



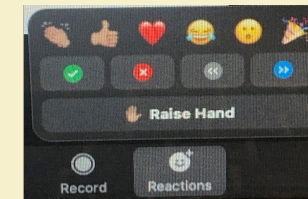
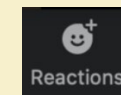
SAN FRANCISCO
STATE UNIVERSITY

University Budget Committee

Thursday, September 23, 2021

Welcome!

- Members: please “rename” yourself as “Member, Name”
- All: Please use the “raise hand” function for questions, under Reactions
- Public forum is at approx. 11:40 a.m.
- We will do our best to address questions posted in the Chat
- Today’s presentation will be posted to the UBC webpage later today



Photos courtesy of
SF State's Golden Gate Express
and Youtube



Welcome from UBC co-chairs

Jennifer Summit
Provost & Vice President
Academic Affairs

Jeff Wilson
Vice President & CFO
Administration & Finance

Today's Agenda:

- | | | |
|----|---|------------------------|
| 1. | Welcome | UBC Co-Chairs |
| 2. | Member rollcall | UBC Staff |
| 3. | Minutes Approval (August 26) | VP Summit |
| 4. | President's Message | President Lynn Mahoney |
| 5. | Transparency topic:
Chargebacks Part 1 | VP Wilson |
| | – Member Dialogue (10 mins.) | |
| 6. | Updates/Informational Item: (none at this time) | |
| 7. | Presentation:
Indirect Cost (IDC) Recovery | |
| | – Overview, proposed UBC Workgroup | VP Summit/VP Wilson |
| | – Member Dialogue (10 mins.) | |
| 8. | Action Item:
UBC IDC Workgroup | VP Summit |
| | – Member Dialogue (10 mins.) | |
| | – Public comment (10 mins.) | |
| 9. | Public Forum | ALL |

UBC Steering Committee 2021-2022

- | | | |
|----|--|--|
| 1) | Dean of College or Library: | Eugene Sivadas, Dean, Lam Family COB |
| 2) | One Staff representative: | Mary Menees, Staff, Division of Graduate Studies |
| 3) | One Student representative: | Joshua Ochoa, Student/President, Associated Students |
| 4) | One Faculty representative: | Genie Stowers, Faculty, PACE |
| 5) | One other voting member
(staff, faculty, or student): | Teddy Albiniaak, Staff, Academic Senate Chair |

Ways you can dialogue with UBC and share your thoughts:

1. **UBC meetings:** attend and participate in the public forum
2. **Office Hours:** virtual UBC member/peer-hosted Office Hours –
(dates on next slide are also posted to the UBC webpage)
1. **By email:** ubc@sfsu.edu (will be shared with Steering Committee)
2. **Personally:** Reach out to a member you may be most comfortable with and they can share their knowledge or bring your input back to the UBC
3. **UBC webpage “Feedback” button:**

<https://adminfin.sfsu.edu/ubc>

University Budget Committee

Purpose of the Committee:
The University Budget Committee (“UBC”) is charged with serving as a deliberative body that provides the San Francisco State University President with ongoing advice and recommendations related to budget policy, planning, and assessment. The UBC aims to ensure that the University’s priorities are reflected in its budget through coordinated consultation, discussion, education, and outreach to the University community. The UBC is comprised of SF State faculty, staff, students and administrators. Members of the UBC, with a shared commitment to transparency in fiscal decision-making, serve to inform the University and community about budget matters, and bring concerns of the students, faculty and staff to the administration.

The UBC generally meets monthly, and holds additional meetings as needed. Meeting dates are posted below and published in CampusMemo. All meetings are open to the public.

Future UBC Meetings
All UBC meetings are held via Zoom until further notice:

- Feb 25, 2021, Thursday, 9:00 am - 12:00 pm via Zoom
- March 18, 2021, 1:00 pm - 3:00 pm via Zoom
- Apr 29, 2021, Thursday, 10:00 am - 12:00 pm via Zoom
- May 20, 2021, Thursday, 10:00 am - 12:00 pm via Zoom
- Jun 17, 2021, Thursday, 10:00 am - 12:00 pm via Zoom

UBC meetings are open to the campus community. Dates and times are subject to change. If you wish to attend a meeting as a guest, or have other questions about the UBC, please email ubc@sfsu.edu.

