


## Memorandum

DATE: June 28, 2018

TO: Aaron Burgess, Executive Director, Santos Manuel Student Union  
Grace Castillo Johnson, Director, Student Health Center  
Jesse Felix, Executive Director, Associated Students, Inc.  
John Griffin, Executive Director, University Enterprises Corporation  
John Yaun, Executive Director, Housing & Residential Life  
Lynn Nester, Director, Recreation and Wellness  
Ron Fremont, Vice President, University Advancement - Philanthropic Foundation  
Tatiana Karmanova, Dean, College of Extended Learning  
Miguel Martin, Interim Director, Parking & Transportation Services

FROM: Douglas Freer   
Vice President, Administration & Finance

SUBJECT: FY 2018-2019 Cost Recovery

Executive Order 1000 requires the University to ensure that costs incurred by the CSU Operating Fund for services, products, and facilities provided to Auxiliary Organizations are properly and consistently recovered with cash and/or a documented exchange of value. Allowable direct costs incurred by the CSU Operating Fund are to be allocated and recovered based on actual costs incurred. Allowable and allocable indirect costs shall be recovered according to a cost allocation plan that utilizes a documented and consistent methodology, including identification of indirect costs and a basis for allocation. The campus Chief Financial Officer, or designee, is required to annually approve and implement the cost allocation plan.

Methodologies established for all divisions in previous years will remain in effect for 18-19, continuing with the triennial review schedule. Updates and modifications to established allocation methodologies will be made accordingly. Below are summary points from the methodologies that will be in effect for fiscal year 2018-19:

1. Methodologies are approved for 3 years, then reviewed and updated as needed
2. CEL will receive 25% credit, adjusted due to cost recovery processed for Summer self-support operations
3. Staff salary and benefit costs are based on actuals from prior calendar year 2017.

Department representatives completed cost assessments, and the University Budget Office has prepared the attached schedule (**ATTACHMENT A**) for FY 18-19 cost recovery allocations to various units. Supplemental documentation will be available on the Budget Office [website](#). If you have questions or need further information please contact [Davina Lindsey](#), Principal Cost and Policy Analyst, at ext. 73134.

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**2018-19 Cost Allocation Plan/Cost Recovery Summary**

	Associated Students, Inc.	College of Extended Learning*	Health Center**	Housing	Parking Services	Philanthropic Foundation	Santos Manuel Student Union	Student Recreation & Wellness Center	University Enterprises Corporation	Total
<b>State-side Departments</b>										
AA-Palm Desert Campus	1,129	0	0	0	21,014	0	0	0	0	<b>22,143</b>
AA-Sponsored Programs	0	0	0	0	0	0	0	0	596,352	<b>596,352</b>
Auxiliary Human Resources	0	0	0	0	0	5,145	0	0	252,120	<b>257,265</b>
<b>AF-Facilities Management</b>	0	32,419	(14,016)	137,347	135,781	0	43,815	16,748	74,545	<b>426,639</b>
Building Maintenance	0	14,423	17,805	2,247	11,574	0	14,136	8,370	21,153	89,709
Custodial	0	7,685	9,837	0	2,885	0	669	0	21,377	42,454
Grounds	0	7,032	6,753	133,642	108,139	0	9,145	5,338	16,032	286,081
Heating & Air	0	7,147	5,017	6	1,267	0	14,905	2,827	6,080	37,249
Preventive Maintenance	0	787	8,327	1,452	10,072	0	1,355	213	5,397	27,603
Utilities	0	6,151	3,596	0	1,844	0	3,605	0	4,506	19,702
<b>AF-Finance &amp; Administrative Svcs.</b>	64,764	50,092	39,078	59,777	57,670	173,106	77,964	44,019	692,969	<b>1,259,439</b>
Financial Services (Accounting)	3,104	30,322	16,909	24,518	35,351	7,900	6,120	3,072	35,813	163,110
Auxiliary Financial Services	54,353	0	0	0	0	157,429	63,508	33,357	643,288	951,934
Budget Office	5,788	4,605	6,140	6,140	6,140	5,097	6,140	6,493	6,140	52,683
Procurement & Contracts	0	11,675	10,738	23,828	11,405	0	0	0	0	57,646
Support Services	1,519	3,490	5,291	5,291	4,774	2,680	2,196	1,097	7,728	34,066
<b>AF-Human Resources</b>	0	25,897	34,529	31,482	20,311	0	0	0	0	<b>112,219</b>
<b>AF-Payroll</b>	0	4,538	6,188	17,189	4,950	0	0	0	0	<b>32,865</b>
<b>AF-University Police</b>	229	11,428	29,671	662,778	184,038	0	129,107	49,317	44,506	<b>1,111,074</b>
<b>AF-Risk Management (Fire Safety)</b>	0	3,747	3,706	81,356	30,920	0	11,139	4,327	8,872	<b>144,067</b>
<b>ITS</b>	2,469	82,304	116,572	266,478	43,562	4,024	18,795	11,519	138,936	<b>684,659</b>
<b>Student Affairs</b>	70,063	11,919	159,457	154,203	0	0	104,480	38,806	0	<b>538,929</b>
<b>Total Cost Recovery from Entities</b>	<b>138,654</b>	<b>222,344</b>	<b>375,186</b>	<b>1,410,611</b>	<b>498,245</b>	<b>182,275</b>	<b>385,301</b>	<b>164,736</b>	<b>1,808,300</b>	<b>5,185,652</b>

\*CEL reflects 25% reduction for Summer

\*\*Health Center includes established baseline adjustments for Facilities & Student Affairs

<b>FY 17/18 Cost Recovery</b>	172,606	236,913	581,879	1,394,633	607,396	172,337	361,940	195,428	1,762,090	5,485,222
Difference	(33,952)	(14,569)	(206,693)	15,978	(109,150)	9,938	23,360	(30,691)	46,210	(299,570)
	-19.67%	-6.15%	-35.52%	1.15%	-17.97%	5.77%	6.45%	-15.70%	2.62%	-5.46%