



**Subject: UNIVERSITY ACCOUNT POLICY & PROCEDURES**

Department: Budget & Finance

Date: November 2018

Supersedes: B&F 10-001r1 dated March 2012

## **Campus Policy**

The University shall ensure that costs incurred by University funds for services, products, and facilities provided to other University funds, Auxiliary Organizations and external users (consistent with supporting the mission of the University) are properly and consistently recovered with cash and/or a documented exchange of value. Allowable direct costs incurred by the University shall be allocated and recovered based on actual costs incurred. Allowable and allocable indirect costs shall be allocated and recovered according to a cost allocation plan that utilizes a documented and consistent methodology including identification of indirect costs and a basis for allocation.

**Note: All student fees are governed by Executive Order 1102 and must be approved via the Campus Fee Advisory Committee (CFAC) process. Please contact the Budget & Finance Office for guidance.**

## **Administrative Charges**

University accounts are subject to a 6% administrative charge, consistent with the rate documented for special funds. Charges will be assessed quarterly based on revenues collected unless otherwise specified by contractual agreement (i.e. reimbursed agreement).

## **Procedures for a University Account - Direct Reimbursement:**

- Direct reimbursement is an agreement in which the University is reimbursed for the costs incurred to provide a good and/or service. The agreement may include reimbursement for direct salary/benefits, materials and administrative costs. The agreement supports the mission of the Department/College/Division/University and is an appropriate use of state resources.
- The Department/College will need to work with their Divisional Budget Coordinator to submit an Account Request Form (ARF), with appropriate approvals, to Accounting Services.
- Accounting Services will review the ARF and if approved, will notify the Divisional Budget Coordinator via email of the new revenue and expenditure accounts to be used for direct reimbursement.
- The Department/College will then prepare the appropriate contractual agreement with the campus Auxiliary or external entity prior to providing the goods and/or services; templates are available here: [Reimbursed Agreement Forms](#) . The agreement will serve as the authority for SDSU to invoice for the goods and/or services provided. An MOU is necessary if the goods and/or services will be provided to another University fund. The agreement will serve as the documentation for the Department/College to submit the appropriate transfer form to initiate the transfer of funds.

- Once the University account structure is set-up in Oracle (per the ARF), the requesting Department/College will need to ensure that expenditures related to this account are charged appropriately. This includes submitting Position Action Request (PAR) forms for salary and benefit costs to charge directly to the new University account.
- Depending on agreement stipulation, if the goods and/or services are provided to an Auxiliary Organization and/or external entity, the requesting Department/College may need to submit an Accounts Receivable Billing Request (Attachment C) along with documentation of the goods/services provided to Accounting Services to initiate the invoicing process.
- Depending on agreement stipulation, if the goods and/or services are provided to another University fund, the requesting Department/College may need to submit a Cost Recovery Transfer Request (Attachment D) along with documentation of goods/services provided to Accounting Services to initiate the cost recovery transfer.
- The appropriate budgets must be in place for all agreements.

### **Procedures for a University Account - Cost Center:**

- A cost center is a program or activity that charges for the goods and/or services that it provides to internal and external users. The cost center supports the mission of the Department/College/Division/University and is an appropriate use of state resources.
- Submit a Request to Establish a University Account Form (Attachment A). This form must be routed for College (if applicable) and Divisional approval. The Divisional Budget Coordinator will route to SDSURF for review and then SDSURF will forward to Budget & Finance. This request must also include supporting documentation and rate calculations (if applicable) for the proposed University account. A rate structure template (Attachment B) is provided to assist you in this process and includes the following information:
  - a detailed itemization of annual expenditures for providing the goods and/or services; and
  - an inventory of equipment used to provide the goods and/or services.
 You are not required to use this template. It is necessary that you provide sufficient justification and documentation to support your request, which will vary depending on the nature of your program or cost center.
- Budget & Finance will determine the appropriate Oracle account structure and notify the requesting Department/College to submit the required forms, with appropriate approvals:
  - an Account Request Form (ARF) to Accounting Services
    - Departments may be advised to contact Student Account Services/Cashiering to determine the appropriate method for accepting payments prior to submitting an ARF.
  - a Request to Establish a Campus Trust Fund (if applicable)
- Budget & Finance will review and approve the request for a new University account and rate structure (if applicable) then the request will be forwarded to the University Controller for final review/approval.
- Budget & Finance will distribute notification of the approved University account and rate structure (if applicable) to the requesting Department/College, Divisional Coordinators and Auxiliary Organizations.
- If the approved rates include use by Auxiliary Organizations and/or external entities, the requesting Department/College will need to establish contractual agreements with these entities prior to providing the goods and/or services. The agreement will serve as the authority for SDSU to invoice for the goods and/or services provided. The requesting Department/College will need to submit an Accounts Receivable

Billing Request (Attachment C) along with documentation of the goods and/or services provided to Accounting Services to initiate the invoicing process.

- If the approved rates include use by another University fund, the requesting Department/College will need to have an MOU with the user prior to providing the goods and/or services. The requesting Department/College will need to submit a Cost Recovery Transfer Request (Attachment D) along with documentation of goods/services provided to Accounting Services to initiate the cost recovery transfer.
- The appropriate budgets must be in place for all agreements.

**University Account Guidelines:**

- Revenue and expense budgets must be submitted for all university accounts via a Budget Transfer Request Form (Attachment E).
- Budget & Finance periodically monitors activity for direct reimbursements to ensure revenue and expense balances net to zero at year-end.

**Attachments**

- A – Request to Establish a University Account
- B – Request for a University Account – Rate Structure Template
- C – Accounts Receivable Billing Request
- D – Cost Recovery Transfer Request
- E – Budget Transfer Request Form