

## Program Costing Vs. RCM

Program Costing is meant to be a proximity tool to help gauge the health of a program. It helps narrow in on programs that aren't performing at an appropriate level. It is not an accounting tool; users cannot directly and completely reconcile Program Costing to financial reports.

Category	Description	Program Costing	RCM
<b>Level Impacted</b>	To what level is this analysis completed	To the individual program	To the Dean level only
<b>Revenue</b>	Tuition Revenue (100% x # students)	To Program	To Academic department
	Provincial GPOG grant	WFU applied to program X in year rate (\$4,358 for F15/16)	At 90% of cash rate = \$3,426 (Cash Rate \$3,807 X 90% = \$3,426)
	Provincial GROWTH Grant	Not included in Program Costing	Included in GPOG disbursement calculation
	International Student premium	To Program @ 35%	To Academic department @ 35%
	Miscellaneous revenues	To Program	To Academic department
	Incidental Fees	To Program	To Academic department
<b>Expenses</b>	Academic Salaries and Benefits (FT & PT)	To Program	To Academic department
	Direct Operating Costs	To Program	To Academic Department
	Service Course Delivery Costs – Cost of delivering general courses such as – Eng, Math, etc.	To Program based on Teaching Contact Hours (TCHs) attributed.	Included in Direct Costs of Academic department
	Overhead Allocations – Share of Chair's, Dean's and portion of VP of Academic operating costs(Program Costing)	To program based on TCHs	SVPA office expense part of Common basket of services Chairs, Dean's expenses included in Departments Direct Costs.
	Central Administrative Costs (Non-Academic departments which support Academics)	Not included	To Academic department based on % of total direct costs
	Space Allocation <b>Dedicated</b> – Space specific to a program <b>Non-dedicated</b> – Space available to any program	Dedicated space is charged a square foot cost as provided by Physical Resources Open/Undedicated space is charged a <u>per hour cost</u> calculated using the square footage of all open space x square footage cost / total scheduled open/undedicated hours	<b>Woodroffe Specific</b> – Allocated based on assignable square footage at Woodroffe Campus <b>General Overhead</b> – Allocated based on assignable square footage <b>Other campuses</b> – included in Direct Costs of Academic department
	Space Rate (Per Square Foot)	Determined with Physical Resources based on actual costs	Physical Resources net expenditure budget divided by assignable square footage for each square foot
	Depreciation Expense – Assets assigned to a program's cost center	To program, based on # of hours if multiple programs	N/A
<b>Goal</b>	Standard benchmark for Contribution Margin %	25% contribution margin, assist the academic area in meeting overall C.M.	Set annually by Academic department as part of Area Targets.