

FINANCIAL PLANNING

In connection with the financial planning for a course, you must create a budget and determine the tuition fees.

Elements in a standard budget

Revenues

Set price x number of participants

Direct costs

Salaries*
Operations**

$$\left. \begin{array}{l} \text{Revenues} \\ \text{Direct costs} \end{array} \right\} \text{Result} = \text{Revenues} - \text{Costs}^{***} \left. \vphantom{\begin{array}{l} \text{Revenues} \\ \text{Direct costs} \end{array}} \right\}$$

Indirect costs

Overhead (113% of salary)

Please note that the four faculties often have specific items that must be included in the budget for the individual activities.

* Salaries: hours for development, preparation, lessons, transportation time, follow-up. (VIP, DVIP, TAP, student worker).

** Operations: e.g. room rental, course material, travel reimbursement, meetings, purchase of external consultants, catering, marketing.

*** Expenses = direct + indirect

Pricing

When setting a price for a course, the following basic principles must be followed: all costs must be covered and the price cannot be set in a way that gives the university an unfair competitive advantage over private or public suppliers. It is necessary to examine going rates on the market for similar activities, and it might be helpful to make a break-even calculation based on the budget.

Always seek help from your finance department in regard to these questions early in The development process.

COURSES AND DEGREE PROGRAMMES FOR INCOME-GENERATING ACTIVITIES AT AU

GET OFF TO A GOOD START!



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FRAMEWORK AND LEGAL AUTHORITY - WHAT ARE YOU ALLOWED TO DO?

The university can offer courses as income-generating activities (IDV) according to the rules in the Ministry of Finance's budget guidelines.

Below, you will find a short summary of central facts in regard to the two methods we normally use when offering income-generating activities at AU

Income-generating activity courses

The university may offer courses on a commercial basis either on the open market or at the request of a company or other organisation. Such courses can range from short courses lasting half a day to long-term courses.

Income-generating activity courses are financed solely through tuition fees and they are not covered by the Degree Programme Order or academic regulations.

Income-generating activity courses do not provide formal qualifications, so no exams can be held nor can diplomas be awarded, but the university may issue a course or participation certificate when the course is finished.

The tuition fees cannot be set in a way that will lead to an unfair competitive advantage.

Income-generating activity degree programmes

The university may offer parts of an existing degree programme to a specific company or organisation by agreement with the company.

For example, this could be a module from a Master's degree programme or a diploma degree programme that is offered to a group of employees from a company by agreement.

The activity provides formal qualifications and follows the rules of the degree programme, i.e. participants must meet the admission requirements of the degree programme, exams may be held and diplomas may be awarded.

States subsidies will not be granted for the activity, as it is solely financed through tuition fees. The tuition fees cannot be set in a way that will lead to an unfair competitive advantage.

DEVELOPING A COURSE STEPS 1-7!

When developing a course, you can follow these seven steps. You can receive help to complete many of these tasks – see the names of contact people on the back of this folder.

1. Who is the target group? Educational background, experience/age, typical job title, relevant industries, secondary target groups

2. What are the academic needs of the target group? Discuss the need for knowledge with representatives from the target group in order to meet their needs as precisely as possible.

3. What does the market look like? Are there other providers, courses, degree programmes that resemble your course? What are your strengths/weaknesses?

4. Test the programme draft. Design a programme draft for the course and spend some time testing it with the target group. Ask representatives from the target group to comment on the contents. Does the planned academic content meet the target group's needs?

5. Thoroughly consider and frame the finances. A budget must be created and tuition fees must be set.

Consult your financial department as early in the process as possible

Plan how to market the course. Which information channels do you want to use – social media, advertisements, publications, industry magazines, alumni network, PR, etc? Involve your communication department early in the process. Remember to make the course available on www.au.dk/evu and on your faculty's local continuing and further education sites. Rule of thumb: Begin marketing at least three months before the course is set to begin.

6. Plan the practical aspects. Consider where to hold the course, re-freshments and other practical aspects, e.g. course material, registration procedure, name tags, course certificate, evaluation, etc.

7. Hold the course. Enjoy the fruit of your labour. Remember to get evaluations from participants – this is valuable experience for next time.