The Ohio State University
Policies and Procedures for Third-Party Contracts

Third-Party contracts are defined as one entity paying for multiple students taking courses for academic credit at The Ohio State University. The “contract” is an agreement between an academic unit and a third party. The “contract” defines the services provided to the third-party students and the charge for those services.

There are three types of Third-Party contracts. These are described as follows:

1. Third-Party Contracts for contract courses – Students enrolled under this type of contract attend specific contracted courses as one cohort. (See Attachment A for specific procedures).

2. Third-Party Contracts for non-contract courses within one college – Under this type of contract, third-party sponsored students take regular courses and sit in a classroom with other regularly-enrolled students. All courses reside within the college associated with the contract. (See Attachment B for specific procedures).

3. Third-Party Contracts for non-contract courses across multiple colleges – In this case, third-party sponsored students take regular courses and sit in a classroom with other regularly-enrolled students. The courses may reside with more than one college. (See Attachment C for specific procedures).

All third-party contracts are under the oversight of the Office of Continuing Education. Continuing Education’s role is to ensure academic quality and to provide services to support the third-party contract. There is no fee for required basic services provided in support of the third-party contract. However, upon request by the academic unit, additional services are offered by Continuing Education on a fee-for-service model. (See Attachment D for a menu of services available).

An agreement between the academic unit and Continuing Education documents the services that Continuing Education will provide in support of the “contract” and any associated charges. This document is referred to as a Memorandum of Understanding, or MOU, and requires the signature of the Dean and Senior Fiscal Officer from the College where the academic unit resides.
Third-Party Contract for Contract Courses

Definition:

The students enrolled under this type of third-party contract attend contract courses created specifically for the particular cohort.

Procedures:

1. **The academic unit negotiates a contract with the third party.** The contract should document the services that will be provided to the third party and the charge for those services. When developing the contract, the academic unit is advised to fully cost the program that is being provided to the third party. These costs should include the direct cost of instruction, benefits, supplies, and indirect costs which have historically been about 6% on the revenue earned. If the academic unit decides to purchase services from Continuing Education, those charges should also be included when fully costing the program. If the cost of the program exceeds the charge to the third party, the academic unit can determine if they want to subsidize the program. Academic units are not required to involve Continuing Education in the negotiation process; however, if desired by the academic unit, Continuing Education can provide this service. (see Attachment D for a menu of services provided)

2. **The academic unit acquires the appropriate signatures on the third party contract.** Signatures from the Dean and the Senior Fiscal Officer from the college where the academic unit resides are required. Other signatures, such as the faculty member directly involved in obtaining the contract, may also be included in the contract.

3. **The college submits the contract to Legal Affairs for their review.** The contract is then forwarded to the Chief Financial Officer for signature and routes back to Legal.

4. **The college submits the contract to Continuing Education,** once Legal Affairs has returned the contract to the college.

5. **Continuing Education ensures an academic review is completed** and determines if the contract is associated with existing courses or if new courses will be developed. If new courses are developed, Continuing Education will work with the academic unit to ensure a proper academic review is conducted.
6. **College completes the Registration Procedure Planning Form (See Attachment E)** and submits to Continuing Education. This form includes the information needed for Continuing Education to suppress fees and perform other required administrative tasks.

7. **The academic unit determines the level of service needed from Continuing Education.** It may be that no services are needed beyond those required by the University. In that case, there would be no charge. If additional services are requested, there is a fee for service form that should be completed.

8. **An MOU is drawn between the academic unit and Continuing Education.** This documents the services Continuing Education will provide and the fees to be charged to the academic unit that are associated with those services.

9. **Continuing Education advises the academic unit on the type of contract fund that should be established.** Some contract funds charge overhead and others do not, so it is important to understand the contract fund range that should be used when establishing a new contract fund.

10. **The academic unit sets up a contract fund.**

11. **Continuing Education suppresses the fees charged to the contract students and ensures the credit hours are pulled from the budget model.** These steps are necessary because the revenue has already been collected from the third party so fees should not be charged and the college should not receive additional revenue for those credit hours via the budget model.
Definition:

The students in the third-party cohort could take regular non-contract courses, sitting in a classroom with other regularly-enrolled students. All courses need to reside within the college associated with the third-party contract.

Procedures:

1. **The academic unit negotiates a contract with the third party.** The contract should document the services that will be provided to the third party and the charge for those services. When developing the contract, the academic unit is advised to fully cost the program that is being provided to the third party. These costs should include the direct cost of instruction, benefits, supplies, and indirect costs which have historically been about 6% on the revenue earned. If the academic unit decides to purchase services from Continuing Education, those charges should also be included when fully costing the program. If the cost of the program exceeds the charge to the third party, the academic unit can determine if they want to subsidize the program. Academic units are not required to involve Continuing Education in the negotiation process; however, if desired by the academic unit, Continuing Education can provide this service. (see Attachment D for a menu of services provided)

2. **The academic unit acquires the appropriate signatures on the third party contract.** Signatures from the Dean and the Senior Fiscal Officer from the college where the academic unit resides are required. Other signatures, such as the faculty member directly involved in obtaining the contract, may also be included in the contract.

