

**COST ALLOCATION/REIMBURSEMENT PLAN FOR THE CSUSM
OPERATING FUND**

Procedures

Implementation Date: July 1, 2012

Updated: March 26, 2025

Definition: The Cost Allocation/Reimbursement Plan for the CSUSM Operating Fund has been rescinded. CSUSM follows the policy of the CSU which may be found at <https://calstate.policystat.com/policy/8543151/latest>

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I. Scope

- A. For purposes of the CSU San Marcos Cost Allocation/Reimbursement Plan for FAS, non-Operating Fund entities include the following auxiliary organizations and enterprise programs (AO&EP):
1. Auxiliary Organizations (AO)
 - a) Associated Students, Inc.
 - b) San Marcos Corporation, Inc. Housing
 2. Enterprise Programs (EP)
 - a) Extended Learning (PaCE)
 - b) Parking Services
 - c) Parking Fines
 - d) Student Health Services
 - e) Mental Health
 - f) Student Augmented Health Services
 - g) Institute for Palliative Care
 - h) Campus Recreation
 - i) Clark FieldHouse
 - j) Student Union
 - k) Sports Center
 - l) Athletics (for NCAA Reporting purposes)
- B. For cost reimbursement for FAS personnel and related to MOUs, a separate calculation is completed to be included in the MOUs for CSUSM Associated Students Inc, CSUSM Foundation, and CSUSM Corporation.
- C. Project Management Fees are not included in this process.
- D. Costs associated with chargebacks are not included in this procedure.
- E. Reimbursements to Academic Affairs, Student Affairs, and the President's Office from Extended Learning (PaCE) learning are not included in this plan.

II. Documentation

- A. This procedure covers the steps necessary to reimburse the universities Operating Fund for the services provided to non-Operating Fund entities, AO&EP. It utilizes various methodologies to measure an entity's use of Operating Fund resources. In any given instance, the method used was determined to be the best combination of a fair, reasonable, and replicable approach. Methodologies used, as well as a sample Cost Allocation/Reimbursement Plan Worksheet, are included in Appendix A.
- B. Certain AO&EP have Leases, Operating Agreements, and/or Memoranda of Understanding (MOUs), with the Trustees/University. These documents describe the

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various Operating Fund facilities, goods, and services provided to them and the method (direct or indirect) of calculation for the reimbursement to the Operating Fund. All approved Leases, Agreements and MOUs are subsumed into this Cost Allocation/Reimbursement Plan – see Appendix A.

- C. Some services provided to the AO&EP that are of a direct nature are recharged (university Chargebacks) using a campus approved recharge rate, e.g., telephone, postage, electronic mail, non-maintenance services, etc. All approved recharges are subsumed into this Cost Allocation/Reimbursement Plan – see Appendix A.
- D. The annual approval of this plan is sent to persons with DOA over this process which currently resides with the AVP of BFS.

III. Services Provided by the Operating Fund to the AO&EP - Indirect Costs**A. Finance & Administrative Services (FAS)**

- 1. Vice President, Finance and Administrative Services (VPFAS) - responsible for promoting the campus strategic priorities by providing financial and regulatory guidance.
- 2. Risk Management & Safety – provides risk analysis, environmental, health, and safety review and services to the campus.
 - a) Risk Pool/Insurance – The University is self-insured through the CSU Risk Management Authority (CSURMA). CSURMA provides liability insurance, workers compensation coverage, property insurance, and other forms of coverage to the University. The costs of participating in the risk pool are allocated to the AO&EP.
 - i. Note: San Marcos University Corporation and Associated Students, Inc. are insured through the CSU Risk Management Authority (CSURMA) Auxiliary Group Purchase Insurance Program (AGPIP) and therefore are not subject to this Cost Allocation/Reimbursement Plan.
- 3. Procurement, Contracts and Support Services - improves the quality of services provided to the campus departments while reducing the total cost of goods and services.
- 4. Accounts Payable – provides payment services

B. Business and Financial Services (BFS)

- 1. Business and Financial Services/AVP – responsible for providing financial and administrative support to the AO&EP.
- 2. Financial Systems Operations (FSO)- responsible for processing and recording accurate and timely financial information to be used for reporting, management and decision making. Responsibilities also include upgrades and maintenance of CMS Finance and Student Financials modules.

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3. Student Financial Services (SFS) - responsible for payroll warrant distribution, university fee payments, cash handling, student collections, student emergency Loans, and Financial Aid disbursement.
4. Fiscal Services – provides accounting support to ensure compliance and accurate reporting. Responsibilities include accounting, tax, and financial reporting.
5. Budget Office – provides a financially stable environment to maintain current service levels and preserve campus assets.

C. Human Resources & Payroll Services (HRPS)

1. Associate Vice President/Human Resources & Payroll Services –addresses policy and operational issues to ensure that Human Resources and Payroll Services support the campus community.
2. Human Resources & Equal Opportunity (HREO) - responsible for planning, developing, establishing and maintaining a broad range of programs and policies including recruitment, selection, classification, training, salary administration, employee relations and compliance with Federal and State laws.

