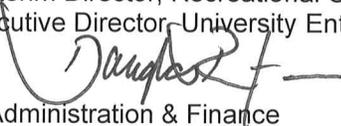


Memorandum

DATE: August 15, 2016

TO: Shannon Stratton, Executive Director, ASI
Tatiana Karmanova, Dean, College of Extended Learning
Beth Jaworski, AVP-Student Services, Interim Director - Student Health Center
John Yaun, Executive Director, Housing & Residential Life
Thomas Gaffery, Director, Parking Services
Ron Fremont, Vice President, University Advancement - Philanthropic Foundation
Aaron Burgess, Interim Executive Director, Santos Manuel Student Union
Trent Morgan, Interim Director, Recreational Sports
John Griffin, Executive Director, University Enterprises Corporation

FROM: Douglas Freer 
Vice President, Administration & Finance

SUBJECT: FY 2016-2017 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.

This year, the Academic Affairs and Administration & Finance divisions were reviewed, including Facilities Services, University Police, Payroll, Human Resources, and Auxiliary Human Resources. The following methodologies have been authorized for the Divisions of Academic Affairs and Administration & Finance for fiscal year 2016-17 and beyond:

1. Assessments based on current staff salary, annualized for the following year
2. Benefits assessed at the published rate for the following year
3. Employee headcount basis for Human Resources and Payroll
4. Number of calls for service incidents basis for University Police
5. No allocation for executive MPP administrators, equivalent to director-level or above
6. CEL will receive 25% credit, adjusted due to Summer self-support operations
7. Methodologies will be approved for 3 years, then reviewed and updated as needed

This year completes the remaining campus units' initial reviews. On-going methodology reviews will continue, adhering to the 3-year cycle. Updates and modifications to established allocation methodologies will be made accordingly.

Department representatives completed their assessments, and the Budget Office has prepared the attached schedule (**ATTACHMENT A**) for FY 16-17 cost recovery to be allocated 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.

5500 UNIVERSITY PARKWAY, SAN BERNARDINO, CA 92407-2393

ATTACHMENT A

2016-17 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	658	0	0	0	43,460	0	34,361	0	0	78,479
AA-Sponsored Programs	0	0	0	0	0	0	0	0	591,879	591,879
Auxiliary Human Resources	0	0	0	0	0	4,734	0	0	231,975	236,709
AF-Facilities Management	0	26,781	16,248	184,384	164,908	0	33,729	31,346	101,360	558,756
Building Maintenance	0	5,755	440	191	5,315	0	2,316	312	10,370	24,699
Custodial	0	9,386	12,424	0	1,064	0	554	0	62,157	85,585
Grounds	0	2,980	792	121,678	123,193	0	4,941	4,120	12,811	270,515
Heating & Air	0	2,257	850	0	1,473	0	2,966	21,388	3,548	32,482
Preventive Maintenance	0	2,026	1,060	62,515	32,113	0	19,520	5,526	8,184	130,944
Utilities	0	4,377	682	0	1,750	0	3,432	0	4,290	14,531
AF-Finance Areas	81,338	73,223	61,356	83,183	72,909	175,641	104,266	59,125	699,757	1,410,798
Accounting	7,434	18,779	26,938	22,171	31,345	5,015	15,342	8,783	19,711	155,518
Auxiliary Financial Services	66,526	0	0	0	0	160,984	80,708	42,618	657,105	1,007,941
Budget Office	6,048	4,808	6,411	6,411	6,411	5,322	6,411	6,774	6,411	55,007
Support Services	1,330	49,636	28,007	54,601	35,153	4,320	1,805	950	16,530	192,332
AF-Human Resources	0	23,080	32,622	23,565	16,265	0	0	3,604	0	99,136
AF-Payroll	0	4,199	6,241	13,892	4,830	0	0	10,045	0	39,207
AF-University Police	1,783	6,685	20,322	546,190	310,530	0	91,269	49,200	22,461	1,048,440
ITS	2,366	41,245	223,918	255,255	44,268	2,366	4,106	9,930	20,172	603,626
Student Affairs	79,998	14,831	153,488	138,839	0	0	101,712	37,464	0	526,332
Total Cost Recovery from Entities	166,143	190,044	514,195	1,245,308	657,170	182,741	369,443	200,714	1,667,604	5,193,362

*CEL reflects 25% reduction for Summer

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

Total Amounts to be Billed Quarterly in Arrears, September 2016-June 2017

Quarterly Costs:	41,535.75	47,511.00	128,548.75	311,327.00	164,292.50	45,685.25	92,360.75	50,178.50	416,901.00	1,298,340.50
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