

## Financial Considerations Worksheet

This is the initial input page for the Financial Considerations Worksheet. The Worksheet is NOT a one-size-fits-all solution. Each program will be different and the Worksheet is intended as a starting point to understand the five year outlook of financial viability, NOT a finalized figure.

Assumptions are noted on each subsequent worksheet. Examine each assumption to determine if a particular program's needs require assumption adjustments. Be sure to **consult your Chief Business Officer** in initial and further financial review to include all relevant expenses.

*Note: It is suggested that every worksheet be reviewed to address the potential nuances of a specific program.*

**Throughout the worksheets - Numbers in this blue bold font & yellow highlight are estimated figures intended to be changed to fit anticipated program size and needs.**

	Initial estimations	Estimations
<b>Salary Costs</b>	Estimated Faculty Salary per Person (annual)	\$ 120,000
	# of Faculty (FTE)	2.00
	Estimated Salary Increase Yearly	3%
	Estimated Instructional Designer Salary (annual)	\$ 100,000
	# of Instructional Designer(s) (FTE)	1.00
	Estimated Salary Increase Yearly	3%
	Estimated Administrative and Staff Salary (annual)	\$ 50,000
	# of Administrative/Staff (FTE)	1.50
	Estimated Salary Increase Yearly	3%
	Estimated IT Resource Salary (annual)	\$ 80,000
# of IT Resource(s) (FTE)	1.00	
Estimated Salary Increase Yearly	3%	
Fringe Benefit Rate FY2015	25.75%	
Fringe Rate Increase (annual)	0.25%	
<b>Marketing</b>	Advertising & Marketing (annual)	\$ 50,000
	Estimated % Increase (Decrease)	-5%
<b>Website Design</b>	Professional Website Design	\$ 30,000
<b>Office Supplies &amp; Postage</b>	Estimate per student (annual)	\$ 200
<b>Admissions Activities</b>	Expected Number of Applications	300
<b>State Authorization Fee(s)</b>	State Authorization Fee Estimate	\$ 25,000
<b>Revenue Sharing Third Party Fee</b>	Third Party Fee % (if applicable)	30%
<b>Enrollment</b>	Student Enrollment Year 1 (Total # Students)	50
	Student Enrollment Year 2 (Total # Students)	100
	Student Enrollment Year 3 (Total # Students)	150
	Student Enrollment Year 4 (Total # Students)	150
	Student Enrollment Year 5 (Total # Students)	150
<b>Revenue</b>	Annual Tuition per Student (Year 1)	\$ 20,000
	Tuition Rate Increase (annual)	3%
	Admission Application Fee per Applicant	\$ 75
	Annual Fees per Student Retained by Program (Year 1)	\$ 200
Fee Rate Increase (annual)	1%	
<b>Program Specific Cost 1</b>	Program Specific Cost 1	\$ 20,000
<b>Program Specific Cost 2</b>	Program Specific Cost 2	\$ 50,000
<b>Program Specific Cost 3</b>	Program Specific Cost 3	\$ 10,000
<b>Program Specific Cost 4</b>	Program Specific Cost 4	\$ 5,000

## Salary Expense Estimations

		Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Faculty Salary	<b>\$ 120,000</b>	\$ 120,000	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061
Estimated Yearly Increase	<b>3%</b>					
Number of Faculty		<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

		Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Instructional Designer Salary	<b>\$ 100,000</b>	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551
Estimated Yearly Increase	<b>3%</b>					
Number of Instructional Designers		<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>

		Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Administrative and Staff Salary	<b>\$ 50,000</b>	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275
Estimated Yearly Increase	<b>3%</b>					
Number of Administrative and Staff		<b>1.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>

		Year 1	Year 2	Year 3	Year 4	Year 5
Estimated IT Resource Salary	<b>\$ 80,000</b>	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041
Estimated Yearly Increase	<b>3%</b>					
Number of IT Resources		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

		Year 1	Year 2	Year 3	Year 4	Year 5
Fringe Rate From FY2015	<b>25.75%</b>	<b>25.75%</b>	26.00%	26.25%	26.50%	26.75%

	Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Faculty Salary	\$ 240,000	\$ 370,800	\$ 381,924	\$ 393,382	\$ 405,183
Estimated Instructional Designer Salary	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826
Estimated Administrative and Staff Salary	\$ 75,000	\$ 128,750	\$ 132,613	\$ 136,591	\$ 140,689
Estimated IT Resource Salary	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041
<b>Subtotal</b>	<b>\$ 545,000</b>	<b>\$ 736,450</b>	<b>\$ 758,544</b>	<b>\$ 781,300</b>	<b>\$ 804,739</b>
Fringe	\$ 140,337.50	\$ 191,477.00	\$ 199,117.67	\$ 207,044.45	\$ 215,267.63
<b>Total</b>	<b>\$ 685,337.50</b>	<b>\$ 927,927.00</b>	<b>\$ 957,661.17</b>	<b>\$ 988,344.25</b>	<b>\$ 1,020,006.43</b>



## Other General Expenses Estimation

### Space (Office and Classroom)

Assuming School based program, there may not be a space specific charge *per se*, but it is important to consider the opportunity cost of the utilized space from both a financial and programmatic perspective. Below is an estimation for standard Emory space pricing and assumes no growth.

		Year 1	Year 2	Year 3	Year 4	Year 5
Dollars per square foot per year	\$ 15.00					
Total Space in sq. ft.	2,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Total Space Cost	\$ 30,000					

### Computer & Telephony

Includes workstations and ongoing phone (desk) and data connections at Emory. Faculty are not included in FTE count.

Estimated FTEs Year 1 4.00 (FTE # pulled from salary expense estimation tab & excludes faculty)  
 Estimated FTEs Year 2 onward 5.00 (FTE # pulled from salary expense estimation tab & excludes faculty)

#### Start up Charges (per FTE)

		Year 1	Year 2	Year 3	Year 4	Year 5
Computer Workstation per person	\$ 1,500	\$ 6,000	\$ 1,500	\$ -	\$ -	\$ -
Desk Phone	\$ 264	\$ 1,056	\$ 264	\$ -	\$ -	\$ -
Cell Phone	\$ 200	\$ 800	\$ 200	\$ -	\$ -	\$ -
Activate Data Jack	\$ 75	\$ 300	\$ 75	\$ -	\$ -	\$ -
<b>Ongoing Charge (per FTE per mo.)</b>						
Cell Phone	\$ 70	\$ 3,360	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Data Connection Fee	\$ 21	\$ 1,008	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260
Desk Phone	\$ 21	\$ 1,008	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260

### Marketing Activities & Materials

		Year 1	Year 2	Year 3	Year 4	Year 5
Marketing Expense	\$ 50,000	\$ 50,000	\$ 47,500	\$ 45,125	\$ 42,869	\$ 40,725
Estimated % Increase (Decrease)	-5.00%					

### Website Design and Maintenance

		Year 1	Year 2	Year 3	Year 4	Year 5
Professional Website Design	\$ 30,000	\$ 30,000				
Ongoing Maintenance (\$/Hour)	\$ 75					
Estimated Maintenance (Hour/Year)	50					
Ongoing Maintenance Expense		\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750

### Office Supplies & Postage (estimated on a student enrollment basis)

		Year 1	Year 2	Year 3	Year 4	Year 5
Supplies per student/year	\$200	\$10,000.00	\$20,000	\$30,000	\$30,000	\$30,000

### Student IT Support - LITS student and faculty support may be defrayed by program specific resources or hosted solution

Student Enrollment Year 1 (Total # Students)	50					
Student Enrollment Year 2 (Total # Students)	100					
Student Enrollment Year 3 (Total # Students)	150					
Student Enrollment Year 4 (Total # Students)	150					
Student Enrollment Year 5 (Total # Students)	150					
Tier 1 Support (\$/hr.)	\$ -					
Tier 2 Support (\$/hr.)	\$ 75					
Tier 3 Support (\$/hr.)	\$ 100					
Annual LITS Support Per Student (hrs.)		Year 1	Year 2	Year 3	Year 4	Year 5
Tier 1 Support	10.00	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 2 Support	5.00	\$ 18,750	\$ 37,500	\$ 56,250	\$ 56,250	\$ 56,250
Tier 3 Support	2.00	\$ 10,000	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000
Total Annual IT Support Expense		\$ 28,750	\$ 57,500	\$ 86,250	\$ 86,250	\$ 86,250

