Budget and Money Matters

PROGRAM BUDGET

One of the most important factors when students choose a study abroad program is the cost. It is important to plan for all costs, immediate and unforeseen, but at the same time to keep the budget as low as possible in order to make the program more attractive. In your program proposal, you will need to use the budget template to calculate the program cost per student (based on the minimum number of students). Faculty Leader expenses such as travel, accommodation, and other reasonable costs should be calculated and divided by the minimum number of students. This cost will then be added to the actual student costs for airfare, accommodation, meals, and so forth. There is a K-State Study Abroad Administrative Fee of $150 per student that must be included in the program price.

K-State students participating in a study abroad program should enroll for academic credit. According to University Policy, non-credit participants are required to pay an auditing fee, which is equivalent to the cost of in-state tuition. Non-credit participants must also submit a written statement justifying why they do not need to take the course for credit. This statement must be approved by the Faculty Leader and the Study Abroad Office. This statement does not waive the university auditing fee.

All student participants will automatically be enrolled in an international health insurance policy. You will need to include $1 per day for each student’s health insurance coverage, plus $2 to allow for two additional days coverage at the end of travel. Participants who are not students are responsible to purchase their own insurance plan as the rates and coverage differ from the student plan. The Study Abroad Advisor for your college can provide insurance policy information and application forms for interested persons.

It is inappropriate to show the program budgets to participants or to discuss it with them in detail. Students will pay for a program that includes those items detailed in the program information which they receive from the Study Abroad Office.

Faculty Leader Expenses

Faculty Leader’s travel expenses are covered by student program fees. Expenses covered include airfare, in-country travel, country-specific visa (if needed), single-room accommodations, transportation to/from U.S. point of departure, meals, gratuities/tips, international medical insurance, admission to events/tours/excursions, and emergency fee. The Faculty Leader can also request reimbursement for other program-related expenses as long as there are sufficient funds in the course account.

Meal Expenses

As a general principle, group meals are covered in the budget for the Faculty Leader and for students. Individual meals for the Faculty Leader should also be included in the leadership expenses. Individual student meals should be paid by students out-of-pocket.
Funding a Program Assistant

It is recommended that you consider taking a program assistant with you during your faculty-led study abroad program, especially as the number of program participants increases. The program assistant’s travel expenses can be factored into the Faculty Leader expenses in the Program Budget Sheet.

Financial Guidelines for Accompanying Family Members

Faculty Leaders may decide to bring family members with them on the study abroad program. The costs of an accompanying spouse, partner, or child’s travel, meals, accommodations, etc., are not funded by K-State and therefore should not be included in the program budgets. The cost of accompanying family members will not be borne by study abroad program participants nor by the Study Abroad Office. Accompanying family members must not result in an increase in the cost of the program due to changes in transportation, lodging, etc., from what would be provided if they were not accompanying the Faculty Leader.

Economy Accommodations and Travel Arrangements

Faculty Leaders should make every effort possible to keep student program costs low by utilizing economy accommodations and travel arrangements whenever possible.

Emergency Fee

A 5% mandatory emergency fee per person must be included for the Faculty Leader and student program cost to use in case of any emergencies. The Office of International Programs is not able to absorb any costs related to faculty-led study abroad programs. If the emergency fee is not used during the program, then it will be refunded to students according to the Student Refund Policy.

Minimum Number of Students

Faculty Leaders must calculate the program budget based on the minimum number of students that are needed to make the program run.

When the Minimum Number of Students Is Not Met

If the minimum number of students, which are needed to make the program run, has not been met by the program application deadline, and the Faculty Leader would still like to try to make the program run, he/she must submit revised itinerary and budgets the Study Abroad Office for review and approval. Itinerary and budget changes must not increase student program costs or out-of-pocket expenses and must not reduce the quality of the program for students. The Faculty Leader should meet with the Study Abroad Advisor to discuss desired itinerary and budget changes before he/she submits the revised documents.
STUDENT PAYMENTS

Types of Student Payments

- **Program Fees**: Paid to the Study Abroad Office by check, cash, or credit card. Examples of program expenses may include transportation, accommodations, admissions to tourist sites, travel agent fees, tour guide fees, group meals, international medical insurance, gratuities/tips, Study Abroad Administrative Fee, international airfare, etc.

