

# **FEE COLLECTION AGREEMENT**

between  
THE MINNESOTA STATE COLLEGES AND UNIVERSITIES  
and  
MINNESOTA STATE UNIVERSITY STUDENT ASOCIATION, INC.

THIS AGREEMENT, is made this 9<sup>th</sup> day of May, 2005, by and between the Minnesota State Colleges and Universities by and on behalf of its Board of Trustees (hereinafter, “MnSCU”) and the Minnesota State University Student Association (hereinafter “MSUSA”).

WHEREAS, Minnesota Statutes § 136F.22 subd.2 provides: “Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each state college and university and shall be credited to each association’s account to be spent as determined by that association”; and

WHEREAS, pursuant to Minnesota Statutes § 136F.22, MnSCU Board of Trustees Policy 3.7 designates the MSUSA as the officially recognized statewide student association for state university students and provides that each state university is required to collect fees for MSUSA; and

WHEREAS, MnSCU Board of Trustees Policy 3.7 further provides that the MnSCU Chancellor shall develop an agreement between MnSCU and MSUSA to implement said policy; and

WHEREAS, for certain purposes, universities report annual statistics on the basis of summer, fall, and spring terms that are completed prior to the end of the State fiscal year, and those reporting terms do not meet MSUSA needs because MSUSA requires collection data for the fall, spring, and summer terms that begin within its fiscal year; and

WHEREAS, MnSCU Board of Trustees Policies 5.11 and 5.12, and accompanying procedures which concern fees, apply to this Agreement; and

WHEREAS, the MSUSA has need of fiscal administration services in order to provide for collection and distribution of fees collected; and

WHEREAS, the MSUSA represents that it is duly qualified and willing to perform the services set forth in MnSCU Board of Trustees policy and Minnesota Statute;

NOW, THEREFORE, IT IS AGREED:

1. COLLECTION OF FEES. Collection of the MSUSA fee shall be as follows:
  - a. Universities collecting tuition on a per credit basis shall collect the MSUSA fee at the current rate per credit.

- b. Universities approved to collect banded tuition shall collect the MSUSA fee at the current rate per credit for students paying per credit tuition and at the banded rate for students paying banded tuition. There shall be no cap on the MSUSA fee. Students enrolled in 12 through 18 credits and paying banded tuition will be assessed a rate equal to a student enrolled in 15 credits at the current rate.
  - c. Funds collected on behalf of MSUSA shall be deposited and accounted for in a separate fund.
2. **OFFICE OF THE CHANCELLOR DUTIES.** The MnSCU Office of the Chancellor shall perform certain duties, including the following:
- a. Coordinate and attempt to resolve any disputes between the state universities and the MSUSA which originate pursuant to this agreement; and
  - b. Coordinate audit activities and mediations as required for proper reconciliation and resolution of disputes; and
  - c. Report to all state universities and the MSUSA total credits enrolled at each institution by October 15 for fall, February 15 for spring, July 15 for summer, and September 15 for end of year.
3. **STATE UNIVERSITY DUTIES.** The Minnesota state universities shall perform certain duties, including the following:
- a. Collect the fees as specified in the MnSCU Board of Trustees tuition and fee policies as amended from time to time, and as provided by applicable statute; and
  - b. Waive the fee as permitted by MSUSA for wards of the commissioner of human services, war orphans, student death, student life threatening illnesses, and students called to active military duty. Institutions may petition the MSUSA to waive the fee for other situations not specified in this Agreement; and
  - c. For reconciliation reports made by the universities to MSUSA for each fiscal year, the university shall include data for fall, spring, and summer terms which begin during the applicable fiscal year.
  - d. Remit the fees of credits enrolled along with the completed MSUSA fee report to the Executive Director or other designated official of the MSUSA on or before November 15 for fall term, March 15 for spring term, and August 15 for summer term; and
  - e. Pay interest to the MSUSA at the rate of one and one half percent per month, or any part thereof, on any balance of fees not timely remitted in accordance with paragraph 3e of this Agreement. Interest shall begin to accrue on the first day

following the payment due date and shall continue to accrue until payment is made to the MSUSA; and

- f. Transmit to the MSUSA the report from the MnSCU Office of the Chancellor Budget Unit of actual credits enrolled for each academic session and an annual explanation and reconciliation of the fees transmitted, including a list of waivers granted, to the MSUSA on its year end reconciliations form due to MSUSA by October 15.
- g. Retain a fee of 2.0% of all fees due MSUSA collected at said university for an academic session. This 2.0% fee is provided to cover administrative costs associated with collection and transmittal of fees.

4. MSUSA DUTIES. The MSUSA shall perform certain duties, including the following:

- a. Administer the funds received pursuant to this Agreement in a fiscally sound manner.
- b. Maintain its non-profit, tax-exempt status; and
- c. Employ an independent public accountant to prepare an annual financial audit of its financial statements and provide a copy of the results of such audits to the MnSCU Chancellor. In addition, MSUSA shall cooperate with the Legislative Auditor in the event that such office requests an audit of the books of account of MSUSA.

5. A. TERM OF AGREEMENT. This agreement shall commence on July 1, 2005, or at such time that this Agreement is duly executed by all authorized officials, whichever is later, and shall remain in effect through June 30, 2010, except as otherwise provided in this Agreement. At least 90 days prior to the end of the annual term, both parties shall meet to discuss the Agreement. Either party may provide written notice to the other party at least 60 days prior to the end of the next annual term for which it wishes to renegotiate terms of the Agreement.

B. TERMINATION. This Agreement is subject to termination upon: (1) Mutual agreement by both parties; (2) Determination by the MnSCU Board of Trustees that MSUSA does not constitute the recognized system-level student organization for state university students pursuant to MnSCU Board of Trustees' policy; (3) State law requiring such termination; or (4) Failure to adhere to the terms of this Agreement.

C. SUSPENSION OF PAYMENT. The MnSCU Board of Trustees may suspend payment to MSUSA only upon a finding by the board that the funds are at risk because of imminent jeopardy of malfeasance or gross negligence by the association or its officers. Such funds shall be transmitted to MSUSA immediately upon demonstration that the risk has been addressed.

6. CHANGES TO BE IN WRITING. Modifications to this Agreement shall be effective only if in writing, signed by both parties, hereto and shall be made public.
7. AUTHORIZED AGENTS. The authorized agent for MnSCU for purposes of executing, administering and enforcing this Agreement is the Vice Chancellor – Chief Financial Officer. The authorized agent for the MSUSA for purposes of executing, administering, and enforcing this Agreement is the Executive Director or other designated official of the MSUSA.
8. NON-TRANSFER OF AGREEMENT. None of the parties shall assign or transfer any rights or obligations under the agreement without prior written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement intending to be bound thereby.

BOARD OF TRUSTEES OF  
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BY: \_\_\_\_\_  
Laura M. King, Vice Chancellor – Chief Financial Officer

MINNESOTA STATE UNIVERSITY STUDENT ASSOCIATION

BY: \_\_\_\_\_  
Clayt Freed, Executive Director