



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ADMINISTRATIVE POLICY MANUAL

Finance & Administration

Approved By: Richard R. Rush
President

Policy Number: FA.01.003

Effective Date: 7/1/11

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Policy on Chargebacks

PURPOSE:

To appropriately reimburse the Operating Fund for expenses incurred in providing materials and services to non-state supported entities; and in providing materials and services beyond repair and maintenance to all entities. In addition, to appropriately reimburse campus units operating with funds outside of the Operating Fund for expenses incurred in providing materials and services to an entity operating within any other fund group.

BACKGROUND:

Operations, Planning & Construction (OP&C) and Academic & Information Technology (A&IT) receive operating funds for routine maintenance and baseline services from the CSU Operating Fund. In addition, any modification, alteration, or addition to the physical structure of any University facility or its environs or grounds must be performed by OP&C, or under its supervision. This is necessary to insure compliance with applicable codes and University standards. Likewise, any alteration to campus information technology systems must be performed by A&IT or under its supervision to insure compliance and compatibility with installed systems. OP&C and A&IT do not receive operating funds for non-maintenance work. A&IT supports core operations, but some changes are considered outside the scope. (See exhibit D). Requests for non-maintenance work, non-routine services, work beyond the program schedule, or for work performed for auxiliary entities must be reimbursed by the requesting party.

POLICY:

Accountability:

The Vice President for Finance and Administration shall be responsible for establishing cost recovery rates for direct and indirect costs; including costs for internal and external entities. The Vice President for Finance and Administration may delegate responsibility for tracking, accounting, and invoicing.

Applicability:

The policy applies to all campus administrative and academic units; auxiliary organizations. This will also apply to any tenants; or external organizations which request facility services.

Definition(s):

A&IT (Academic & Information Technology): A campus division that provides leadership in the selection, development, implementation and support of information technology. This includes hardware



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and software systems; connectivity and cabling; audio/visual technologies for instruction and events; and ancillary devices and systems.

Auxiliary organizations: For purposes of this policy, auxiliary organizations include the 501(c)3 corporations that support the campus, the public entities created to support the campus and those campus activities which are not supported by state funds and are expected to generate adequate revenues to cover their costs and provide for reserves. A complete list of qualifying organizations/ activities is included in Exhibit A.

Chargeback: Financial transaction to reimburse A&IT and OP&C for goods or services provided.

Chargeback Center: An organizational unit that provides good or services and charges for the goods or services.

CMMS: Computerized Maintenance Management System (currently WebWork™ in OP&C and TrackIt in IT)

Direct Costs: Costs that can be readily assigned to a particular cost objective with a high degree of accuracy. These costs include the salaries/wages and fringe benefits of staff directly involved in providing the good or service, as well as materials and supplies, services, equipment rental or depreciation.

Equipment: An item of tangible property having a useful life exceeding one year and an acquisition cost of \$5,000 or more.

Indirect Costs: All costs that cannot be specifically identified with a good or service provided by a Chargeback Center. These costs typically include management/supervisory personnel; equipment, tools, and expendables; transportation, etc. Indirect costs do not have a direct relationship to the production actually being done but are related to the ability of the department to perform work.

Operations and Maintenance: Activities required for ongoing, routine operations and maintenance of a building and/or systems. Operations and maintenance activities include the routine work necessary to keep state-supported facilities, utility and telecom infrastructure, roads and grounds in good repair, appearance and operating condition. This work includes maintaining, operating, and repairing utility systems, e.g. electricity, plumbing, gas, heat, ventilation, air conditioning, water sewage, and elevators.



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It also includes maintaining and repairing basic components of campus buildings, grounds, and systems, e.g. foundations, walls, roofs, stairs, ceilings, floors, floor coverings, doors, windows, hardware, hardscape, softscape, sidewalks, streets, and ancillary facilities or equipment that support basic building operations, and routine custodial services.

OP&C (Operations, Planning, & Construction): A campus division that provides leadership in the planning, design and construction of new and renovated facilities, ongoing support in the repair and maintenance of existing facilities, and custodial and grounds providing ongoing care and upkeep of campus facilities

Text:

CSU Executive Order 847 (EO 847), dated January 10, 2003, defines Facility Maintenance on the campuses, establishes requirements for maintenance and operation of state-supported facilities, and indicates that campus operating fund operations shall be reimbursed actual direct costs plus indirect costs associated with requested non-maintenance services provided by the facilities department. CI maintenance operations are managed by Operations, Planning and Construction (OP&C).