- **K-State Tuition, Fees, and Surcharges**: Billed through ISIS and paid either online through ISIS or at the K-State Cashiers office. Students register for the study abroad course through ISIS, which automatically generates a charge that is posted to the student’s account. All students (in-state and out-of-state) pay in-state K-State tuition/fees/surcharges per credit hour plus a $21.50 DCE fee per student per course. Regular K-State tuition surcharges for courses the College of Business, the College of Engineering, and the College of Architecture apply to faculty-led study abroad courses.

- **Out-of-Pocket Expenses**: Expenses students incur before, during, and after the study abroad program, which are not collected by the Study Abroad Office nor billed on ISIS. Examples of out-of-pocket expenses may include passport fee, visa fees, textbooks, phone calls, internet access, immunizations, spending money, individual meals, gratuities/tips, transportation to/from U.S. point of departure, optional excursions, etc.

Student Payment Schedule

The Study Abroad Office will create and implement a student payment plan in consultation with the Faculty Leader and will share this information with students. Student payment plans will consist of two to four total payments to cover program expenses. Faculty Leaders have the options of advertising the program cost as a range or as a set cost. Once a payment plan has been established, it cannot be changed.

All fees that are due to the Study Abroad Office must be paid no later than two months prior to departure. Students are required to carefully track the payment deadlines for the study abroad program they are participating in and to make all of their payments on time. It is crucial that students pay for their program fees by the deadlines issued per program so that travel agents, airlines, and third party providers can be paid in a timely manner. Without exception, students who do not pay in full by the payment deadline will be considered for dismissal from the program. If a student is under consideration for dismissal, he/she will be notified by the Study Abroad Office and/or the Faculty Leader. Although students may be receiving financial aid, the student and his/her family are ultimately responsible for all program payments by the established deadlines.

K-State tuition/fees/surcharges and the Division of Continuing Education fee are paid through ISIS according to general university guidelines and deadlines.
Methods of Student Payment

The Study Abroad Office can receive payments made by cash, check or credit card. American Express, Discover, Master Card and Visa are accepted. Checks should be made out to Kansas State University and should list the following information: student name, program name (location and name of instructor who is leading it), and student ID. Students will be issued a receipt for each payment.

STUDENT FINANCIAL ASSISTANCE

Terms That Qualify for Financial Aid

- Fall Semester Class with Fall Break Travel
- Fall Semester Class with Winter Break Travel
- Spring Semester Class with Winter Break Travel
- Spring Semester Class with Spring Break Travel
- Spring Semester Class with Summer Travel
- *Summer

*According to U.S. federal guidelines, undergraduate students must be enrolled in at least 5 credit hours during the summer in order to qualify for federal financial aid. Graduate students must be enrolled in at least 3 credit hours during the summer in order to qualify for federal financial aid.

According to U.S. federal guidelines, intersession courses do not qualify for federal financial aid.

Important Notice on Disbursement of Financial Aid

According to U.S. federal regulations, K-State disburses financial assistance into student ISIS accounts 10 days before a faculty-led study abroad course begins. This means that in most cases financial assistance will not be available before a faculty-led study abroad course begins. Therefore, students are responsible to make alternative arrangements to pay for ALL program fees due to the Study Abroad Office for their program.

Program Cost Sheets

After students are accepted into a faculty-led study abroad program, the Study Abroad Advisor creates official student cost sheets which outline the comprehensive costs of the program including program expenses, tuition/fees expenses, and out-of-pocket expenses. Students who wish to receive federal financial aid should schedule an appointment to meet with Dyan Marie in the Office of Student Financial Assistance. The Study Abroad Office will send all original cost sheets to Dyan Marie directly. Students may pick up a copy of the cost sheet for their personal records from the Study Abroad Office.
The following student financial information documents can be found on the Study Abroad Website:

- 4 Steps to Financial Assistance for Study Abroad
- Financial Aid for Study Abroad: Frequently Asked Questions
- Student Refund Policy for Faculty-Led Programs
- Scholarships for Faculty-Led Programs

**MISCELLANEOUS NOTES**

**Communicating with Students about Program Costs**

Please do not make financial promises to students. For example, do not promise students a refund if they withdraw from the program, or give them the green light to make a program payment later than the established payment plan. Please consult with the Study Abroad Office prior to communicating any anticipated or confirmed financial changes with students. The Study Abroad Office should be the primary communicator of program costs to students.

