue over 12 months*

Contact Linda Spence, Budget Officer for other available models.

2. There is a central fund to cover situations such as:

- *Extended Study Leaves (based on 3% of tenure-track salaries)*
 - *Sick Leave (over 10 days; physician's note required)*
 - *Recruitment limited central funds (requires LR approval)*
- How does a department handle jury duty leave? In the last fiscal year one department was hit with two staff away on jury duty for a lengthy period.*

There are no central funds to cover jury duty leave, costs are covered by the RCM unit. Payments provided for jury duty should be deposited to the RCM unit.

3. Central Union Leave Fund – is available if you replace staff. It is not available if you do not replace staff.

Correct, application for leave costs should be submitted to Labour Relations.

4. If an RCM unit has a large (expensive) project it wants to initiate how do they go about doing that?

The RCM unit should discuss the project with the VP academic with a proposed plan of how they could use surplus funds for the project. The maximum surplus that can be accumulated is 5% of the total operating expenditure base so the plan would need to fall within that amount.

5. Will any of the government grant be allocated to CE? If CE meets or beats their FTE targets will they receive any of the government grant?

At the moment CE is treated as a cost recovery activity and does not receive any government grant allocation. CE is expected to be a money making activity for the organization.

6. What is the process for dealing with budget inequities?

Budget inequities need to be addressed during budget development. A new budget advisory committee has been established which will have a responsibility to review budget requests and deal with budget inequities. We also need to move away from incremental budgeting and evaluate budgets based on the requirements of the educational plan.

Multi- year budgeting will also lead to better planning for the use of resources.

- *We may need revenue generation in one area to assist in getting projects going elsewhere.*
- *Budget inequities may need to be addressed institutionally.*

7. Who pays the travel costs for faculty to travel between campuses?

For travel related to instruction the receiving campus should pay for the instructors travel costs. However at this time all travel cost regardless of where the faculty are travelling remains the responsibility of the Dean.

8. How do you recapture budget, sections, revenue expectations and expenses in the case of a chair? Some chairs are not budgeted for. They may move from one campus to another. Sections can be lost or gained depending on whether the chair is leaving or coming in.

As Chairs can come from any campus and some units have chair release budgets while others do not it will be necessary for the Principals and Deans to discuss how replacement sections will be funded on a case by case basis.

11. With the Academic Plan being a key driver and the budget process being important in achieving the Academic Plan should the budget process be started in June?

If starting in September does not appear to allow enough time for the budget process a consideration should be given to starting the process in June.

The academic plan is a rolling three year plan therefore the academic plan for the next budget year should be available prior to the start of the budget development process each year.

12. The Academic Plan covers a three-year timeline, should the development of the budget also cover the same timeline? Do the RCM units need that broad consultation?

The budget document now includes a three-year planning horizon that should be based on the Academic plan. The first year of the budget is prepared at a detail level while the second and third years are at a higher summary level.

13. What has been the experience of other institutions with the RCM model when revenue hasn't covered expenses? Is there a contingency?

Most institutions have some form of central contingency although most have found their contingency to be too small and are seeking to increase the amount. There is a small central contingency fund at OUC. However, RCM units are expected to operate at a balanced or in a surplus position and to develop their own contingency through the accumulation of surplus funds.

14. If I am operating as a small business unit and I can increase revenue by purchasing new equipment is there a bank I can go to get a loan?

There is no loan ability available. The Unit will need to accumulate surplus funds prior to the purchase of the equipment or use the normal capital equipment budget process.

15. Is capital a central fund? Do we budget capital separate? Is capital allocated based on how well you are doing in your operating fund? Will I lose capital dollars if my RCM unit is doing better or worse than another RCM unit?

The capital budget is still a separate process and a separate fund. Capital will need to be allocated through a capital budget process. An RCM unit should not lose capital dollars if their unit is doing better than another RCM unit.

FAST REPORTING/FINANCE

1. How can we get FAST training (also known as OUC Express)?

Contact Janet Garland, Manager, Financial Systems and Information in Financial services at extension 4312 and she will arrange training for you.

2. Where to look for FAST documentation?

Fast Documentation can be found in Pipeline. Drill down through the following:

- *OUC Express*
- *Administration*
- *Reports and manuals*
- *Finance*
- *OUC Express Finance Training Manual*

3. Will the program code change if the two-digit location code is added to the org. code?

That is under consideration. We do have to move to an organization code structure and we may add a two-digit location code to it instead. The chart of accounts is being revised for April, 2004. It will be circulated to AEC for comment prior to implementation.

