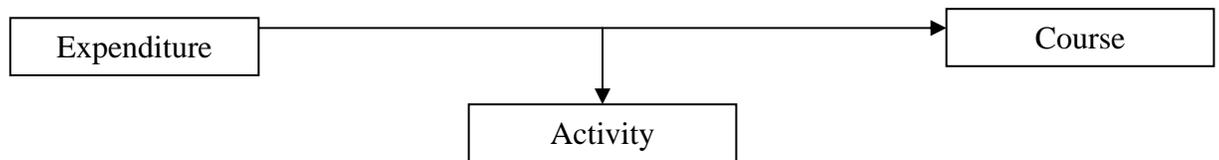


**Assigning Expenditures to Activities and Courses**  
**By Robert Wallhaus**  
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A central step in the Technology Costing Methodology (TCM) is the “assignment of costs associated with various objects of expenditure to elements of the activity structure” (i.e., step 5). Essentially, this involves filling in Table 3 of the TCM Handbook for those cells that are “material.” This is undoubtedly the most critical and difficult step in the TCM.

Before course and enrollment related costs are calculated, the costs of activities must be allocated to courses. This can be a one step or multiple step process. The following describes some of the different kinds of assignment and allocation processes that are involved based upon the interviews with campuses utilizing the TCM. In all of these examples it is assumed that costs are annualized.

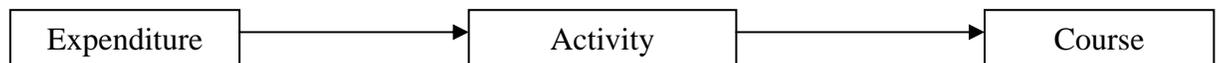
Expenditures Assigned Directly to a Course



Example: Interactive courseware is leased from a commercial vendor.

In this case no activity analysis is needed, but it is important to also assign the expenditures (i.e., 2. Operating-Licenses, Courseware) to the course related instruction (i.e., Instruction 1.2-Instructional Acquisition/Development). However, if the courseware is shared across multiple courses then a “cost-driver” (for example, number of courses using the courseware) needs to be used to allocate the lease costs to each course.

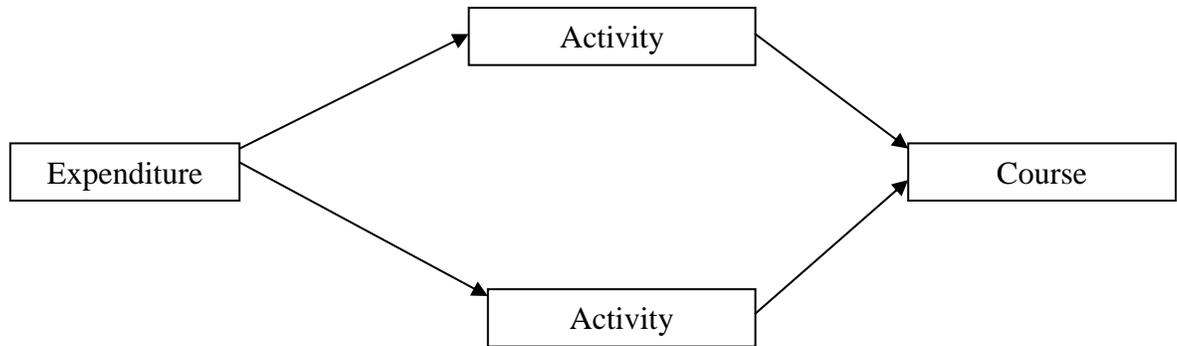
Expenditure Assigned to an Activity, Then to a Single Course



Example: A faculty member delivers a single course

A proportion of a faculty members compensation (i.e., 1. Compensation-Faculty) is assigned to enrollment related instruction (Instruction 1.3-Content Delivery). Then, the expenditures related to this activity along with the expenditures related to other activities involved in developing and delivering the course are assigned to the course.

