


## Memorandum

DATE: June 28, 2017

TO: Aaron Burgess, Executive Director, Santos Manuel Student Union  
Grace Castillo Johnson, Director, Student Health Center  
Jesse Felix, Interim 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  
Thomas Gaffery, Director, Parking & Transportation Services

FROM: Douglas Freer   
Vice President, Administration & Finance

SUBJECT: FY 2017-2018 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 17-18, 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 2017-18:

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. Assessments based on staff salary estimate up to 5% general salary increase for the coming year
4. Benefits assessed at an estimated 3% rate increase for the coming year

Department representatives completed cost estimate assessments, and the University Budget Office has prepared the attached schedule (**ATTACHMENT A**) for FY 17-18 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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## 2017-18 Cost Allocation Plan/Cost Recovery Summary

State-side Departments	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
AA-Palm Desert Campus	1,084	0	0	0	19,093	0	0	0	0	20,177
AA-Sponsored Programs	0	0	0	0	0	0	0	0	625,753	625,753
Auxiliary Human Resources	0	0	0	0	0	5,017	0	0	245,844	250,861
AF-Facilities Management	0	25,873	16,067	141,515	147,701	0	23,346	29,711	98,140	482,353
Building Maintenance	0	13,512	1,516	193	3,890	0	2,039	316	10,342	31,808
Custodial	0	7,654	64,358	0	2,772	0	939	0	63,737	139,460
Grounds	0	4,069	4,069	123,284	126,899	0	5,058	4,213	13,069	280,661
Heating & Air	0	3,111	4,342	0	1,511	0	3,036	22,092	3,596	37,688
Preventive Maintenance	0	0	3,537	18,038	10,781	0	8,669	3,090	2,890	47,005
Utilities	0	6,151	3,596	0	1,848	0	3,605	0	4,506	19,706
AF-Finance Areas	82,814	68,407	63,912	80,786	64,869	164,786	97,018	55,460	724,318	1,402,370
Accounting	7,358	17,720	26,949	21,122	30,062	5,015	15,261	8,737	19,751	151,975
Auxiliary Financial Services	67,422	0	0	0	0	149,377	72,763	38,340	679,837	1,007,739
Budget Office	6,478	5,154	6,872	6,872	6,872	5,704	6,872	7,266	6,872	58,962
Support Services	1,556	45,533	30,091	52,792	27,935	4,690	2,122	1,117	17,858	183,694
AF-Human Resources	0	24,988	41,006	35,435	18,832	0	0	1,114	0	121,375
AF-Payroll	0	4,039	6,078	15,271	4,347	0	0	808	0	30,543
AF-University Police	1,594	13,749	44,634	625,667	270,989		119,554	53,401	38,257	1,167,845
AF-Risk Management (Fire Safety)	0	3,747	3,706	81,356	30,920	0	11,139	4,327	8,872	144,067
ITS	2,534	80,388	242,997	268,278	50,645	2,534	3,452	10,546	20,906	682,280
Student Affairs	84,580	15,722	163,479	146,325	0	0	107,431	40,060	0	557,598
<b>Total Cost Recovery from Entities</b>	<b>172,606</b>	<b>236,913</b>	<b>581,879</b>	<b>1,394,633</b>	<b>607,396</b>	<b>172,337</b>	<b>361,940</b>	<b>195,428</b>	<b>1,762,090</b>	<b>5,485,222</b>

\*CEL reflects 25% reduction for Summer

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

<b>FY 16/17 Cost Recovery</b> * subject to true-up	166,143	190,044	514,195	1,245,308	657,170	182,741	369,443	200,714	1,667,604	5,193,362
Difference	6,463	46,869	67,684	149,325	(49,774)	(10,404)	(7,502)	(5,287)	94,486	291,860
	3.89%	24.66%	13.16%	11.99%	-7.57%	-5.69%	-2.03%	-2.63%	5.67%	5.62%