



The California State University
OFFICE OF THE CHANCELLOR

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Date: July 9, 2009

FS 2009-06

To: Vice Presidents for Administration/Finance
Auxiliary Organization Administrators

From: George V. Ashkar 
Interim Assistant Vice Chancellor, Controller
Financial Services, Accounting

Subject: 2009/10 Centrally Paid Indirect Costs – Auxiliary Organizations

Each year, the Chancellor's Office allocates both Direct and Indirect costs to campuses; Direct charges include Systemwide Revenue Bond debt service, and Indirect charges are made up of State Prorata costs and Chancellor's Office Prorata costs. Commencing 2009/10, Financial Services will be communicating to campuses the Indirect charges, as noted on the attached worksheet.

The greatest portion of the State Prorata, which is the health benefit costs, is passed on to campuses based on where retirement expenses were recorded two fiscal years ago. The total of State Prorata charges for 2009/10 is slightly lower than prior year. With respect to the Chancellor's Office Prorata, the total charges for 2009/10 are the same as last year. We will continue to make an effort to minimize the Indirect charges to campuses by reevaluating State Prorata expenditures and Chancellor's Office Prorata charges.

For the distribution of the State Prorata and Chancellor's Office Prorata costs, the methodology will remain unchanged from prior years. Campuses are classified into two groups: Large and Medium/Small based on prior year revenues for the enterprise programs. The ten campuses with higher revenue bases will be allocated three-quarters of the Indirect Prorata charges. The Medium/Small campuses will be allocated the remaining one-quarter of the costs. Please note that the State Prorata and Chancellor's Office Prorata costs will be charged to all enterprise funds. Auxiliary organizations that have debt, whether that debt is issued through the Systemwide Revenue Bond program or

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus



through the auxiliary itself, will also be allocated a portion of the costs.

The Indirect costs (both State Prorata and Chancellor's Office Prorata) will be "passed down" to campuses through quarterly Systemwide Investment Fund-Trust (SWIFT) transfers as initiated by the Chancellor's Office via a Cash Posting Order. While the charges will pass through the Trust Fund (#948), we request that each campus take responsibility for posting the indirect cost assessment to the appropriate program, State/CSU fund, and campus accounts. Please ensure that the appropriate fiscal personnel at your campus have this information as they will need it to develop and account for next year's operating budget.

Please contact Terri Williams at (562) 951-4386 or Dagoberto Escobedo at (562) 951-4561 for questions regarding the accounting process. Regarding the State Prorata or Chancellor's Office Prorata costs, contact Jean Gill at (562) 951-4318. Thank you for your assistance in the process.

GVA:RE:RHR:as

Attachment

Distribution:	Budget Officers	(with attachment)
	Accounting Officers	(with attachment)
	Benjamin Quillian	(with attachment)
	Robert Eaton	(with attachment)
	Jean Gill	(with attachment)
	Ben Cheng	(with attachment)
	Kelly Cox	(with attachment)
	Syrus En	(with attachment)
	Rosa H. Renaud	(with attachment)
	Kathy Skara	(with attachment)
	Terri Williams	(with attachment)
	Dagoberto Escobedo	(with attachment)
	Brian Lee	(with attachment)
	Angelique Sutanto	(with attachment)

THE CALIFORNIA STATE UNIVERSITY
Auxiliary Organizations
2009/10 Centrally Paid Indirect Costs

	Chancellor's Office	State Prorata (Health Portion)	State Prorata (Admin. Portion)	Total 2009/10 Amount	Quarterly Amount (1)
Channel Islands Site Authority	12,274		3,194	15,468	3,867.00
Chico Research Foundation	12,274		3,194	15,468	3,867.00
East Bay Foundation	12,274		3,194	15,468	3,867.00
Fresno Athletic Corp.	-	10,777 (2)	-	10,777	2,694.25
Fresno Association	12,274		3,194	15,468	3,867.00
Fullerton Auxiliary Services Corporation	38,268		9,957	48,225	12,056.25
Long Beach Foundation	38,268		9,957	48,225	12,056.25
Long Beach Forty-Niner Shops	38,268		9,957	48,225	12,056.25
Los Angeles University Auxiliary Services	12,274		3,194	15,468	3,867.00
Monterey Bay Foundation	12,274		3,194	15,468	3,867.00
Northridge University Corporation	38,268		9,957	48,225	12,056.25
Pomona Foundation	38,268		9,957	48,225	12,056.25
Sacramento Capital Public Radio Station	38,268		9,957	48,225	12,056.25
Sacramento University Enterprises, Inc.	38,268		9,957	48,225	12,056.25
San Diego Research Foundation	38,268		9,957	48,225	12,056.25
San Diego Aztec Shops	38,268		9,957	48,225	12,056.25
San Jose Associated Students, Inc.	38,268		9,957	48,225	12,056.25
San Luis Obispo (Cal Poly) Corporation	38,268		9,957	48,225	12,056.25
San Marcos University Corporation	12,274		3,194	15,468	3,867.00
Stanislaus Auxiliary and Business Services	12,274		3,194	15,468	3,867.00
Headquarter Building Authority	12,274		3,194	15,468	3,867.00
	531,414	10,777	138,273	680,464	170,116.00

(1) Transfers to occur **September 15, November 15, February 15 and May 15.**

(2) Fresno Athletic Corp. recorded retirement expenses in 2007/08 and subsequently is allocated a portion of State Prorata health benefit costs, consistent with the State Prorata health benefit costs distribution methodology across CSU programs. Since this auxiliary organization does not have debt outstanding, it is not allocated a portion of State Prorata administrative and Chancellor's Office Prorata charges.