

Financing & Treasury


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To: Vice Presidents for Administration/Finance

From: Colleen Nickles 
Senior Director
Financing and Treasury

Subject: 2006/07 Centrally Paid Housing Indirect Costs – REVISED PFA DATES

We are transmitting the 2006/07 centrally paid indirect charges applied to the housing program for incorporation into your budget planning process. Please note that the attached worksheet only identifies indirect charges such as State prorata and Chancellor's Office costs. Any direct charges specific to a housing program are processed separately as noted in Coded Memo FT 06-06. This change in communication to you is being incorporated this year to better categorize expenditures. **Please note revision:** Per discussion with the Systemwide Financial Operations (SFO) department, the Plan of Financial Adjustment (PFA) timing has been changed as shown on Attachment A.

Starting in 2006/07, the recovery of the State prorata and Chancellor's Office costs is no longer based on campus housing program revenues for the previous fiscal year. Based on a CABO Task Force's work with the Department of Finance, the CSU was able to obtain significant decreases in State prorata charges for most programs. The task force further developed a recovery methodology that more equitably distributed costs to programs by allocating: (1) 85% of the charges, representing the health benefit costs for retired annuitants, in direct proportion to each fund's percentage share of actual prior year employer paid retirement expenditures; (2) the remaining 15% of non-specific or indirect administrative costs equally to enterprise funds and auxiliary organizations supported by the Chancellor's Office administration.

In a similar manner as noted in (2) above, the Chancellor's Office indirect administrative costs will be charged equally to enterprise funds and auxiliary organizations that have debt, whether that debt is through the Systemwide Revenue Bond program or that debt is specific to the auxiliary. Over time, more auxiliary organizations may be added to the pool receiving indirect costs as these organizations finance projects and incur debt.

Please note that centrally paid indirect costs (both State prorata and Chancellor's Office) will be "passed down" to campuses through quarterly **Trust Fund** (State Fund 0948) expenditure transfers as initiated by the Chancellor's Office Systemwide Financial Operations department

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

via a Plan of Financial Adjustment. An AD-NOAT memo will be issued at the time of the transfer. While the charges will impact the Trust Fund, we request that each campus be responsible to post the indirect cost assessment to the appropriate program, State/CSU fund, and campus accounts. **Please note revision:** The first PFA transfer will be on September 1, 2006. See Attachment A for the other PFA dates.

Please contact me or Rosa Renaud of my staff at (562) 951-4570 should you or your staff have any questions on your program. For questions regarding the accounting process, please contact George Ashkar or Kelly Cox at (562) 951-4610 and regarding the State prorata methodology changes contact Sean Boylan at (562) 951-4619. Thank you for your assistance in the process.

CN:rhr

Attachment

Distribution:	Presidents	(without attachment)
	Chancellor's Office Staff	(without attachment)
	Vice Presidents for Student Affairs	(with attachment)
	Business Managers	(with attachment)
	Housing Officers	(with attachment)
	Budget Officers	(with attachment)
	Accounting Officers	(with attachment)
	Mr. Richard West	(with attachment)
	Mr. Dennis Hordyk	(with attachment)
	Mr. George Ashkar	(with attachment)
	Mr. Sean Boylan	(with attachment)
	Ms. Kelly Cox	(with attachment)
	Mr. Lam Le	(with attachment)
	Ms. Sylvia Olivas	(with attachment)
	Ms. Kathy Skara	(with attachment)
	Ms. Lily Wang	(with attachment)

TABLE 2
THE CALIFORNIA STATE UNIVERSITY HOUSING PROGRAM
2006/07 Centrally Paid Indirect Costs
(REVISED)

2006/07 Centrally Paid Indirect Costs	2006/07 State Prorata Charges (Health Benefit)	2006/07 State Prorata Charges (Admin. Portion)	Chancellor's Office Services	ANNUAL PFA AMOUNT (a)	QUARTERLY PFA AMOUNT
Bakersfield	15,525	7,639	20,950	44,114	11,028.50
Channel Islands	15,198	7,639	20,950	43,787	10,946.75
Chico	158,781	7,639	20,950	187,370	46,842.50
Dominguez Hills	48,585	7,639	20,950	77,174	19,293.50
East Bay	30,748	7,639	20,950	59,337	14,834.25
Fresno (b)	-	-	-	0	-
Fullerton	37,347	7,639	20,950	65,936	16,484.00
Humboldt	132,568	7,639	20,950	161,157	40,289.25
Long Beach	170,974	7,639	20,950	199,563	49,890.75
Los Angeles	53,478	7,639	20,950	82,067	20,516.75
Maritime Academy	-	7,639	20,950	28,589	7,147.25
Monterey Bay (b)	-	-	-	0	-
Northridge	188,181	7,639	20,950	216,770	54,192.50
Pomona	150,002	7,639	20,950	178,591	44,647.75
Sacramento	118,309	7,639	20,950	146,898	36,724.50
San Bernardino	76,269	7,639	20,950	104,858	26,214.50
San Diego	233,023	7,639	20,950	261,612	65,403.00
San Francisco	197,748	7,639	20,950	226,337	56,584.25
San Jose	236,514	7,639	20,950	265,103	66,275.75
San Luis Obispo	357,396	7,639	20,950	385,985	96,496.25
San Marcos (b)	-	-	-	0	-
Sonoma	26,800	7,639	20,950	55,389	13,847.25
Stanislaus	26,803	7,639	20,950	55,392	13,848.00
Total	2,274,249	152,780	419,000	2,846,029	711,507.25
Campus Journal Entry Required (FIRMS):					
Sub-Code Debit	612001	612001	660025		
Acct. Control Credit	305022	305022	305022		

Note:

- (a) **Revised:** Plan of Financial Adjustments to occur **September 1, November 1, February 1 and May 1**. Refer to codec memo FT 06-06 Attachment B for housing centrally paid indirect costs, which has different PFA dates.
- (b) The housing facilities at this campus are managed by an auxiliary organization. Refer to coded memo FT 06-10 Attachment A for auxiliary organization centrally paid indirect costs for this campus.