University Budget Committee Charge

- UBC Charge (as of 9.16.20)

Commitment to Budget Transparency



We want to hear from you
Submit feedback and questions about the university budget

[Feedback and Questions](#)

UBC Office Hours – Fall 2021

- *typically day after each UBC meeting*
- *For Staff (September hosts Mary Menees and Dylan Mooney)*
- *For Faculty & MPPs (September hosts Michael Goldman and Teddy Albiniaak)*
- *Students should contact Joshua Ochoa, AS President for dates/times*

UBC Meeting:

- Thursday, September 23rd
- Thursday, October 28th
- Thursday, November 18th
- Thursday, December 16th

UBC Office Hour:

Friday, September 24th (tomorrow)

Friday, October 29th

Friday, November 19th

Friday, December 17th

RSVP to: ubc@sfsu.edu

Presidents Message:

President Lynn Mahoney

Transparency Topic:

Chargebacks (Part 1)

Jeff Wilson

Vice President & CFO
Administration & Finance

Chargebacks

Contents

1. Context
2. Introduction
3. SF State chargebacks
4. Next steps

Chargebacks

1. Context

- This topic originated from one of the UBC's office hours events from 2020-2021.
- Today's presentation is informational.
- Chargebacks are one form of cost recovery.
- Applicable CSU Policy: *Cost Allocation / Reimbursement Plans for the CSU Operating Fund* (Policy ID 8543151)
- Primary focus is intra-general fund chargebacks with some notes about self-support units.

Chargebacks

2. Introduction

- A **chargeback** occurs when one University unit provides a good or service to another University unit and seeks to recover the **cost** of the good or service
- Why are chargebacks necessary?
 - General fund units must recover costs from non-general fund units
 - To conserve scarce resources
 - To promote optimal use of departmental resources
- Chargebacks are not intended to create “profit”

Chargebacks

Introduction

Non-general fund units: Self-support auxiliaries (Housing, Parking, Student Health Center, Mashouf Wellness Center); separate 501c3 auxiliaries (Associate Students, Foundation, University Corporation); Trust funds; Grants and Contracts

“It is the policy of the California State University (University) that campus Presidents ensure that costs incurred by the CSU Operating Fund for services, products, and facilities provided to CSU enterprise programs/activities/funds, auxiliary organizations and entities external to the university are properly and consistently recovered...”

CSU Policy: Cost Allocation/Reimbursement Plans for the CSU Operation Fund

Chargebacks

Introduction

Intra-general fund chargebacks are when general fund unit recovers costs from another general fund unit.

Scenario 1

One general fund unit requests goods and/or services above the basic, general services another unit is funded (i.e. budgeted) to provide.

Scenario 2

The campus decides that specific programs, services, or goods should not be funded centrally but funded via a chargeback model to align unit costs with unit consumption.

Chargebacks

Introduction

Intra-general fund chargebacks (continued)

Scenario 3

A unit offers “premium” services and/or goods to the campus on a chargeback model.

Scenario 4

A unit purchases services and/or goods on behalf of other units and seeks recovery for the costs (technically this is not a chargeback but a cost reassignment; often referred to as chargebacks)

Chargebacks

Introduction – Intra-general fund chargebacks

Scenario 1

One general fund unit requests goods and/or services above the basic, general services another unit is funded (i.e. budgeted) to provide.

Basic, general goods and services	Chargeback goods and services
Baseline goods and services necessary for normal operations and functions, health and safety, and standard maintenance and cleanliness.	Goods and services above baseline goods services.

Chargebacks

Introduction – Intra-general fund chargebacks

Scenario 1 (continued) - examples

Basic, general goods and services	➡	Chargeback goods and services
Offices are painted every five years, as needed	➡	Department requests office be painted in year two of five year cycle
Campus Safety provides safety and security service for campus	➡	Department hosts special event that requires dedicated Campus Safety presence
Door lock with key is operating and functioning as designed	➡	Department request touchpad, keyless door lock

Chargebacks

Introduction – Intra-general fund chargebacks

Scenario 2

The campus decides that specific programs, services, or goods should not be funded centrally but funded via a chargeback model to align unit costs with unit consumption.

Unit-level consumption is measurable, identifiable, and verifiable	Unit-level consumption is <u>not</u> reasonably practical to measure, identify, and verify
<ul style="list-style-type: none">• In-office printing and copying	<ul style="list-style-type: none">• Utilities
<ul style="list-style-type: none">• Risk management (special event insurance)	<ul style="list-style-type: none">• Risk management (insurance premiums)
<ul style="list-style-type: none">• Background checks for new employees	<ul style="list-style-type: none">• DocuSign

Chargebacks

Introduction – Intra-general fund chargebacks

Scenario 3

A unit offers “premium” services and/or goods to the campus on a chargeback model.