## State Authorization Expense

**State Authorization, as of January 2015, was not fully implemented and the laws were under review.**

**Speak with Enrollment Services for the most up-to-date fees and authorized states.**

- 1) As of January 2015, laws dictate that a program must apply with **EACH STATE** in which a distance based program participant resides.
- 2) There may be institutional and program specific costs for states where Emory is not currently authorized to provide distance based education.
- 3) Many states have tiered pricing which changes based on the number of authorized programs the University offers.
- 4) Below is an **ESTIMATE** of fees for processing state authorization and includes the time-intensive application process.

Region	Initial Program Fee Estimate	Program Renewal Fee Estimate
Georgia's Neighboring States	\$ 3,000.00	\$ -
All 50 states & territories	\$ 25,000.00	\$ 20,000.00

## Admissions Activity Expense

Student Enrollment Year 1 (Total # Students)	50					
Student Enrollment Year 2 (Total # Students)	100					
Student Enrollment Year 3 (Total # Students)	150					
Student Enrollment Year 4 (Total # Students)	150					
Student Enrollment Year 5 (Total # Students)	150					
Expected Number of Applications	300					
Application Review (per applicant in hours)	0.5					
Work Hours per year	2080	Standard Full Time Equivalent (FTE) = 52*40 = 2080 hours				
Admissions Counselor Salary	\$ 40,000					
Additional Staff Review	\$ 60,000					
		Year 1	Year 2	Year 3	Year 4	Year 5
Fringe Rate for FY2015	25.75%	25.75%	26.00%	26.25%	26.50%	26.75%
<b>Initial Application Review Effort (hrs.)</b>	150	150	150	150	150	150
FTE measure	0.072	0.072	0.072	0.072	0.072	0.072
Effort Cost	\$ 2,884.62	\$ 2,884.62	\$ 2,884.62	\$ 2,884.62	\$ 2,884.62	\$ 2,884.62
Fringe	\$ 742.79	\$ 750.00	\$ 757.21	\$ 764.42	\$ 771.63	\$ 771.63
Initial Review Expense Subtotal	\$ 3,627.40	\$ 3,634.62	\$ 3,641.83	\$ 3,649.04	\$ 3,656.25	\$ 3,656.25
<b>Subsequent Review</b>	150	150	150	150	150	150
FTE measure	0.072	0.072	0.072	0.072	0.072	0.072
Effort Cost	\$ 4,326.92	\$ 4,326.92	\$ 4,326.92	\$ 4,326.92	\$ 4,326.92	\$ 4,326.92
Fringe	\$ 1,114.18	\$ 1,125.00	\$ 1,135.82	\$ 1,146.63	\$ 1,157.45	\$ 1,157.45
Subsequent Review Expense Subtotal	\$ 5,441.11	\$ 5,451.92	\$ 5,462.74	\$ 5,473.56	\$ 5,484.38	\$ 5,484.38
<b>Total Application Review Activity Expense</b>	\$ 9,068.51	\$ 9,086.54	\$ 9,104.57	\$ 9,122.60	\$ 9,140.63	\$ 9,140.63

]

## Revenue Estimation

Assumption: Tuition increases at assumption rate from Summary Input Page

Assumption: Program will levy program specific student fees

Annual Tuition (Year 1)	<b>\$ 20,000</b>
Tuition Rate Increase (annual)	<b>3%</b>
Admission Application Fee	<b>\$ 75</b>
Expected Number of Applications	<b>300.00</b>
Annual Retained Student Fees (Year 1)	<b>\$ 200</b>
Fee Rate Increase (annual)	<b>1%</b>
Third Party Fee (if applicable)	<b>30%</b>