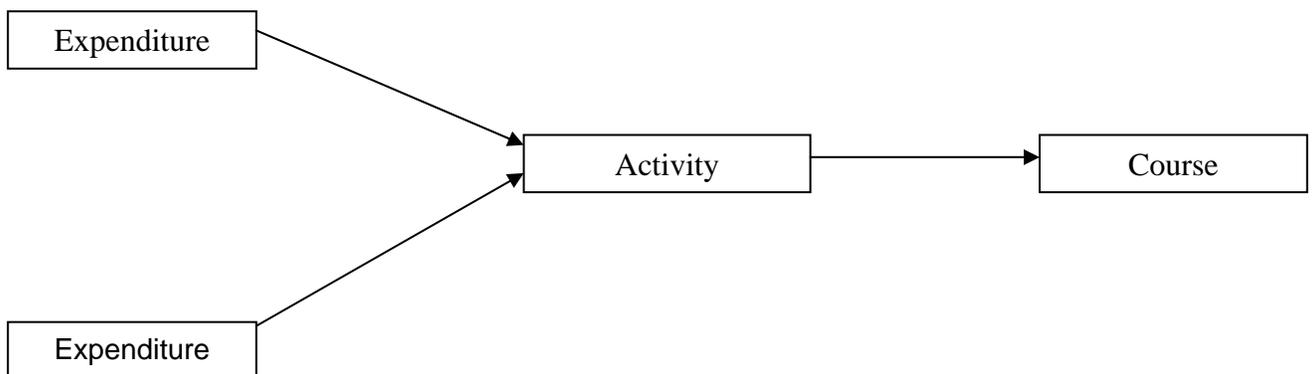
Expenditure Assigned to Multiple Activities, Then to a Single Course



Example: A faculty member designs and delivers a single course.

The proportion of a faculty members compensation (i.e., 1. Compensation-Faculty) spent designing the course is assigned to course related instruction (Instruction-Curriculum Planning/Course Design) while the proportion spent delivering the course is assigned to enrollment related instruction (Instruction 1.3-Content Delivery). Then, the expenditures related to each of these activities along with the expenditures related to other activities involved in developing and delivering the course are assigned to the course.

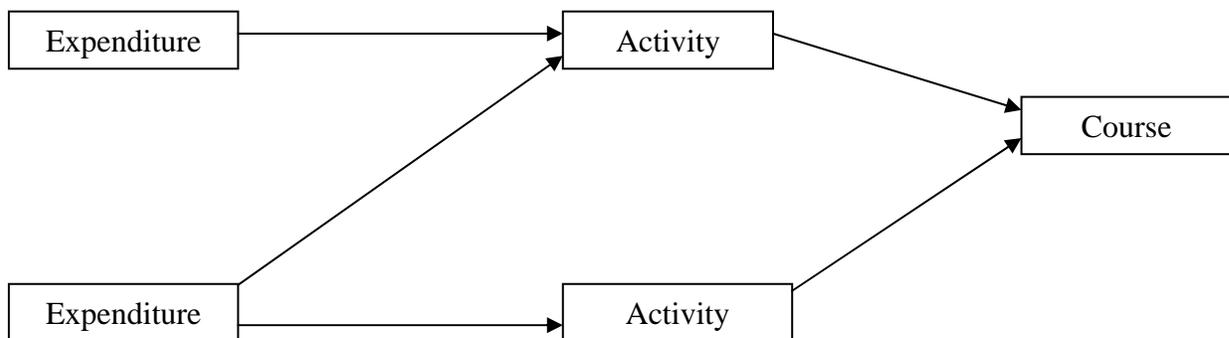
Multiple Expenditures Assigned to an Activity and Then to a Single Course



Example: A faculty member collaborates with a member of the media staff in the design of a web-based course.

The proportion of a faculty member's compensation (i.e., 1. Compensation-Faculty) and the proportion of the media center staff compensation (i.e., Compensation-Other Professionals) based upon time spent designing the course is assigned to course related instruction (Instruction-Curriculum Planning/Course Design). Then, the expenditures related to this activity along with the expenditures related to other activities involved in developing and delivering the course are assigned to the course.

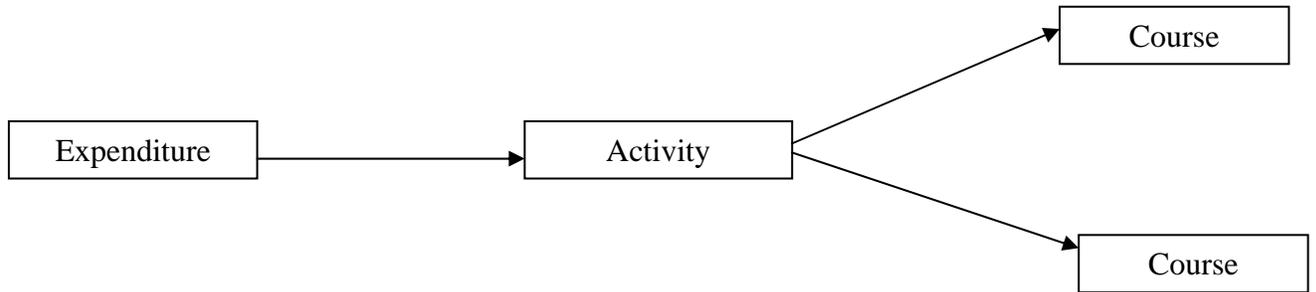
Multiple Expenditures Assigned to Multiple Activities and Then Assigned to a Single Course



Example: A faculty member uses courseware acquired (leased) by his academic unit in developing a course which he then delivers/facilitates.

