



# University of Nevada, Las Vegas

SPECIAL COURSE AND DIFFERENTIAL PROGRAM  
FEES

INTERNAL AUDIT REPORT

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## **GENERAL OVERVIEW**

Board of Regents policy allows institutions to charge Special Course and Differential Program Fees to students in addition to the standard per credit registration fees. These fees are identified in the NSHE Procedures and Guidelines Manual Chapter 7, Section 10 for Differential Program Fees and Section 12 for Special Course Fees.

Differential Program Fees are limited to high-cost and/or high-demand programs and were approved for use at the University of Nevada, Las Vegas (UNLV) effective spring 2012. These fees are assessed on upper-division and graduate-level courses in programs such as architecture, nursing, business, engineering, physical therapy, social work, and urban leadership. All Differential Fees require approval from the Board of Regents and are listed in the NSHE Procedures and Guidelines Manual.

Special Course Fees are mandatory charges assessed to students enrolling in specific courses that involve cost-intensive components not covered by regular tuition. These fees help cover expenses such as equipment, facilities, materials, or travel associated with those courses. The university has delegated the responsibility for reviewing Special Course Fees to the Provost, who will then forward a recommendation to the President. The President will review the recommendation and has final approval authority. Fees exceeding \$50 require approval from the Board of Regents and are listed in the NSHE Procedures and Guidelines Manual.

## SCOPE OF AUDIT

The Internal Audit Department has completed a review of Special Course and Differential Program Fees at UNLV for the period of July 1, 2023, through March 31, 2025.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors and included tests of the accounting records and other auditing procedures, as we considered necessary. The tests included, but were not necessarily limited to, the following areas:

### 1. Fee Approval and Student Assessment

- Ensure that Differential Program Fees, Special Course Fees, and Student Fees were authorized in accordance with institutional and Board of Regents policy.
- Confirm that students were assessed the correct fee amounts based on approved rates and enrollment.

### 2. Fund Balances and Usage

- Review the balances in the Differential Program Fees, Special Course Fees, and Student Fees accounts to assess whether collected fees were used in a timely and appropriate manner.
- Evaluate whether any excess balances were reasonable in relation to program needs and future plans.

### 3. Expenditure Testing

- Examine expenditures made from fee accounts for reasonableness and alignment with the intended purpose of the fees.

- Verify that expenditures had adequate supporting documentation, were approved by authorized personnel, and in compliance with purchasing and Board of Regents policies.

#### 4. Compliance with Policies and Procedures

- Assessed whether fee administration complied with UNLV and Board of Regents policies.

In our opinion, we can be reasonably assured that the university is managing Differential Program and Special Course Fees in a satisfactory manner. However, implementing the following recommendations would further strengthen this process.

## **OBSERVATIONS, RECOMMENDATIONS AND RESPONSES**

### **SEGREGATION OF FEE ACCOUNTS**

Currently, all special course fees are grouped by college units into a single program account within the general ledger (GL). Each program account may encompass anywhere from 2 to 54 courses. There is no mechanism to associate fee revenue directly with the specific courses or instructional activities for which the fees were collected. On the expenditure side, costs supported by special course fees are typically recorded within the same accounts, with no clear linkage to the corresponding fee revenue. This practice results in limited transparency and accountability regarding the use of special course fees, making it difficult to demonstrate that the fees are used exclusively for their intended purposes and to evaluate the appropriateness of fee levels relative to actual course-related costs.

We recommend that the institution segregate special course fees by establishing separate program accounts within the general ledger for each course or group of related courses. This will enable clear tracking of fee revenues and related expenditures at the program or course level, improving transparency, accountability, and alignment of fees with their intended purposes. Additionally, we recommend providing training to relevant staff on the setup, use, and monitoring of these accounts to ensure consistent and accurate implementation of the new structure.

### **Institution Response**

**The University of Nevada, Las Vegas (UNLV) concurs with the recommendation to clearly align special course fee revenues with corresponding expenditures. To achieve this, departments will establish and manage separate accounts for each special course fee or for groups of fees with the same approved expense types.**

**Corrective Action:** UNLV will create separate program accounts for each fee or for related courses with shared expenses. An initial review will be conducted in fall 2025, with full implementation by the end of FY2026.

**Compliance and Performance:** Academic Resources, in consultation with the Business Affairs Chief Compliance Officer, will develop a periodic review process for student fees to ensure adherence to compliance standards.

**Responsibility:** The Executive Vice President & Provost and Chief Financial Officer's divisions will assess, implement, and approve new accounts as needed.

## **ACCOUNT BALANCES**

Board policy prohibits retaining student fee revenues in reserve beyond one year. Fee revenues are intended to directly support the programs for which they are collected, and excessive reserves may indicate misalignment between fee levels and actual program costs.