OP&C

OP&C provides services to the campus and is funded by operating funds. Non-maintenance services to state-funded units and all services to auxiliary units shall be reimbursed to OP&C on a chargeback basis covering both the direct and indirect costs of service provided.

Examples of services subject to chargeback are included on Exhibit B. Fixed prices may be established annually for specific, defined tasks. Most requests for services or work are not easily defined and vary by project. These will be charged materials and labor (including burdened wage rates, and indirect costs) established annually by California State University Classification Standards <http://www.calstate.edu/HRAdm/Classification/index.shtml>. See Exhibit C for Chargeback Rate Development Worksheet. OP&C maintains a computerized maintenance management system (CMMS) to accurately track labor and materials for all projects. This CMMS provides complete detail for all OP&C work, and is the basis for compiling chargeback costs for all OP&C projects.

A&IT

Academic & Information Technology (A&IT) provides leadership in the selection, development, implementation and support of information technology. Certain services to state-funded units, identified



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in Exhibit D, and all services to auxiliary units shall be reimbursed to A&IT on a chargeback basis covering both direct and indirect costs.

Examples of services subject to chargeback are included on Exhibit D. Fixed prices will be established annually for specific, defined tasks. These may include voluntary moves or network changes. Other tasks, that are not so easily defined and vary by project, will be charged materials and labor (including burdened wage rates, and indirect costs). A&IT maintains a computerized work order program (TrackIt) for recording, monitoring, collaborating and resolution of work order tickets. A&IT also utilizes an on-line service for managing invoices online, preparing estimates, tracking expenses, preparing reports and storing data.

Sponsored grants and contracts will not be charged for routine maintenance and baseline services as such costs are already included in the Federal overhead calculation. Further, the indirect cost component for any non-maintenance, non-routine work by either OP&C or A&IT will not be charged because such overhead is contemplated in the Federally negotiated overhead rate. This exception applies even if the specific grant or contract does not pay the full overhead rate.



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EXHIBIT(S):

Exhibit A: Auxiliary organizations / activities for purposes of this policy

501(c)3 corporations

- Associated Students, Inc.
- California State University Channel Islands Foundation
- University Glen Corporation

State public entities

- California State University Channel Islands Site Authority
- California State University Channel Islands Financing Authority

Auxiliary activities within the campus:

- Athletics
- Extended university
- Student housing
- Parking



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Exhibit B: Types of OP&C Services Subject to Chargeback (includes, but not limited to)

Automotive Services

- Parts and labor for repair and maintenance of all state-owned and auxiliary vehicles, including regularly scheduled maintenance to insure safe operation.

Building Service Engineers

- Miscellaneous contracted services on request
- Contracted engineering services for auxiliary organizations, tenants and external parties
- State fees for licensing and inspections to be billed at direct cost.

Custodial Services

- Custodial care for auxiliary organizations, tenants and external parties, when applicable custodial services exceeding campus standards
- Special requests for floor or carpet care (generally only applies to special events or negligence)
- Service requests requiring OP&C staff to perform additional services beyond normal operations. Note: this may include state fire marshal requirements for fire watch; overtime when required work falls outside normal work week for that staff member.
- Event setup, takedown, and cleanup for all events that may include tables, chairs, installation of staging or platforms, and additional cleaning necessitated by the event. Note: this may include state fire marshal requirements for fire watch; overtime when required work falls outside normal work week for that staff member.

General Maintenance

- Maintenance and repair in auxiliary organizations, tenants and external parties

Grounds

- Grounds and field maintenance for auxiliary organizations
- Pest control for auxiliary organizations
- All additional grounds work, cleaning, and setup for events including trash cans, liners, trash pickup, and required deliveries



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Hazardous Materials generated by grant and contract funding

- Work completed internally will include salary surcharge as mandated in Collective Bargaining Agreement MOU, as well as labor rates.
- Outside vendor services will be cost of contract, including testing, inspection, and abatement.

Lock Shop

(see CI Policy on Campus Locks & Keys, FA.40.002)

- All key needs for auxiliary organizations, tenants and external parties
- Duplicate or lost key replacement
- Changes in door locks, including the re-keying of locks that are otherwise functional and sound.
- Re-keying a building because of lost keys.
- New electronic locks or specialized door hardware.

