

Business Operations Forum

CSU Cost Recovery Impacts to CSUMB

October 4, 2018
10:00 am -12:00 pm
University Center Living Room



Upcoming Business Operations Forums

November 14: eCommerce @ CSUMB

December 12: Contracts & Insurance

October 4, 2018
10:00 am -12:00 pm
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CSU Cost Recovery Impacts to CSUMB

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Ch-Ch-Ch- Changes! Changes!

- What we are covering today
 - Things have changed in the world of expenses and reimbursements
 - New account codes and review of some existing account codes
 - Types of transaction documents and when to use them
 - Finance will be closely monitoring and clarifying account/transaction usage
 - So we wanted you to know why



Ch-Ch-Ch- Changes! Changes!

- CSU has a corporate financial reporting structure
 - Behind the scenes to most on campus
 - Hinges on the CSU Funds and their definitions
 - CSUMB fund codes map to CSU Funds
 - Example: MB500, CSUMB Operating Fund maps to CSU Fund 485 the CSU Operating Fund.



Ch-Ch-Ch- Changes! Changes!

- The Chancellor's Office changed the definition of CSU funds and totally eliminated a couple of CSU funds along the way
- The changes were to “operating funds” as opposed to financial aid trusts, construction, etc. These are the trust funds used for daily departmental functional activities
- All CSUMB operating trusts have been affected
- And here's the hook – CSU fund definitions govern allowable transactions



What is the common thread?

- Before, the operating fund could only have students fees as revenues.
- Cost recovery, a.k.a. reimbursements, were in separate funds
 - CSUMB Examples: FRT trusts, MB570, etc.and.....



The Common Thread

....Now, under the newly-imposed definitions, the operating funds and cost recovery funds share the same CSU Fund.

And this is the matter of most concern



Budget and Accounting Viewpoints

- Budget and Accounting shared views
- Budget has additional areas of concern
 - Compensation, positions
 - Amount of OE&E
 - Will be monitoring
 - May be contacting you



Definitions – Cost Recovery/Reimbursements and Transfer of Expenses

Transfer of Expenses (Expense Transfer or Payroll Adjustment)

Moves expenses from one chartstring to another chartstring to more accurately reflect which department is supported by the expenditure. Only CSUMB state-side funds.

Examples: Pro-Card chartstring correction; Payroll adjustment related to CPO



Definitions – Cost Recovery/Reimbursements and Transfer of Expenses

Cost Recovery/Reimbursements: Reimbursement from a third party such as an auxiliary organization (University Corporation, etc) or a self-support campus fund, such as Extended Education, Parking, or an operating trust. ***Very little opportunity for a department to realize cost recovery outside of grants. However, they can realize budgetary relief.***

Examples: Postage used by University Corporation; parking permits requested by a department



Examples of Cost Recovery & Expense Transfer

- Department Requests Parking Permit
 - Expense: MB500-DEPTID-617001 – Services to Other Funds/Agencies
 - Cost Recovery Revenue: Parking Fund-DEPTID-580094 – Cost Recovery CSUMB Stateside funds
- Department Requests Expense Transfer to MB570 (now CR570) of a non-salary partial expense to be paid by a grant.
 - Expense: MB500-DEPTID-6xxACT (MB500 gets budgetary relief, expense to CR570)
 - Expense: CR570-DEPTID-6XXACT-PROJECT
 - Cost Recovery: CR570-DEPTID-580095-PROJECT
- Departmental Trust Fund Requests Expense Transfer to MB570 (now CR570) of a non-salary partial expense to be paid by a grant



Types of Transactions

- Transactions within the same CSUMB fund have not changed
 - Continue expending directly, moving expenses or transferring budget
- Transactions, revenues and expense, that involve two different CSUMB funds
 - Selection of account codes depends on fund mapping to CSU fund
- ***Extremely rare that there will be an abatement in this new cost recovery model***



Decision Tree



Changes to Chartfields

- Fund Codes
 - MB570 will be phased out by the end of this fiscal year, and replaced by CR570
- Account codes
 - Revenues
 - Student fees (no change)
 - Reimbursements / cost recovery
 - Expenditures – payment of cost recovery (the admin fee)
 - Transfers
- Project Codes for MB570 / CR570



Changes in Account Codes and Usage

Revenues – Cost Recovery/Reimbursement

- 580094
- 580095
- 580096
- 580090
- 5808XX – Campus-Specific Cost Recovery May be Developed
- Most revenues to operating trusts that are not a student fee must be, by definition, a form of cost recovery



Changes in Account Codes and Usage

Expenditures Related to Cost Recovery/Reimbursement

- No change for most expenditures (salaries, OE&E, etc)
- 617001 – Services from Other Funds/Agencies
 - Payment of Cost Recovery Expense when not already an existing classified expense
 - Example: CPOs
- 617101 – Service from Between Campuses and the CO (interagency)
- 6178XX – CSUMB Specific To Be Developed



Changes in Account Codes and Usage

New Project Code Changes

- DDTYYXXX
 - DD – Division (PR, AA, IT, SA, AF, UD)
 - T – Type (R=Reimbursements)
 - YY – Year of implementation
 - XXX – Sequence number
- CR04000X – Cost Recovery CPOs in CR570 where X will indicate Division (One CR04000X per Division)



Here's how to look up mapping of a CSUMB fund code to a CSU Fund



To Abate or NOT to Abate?? That is the question...

Expense

6XXXXX – MB500 – 1095 4,000

Receive \$ to cover costs/ split costs

WRONG WAY:

ABATE

6XXXXX – MB500 – 1095 (2,000)



To Abate or NOT to Abate?? That is the question...

**RIGHT WAY:
COST RECOVERY!!!**

Expense Transfer

6XXXXX – MB500 – 1095 –	(2,000)
6XXXXX – CR570 – 1095 – PROJ	2,000)

Billing

58009X – CR570 – 1095 – PROJ	(2,000)
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Changes! But Still the Same!

- What hasn't changed
 - Billing process
 - Budget transfers
 - Transfers of Actuals
 - Fund Codes are the same (with one exception!)
 - Allowable expenses, for the most part, are the same
 - Allowable revenues have probably not changed
 - Cost recovery is not allowed in MB500 and very limited in the MB5'x
 - Student Fees are not affected



Change is Good

**We don't exist in a wilderness, all activities are defined and mapped in the world of CSU Finance (and in the greater land of GAAP!, the land of Generally Accepted Accounting Principles)
And I'll bet you thought we made it up**

CSU Fund Definitions have changed

- Caused CSUMB trusts to be in a different CSU Fund, probably in CSU Fund 485
- The big change is for revenues in CSU Fund 485, our Operating Fund



Contacts

- Budget
 - Cathy Rank x4021
 - Laurie Dixon x4156
- Accounting
 - Bill Musselman x4689
 - Brenna Dresser x4302



Cost Recovery Questions?

All>Susan



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The End!