Unit	Example of service and/or goods
Engineering	Offers use and after hours support of equipment for non-instructional purpose
Facilities	Removes existing wall art, patches holes, and hangs new wall art
Theater	Provides after hours production and technical support for non-instructional related production

Chargebacks

Introduction – Intra-general fund chargebacks

Scenario 4

A unit purchases services and/or goods on behalf of other units and seeks recovery for the costs (technically this is not a chargeback but a cost reassignment; often referred to as chargebacks)

Example

- | | |
|---|--|
| 1 | Accounting Office and Budget Office share office supplies. |
| 2 | Accounting Office orders office supplies for both offices. |
| 3 | Accounting Office assigns a portion of office supplies costs to Budget Office. |

Chargebacks

SF State chargebacks

Primary units “charging back” to other units: Facilities, Mail Services, Reprographics, Telecommunications

Primary examples of chargebacks: Telecommunications, Custodial Services, Mail Services, other Facilities Services, Campus Insurance Program (for events and international travel)

Chargebacks

SF State chargebacks

Category	2018 – 2019	2019 – 2020	2020 - 2021
Telecommunications	\$505,996	\$516,310	\$556,432
Custodial Services	150,364	206,716	191,748
Mail Services	158,598	119,023	166,062
Reprographics	488,483	385,471	38,979
Other Facilities Services	194,093	299,582	137,400
Insurance Program	60,225	40,022	27,739
Other	8,359	16,595	865
Total intra-general fund chargebacks	1,566,118	\$1,583,719	\$1,119,225

Chargebacks

Other concerns about chargebacks

- How to plan and budget for chargebacks
- Delays between service delivery and chargeback recording
- Chargebacks back and forth between two departments

Chargebacks

4. Next steps and dialogue

Presentation:

Indirect Cost (IDC) Recovery

Jennifer Summit

Provost & Vice President
Academic Affairs

Jeff Wilson

Vice President & CFO
Administration & Finance

University Budget Committee

Introduction

Academic Senate resolution

Proposed UBC Workgroup

Resolution on the Transparency in Recovery and Allocation of Indirect Cost: Resolution Number: RS21-422 May, 2021

Whereas: RATIONALE: Limited understanding of “indirect cost” (IDC) recovery from grants and contracts and the IDC allocation policy at SF State among faculty, staff, and administrators is an impediment to robust shared governance budget deliberations and transparency. Faculty, staff, and administrators write competitive proposals for grants and contracts to bring in additional financial resources to help the university deliver on its mission. Universities charge grants and contracts a percentage of their budget to recover costs associated with supporting the work of the grants and contracts. The basis for the rates charged and the strategy informing the allocation policy for recovered indirect cost funds varies among universities. This Resolution calls for a task force of stakeholders to be convened to review the current IDC allocation policy and consider if revisions should be recommended. It further calls on the University Budget Committee (UBC) to include IDC recovery and allocation policy as a budget literacy learning objective.

Whereas: The University supports budget literacy, budget transparency, and shared governance; and **Whereas:** The Senate Resolution In Support of Budget Transparency (RS16-342) calls for the SIC “...to address the important need for fiscal transparency...” and that a primary focus for the SIC’s work should be “making recommendations for budget allocation;” and

Whereas: Substantial faculty and staff work is done to win external grants and contracts to support research, scholarship, creative activities, and public services, including curricular innovation and student training, as well as financial support for students to participate in these activities (student and graduate assistantships, fellowships, stipends, tuition waivers, travel, etc.); and **Whereas:** This work also generates recovered indirect costs (IDC) associated with these externally sponsored grants and contracts; and **Whereas:** Lack of understanding of the federal regulations regarding IDC, methods to establish IDC rates, and the current policies and practices for allocation of recovered IDC is impeding deliberations and limiting transparency in shared governance processes; and **Whereas:** Recovered IDC is intended to reimburse the University for a variety of indirect costs associated with supporting externally funded research, scholarship, creative activities, and public services; and **Whereas:** Colleges and departments, Research Service Organizations (RSOs), Academic Affairs, the Office of Research and Sponsored Programs (ORSP), and Administration and Finance are among the many stakeholders affected by the IDC allocation policy; and **Whereas:** University policies regarding the allocation of recovered IDC are complex and affect many stakeholders; now therefore be it

Resolved: That Academic Affairs, Administration and Finance, and other university stakeholders, in consultation with the Academic Senate and in the tradition of shared governance, shall convene representatives to develop and propose recommendations for the strategic allocation of recovered IDC; and be it further

Resolved: That the university shall post relevant educational materials, the current policy and financial data on the recovery and allocation of IDC to an appropriate and easily accessible webpage; and be it further

Resolved: That this resolution will be distributed to President Mahoney, campus Vice Presidents, the Academic Affairs Council, Department Chairs, School and Program Directors, the Academic and University Senates of all California State University campuses, the Academic Senate of the California State University, and the SF State Faculty.