D. Facilities Development & Management (FDM)

1. FDM Administration – responsible for the planning, design, construction, and maintenance of the campus' physical plant.
2. Building Maintenance – includes heating and air conditioning Electrical and Plumbing services for all the CSUSM buildings.
3. Custodial Services - maintains the cleanliness for all the CSUSM buildings and grounds and handles the recycling program for the campus community.
4. Facility services - usually charged via work orders or MOUs that include chargeable salaries, benefits and an appropriate overhead rate plus actual materials used. Costs for utilities are either metered separately or estimated based on square footage occupied by the auxiliary and are outlined in an MOU.
5. Grounds Maintenance – maintains the landscaping in and around all of the CSUSM buildings.
6. Central Plant - responsible for maintaining the control system for heating and cooling in all campus buildings, fire sprinkler systems, HVAC, domestic water and other utilities.
7. Planning, Design and Construction - develops the Capital Outlay Proposal and manages all new building designs through the development and implementation of the CSUSM Campus Master Plan. Monitors all construction efforts.

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8. Sustainability and Utility – responsible for reducing the campus use of non-renewable resources and increasing energy efficiency.

E. University Police & Emergency Management

1. University Police - services associated with an AO&EP are normally direct costs and are recovered via an MOU or an event request for these organizations. Recovered costs include salaries and benefits for officers , and other operating costs, supporting the needs of these organizations.
2. Emergency Management –identifies and has implemented the campus emergency planning program and response policies and procedures.
 - a) Emergency Operations Center – includes Business Continuity Planning.

IV. Exchange of Value

In order for exchange of value to take place (see CSU policy 3552.01 Section 101), a written request is submitted to the Vice President, Finance and Administrative Services, identifying the services, goods, and/or facilities exchanged and the dollar value.

V. Annual Review

The Cost Allocation/Reimbursement Plan will be reviewed on an annual basis and approved by the AVP of Business and Financial Services, to ensure that all costs incurred by the Operating Fund applicable to the AO&EP are reimbursed. This review will be conducted by Business and Financial Services and completed each year to facilitate the incorporation of the cost allocation in the AO&EP budget plans for the following year.

As a practical expedient and to promote consistency and stability for auxiliary enterprise cost of operations, indirect costs figures may be determined on a biannual basis for functions not experiencing significant financial or organizational changes. For these functions, cost allocation for the second year of the biannual period may be derived by taking year-one costs plus an appropriate inflationary escalator.

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APPENDIX A

The calculation used to determine the cost of the services provided by the Operating Fund to the AO&EP will be the FAS department’s actual expenses as of June 30 of the prior year. For example, June 30, 2024 department actual expenses will be the base that is used to determine AO&EP cost allocations for FY 25/26.

Following are the various methodologies used to measure AO&EP use of Operating Fund Resources:

1. **FTEs** – FAS department expenditures divided by total campus FTE equals the per employee cost. Per employee cost is then multiplied by the AO&EP total FTE for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total FTE	Per Emp Cost (A÷B)	AO&EP Total Emp	Total Cost Allocation (Cx D)
500,000	1,000	500	25	12,500

2. **Journal Lines/Budget Journal Lines** – FAS department expenditures divided by total manual journal lines processed equals the per line cost. Per journal lines cost is then multiplied by the AO&EP total journal lines processed for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total Journal Lines	Per Journal Lines Cost (A÷B)	AO&EP Tot Journal Lines	Total Cost Allocation (Cx D)
700,000	15,000	47	50	2,333

3. **Mail/Packages** – FAS department expenditures divided by total pieces of mail/packages processed equals the per piece cost. Per mail/package cost is then multiplied by the AO&EP total pieces of mail/packages for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total Pieces of Mail/Pkg	Per Pieces of Mail/Pkg Cost (A÷B)	AO&EP Tot Pieces of Mail/Pkg	Total Cost Allocation (Cx D)
900,000	100,000	9	50	450

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4. **Requisition Lines** – FAS department expenditures divided by total number of requisition lines processed equals per transaction cost. Per requisition line is then multiplied by the AO&EP total requisition lines for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total Requisition Lines	Per Req Line Cost (A÷B)	AO&EP Tot Requisition Lines	Total Cost Allocation (Cx D)
400,000	2,500	160	100	16,000

Procurement Expenses for Contracts – FAS department expenditures multiplied by 2% for the total cost allocation for Parking and Health Services.

A	B
FY XX-XX FAS Actual Exp Fund 48500	2% of FAS Actuals Expenses (Ax2%)
600,000	12,000

5. **PeopleSoft System Users** – FAS department expenditures divided by total number of PeopleSoft system users equals per user cost. Per system users is then multiplied by the AO&EP total system users for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total Users	Per Users Cost (A÷B)	AO&EP Tot Users	Total Cost Allocation (Cx D)
300,000	300	1000	5	5,000

6. **Invoices** – FAS department expenditures divided by total invoices processed equals the per invoice cost. Per invoices processed is then multiplied by the AO&EP total invoices processed for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total Invoices	Per Invoices Cost (A÷B)	AO&EP Tot Invoices	Total Cost Allocation (Cx D)
1,000,000	25,000	40	30	1,200

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- 7. **Square Footage** – FAS department expenditures divided by the total assigned square footage equals the per square foot cost. Per square foot is then multiplied by the AO&EP total square feet for the total cost allocation.