Be consistent in communicating the established payment plan with students. If there are any changes in student payments, the Study Abroad Office will directly contact students. It can be very confusing and frustrating for students if they are getting different information from the Study Abroad Office and from the Faculty Leader.

**Loaning Students Money**

Do not loan money to students, including program and personal money, unless it is an extreme emergency. Despite all of the advice and pre-departure information, some students spend more money than they take. Some possible solutions include:

- Ask someone at home to deposit money in the student’s account for ATM withdrawal
- Send a bank wire or transfer

**FACULTY LEADER COMPENSATION**

Faculty Leaders have three different options for compensation.

- **Salary**: Tuition generated from a course must be sufficient to cover 100% of the salary and benefits of a Faculty Leader’s 1/9th or *1/12th contract salary amount. If tuition generated is not sufficient to provide 100%, the final salary will be based on actual student enrollment. After the program ends, the Accountant of Faculty-Led Programs will transfer 81% of the tuition dollars generated to the academic department, who then pays the Faculty Leader’s salary. Additionally, 19% of the tuition dollars generated is deposited into the University’s employee benefits pool.

*Faculty Leaders on 1/12th appointments must request special permission from their academic college and department to receive additional pay.*
• **Development Reserve Account (DRA):** Instead of salary, a Faculty Leader may choose to receive DRA. The Accountant of Faculty-Led Programs will transfer 80% of the tuition generated (up to a maximum of 1/9th or 1/12th of the Faculty Leader’s salary) to the academic department, who may use the funds at its discretion. In some cases, Faculty Leaders can request that their academic departments deposit the funds into their personal development reserve account to use for their own professional development. A Development Research Account (DRA) holds funds which are to be used by the academic department and/or college for education directly related to their employee’s present job skills or to fund other academic department and/or college needs. For faculty-led group study abroad programs, up to 80% of the tuition generated can be deposited into a DRA. According to the *Compensation Contract*, employee benefits are not calculated into DRA.

• **Receive Only Travel Expenses, Housing, and Per Diem:** A Faculty Leader may choose only to receive reimbursement for program costs instead of salary or DRA. Some Faculty Leaders choose this option in order to reduce the students’ program expenses. If needed, after all students are registered, the tuition generated can be transferred into the course account to cover group expenses. If students withdraw after the transfer is made, an adjustment will be made to the group travel account. 100% of the tuition generated is deposited into the group travel account and is non-taxable. Unused funds are kept in the group travel account for future use for the Faculty Leader to use toward future faculty-led group study abroad programs.

**How the Faculty Leader’s Compensation Is Calculated**

- **Compensation Contract:** As part of the program proposal, Faculty Leaders submit a completed *Compensation Contract*, which outlines the number of student enrollments needed to cover 100%, 70%, and the minimum acceptable amount of the Faculty Leader’s salary and benefits. These formulas are calculated by the Accountant of Faculty-Led Programs. The *Compensation Contract* was created by the K-State Faculty Senate and approved by the Kansas Board of Regents. This contract serves as a mutual agreement between the Faculty Leader and the Study Abroad Office for the Faculty Leader’s compensation for teaching a faculty-led group study abroad program.

- **Student Tuition Dollars:** Student tuition (*minus the college fees, which are incorporated into tuition*) is used to pay the Faculty Leader’s salary and benefits or DRA.

- **Non-Credit Participant Fee:** According to University Policy, non-credit participants are required to pay an auditing fee, which is equivalent to the cost of in-state tuition. The Non-Credit Participant Fee is paid to the Faculty Leader in lieu of tuition.

- **Compensation Calculation Worksheets:** The Faculty Leader’s compensation is based on the academic year salary contract which the Faculty Leader has with K-State, a 9-month or a 12-month contract.

**Finalized Salary Agreement**

Final salary, based on actual enrollment, will be confirmed no later than 30 days prior to program departure by the Study Abroad Program and the Faculty Leader.

Updated 1/23/2013
PROGRAM CANCELLATION POLICY

- Programs that do not meet the minimum number of participants needed to successfully run a program may be cancelled at the joint discretion of the Faculty Leader and the Study Abroad Office.
- Courses that do not generate the agreed upon compensation (salary plus benefits) may be cancelled at the joint discretion of the Faculty Leader and the Study Abroad Office. This must be done no later than 30 days prior to departure.

