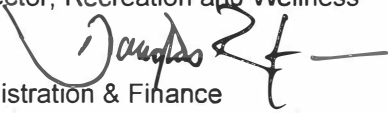


## Memorandum

DATE: February 3, 2020

TO: Aaron Burgess, Executive Director, Santos Manuel Student Union  
Carolyn O'Keefe, Interim Director, Student Health Center  
Jesse Felix, Executive Director, Associated Students, Inc.  
John Griffin, Executive Director, University Enterprises Corporation  
Jon Merchant, Interim Director, Housing  
Grace Munyiri, Director, Parking & Transportation Services  
Robert Nava, Vice President & Executive Director, University Advancement-Philanthropic Foundation  
Tatiana Karmanova, Associate Vice President & Dean, College of Extended & Global Education  
Vilayat Del Rossi, Director, Recreation and Wellness

FROM: Douglas Freer   
Vice President, Administration & Finance

SUBJECT: FY 2019-2020 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 and other CSU funds 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 (CAP).

The campus understands the need for current, accurate, and complete documentation regarding cost recovery. Due to the recent Audit and Advisory Services review of our cost allocation plan methodologies, we have deviated from our customary process this fiscal year. In lieu of creating a new CAP document, the 2018-2019 cost allocation plan will serve as the basis for the 2019-2020 cost allocation figures. Methodologies and costs established across divisions for the 18-19 fiscal year will be frozen and remain in effect for 19-20.

Following receipt of the advisory report, further internal analysis was completed. Considering reasonableness, materiality, and time constraints, Cabinet has approved that FY 2019-20 will remain at prior year rate and the new process will be implemented for FY 2020-2021.

The summary schedule (ATTACHMENT A) of cost recovery allocations to various units for FY 19-20 is provided, mirroring FY 18-19 costs. The Cost Allocation Plan document is also available on the Budget Office [website](#). If there are questions or further information is needed, please contact [Davina Lindsey](#), Principal Cost and Policy Analyst, at ext. 73134.

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2019-20 Cost Allocation Plan/Cost Recovery Summary <sup>(1)</sup>										
State-side Departments	Associated Students, Inc.	College of Global & Extended Learning*	Health Center**	Housing	Parking Services	Philanthropic Foundation	Santos Manuel Student Union	Student Recreation & Wellness Center	University Enterprises Corporation	Total
<b>AA-Palm Desert Campus</b>	1,129	0	0	0	21,014	0	0	0	0	<b>22,143</b>
<b>AA-Sponsored Programs</b>	0	0	0	0	0	0	0	0	596,352	<b>596,352</b>
<b>Auxiliary Human Resources</b>	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>	<b>64,764</b>	<b>50,092</b>	<b>39,078</b>	<b>59,777</b>	<b>57,670</b>	<b>173,106</b>	<b>77,964</b>	<b>44,019</b>	<b>692,969</b>	<b>1,259,439</b>
Financial Services	3,104	30,322	16,909	24,518	35,351	7,900	6,120	3,072	35,813	163,110
Auxiliary Financial Services (2)	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>	<b>0</b>	<b>25,897</b>	<b>34,529</b>	<b>31,482</b>	<b>20,311</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112,219</b>
<b>AF-Payroll</b>	<b>0</b>	<b>4,538</b>	<b>6,188</b>	<b>17,189</b>	<b>4,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,865</b>
<b>AF-University Police</b>	<b>229</b>	<b>11,428</b>	<b>29,671</b>	<b>662,778</b>	<b>184,038</b>	<b>0</b>	<b>129,107</b>	<b>49,317</b>	<b>44,506</b>	<b>1,111,074</b>
<b>AF-Risk Management (Fire Safety)</b>	<b>0</b>	<b>3,747</b>	<b>3,706</b>	<b>81,356</b>	<b>30,920</b>	<b>0</b>	<b>11,139</b>	<b>4,327</b>	<b>8,872</b>	<b>144,067</b>
<b>ITS</b>	<b>2,469</b>	<b>82,304</b>	<b>116,572</b>	<b>266,478</b>	<b>43,562</b>	<b>4,024</b>	<b>18,795</b>	<b>11,519</b>	<b>138,936</b>	<b>684,659</b>
<b>Student Affairs</b>	<b>70,063</b>	<b>11,919</b>	<b>159,457</b>	<b>154,203</b>	<b>0</b>	<b>0</b>	<b>104,480</b>	<b>38,806</b>	<b>0</b>	<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>

\*CEGE reflects 25% reduction for Summer

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

(1) Total Cost Recovery amounts for 2019-20 remain unchanged from prior year, 2018-19.

(2) Auxiliary Financial Services is now part of Financial Services.