1. Of 41 special course fee accounts reviewed, 5 accounts (12%) maintained reserves exceeding one year of revenue for at least two consecutive years.
2. Of 45 differential program accounts reviewed, 1 account (2%) similarly held reserves above the allowable threshold for two or more consecutive years.

Program administrators/coordinators should review accounts with excessive reserves and develop plans to bring reserve levels into compliance with Board policy. This may include adjusting fee amounts to better reflect actual program expenditures and ensure appropriate stewardship of student fee revenues.

## **Institution Response**

**UNLV concurs with the recommendation to review accounts with excessive reserves and take corrective action to bring balances into compliance with Board policy. At the end of FY25, 23 accounts exceeded the 100% carry-forward threshold. Actions taken (Sept. 2025 Student Fee Balance Report):**

- 7 accounts: excess reserves awarded as scholarships
- 4 accounts: fees reduced 10% (Fall 2025)
- 4 accounts: fees suspended (Fall 2025)
- 8 accounts: under review for Spring 2026 action

**Corrective Action:** Any fee account with a carry-forward balance exceeding 100% of annual revenue at fiscal year-end will be assessed for corrective action, unless excess reserves were explicitly authorized (e.g., for equipment purchases). Corrective action may include fee reductions, suspensions, or refunds until balances are compliant.

**Compliance and Performance:** UNLV will continue quarterly reviews of all student fee balances, notifying deans, business managers, department chairs, and staff of excessive reserves. Fiscal year-end reviews will be conducted by Financial Planning, Budget and Analysis, and Academic Resources, with corrective actions applied to any accounts above the 100% threshold.

**Responsibility:** Deans, finance and business operations directors, and unit business managers are responsible for managing fee accounts.

## **EXPENDITURES**

We reviewed a sample of 45 operational expenditures charged to nine Special Course Fee accounts and 25 operational expenditures charged to three Differential Program Fee accounts. The expenditures were reviewed for reasonableness and proper use of Differential Program and Special Course Fee revenue, proper supporting documentation and approval, and compliance with established purchasing procedures and Board of Regents policy. In six instances, expenditures charged to Special Course Fee accounts did not align with the stated or approved purpose of the fee. While all expenditures appeared to support student use and there was no indication of ill intent, the misalignment suggests a lack of clarity or oversight within the department regarding appropriate use of fee revenue.

We recommend that the institution strengthen internal controls to ensure that expenditures from special course fees are used exclusively for their intended purposes. This should include updating and clearly communicating guidance on the approved and appropriate use of these funds to all relevant departments and staff responsible for submitting and reviewing expenditures.



### **Institution Response**

**UNLV concurs with the recommendation to strengthen internal controls for special course fee expenses to ensure alignment with approved uses. Quarterly communications on allowable expenditures will be updated and communicated regularly to the campus.**

### **Corrective Action:**

- **Student fee training will become mandatory, with a systematic schedule tied to the new student fee committee (launching Spring 2026).**
- **The three-year review will include retrospective audits of expenses to confirm alignment with approved uses and determine fee continuation.**
- **PCard oversight is transitioning from decentralized review to a centralized Workday model under the PCard Administration team. This will ensure all expenses undergo a consistent, independent review, reducing the risk of unallowable spending and strengthening compliance with approved uses. Full implementation is expected by July 2026.**

**Compliance and Performance: Quarterly reviews, annual budget cycle monitoring, and the rolling three-year review will ensure expenses align with allowable uses.**

**Responsibility: Departments manage account activity, with centralized oversight reinforcing compliance and corrective actions.**

### **IMPLEMENTATION SYSTEMATIC REVIEW OF EXISTING FEES**

While the institution currently issues an annual call for student fees request, it does not conduct a systematic review of all existing fees to assess their continued relevance, necessity, and alignment with course objectives.

We recommend that the institution establish and implement a formal, periodic review process ideally on a staggered three-year cycle for all existing fees. This process should be conducted through a representative committee to ensure broad stakeholder input, consistency, and transparency. This approach, identified as a best practice by peer institutions nationwide including one of our sister institutions promotes accountability, fiscal responsibility, and alignment with institutional priorities. Regular justification helps prevent outdated or unnecessary fees from

persisting and encourages departments to reassess how fees are being used and whether they continue to serve their intended purpose.