	Year 1	Year 2	Year 3	Year 4
Student Enrollment	50	100	150	150
Tuition	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855
Tuition Revenue Total	\$ 1,000,000.00	\$ 2,060,000.00	\$ 3,182,700.00	\$ 3,278,181.00
Expected Number of Applications	300.00	300.00	300.00	300.00
Admission Application Fee	75	75	75	75
Application Fee Revenue Total	\$ 22,500.00	\$ 22,500.00	\$ 22,500.00	\$ 22,500.00
Annual Fees per Student Retained by Program	\$ 200	\$ 202	\$ 204	\$ 206
Fee Revenue Total	\$ 10,000	\$ 20,200	\$ 30,603	\$ 30,909
Third Party Fee (if applicable)	<b>30%</b>	<b>(\$300,000.0)</b>	<b>(\$618,000.0)</b>	<b>(\$954,810.0)</b>
<b>Combined Total Revenue</b>	<b>\$ 732,500.00</b>	<b>\$ 1,484,700.00</b>	<b>\$ 2,280,993.00</b>	<b>\$ 2,348,135.73</b>



Year 5

150  
\$ 22,510  
\$ 3,376,526.43

300.00  
75  
\$ 22,500.00

\$ 208  
\$ 31,218

(\$1,012,957.9)

\$ 2,417,286.62

**Potential Program Operations Pro Forma  
5 year Outlook**

<b>REVENUE</b>		Year 1	Year 2	Year 3	Year 4	Year 5
Tuition		\$ 1,000,000.00	\$ 2,060,000.00	\$ 3,182,700.00	\$ 3,278,181.00	\$ 3,376,526.43
Admission Application Fee		\$ 22,500.00	\$ 22,500.00	\$ 22,500.00	\$ 22,500.00	\$ 22,500.00
Program Based Student Fees		10,000	20,200	30,603	30,909	31,218
Third Party Fee (if applicable)		(300,000)	(618,000)	(954,810)	(983,454)	(1,012,958)
<b>Net Revenue</b>		<b>\$ 732,500.00</b>	<b>\$ 1,484,700.00</b>	<b>\$ 2,280,993.00</b>	<b>\$ 2,348,135.73</b>	<b>\$ 2,417,286.62</b>
<b>EXPENSES</b>						
Salary						
	Faculty	\$240,000	\$370,800	\$381,924	\$393,382	\$405,183
	Instructional Designers	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826
	Administration, Staff, IT	\$155,000	\$211,150	\$217,485	\$224,009	\$230,729
Fringe Expense		140,338	191,477	199,118	207,044	215,268
State Authorization Fees		\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Admissions Expense		\$ 9,069	\$ 9,087	\$ 9,105	\$ 9,123	\$ 9,141
<b>Subtotal: Operating Expenses</b>		<b>\$719,406</b>	<b>\$957,014</b>	<b>\$986,766</b>	<b>\$1,017,467</b>	<b>\$1,049,147</b>
<b>General/Administrative</b>						
	Estimated IT Student Support	\$28,750	\$57,500	\$86,250	\$86,250	\$86,250
	Space (Office and Classroom)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
	Computer & Telephony	\$ 13,532	\$ 8,759	\$ 6,720	\$ 6,720	\$ 6,720
	Marketing Activities & Materials	\$ 50,000	\$ 47,500	\$ 45,125	\$ 42,869	\$ 40,725
	Website Design and Maintenance	\$ 33,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750
	Office Supplies & Postage	\$ 10,000	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000
<b>Total General/Administrative Expenses</b>		<b>\$166,032</b>	<b>\$167,509</b>	<b>\$201,845</b>	<b>\$199,589</b>	<b>\$197,445</b>
<b>Program Specific Costs</b>						
	Program Specific Cost 1	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	Program Specific Cost 2	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	Program Specific Cost 3	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Program Specific Cost 4	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Program Specific Costs</b>		<b>\$ 85,000</b>	<b>\$ 85,000</b>	<b>\$ 85,000</b>	<b>\$ 85,000</b>	<b>\$ 85,000</b>
<b>Total Expenses</b>		<b>\$970,438</b>	<b>\$1,209,523</b>	<b>\$1,273,611</b>	<b>\$1,302,056</b>	<b>\$1,331,592</b>
<b>Program Endowment or Gifts (directly input here if applicable)</b>		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>NET INCOME (LOSS)</b>		<b>(\$187,938)</b>	<b>\$325,177</b>	<b>\$1,057,382</b>	<b>\$1,096,080</b>	<b>\$1,135,694</b>

**NOTE: Cost Allocation is not included in this initial Pro Forma Analysis. Be sure to consult you Chief Business Officer and include and calculate potential cost allocation increases.**