

Cost Recovery Committee Charter - Version 4

Article 1: Purpose:

The Cost Recovery Committee is a standing campus-wide committee established to provide advice to the Chief Financial Officer (CFO) on methodology and model practices to be employed on campus to be in compliance with CSU Executive Order (EO) 1000 including:

1. Annual review of the draft Cost Recovery and recommend adjustments to the CFO.
2. Review proposals for new components or services to be added to the Cost Recovery.
3. Annual review of facility rental rates for compliance with CSU EO's and Internal Revenue Service (IRS) Unrelated Business Income Tax (UBIT) guidelines.
4. Develop and recommend new campus service centers as needed to meet campus needs and comply with CSU model business practices.

Background:

With the implementation of the CSU Revenue Management Program (RMP) EO's 919 and 752 were superseded by EO 1000. The same outcomes were required in meeting State Administrative Manual (SAM) section 8752, as well as EO 1059 for the campus to recover the appropriate portion of the operating costs of the campus infrastructure utilized by non-operating trust supported units and auxiliary organizations on campus on a fiscal year cycle.

The committee is made up of stake holders from across the campus including service providers, service recipients, and those with technical and/or administrative knowledge. The committee is intended to bring the cross sectional perspective to the discussions so that fair and equitable recommendations are made to the CFO for cost recovery.

The Cost Recovery draft is prepared by the Budget Office and presented to the Cost Recovery Committee each spring semester in February or March. Increases in cost Recovery amounts and or changes in methodology to calculate the Recovery of costs must be reviewed and approved by the committee. The addition of new cost Recovery components or the development of new on-campus charges outside the purview of the student fee committee are reviewed by this committee. The committee may call on service providers to make presentations to the committee to explain proposed changes in service rates. The committee shall advise the Budget Office on the final Cost Recovery draft to be recommended to the CFO by May 31 of each year that is to be effective as of July 1st.

Article 2: Membership

The membership of the Cost Recovery Committee shall include:

Term	Membership
1 Year (Voting)	Student Representative appointed by the ASCAL MARITIME President
1 Year (Voting)	Student Representative appointed by the Corps Commander
2 Years (Voting)	A designee appointed by the President from Marine Programs
2 Years (Voting)	A designee appointed by the Provost and Vice President of Academic Affairs.
2 Years (Voting)	A Faculty designee appointed by the Chair of the Academic Senate
Standing Member (Voting)	Director, Budget Office
Standing Member (Voting)	University Controller
Standing Member (Voting)	Director of Auxiliary Services
Standing Member (Voting)	Dean, SPEL
Service Provider (Non-Voting)	Director of Facilities
Service Provider (Non Voting)	Director of Public Safety

Article 2, Section 1: Term

With the exception of student and standing members, no committee member shall be appointed to two (2) consecutive terms.

Article 2, Section 2: Chairperson

The Committee shall elect a Chairperson annually. A Scribe shall be appointed by the chair to take minutes.

Article 2, Section 3: Quorum

There are Nine (9) voting members of the committee. Five (5) members shall constitute a quorum. The Chair shall cast a vote only when needed to break a deadlock.

Article 3: Rules of Order

The rules contained in "Robert's Rules of Order, Revised," shall govern meetings in all cases which they are applicable.

Article 4: Meetings

Regular meetings shall be held at least once each month during the academic year and as necessary to advise the CFO on issues related to the committee's charge. Meetings may occur during summer sessions or intersession, as necessary.

Article 4, Section 1: Meeting Notification

The Chairperson shall notify the membership of the date, time, and location of each meeting at least five (5) business days before the scheduled meeting date. Meeting may be scheduled on a regular monthly basis each academic year by mutual consent of the committee members.

A meeting agenda shall be proposed at least seventy-two (72) hours, (3 days), before the scheduled meeting date and be distributed to the committee members.

Committee meetings are open to any CAL MARITIME employee to observe. If a non-member wishes to address the committee, the non-member must make a request to the Chair. The chair shall determine the appropriate length of time that is available for non-member comments to the committee on topics under consideration by the committee.

Article 5: Sub Committees

Sub Committees shall be appointed by the Chargeback Committee Chair as required to complete the committee charge.

Subcommittees may include non-voting members (e.g. subject matter experts). *These may include:* primary service providers; primary service recipients; campus administrators; or staff experts gathered from the campus at large to address or present a specific issue.

Article 6: Reporting

Copies of CFO approved Cost Recovery and committee approved meeting minutes shall be available to any Academy Employee upon request to the Cost Recovery Committee chair.

Article 7: Definitions

- Cost Recovery: Proportional Recovery of expense incurred by the Operating Trust (campus PeopleSoft fund 48485) for centralized services that are supporting all campus business units/organizations.
- Auxiliary Organization: A self supporting business organization on campus operated under a separate IRS Tax ID number from that of the university's Operating Trust. Currently CAL MARITIME has only two true auxiliaries' organizations on our Campus 1) the CAL MARITIME Foundation; and, 2) the Associated Students of the California Maritime Academy.
- Enterprise Activities: A self supporting business organization on campus operated under the Campus Educational Tax ID number. Examples: Housing, food service, bookstore.....
- Service Center: A campus Service Center is an enterprise business organization outside the operating Trust with the primary purpose of supporting operating trust departments. Examples on other CSU Campuses; postal services, copy center, telecommunications....
- Chief Financial Officer: The campus official responsible to the CSU and state for the financial actions of the campus. At CAL MARITIME the CFO is the Vice President for Administration and Finance.
- Indirect Cost/Overhead: Amount added to the reimbursement cost for services or supplies to cover the departmental costs that are NOT a direct charge (e.g. bench stock supplies) and for the

administrative costs for processing the work orders and charges. Overhead charges are added only to the cost for non-operating trust departments when reimbursing an operating trust department for work orders or special requests.

- **Service Provider:** Department that performs work requested by another department based on a work order of special request.
- **Service Recipient:** Department that requests another department to perform work which requires the service provider to incur expense on behalf of the requester department.
- **Subject Matter Expert:** The campus person most knowledgeable of current practice and/or background information regarding a topic to be discussed by the committee.
- **Executive Order:** CSU Policy statements on various system-wide issues which provide guidance to campus procedures.
- **State Administrative Manual:** State Policy for use of General Fund appropriations. The CSU is subject to these regulations which cover state statute. CAL MARITIME is further subject to CSU executive orders and campus policies.
- **ICSUAM:** A CSU Policy Manual under development for use in managing non-appropriated funds. Examples of non-appropriated funds are: the CSU Operating Trust; Auxiliary organizations, enterprise activities, and service centers.

APPROVED by:

Name

VP AF

Title

Date

8/22/12