4. Who is going to tell us if there is a coding/budget error? Who will know if a program is budgeted to the wrong place?

Budget unit managers or their delegate should review monthly reports and report any errors they find to Finance.

5. Will the Faculty of Health & Social Development have access to costs at regional centers? For example, we order supplies for programs at other centers, we send continuing and temporary staff to teach at other centers, we manage our costs as a whole not on a center by center basis.

The centers responsible for the costs should have access to the cost information.

6. Should the responsibility of ordering supplies go to the regions? Should we be charging back costs?

It makes sense to continue with central ordering as this is cost effective for OUC in total. This year these costs remain the responsibility of the Dean. If in the future these costs become the responsibility of the regional campus a method of charging out the costs from the faculty unit will need to be developed if the faculty unit continues to do all the central purchasing.

RELOCATION

1. Relocation expenses – who is the initiator the Dean, Director or the Chair?

The employee is the initiator.

2. Who needs to approve relocation expenses?

The RCM Manager(s).

3. Who is responsible for a position if it crosses campuses?

A cost sharing arrangement for relocation is done between the regional Principal and the appropriate Dean that recognizes all of the associated costs.

4. Do the Dean, Director and Regional Principal have to sign/approve relocation and recruitment expenses?

Yes, when it affects their budgets.

5. Who is eligible for relocation expenses? What expenses are covered?

- *All employees hired through open competition (if assigned center is more than 32 km from the employee's current residence).*
- *Current employees who are transferred (OUC initiated) to another center 32 km away from their previous assigned center.*
- *Term, non-regular and non-continuing employees who have an appointment of eight continuous months or more.*
- *Expenses covered include:*
 - *out-of-pocket expenses associated with the packing and transportation of household furnishings and associated goods,*
 - *travel costs for the employee and family to the assigned center,*
 - *costs of disconnecting and reconnecting major household appliances,*
 - *and interim lodging and meal expenses at the assigned OUC center associated with the move itself to a maximum of three days.*

6. How does someone get reimbursed for relocation expenses?

They must complete an Expense Claim form, attach all the receipts and submit them to Labour Relations. Labour Relations reviews expenses and forwards to Dean/Director/Principal for approval. Labour Relations prepares a Loan Document for the employee to sign prior to Expense Claim being forwarded to Finance.

7. If you have one year to claim relocation expenses it could potentially cross two fiscal years. If the position savings are in fiscal year 1 and the expenses are in fiscal year 2 how are they offset?

If relocation expenses are known at the end of the fiscal year the RCM unit manager can arrange for Finance to accrue the expenses so that they are expensed in the same year as the position savings.

8. Relocation expense approval – currently it requires all RCM managers to sign the expense claim before it is submitted for payment. This has led to lengthy delays. Would an email approval be acceptable?

Finance has agreed that when there is more than one RCM manager involved in authorizing an expense claim form it is acceptable for one RCM manager to sign the form and attach printed e-mails from the other RCM manager(s) that include the authorization to pay a specific amount and the FOAPAL it should be charged to. These authorizations must be complete prior to forwarding to Finance.

Finance is also looking at an on-line expense form process.

9. Transfer expenses – can cost in excess of \$10,000 if OUC initiates the transfer. Management should be aware of the potential impact it can have on their bottom line. Who is responsible for paying the transfer expenses the sender or the receiver?

It would have to be agreed to between the RCM Managers.

10. In the past recruitment expenses were paid by Human Resources from a central recruiting budget. What happened to the central recruitment budget? Did any of the departments get any of it? Has it been a fair and balanced redistribution of the central recruiting budget?

Savings from vacant positions used to go to the central recruitment budget; however, they now remain with RCM units to cover recruitment expenses. No central recruiting budget was available for redistribution.

11. Smaller departments may be at more of a disadvantage at covering recruitment costs than a larger department. Yes/No?

The savings from each individual position are the same so there is no difference in treatment between large or small departments. However a larger department may have more vacancies and thus more savings to use overall.

12. Will forms be revised to include Regional Principal approval signatures? Currently forms require Deans and Directors to sign.

Yes, this has already been done.

13. Original receipts to be submitted with expense claims. Why can't we return original receipts? Can we state this on the expense claim? Is this an OUC wide policy or for candidates only?