(From the Academic Senate website: <https://senate.sfsu.edu/resolution/resolution-transparency-recovery-and-allocation-indirect-cost>)

University Budget Committee

Academic Senate resolution (#RS21-422)

- “...Academic Affairs, Administration and Finance, and other university stakeholders, in consultation with the Academic Senate and in the tradition of shared governance, shall convene representatives to develop and propose recommendations for the strategic allocation of recovered IDC”
- “...the university shall post relevant educational materials, the current policy and financial data on the recovery and allocation of IDC to an appropriate and easily accessible webpage”

University Budget Committee

Proposed UBC Workgroup

IDC Workgroup Charge

In May 2021, San Francisco State's Academic Senate passed a "Resolution on the Transparency in Recovery and Allocation of Indirect Cost" (RS21-422), calling for "a task force of stakeholders to be convened to review the current IDC allocation policy and consider if revisions should be recommended," and further "call[ing] on the University Budget Committee (UBC) to include IDC recovery and allocation policy as a budget literacy learning objective."

Indirect Cost recovery (IDC) involves stakeholders from across the campus, and its review is a necessarily cross-divisional effort. In alignment with the Academic Senate Resolution, UBC will convene a workgroup to review the university's current policies and practices around IDC collection and allocation, alongside federal regulations relating to IDC and best practices from peer institutions, and propose recommendations for change, if warranted. Nominations and self-nominations will be reviewed by the UBC Steering Committee.

By April 2022, the workgroup is expected to present its findings for consideration and discussion by the UBC, which will deliver recommendations to President Mahoney.

Member dialogue
about creating the
UBC Indirect Cost (IDC) Recovery Workgroup

(10 minutes)

*(at this time, questions from UBC voting and non-voting members only please:
Guests: please hold questions/comments until the public forum.
Thank you.)*

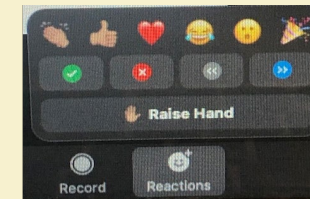
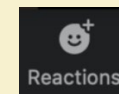
Public comment

about creating the UBC Indirect Cost (IDC) Recovery Workgroup

(10 minutes)

open to all attendees

Please use the “Raise Hand” function for questions, under Reactions ➡



(For off-topic comments, please hold until the public forum. Thank you.)

ACTION ITEM:

**Creation of
a UBC “Indirect Cost (IDC) Recovery” Workgroup**

Jennifer Summit
Provost & Vice President
Academic Affairs

ACTION ITEM:

Voting UBC Members: please vote using the Zoom Poll:

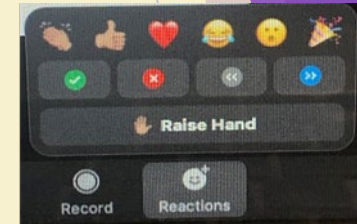
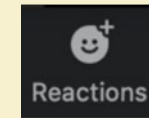
1. Jennifer Daly
2. Mary Menees
3. Dylan Mooney
4. Evrim Ozer
5. Renee Stephens
6. Joshua Ochoa
7. Nia Hall
8. Benjamin Kumli
9. Kathleen Mortier
10. Akm Newaz
11. Gitanjali Shajani
12. Genie Stowers
13. Teddy Albinak
14. Michael Goldman
15. Darlene Yee-Melichar
16. Eugene Sivadas (absent)
17. Jeff Jackanicz
18. Jamillah Moore
19. Jason Porth

PUBLIC FORUM

Open to all guests and UBC members

Please:

- ✓ "Raise your Hand" (*found on your Reactions menu, lower right corner*)
*Unmute yourself when called upon to speak. For transparency, please begin with your **name, title, department**. Mute when finished to reduce noise.*
- ✓ Limit to one question, so everyone has a chance to speak.
You can "Raise your Hand" again with a follow up question, if time allows.
- ✓ Thank you for sharing this space respectfully with our community members ~





SAN FRANCISCO
STATE UNIVERSITY



We appreciate your interest
in our University's
budget process and
the service of our UBC
members and guests,
in support of our students,
and all our Gator families

Check our UBC webpage for information, past meeting materials,
meeting updates and how to contact the UBC:

<https://adminfin.sfsu.edu/ubc>