### **Institution Response**

**UNLV concurs with the recommendation to establish a formal, periodic review of all existing fees through a representative committee on a staggered three-year cycle. Work is already underway to establish a student fee committee to ensure broad stakeholder input, consistency, and transparency.**

**Corrective Action: The committee will conduct a rolling three-year review of all fees, assessing allowable uses, fee priorities, and necessary updates, including accounting changes. The committee representation will include undergraduate and graduate student government, Student Accounts, Financial Planning, Budget and Analysis, and Quality Assurance and Financial Compliance. After the initial cycle, a streamlined justification process may be applied to existing fees.**

**Compliance and Performance: The student fee committee will provide a consistent, documented review of new and existing fees on a rolling three-year basis.**

**Responsibility: Oversight will be a collaborative effort between the Executive Vice President & Provost and the Chief Financial Officer's divisions, with administrative functions housed in Academic Resources.**

### **SPECIAL COURSE FEES OVER \$50**

We obtained a list of Special Course Fees assessed by the university from the Office of the Executive Vice President and Provost, Academic Resources. Fees over \$50 were compared against entries in the PeopleSoft system and verified against those approved by the Board of Regents, as documented in the NSHE Procedures and Guidelines Manual. During our review of 163 courses, we identified 8 instances where Special Course Fees are no longer active but remain listed in the NSHE Procedures and Guidelines Manual.

We recommend that the university coordinate with the appropriate System Administration representatives to formally request the removal of these inactive fees for Board

approval to ensure the manual accurately reflects current course offerings and approved fee structures.

### **Institution Response**

**UNLV concurs with the recommendation to collaborate with System Administration to formally remove inactive fees from the Procedures and Guidelines Manual so it accurately reflects current course offerings and approved fee structures.**

**Corrective Action: Over the last 18 months, UNLV's audit of special course fees has resulted in the deletion of 22 inactive fees at the December 2024 NSHE Board of Regents quarterly meeting. In addition to the eight inactive fees identified in this report, seven more were found, bringing the total to 15 fees proposed for removal at the December 2025 meeting. Student course fee reviews will continue to be conducted prior to the start of the fall, spring, and summer semesters each year in conjunction with Student Accounts' audits of course loads in PeopleSoft and MyUNLV. To strengthen the process, UNLV's Decision Support will be engaged to provide data on courses that have shown consistently low or no enrollment, so appropriate action(s) can be taken.**

**Compliance and Performance: UNLV will review all existing special course fees for publication accuracy prior to the start of the fall, spring, and summer semesters each year. Corrections or deletions will be submitted to the Executive Vice President & Provost and President for approval or to the Board of Regents (for fees exceeding \$50) for action at the December meeting.**

**Responsibility: Deans, department chairs, and staff manage courses and associated fees. Academic Resources, under the Executive Vice President & Provost, coordinates the review and submission of new, revised, or deleted fees.**

## STATEMENT OF REVENUES AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of 87 self-supporting accounts that have been established for the administration of Differential Program and Special Course Fees. The revenue and expenditure information were obtained from Workday and is provided for informational purposes only.

	Special Fees Accounts	Differential Fees Accounts	Total
Balance, July 1, 2023	\$ 2,575,366	\$ 4,633,552	\$ 7,208,918
Transfers-In	-	9,970	9,970
Revenues			
Student Tuition and Fees	3,323,142	10,007,909	13,331,051
Other Revenue	340	42	382
Total Revenue	3,323,482	10,007,951	13,331,433
Transfers-Out	1,296	185,338	186,634
Expenditures			
Personnel Costs	1,182,410	6,719,090	7,901,500
General Operations	2,274,323	1,314,327	3,588,650
Travel	88,547	110,761	199,308
Hosting	15,004	17,257	32,261
Financial Aid	-	1,391,476	1,391,476
Participant Support	-	268,670	268,670
Total Expenditures	3,560,284	9,821,581	13,381,865
Balance, June 30, 2024	\$ 2,337,268	\$ 4,644,554	\$ 6,981,822
Balance, July 1, 2024	\$ 2,337,268	\$ 4,644,554	\$ 6,981,822
Transfers-In	-	7,959	7,959
Revenues			
Student Tuition and Fees	2,825,650	8,674,665	11,500,315
Other Revenue	353	-	353
Total Revenue	2,826,003	8,674,665	11,500,668
Transfers-Out	31,013	-	31,013
Expenditures			
Professional Salaries	744,057	6,311,798	7,055,855
General Operations	1,436,792	974,550	2,411,342
Travel	42,724	24,184	66,908
Hosting	15,001	6,123	21,124
Financial Aid	-	952,516	952,516
Participant Support	-	109,135	109,135
Total Expenditures	2,238,574	8,378,306	10,616,880
Balance, March 31, 2025	\$ 2,893,684	\$ 4,948,872	\$ 7,842,556

Note: Some numbers may be slightly rounded for proper footing/cross footing.

The Internal Audit Department appreciates the cooperation and assistance received from the UNLV personnel during this review.

Las Vegas, Nevada  
August 15, 2025

/---SIGNATURE ON FILE---/

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