Painting

- Service painting request for auxiliary organizations, tenants and external parties
- Interior painting requests beyond standards (generally 12 year refresh)

Parking Lot Services

- Maintenance of campus roads and sidewalks are provided as baseline services. Maintenance of campus parking lots and structures, including roads or sidewalks within parking area are not a baseline service. Parking lot maintenance and other parking lot services, including trades such as electrical and plumbing, are provided by OP&C subject to chargeback.

Testing, Inspection and Certification Services

- Periodic inspection, testing and certification for auxiliary organizations including elevator inspection load testing, permits and certification; fire marshal inspection; county and regional reviews as required; backflow testing; and sewer inspection and cleaning.

Trades

- Maintenance, repair or alterations for auxiliary organizations
- Construction, installation and/or dismantling of cabinetry, shelving, furniture, bulletin boards, white boards, and the relocation of such items. This shall include seismic bracing for new and relocated items more than 60" in height.



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- Any space change alterations or remodeling of the building structure, its hardware or mechanical and electrical systems.
- Installation and securing of pictures, bookcases, murals, projectors, screens, all computer components, televisions microwaves, and similar equipment.
- Maintenance, repair, relocation or disposal of departmental equipment and apparatus such as auto claves, water distillers, icemakers, freezers, refrigerators, athletic equipment, theatre, or production equipment including lighting and staging equipment.
- Personalized office signage.
- Personal nameplates, office hour signs, special office directional and information signs (permanent building signage is baseline maintenance).
- Repairs to facilities resulting from departmental neglect and misuse.

Special Note: Whenn any room, space or building is being repurposed, many of the costs including construction management costs incurred and will need to be funded as those types of costs are not covered in the general Operating Budget.



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Exhibit C: OP&C Chargeback Rate Development

The chargeback rates for OP&C include direct and indirect costs. Materials will be charged as direct costs, and labor charges will include direct and indirect costs. The markup rate for indirect costs will be established annually based on the following:

Labor Rate Totals

Total of all salaries for facilities and operations workers, and one-half the salaries of represented leads and supervisors. This will include salary rates with benefits. This salary total = "A".

Support Expense Totals

Total of expenses needed to support workers noted above. This will be calculated using salary rates with benefits. Expenses include 100% of safety coordinator, work center staff, and maintenance stores staff; and 50% of leads/supervisors, administrative support, and managers supporting these workers. Additional expenses will include CMMS software and maintenance, and miscellaneous costs, such as vehicles, small tools, incidentals, uniforms. This support expense = "B".

Indirect Markup Rate for OP&C Labor on Chargeback Work

Total support expense divided by workers' salary total (=B/A)



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Exhibit D: Types of A&IT Services that may be charged to every client:

Phones

- Cisco IP Phones and related accessories
- Cisco IP Conference Phones
- Replacement phones (not charged for phones that fail under normal use)
- Fax Line
- Additional Phone Number

Non-routine Services such as:

New (Extra) Network Drops

- Installation of new or additional network drops in work spaces or instructional spaces.

Network Changes

- Requests to move network port from one wall to another in a work space.

Employee Moves and Services requiring movement of equipment and/or network services.

- Disconnecting computer and/or telephone equipment and installing/connecting at a new location.

Event Support Services

- Non-emergency technical, media, or audio-visual (A/V) services outside of standard working hours; e.g. staff provided in support of a special event on evenings or weekends.
- Technical, media, or A/V services provided at any off-campus location.
- Support for any event held by an external entity (e.g. a professional or civic organization), even if co-sponsored by a campus organization.



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Telephone

- Line moves
- Instrument Move single or multi
- Line Swaps
- Number changes
- Voicemail (new set-up)
- Special Equipment
- Telephone Network Maintenance and Repair

Network Infrastructure Services

- Ethernet Connection (Existing Cabled Location)
- Ethernet Connection (Cable Install Required)
- Network Cable (Wall to Device)
- Network Connectivity (Ports)
- Network Maintenance and Repair

Media Services (no equipment loaned out without the presence of an A&IT staff member)

- Audio Equipment
- Projection Equipment
- Video Equipment
- Miscellaneous Equipment

Web Services

- Graphic Design
- Web Application Development and Programming
- Web Content Development and Maintenance



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Desktop User Services

- Imaging and setting up new computers
- Setting up new printers.
- Equipment moves
- Computer Repair and troubleshooting
- Peripheral
- Audio-Visual Equipment Troubleshooting and repair.
- Dedicated desktop technician on site e.g. for a special event.

Programming Services – Applications Solutions Group

- Create extracts and reports
- Set up automated transfer of data
- Create special web views
- Customize software
- Create custom reporting