

University of Louisiana System

Title: *ENERGY SURCHARGE ASSESSMENT*

Effective Date: July 1, 2012

Cancellation: None

Chapter: Finance and Business

Policy and Procedures Memorandum

In 2001, the Board of Regents authorized management boards to assess an energy surcharge. In 2010 the Board of Supervisors for the University of Louisiana System authorized the development of a policy and procedure memorandum establishing guidelines for the assessment, administration and reporting of the energy surcharge. Accordingly, this policy provides University of Louisiana System institutions guidance relative to the assessment of surcharges to recoup the increased cost of utilities (electricity, gas and water).

A. Guidelines for Assessment and Use of the Surcharge

- 1) The surcharge assessment shall be determined by the projected increase in utility costs when compared to actual utility rates and consumption from the base Fiscal Year 1999-2000; less any projected fund balances.
- 2) The surcharge shall not be assessed for utility costs associated with student housing facilities or for costs which have been reimbursed by a third party (e.g. food services).
- 3) Surcharge amounts shall be calculated based on student credit hours and shall not exceed \$10 per SCH.
- 4) The surcharge shall be calculated annually and shall be increased, decreased, or suspended as warranted.
- 5) The surcharge must be suspended when the projected expenditures are less than the projected fund balance.
- 6) Revenues from the collection of the surcharge shall be used only for utility costs.

- 7) Revenues from the surcharge are to be maintained in a restricted account.
- 8) Transfer/expenditure of funds cannot exceed 90% of the assessed amount. (Total projected energy expenditures for requested year less total base year energy expenditures less fund balance).

B. Calculation and Approval of Surcharge

Annually, each university shall calculate the utility surcharge using the *Energy Surcharge Proposal* template (Attachment A). The calculation must consider any unexpended fund balances when determining the surcharge amount for the next fiscal year. The calculation of the proposed utility surcharge shall be submitted to the ULS Board of Supervisors no later than March 1 of each year for approval at the April meeting.

Policy References:

Board of Regents
UL System Board

Review Process:

System Office Staff
Vice Presidents for Business and Finance

Distribution:

University Presidents
Vice Presidents for Business and Finance

Attachment A

Energy Surcharge Proposal		
University:		
Fiscal Year Requested:		
Total projected utility expenditures for requested year <i>(includes costs attributable to auxiliary operations space and consumption; excludes costs attributable to housing or which have been reimbursed by third party, ex. Food services)</i>	\$	-
Total base year (1999-2000) utility expenditures <i>(excludes costs attributable to auxiliary housing and other utilities reimbursed by third party, ex. Food services)</i>		-
Difference in expenditures		-
Less current year projected balance in utility surcharge restricted account		-
Surcharge Assessment <i>(net utility expenditures subject to surcharge)</i>		- ***
Estimated SCH production		-
Projected energy surcharge amount per SCH <i>(energy expenditures/SCH production rounded up to nearest half dollar)</i>		#DIV/0!
Projected energy surcharge		
Current surcharge approved by ULS Board		
Projection above (below) current surcharge		
Requested change in approved surcharge		
Requested energy surcharge		
Requested energy surcharge maximum		\$10.00
***Maximum transfer/expenditure allowed is 90% of this amount		-