Original receipts are required for accounting and audit purposes. Once submitted they become the property of OUC. Finance can provide verified copies of the receipts to those people needing this information for other purposes.

14. Can you update the "Expense Claim" form to say original receipts?

Yes this will be done.

ADVERTISING

1. Has any consideration been given to the reduction of text in advertising to reduce costs? Do we refer readers to our OUC web site in ads to help reduce the text in an ad? Who has final say in what goes in the ad?

Consideration has been given to the reduction of text in advertising to reduce costs and we do refer our readers to the OUC web site. The originator initiates the ad, including text, however Labour Relations and Communications provide final approval of the ad.

2. How does an RCM unit manager know how much an ad will cost them before the ad is placed?

Labour Relations provides handouts with sample costs. If required, a quote can be provided by Labour Relations prior to an ad being booked. Actual advertising expenses can be viewed via the FAST system through OUC Express.

3. If the "Web site" box on your advertising request is not checked will it be put on the OUC web site?

No.

4. Why would you not want it put on the OUC web site?

You may have qualified internal and/or local candidates for a short term position and have no intention of considering distant candidates with the associated costs.

5. How much time should a person anticipate for an ad to be placed after it leaves the faculty/RCM unit?

Once a Posting/Advertising Request form reaches LR, it's reasonable to expect a two or three day turnaround, providing everything is in order (required signatures are there, the text for the posting is included, etc.). The amount of time prior to the form reaching LR is not determined by LR.

6. Is there any evidence that block advertising is effective?

We believe that it is and have no evidence to the contrary.

7. If you have several faculties/regions advertising in the block ad, how is the expense allocated?

The expenses are divided amongst each RCM unit.

8. Is there standard wording with regards to OUC recruitment ads?

Yes, parts of the ad are standard; however, the RCM units provide the text that describes the position.

9. OUC does not acknowledge all applicants why?

If the application is submitted electronically the applicants get an acknowledgment that their application was received. The volume of applications received prohibits individual acknowledgment. All of our advertising (postings & ads), advise applicants that "Only those applicants selected for further consideration will be contacted."

10. Are there any requirements as to where you advertise? For instance do you have to advertise locally?

We encourage people to advertise locally. It helps build a stronger community and it is advertising for OUC. Human Resources Development Canada have specific requirements that Labour Relations ensures compliance with.

11. Has Labour Relations done any tracking to determine when the best time is to advertise?

TMP Worldwide, the advertising agency we use to book our ads, does provide advice as to which days are better than others for placing specific ads.

12. Western Globe & Mail – does it include Utah and Yukon?

Confirmed with TMP Nov. 6, that the Western and National Editions of the Globe & Mail do include the Yukon, but not Utah.

13. Is there opportunity to put additional information in the add such as information about the discipline?

Yes. The department pays the additional cost.

14. The problem with advertising on the web site is you get inundated with responses that clearly do not meet the qualifications of the job and/or live so far away that it would not be practical to interview. Is there a way to avoid picking these up in a search engine?

Not that we know of; however, many departments like to see all applications and have not wanted pre-screening to be done by Labour Relations.

SALARY SAVINGS

1. When do the salary savings begin? Depends on if it is a continuing position or a new position.

Salary savings for a continuing position will accrue from the time the position is vacant until such time as a new continuing replacement is hired. Salary savings for vacant new positions accrue from the beginning of the fiscal year until the position is filled.

2. What happens to the salary differential? Where does the money go?

Salary differential related to step savings is held centrally and used to fund one time costs that occur.

3. If someone is hired at a lessor step than the incumbent the savings go to the central fund once the person is hired. What happens if the new hire comes in at a higher step than the incumbent?

If you hire at a step higher than you are budgeted for, the RCM unit covers the cost for the first year after which the budget is increased to the actual salary.

4. What happens to salary step savings?

At the time a continuing position is replaced by a new continuing position at a lower step, the step savings are removed from the department and returned to a central fund. If the continuing position is replaced by a temporary position the step savings remain with the department until such time as a continuing replacement position is hired.

LABOUR RELATIONS

1. Faculty can bank time. How should this be recorded? Should this stay at the RCM unit level?

- *An expense should be accrued at the time the faculty member banks the time.*
- *The expense would be charged against the department where the faculty member works.*
- *An offsetting credit amount would accumulate in a balance sheet account.*
- *At the time the member takes the banked time off the salary for that time period would be charged back against the balance sheet account.*

2. Who covers the cost of deferred salary leave?

The RCM unit will need to plan for recruitment costs related to a position going on deferred salary leave

3. Nursing position 02/03 advertisements were not received and paid until the 03/04 fiscal. Can we request the central fund cover these costs?