A	B	C	D	E
FY XX-XX FAS Actual Exp Fund 48500	Univ Total Square Footage	Per Square Footage Cost (A÷B)	AO&EP Tot Square Footage	Total Cost Allocation (Cx D)
100,000	550,000	0.18	50	9

- 8. **Police** – FAS department expenditures divided by the total campus population (combined student and employee population) to derive at a per capita cost. Per capita cost is then multiplied by the AO&EP total population.

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APPENDIX A (Cont.)

June 30, 2024 calculation methods for FY 25/26 AO&EP cost allocation:

Dept #	Method	Department Name	Calculation - FY 23/24 FTE, Documents, Sq ftg	FY 23/24 Actual Exp Fund 48500
FINANCE AND ADMINISTRATIVE SERVICES				
1051	(1)	Vice President's Office	Employee FTE - \$1,629,721/1,522 = \$1070/employee	1,629,721
1070	(1)	Risk Management and Safety	Employee FTE - \$1,218,934/1,522 = \$801/employee	1,218,934
1062	(1)	Environmental Health & Safety	Employee FTE - \$265,048/1,522 = \$174/employee	265,048
1394	(1)	FAS Risk Management	Employee FTE - \$342,167/1,522 = \$225/employee	342,167
1395	(1)	FAS Sustainability	Employee FTE - \$342,167/1,522 = \$225/employee	301,349
1410	(1)	FAS Internal Audit	Employee FTE - \$180,565/1,522 = \$119/employee	180,565
				3,937,784
BUSINESS AND FINANCIAL SERVICES				
1041	(2)	Accounting	Manual & CB Journal Lines - \$2,008,260/218,640 = \$9/line	2,008,260
1042	(3)	Distribution/Mail Services	Pieces of Mail - \$520,732/47,683 = \$11/piece	520,732
1044	(1)	Student Financial Services	Per Capita - \$1,277,334/17,162 = \$74/person	1,277,334
1049	(6)	Financial Systems Operations	Users - \$392,764/729 = \$539/user	392,764
1047	(4) & (5)	Procurement Services	Requisition Lines - \$1,413,796/20,017 = \$71/line 2% of Procurement total expenses allocated to Parking Adm/Health Svcs	1,413,796
1080	(2)	Budget Office	Manual Budget Journal Lines - \$1,300,010/43,110 = \$30/line	1,300,010
1124	(7)	Accounts Payable	Invoices - \$784,453/58,673 = \$13/invoice	784,453
				7,697,348
HUMAN RESOURCES AND EQUAL OPPORTUNITY				
1046	(1)	Payroll	Employee FTE - \$918,642/1,522 = \$603/employee	918,642
1064	(1)	Human Resources and Payroll Services	Employee FTE - \$2,513,909/1,522 = \$1651/employee	2,513,909
1418	(1)	Staff Center	Employee FTE - \$164,884/1,522 = \$108/employee	164,884
				3,597,435
FACILITIES DEVELOPMENT AND MANAGEMENT				
1054		FDM Building Maintenance	N/A -chargebacks and MOUs	2,951,449
1055		FDM Custodial Services	N/A -chargebacks and MOUs	3,966,987
1056	(8)	FDM Facility Services	Square Footage - \$783,607/864,874 = \$0.91/sq ft	831,514
1057		FDM Grounds Maintenance	N/A -chargebacks and MOUs	607,934
1058		FDM University Vehicles	N/A -chargebacks	609,856
1059	(8)	FDM Central Plant Operations	N/A -chargebacks	2,371,975
1117	(8)	FDM Plan/Design/Const Office	Square Footage - \$1,506,127/937,666 = \$1.61/sq ft	1,506,127
1192	(8)	FDM Administration	Square Footage - \$1,495,566/937,666 = \$1.59/sq ft	1,495,566
1276	(8)	FDM Energy Mgmt & Utility Svcs	Square Footage - \$235,714/937,666 = \$0.25/sq ft	235,714
1334	(8)	FDM Plumbing & Electrical Svcs	N/A -chargebacks	1,255,739
				15,832,863
UNIVERSITY POLICE & EMERGENCY MANAGEMENT				
1072		University Police	Per Capita - \$4,352,832/17,162 = \$254/person	4,352,832
1163	(1)	POL Emergency Management	Employee FTE - \$458,452/1,522 = \$301/employee	458,452
1256		FASCWA Emergency Operations Center	Employee FTE - \$5,396/1,522 = \$4/employee	5,396
				4,816,680
TOTAL COST ALLOCATED				35,882,109