3. **The college submits the contract to Legal Affairs for their review.** The contract is then forwarded to the Chief Financial Officer for signature and routes back to Legal.

4. **The college submits the contract to Continuing Education,** once Legal Affairs has returned the contract to the college.

5. **Continuing Education ensures an academic review is completed** and determines if the contract is associated with existing courses or if new courses will
be developed. If new courses are developed, Continuing Education will work with the academic unit to ensure a proper academic review is conducted.

6. **College completes the Registration Procedure Planning Form (See Attachment E)** and submits to Continuing Education. This form includes the information needed for Continuing Education to suppress fees and perform other required administrative tasks.

7. **The academic unit determines the level of service needed from Continuing Education.** It may be that no services are needed beyond those required by the University. In that case, there would be no charge. If additional services are requested, there is a fee for service form that should be completed.

8. **An MOU is drawn between the academic unit and Continuing Education.** This documents the services Continuing Education will provide and the fees to be charged to the academic unit that are associated with those services.

9. **Continuing Education advises the academic unit on the type of contract fund that should be established.** Some contract funds charge overhead and others do not, so it is important to understand the contract fund range that should be used when establishing a new contract fund.

10. **The academic unit sets up a contract fund.**

11. **For each non-contract course that will be taken by contract students, a separate class number will need to be created by the academic unit. CED will request the addition of the system attribute identifying it as a contract course.** Each of these courses taken by contract students would then have two class numbers. The course(s) must reside in the college that is associated with the contract.

12. **Continuing Education suppresses the fees charged to the contract students and ensures the credit hours are pulled from the budget model.** These steps are necessary because the revenue has already been collected from the third party so fees should not be charged and the college should not receive additional revenue for those credit hours via the budget model.
Third-Party Contract for Non-Contract Courses across Multiple Colleges

Definition:

The students in the third-party cohort could take regular non-contract courses, sitting in a classroom with other regularly-enrolled students. The courses reside in more than one college.

Procedures:

1. **The academic unit negotiates a contract with the third party.** The contract should document the services that will be provided to the third party and the charge for those services. When developing the contract, the academic unit is advised to fully cost the program that is being provided to the third party. These costs should include the direct cost of instruction, benefits, supplies, and indirect costs which have historically been about 6% on the revenue earned. If the academic unit decides to purchase services from Continuing Education, those charges should also be included when fully costing the program. If the cost of the program exceeds the charge to the third party, the academic unit can determine if they want to subsidize the program. Academic units are not required to involve Continuing Education in the negotiation process; however, if desired by the academic unit, Continuing Education can provide this service. (see Attachment D for a menu of services provided)

2. **The academic unit acquires the appropriate signatures on the third party contract.** Signatures from the Dean and the Senior Fiscal Officer from the college where the academic unit resides are required. Other signatures, such as the faculty member directly involved in obtaining the contract, may also be included in the contract.

3. **The college submits the contract to Legal Affairs for their review.** The contract is then forwarded to the Chief Financial Officer for signature and routes back to Legal.

4. **The college submits the contract to Continuing Education,** once Legal Affairs has returned the contract to the college.

5. **Continuing Education conducts an academic review** and determines if the contract is associated with existing courses or if new courses will be developed. If new courses are developed, Continuing Education will work with the academic unit to ensure a proper academic review is conducted.
6. **The academic unit determines the level of service needed from Continuing Education.** It may be that no services are needed beyond those required by the University. In that case, there would be no charge. If additional services are requested, there is a fee for service form that should be completed.

7. **An MOU is drawn between the academic unit and Continuing Education.** This documents the services Continuing Education will provide and the fees to be charged to the academic unit that are associated with those services.

8. **Continuing Education advises the academic unit on the type of contract fund that should be established.** Some contract funds charge overhead and others do not, so it is important to understand the contract fund range that should be used when establishing a new contract fund.

9. **The academic unit sets up the contract fund.**

10. **The College associated with the contract would register the contract students as if they were regular students.** Fees do not need to be suppressed.

11. **The College would then pay regular fees associated with the student’s registration via a journal entry (instructions attached).**

12. **Depending on the terms of the contract, college may be supplementing the cost of the tuition and fees with college funds.** Tuition and fees paid via a journal must be the standard university tuition and fees in that particular academic year.

13. **Course credit hours are not removed and colleges would get their respective revenue through the budget model.**