If the RCM unit does not have vacancy funds to cover this cost they could apply to the Director of LR to see if he could provide any relief funding from his general recruitment budget. We need to note that this is not a large budget.

4. How do you cover the costs when hiring a continuing position at a higher step? There are no incentives for hiring the best person if the step savings are taken away.

Continuing positions hired at a higher step than budget are to be covered by vacancy savings of the RCM unit.

CHARGE BACKS

1. Tuition is being allocated 80% to the RCM unit and 20% to central administration. What is the 20% suppose to cover? Why are these support departments charging additional fees if they have funding?

20% of the tuition contributes to the support of all the central and support unit activities which make up the infrastructure of OUC. Support departments should not charge additional fees for the services they are funded to provide. In situations where extra services are requested over and above what

they are funded to provide there may be some charge backs. All chargeback fees should be approved through the budget development process.

2. Support services include Facilities Maintenance who are charging additional fees. Computer Services charge for computer installations.
 - Will other support service departments start charging additional fees?
It is not expected that other support service departments would start charging additional fees.
 - Should we anticipate more of this?
Charge backs should be very limited.
 - Are RCM units allowed to hire services from outside OUC?
No. Collective agreements need to be considered.
 - Can we negotiate with support service departments?
Service agreements need to be developed to identify the services that support departments provide so units would not need to negotiate this.
 - Can we institute charge backs? If so, does it have to go through cabinet as part of the budget process?
Any new charge backs should be approved through cabinet as part of the budget process.
3. It appears there will be an increased need for accounting for charge backs. How do we support this?
Charge backs should be limited as most units are funded to provide their services.
4. At what point will the departments know what the policies and procedures are for charge backs such as Facilities Maintenance?
A policy needs to be developed as to what are acceptable charge backs. Currently there appears to be an ad hoc approach to charge backs by some units which needs to be addressed.

COST RECOVERY PROGRAMS

1. Cost recovery programs versus standard base funded programs
 - Are we prevented from offering a standard base funded program as a cost recovery program?
No but the program would need to be self funded and the tuition fee for the additional program would need to be the same as the base funded program therefore you would need enough students to make it cost recovery.
 - If we are allowed to offer cost recovery programs what happens to the Continuing Education department?
Continuing Education is aware that some RCM units will want to offer cost recovery programs and are offering their services such as registration in setting up these programs. Remember there are administrative costs that CE provides (e.g. registration costs, tracking costs, collection costs) and they would need some overhead allocation from the program to cover these costs.
 - If the Dean or the chair is responsible for program development and the regional Principal wants to run a program do we charge back costs from one RCM unit to another?
There is a program development fund that is held central and can cover the costs of program development. The Principal may also use any surplus funds they have for program development.

OVERHEAD

1. Overhead should be applied to a project, however some agencies are very specific about how much overhead they will allow someone to charge. There are other agencies that do not allow you to charge any overhead. What is the overhead policy?

Right now we do not have a consistent approach to charging overhead. The goal is to develop a policy in the next year regarding overhead charges as projects have both direct and indirect costs to consider.

2. Overhead Policy – will overhead be applied to contracts on a case by case basis? Application of overhead charges has a direct impact on our ability to secure contracts.

An overhead policy needs to be developed that considers the different situations that can occur with a contract. Contract activity should contribute to the infrastructure of the organization

3. Because CE is not base funded will CE be charged 20% towards the central and support pot?

CE contributes an over head amount to the support the infrastructure. The amount of overhead varies. A policy on appropriate overhead amounts is under review.

PURCHASING COURSE SECTIONS

1. Purchasing course sections from other RCM units:

- How will that be handled?
RCM units will need to negotiate the cost and arrange with accounting for a cost transfer.
- How do you handle interdisciplinary planning?
Discussion and negotiation
- How do you avoid price gouging?
RCM units should not be adding a “profit” to course section purchases but looking at the cost of the section only.
- For instance, if we need a support course such as English and the faculty says they can’t run it profitably but we need the course what do you do?
What happens if they tell us we have to cover any losses incurred? If you need a support course such as English and the faculty does not have enough funding you will need to top up the cost difference that is not covered by tuition revenues they would receive.
- *Negotiation between units will be required. The idea is to work towards a win win situation.*

END OF QUESTIONS.