California State University SAN MARCOS | CSUSM Corporation

Department:
Created: 11/9/96
Revision Date: 6/19/02
Name Change Revision Date: 2009; 7/1/17
Total Pages: 4
Approved by: Board of Directors

ADMINISTRATIVE COSTS RECOVERY POLICY

OBJECTIVE:

An administrative costs recovery fee will be charged to CSUSM Corporation accounts according to the type of account. Administrative costs are recovered for providing the following services:

Accounts Payable Processing
Accounts Receivable Processing
Annual Audit
Annual State and Federal Filing Fees for Non-Profit Organization
Automated Accounting
Billing and Collection Services
Cashiering
Check Preparation
Contract Preparation and Review
Expenditure Controls (Authorized Purchase through Purchase Order Control)
Banking Services
General Cash Administration
Insurance Costs
Monthly Bank Reconciliations
Legal Services
Payroll/Personnel Administration
Project Management Reports
Risk Management
Staff Support for Accounting Related Matters
Reporting to Regulatory Agencies (Chancellor's office, State of California, tax returns)
Workers' Compensation Program Administration

EXCLUSIONS:

This policy does not apply to scholarships, grant and contract accounts, unrestricted gifts or internal transfers from accounts which have already met other administrative fee or overhead recovery requirements.

CAMPUS PROGRAM ACCOUNTS:

Campus program accounts are established for the support of a specific campus programs or a department. Some examples of campus program accounts are: "I'm Going to College" Fund, College of Arts and Sciences, Center for Books in Spanish, etc.

A $25 fee will be charged to create a new campus program account in CSUSM Corporation.

An 8% fee is applied as funds are expended. Funds on deposit do not receive any interest

income. A minimum of $60 per account will be charged annually (in addition to the account origination fee).

SPECIAL PROGRAM AND EQUIPMENT ACCOUNTS:

Special programs accounts are campus program accounts established to facilitate short-term special programs or to purchase equipment only, and generally have few expenses. Some examples of special program accounts are: Elderhostel at Lawrence Welk Village, Pow Wow, etc.

Administrative fees will be determined by the CSUSM Corporation Executive Director on a case-by-case basis for special program accounts within the range of 3% to 8%, to be assessed on expenses.

AFFILIATED ORGANIZATION ACCOUNTS:

Organizations which have been approved as an "affiliated organization" of California State University San Marcos have been recognized to support the values, vision and mission of the University and may engage in collecting membership dues, events, and/or fundraising activities.

Affiliated organizations typically rely on volunteer efforts and support for their activities. Funds collected by or donated to these organizations will be deposited into a CSUSM Corporation account.

A $25 fee will be charged to create an account in the CSUSM Corporation.

A fee of 4% will be charged on expenditures for those accounts which have four or less events and 60 transactions or less per year, and have an average monthly balance of less than $10,000. Transactions include: deposit of funds, monthly payroll posting, check request, petty cash reimbursement, and purchase order.

An annual review of the level of activity will be conducted. Should the account exceed the expected level of activity or account balance, the fee will be increased not to exceed the 8% fee applied to other campus program accounts.

ENDOWMENT ACCOUNTS:

Endowment accounts are those accounts whose funds are restricted for expenditure either internally or externally by contractual obligation and are administered pursuant to CSUSM Corporation's Endowment and Investment Policies.

Endowment funds are invested by CSUSM Corporation and earned income is distributed quarterly. The earned income will be reduced by one percent (1%) of the principal amount of each endowment, calculated (average of a three-month market value) and distributed on a quarterly basis. The one percent will be deducted before distribution of the earned income.

The one percent recovered from endowments will be shared as follows:

Less than $5 million	CSUSM Corporation 100%
Between $5 -$10 million	CSUSM Corporation 75%; University Advancement 25%

Over $10 million	CSUSM Corporation 50%; University Advancement 50%

TRUSTS AND PLANNED GIFTS:

Trustee's fees for the management of investment portfolios will be calculated on market value of the trust assets. An annual fee of one percent (1%) will be distributed on January 1, based on the market value of the trust as of that date.

When CSUSM Corporation, as trustee or executor of a trust or will, is required to perform extraordinary services upon the death of a trustor/trustee or beneficiary, an additional fee of one percent (1%) will be assessed on the market value of the trust assets to offset the cost of extra services.

REAL PROPERTY GIFTS:

A fee is charged for acceptance, sale and/or management of real property. The amount and type of fee is based on the circumstances of each property gift. The fee structure is similar to those of banks and trust companies providing services for the general public.

Supplemental fees are applicable where CSUSM Corporation is involved in toxic waste matters, repair/improvement supervision, prolonged negotiations, litigation, condemnation proceedings and any other consulting services. Hourly rates for the Executive Director, Business Manager and all other CSUSM Corporation employees will be applied at prevailing hourly rate.

Actual costs for required outside professional services are charged directly to the project based on actual services performed.

CAPITAL GIFTS:

Direct costs for CSUSM Corporation services will be included in the Capital Project.

GIFTS—OTHER:

Gifts other than cash or securities which require extraordinary services will be analyzed on a case-by-case basis and may be subject to supplemental fees in order to recover the cost of acceptance, sale, and/or management of such gifts. In such cases, the Executive Director will seek approval from the Finance/Operations Committee to assess supplemental fees.

CSUSM Corporation will review the policy on an annual basis.