

POLICY CONCEPT FORM

Name and UO
Title/Affiliation:
Policy Title & Policy :

Kassy Fisher, Assistant Vice President for Administration and Chief of Staff,
Finance & Administration

Charging Administrative Overhead Costs

to replace:

- Return of Overhead Charges on Continuing Education and Designated Operations Activities (UO Policy 06.00.07)
- Charging Administrative Costs to Auxiliary Enterprises (OAR 580.011.0045)

Submitted on Behalf Of:

Jamie Moffitt, VPFA & CFO

Responsible Executive
Officer:

Vice President for Finance and Administration

SELECT ONE: ☒ **New Policy** ☐ **Revision** ☒ **Repeal**

HAS THE OFFICE OF GENERAL COUNSEL REVIEWED THIS CONCEPT: ☒ **Yes** ☐ **No**

If yes, which attorney(s): Missy Matella; Bryan Dearing

GENERAL SUBJECT MATTER

This policy, "Charging Administrative Overhead Costs," is to advise stakeholders that the university charges overhead to auxiliaries, service centers, and other types of self-support funds for the use of university administrative and physical resources, and to advise stakeholders where to find more detailed information.

RELATED STATUTES, REGULATIONS, POLICIES, ETC.

In response to feedback received regarding the proposal to repeal the two policies listed below, we propose this new policy to replace both policies. The two existing policies are obsolete and/or do not accurately address how administrative overhead and charged by the university.

Proposed for repeal under this concept form are:

-UO Policy Statement 06.00.07

"Return of Overhead Charges on Continuing Education and Designated Operations Activities"

<http://policies.uoregon.edu/charging-administrative-costs-auxiliary-enterprises>

- OAR 580.011.0045

"Charging Administrative Costs to Auxiliary Enterprises"

<http://policies.uoregon.edu/policy/by/1/06-finance-and-business-affairs/return-overhead-charges-continuing-education-and-designa>

The overhead rates, how they are structured, what services are covered, exemption request process and additional information can be found on the Business Affairs website, <http://ba.uoregon.edu/content/departments-assessments>

STATEMENT OF NEED

The university, in support of its operations, has a long-standing and transparent practice and process for determining, evaluating and assessing fees for overhead costs (such as administrative costs, utilities, etc.) to auxiliaries, continuing education and designated operations funds. We recommend replacing two policies, one a former OAR and the other a UO policy statement, with a more simple and accurate statement about the university's engagement in this practice.

OAR 580.011.0045 states that the university engages in the practice of charging administrative overhead and lists non-general fund enterprises that are charged overhead. UO Policy 06.00.07 outlines a procedure that no longer is applicable.

AFFECTED PARTIES

Units with auxiliary funds and other non-General and education funds are charged administrative overhead and are, therefore, affected by this policy. The proposed new policy reflects current practice so putting it into place and repealing the outdated OAR 580.011.0045 and UO Policy 06.00.07 has no adverse impact.

CONSULTED STAKEHOLDERS

Which offices/departments have reviewed your concept and are they confirmed as supportive? (Please do not provide a list of every individual consulted. Remain focused on stakeholders (e.g. ASUO, Office of the Provost, Registrar, Title IX Coordinator, etc.).)

Name	Office	Date
Stuart Laing	Budget and Resource Planning	Jan 2017
Brad Shelton	Office of the Provost and Academic Affairs	Jan 2017
Missy Matella, Bryan Dearing	Office of the General Counsel	Jan, April 2017
Jamie Moffitt	Office of the VPFA/CFO	Jan 2017
Michael Griffel	Housing	April 2017

David Landrum	Research and Innovation	April 2017
Kelly Wolf	BAO	Mar 2017

PROPOSED POLICY TEXT

Charging Administrative Overhead Costs

The university will assess auxiliary operations, designated operations, service centers, and continuing education funds administrative overhead in order to recover the cost of central services provided to these entities. Rates charged to units will be based on a methodology that uses cost pools to allocate expenses. Detailed procedures, calculations for rates, and exemptions will be posted on the Business Affairs website.