



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ADMINISTRATIVE POLICY MANUAL

Finance & Administration
Approved By: <Office Use Only>
<Office Use Only>

Policy Number:
Effective Date: <Office Use Only>
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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 and Construction (OPC) and Academic and Information Technology (A&IT) receive operating funds for routine maintenance and baseline services from the CSU General 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 OPC, 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. OPC and A&IT do not receive operating funds for non-maintenance work. 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 to the Controller in collaboration with the directors of entities providing services.

Applicability:

The policy applies to all campus administrative and academic departments; auxiliary organizations; tenants; and external organizations requesting facility services.

Definition(s):

A&IT (Academic and Information Technology): A&IT provides leadership in the selection, development, implementation and support of technologies that support the University's operation and



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learning effectiveness. This includes support of hardware and software systems; connectivity and cabling; and ancillary devices and systems.

Chargeback: Financial transaction to reimburse A&IT and OPC 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™)

CSFM: California State Fire Marshal

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. 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.



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OPC (Operations, Planning, and Construction): OPC 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. OPC has four functional units providing services: Operations (skilled trades); Facility Services (custodial, grounds and event services); Planning, Design, and Construction; and Logistical Services (mail, shipping and receiving, warehouse, moving, and maintenance stores).

Unallowable Costs: Costs that may not be charged as part of a chargeback fee. Examples of unallowable costs are included in Exhibit A.

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 (OPC).

OPC provides baseline operations and maintenance service to state funded university departments. Baseline services are provided by operating funds. Non-maintenance services to state-funded units and all services to auxiliary units shall be reimbursed to OPC on a chargeback basis for direct and indirect costs.

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. OPC maintains a computerized maintenance management system (CMMS) to accurately track labor and materials for all projects. This CMMS provides complete detail for all OPC work, and is the basis for compiling chargeback costs for all OPC projects.

Academic and Information Technology (A&IT) provides leadership in the selection, development, implementation and support of technologies that enhance the University's effectiveness and provide a quality learning experience for our students. Our services include Academic Technology support, establishing new user accounts, supporting classroom technology, desktop computer support, network



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and information security, programming services (Applications Solutions Group) telephone and telecommunications support, training and workshops, virtual private networking (VPN), web based applications, web publishing, web site hosting and wireless computer network support.

Some non-maintenance services to state-funded units and all services to auxiliary units shall be reimbursed to A&IT on a chargeback basis for 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) established annually by California State University Classification Standards <http://www.calstate.edu/HRAdm/Classification/index.shtml> . See Exhibit D for Chargeback Rate Development Worksheet. 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.



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EXHIBIT(S):

Exhibit A: Examples of Unallowable Costs

This list is based on the Federal Office of Management and Budget (OMB Circular A-21). The list is not all-inclusive and failure to mention a particular item of cost does not imply the cost is allowable or unallowable.

- Alcoholic beverages
- Cost of memberships in community organizations
- Unreasonable reimbursements for travel expenses; those which are outside the travel policy of the University
- Bad debts or uncollectible amounts
- Donations or contributions
- Costs of entertainment, including amusement, diversion and social activities and any costs directly associated with such activities
- Advertising costs which are not used for recruitment of personnel



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Exhibit B: Types of OPC 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 non-state buildings and departments
- State fees for licensing and inspections to be billed at direct cost.

Construction Management/ Inspection Services

- Project management, administration and outside vendor consulting or services for non-state funded capital improvements, billed at 7% of total project cost
- Project management, administrative and outside vendor consulting or services for auxiliary projects, billed at actual costs for minor capital projects and 7% for major capital projects
- Consulting plan check services and CSFM fees billed at direct costs with no markup.

Custodial Services

- Custodial care for non-state facilities
- Custodial services exceeding campus standards
- Special requests for floor or carpet care
- Service requests requiring OPC staff to perform additional services beyond normal operations. Note: this may include CSFM 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 CSFM requirements for fire watch; overtime when required work falls outside normal work week for that staff member.

General Maintenance

- Maintenance and repair in non-state buildings
- Grant funded programs that require new use of rooms or special changes
- State-owned non-funded facilities



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Grounds

- Grounds and field maintenance for non-state entities (e.g. Athletics and Recreation)
- Pest control for non-state entities and facilities
- All additional grounds work, cleaning, and setup for events including trash cans, liners, trash pickup, and required deliveries

Hazardous Materials

- 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 non-state entities and facilities
- 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 non-state entities and facilities
- 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 OPC subject to chargeback.

Testing, Inspection and Certification Services

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



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Trades

- Maintenance, repair or alterations for non-state entities and in non-state buildings
- 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.
- 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.



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Exhibit C: OPC Chargeback Rate Development

The chargeback rates for OPC 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 OPC 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 Subject to Chargeback (includes, but not limited to)

Phones

- Cisco IP Phone (New)
- Cisco IP Phone (Replacement)
- Cisco IP Conference Phone
- Expansion Module
- Voice Mail
- Headset
- Fax Line
- Additional Phone Number

Non-routine Services such as:

New (Extra) Network Drops

- Installation of new or additional network drops.....

Voluntary Network Changes

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

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

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

Types of A&IT Services Subject to Chargeback for Auxiliaries and Non State Funded Agencies include all of the above and:

Telephone

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



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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

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

Desktop User Services

- Desktop Technician on site
- Voluntary moves
- Computer Repair
- Peripheral

Programming Services – Applications Solutions Group

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



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Exhibit E: A&IT Chargeback Rate Development

A&IT METHOD would be the salary rate (including benefit rate) of technician performing service and the time required to complete the service plus any hard costs associated with equipment purchases.

Sample Fees

Phone

- Cisco IP Phone \$400.00
- Cisco IP Phone Replacement \$300.00
- Cisco IP Conference Phone \$800.00
- Expansion Module \$275.00
- Voicemail (one time set up fee) \$ 40.00
- Headset \$155.00
- Fax Line \$170.00
- Additional Phone Number \$ 15.00 monthly

Programming Services – ASG

- Create extracts and reports \$ 65.00 per hour
- Set up automated transfer data \$ 65.00 per hour
- Create special web views \$ 65.00 per hour
- Customize software \$ 65.00 per hour
- Create custom reporting \$ 65.00 per hour

Media Services

- Filming \$60 per hour
- Sound \$50 per hour
- Technician on site \$35 per hour

Desktop User Serices

- Moving Offices (Phone, computer, etc.) \$35.00 per hour

Network Infrastructure Services (Network Moves)

- Ethernet Connection (Cable install required) \$75.00 per hour
- Network Cable (Wall to Device) \$75.00 per hour
- Network Connectivity (Ports) \$75.00 per hour