CONFLICT OF INTEREST

The Kansas Board of Regents considers it of utmost importance that all Faculty Leaders conduct their faculty-led study abroad programs in such a way as to avoid or minimize conflicts of interest. If a situation raising questions of real or apparent conflict of interest arises, affected Faculty Leaders should meet with their department chair. For detailed information on the Kansas Board of Regents Policies concerning Conflict of Interest, please visit: http://www.k-state.edu/conflict/policies/kbor.htm

METHODS OF GROUP PAYMENTS

Invoices, Wire Transfers, and FedEx

If a vendor will be submitting an invoice or requires a deposit, please submit the invoice to the OIP Accountant for Faculty-Led Programs along with the vendor’s information for a wire transfer. There is a fee for wire transfers, which will be charged to the program account. Sometimes it is necessary to utilize FedEx for the delivery of payments and other program materials. The Study Abroad Office strongly recommends that you factor at least $100 into the program budget to cover wire transfers and FedEx fees. Please allow two weeks for a wire transfer from the day that the Study Abroad Office receives the invoice.

HANDLING FINANCIAL TRANSACTIONS

Paying for Services

It is best to pay for as many services as possible before the program departs the United States. This will greatly minimize the Faculty Leader’s work load while abroad, and may reduce costs as exchange rates tend to rise near peak travel seasons. The Study Abroad Office and Faculty Leaders will take into consideration program provider payment due dates (if applicable) when planning the student payment schedule to ensure that the course account has funds available to cover expenses. Please allow two weeks for payments to be processed. Holidays will delay processing. Such payments can be handled in several ways:

- **Pre-Payments:** Third Party Providers (travel agencies, hotels, tour companies, etc.) can invoice the Study Abroad Office directly for program expenses. Money must be available in the program account in order for the Study Abroad Office to pay invoices. Invoices are paid with student program fees collected by the Study Abroad Office and are made by
institutional check, or bank wire transfer. It is most economical for the Study Abroad Office to pay invoices with institutional check when possible in order to reduce bank fees. Charges for wire transfers should be built into program budget. Wire fees will be charged by K-State and may also be charged by the receiving bank. Wire fees range from $12 to $40 per transfer.

- **Airfare**: Airfare for K-State students and professors may be charged to the Office of International Programs business travel credit card if sufficient funds are available in the course account to cover the expenses at time of purchase.

- **On-Site Payments**: The Study Abroad Office discourages Faculty Leaders from carrying large amounts of cash with them at any time while overseas. Faculty Leaders may request a cash advance one month prior to departure. This cash advance may be exchanged for traveler’s checks or deposited into a Faculty Leader’s bank account so that he/she can then utilize ATM machines or credit cards. ATM user fees are reimbursable as program expenses. The Study Abroad Office is not responsible for lost or stolen cash, checks, traveler’s checks, etc.

- **Travel Cash Advance**: The Faculty Leader may request a cash advance to cover on-site travel expenses for the group one month prior to departure. This would cover items such as accommodations, transportation, group meals, tour guide fees, tips, and per-diem for him/herself that cannot be paid in advance. One month prior to the program departure, the Faculty Leader should meet with the OIP Accountant for Faculty-Led Programs to review his/her program’s available funds and to determine a travel advance amount. The Faculty Leader should maintain a record of expenses with date, description, and country. This will be the expense log which should be turned in with receipts within 30 days of the course travel end date. If no receipt is available, Faculty Leaders should reflect that on the expense log. No receipts are needed for Faculty Leaders’ meals. Faculty Leaders should add a line item to the expense log using the number of travel days multiplied by the amount budgeted per day for Faculty Leaders’ meals.

- **Reimbursement**: Faculty Leaders may be personally reimbursed if they incur expenses on behalf of the group. The OIP Accountant for Faculty-Led Programs will reimburse the Faculty Leader from the course account (as long as there are sufficient funds in the account). The reimbursement process takes about two weeks. In order to receive a reimbursement, the Faculty Leader should obtain appropriate receipts or a copy of a credit card statement for any expenses he/she pays.

Partially adapted from “Financial Planning for a Successful Faculty-Led Program,” the “Faculty-Led Programs Manual” from the Education Abroad Office at Washington State, Kansas Board of Regents Policies on “Conflict of Interest,” and Michigan State University’s “Memorandum re: Conflict of Interest in Study Abroad.”