A proportion of the lease cost of the courseware is assigned to course related instruction (Instruction 1.2-Instructional Acquisition/Development). Since the courseware is shared with other faculty and courses within the academic unit a “cost-driver” such as number of courses sharing the courseware must be used to allocate the appropriate proportion of the total lease costs. The proportion of the faculty member's time spent in course development is also assigned to course related instruction (Instruction 1.2-Instructional Acquisition/Development). The proportion of the faculty member's time spent in delivering/facilitating the course (i.e., 1. Compensation-Faculty) is assigned to enrollment related instruction (i.e., Instruction 1.3-Content Delivery). Then, the expenditures related to each of these activities along with the expenditures related to other activities involved in developing and delivering the course are assigned to the course.

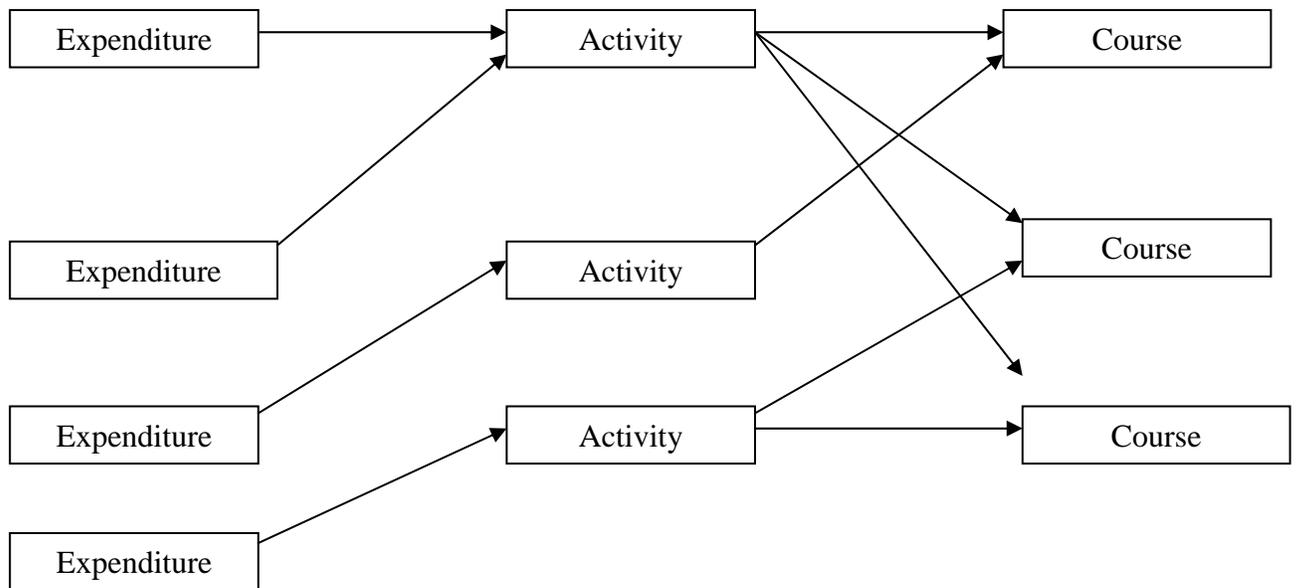
Expenditure Associated with a Single Activity Allocated to Multiple Courses



Example: A course management system is acquired for use in multiple courses.

The cost of the course management system (i.e., 3. Capital Items, Courseware), annualized, is assigned to course related instruction (i.e., Instruction 1.2-Instructional Acquisition/Development) and then proportionately allocated, based upon course enrollments, to courses in which it is used.

Multiple Expenditures Assigned to Multiple Activities and Then Assigned to Multiple Courses



Example: Multiple faculty members use interactive voice-video classrooms to deliver their courses.

Expenditures associated with equipping and operating the classrooms (i.e., 3. Capital Items-Facilities and Equipment, annualized; and 2. Operating Expenses-Voice/Video Connect Time Charges) are assigned to Academic Support-Telecommunications Support. Academic Support-Telecommunications Support is then allocated across courses using course enrollments as the cost driver. The proportion of each faculty member's compensation (i.e., 1. Compensation-Faculty) spent on his or her course(s) is assigned to enrollment related instruction (Instruction 1.3-Content Delivery) and then allocated to the appropriate course(s).