



## Policy 110

### **Administrative Cost Recovery and Service Fees**

Section: 100 - General Administration

Responsible Executive: Lead Financial Administrator

Responsible Department: Business and Finance Office

First Effective Date: April 17, 2026

Last Reviewed: April 2026

Next Scheduled Review: April 2029

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#### **1.0 PURPOSE**

- 1.1. To assure equity in and general uniformity to the CMC's cost recovery system, while allowing management flexibility in the application of administrative cost recovery and service fees.

#### **2.0 BACKGROUND**

- 2.1. Because of the size and diversity of the Cal Maritime Corporation's ("CMC") involvement with California Polytechnic State University ("University") activities, and other University-related and supported activities, it is prudent for the Board of Directors to adopt a formal policy statement related to administrative cost recovery and service fees. CMC developed an internal allocation system and an administrative services costs and services fee structure to recover the cost of central support services, such as general administration, accounting, data processing, personnel, procurement, campus and sponsored programs administration, and related functions.
- 2.2. This policy statement shall be interpreted consistent with Education Code §§89904(b) and 89904.6, and with applicable CSU policies and campus regulations.

#### **3.0 POLICY**

- 3.1. General. CMC shall recover the cost of providing administrative support services that benefit organizational units, external entities, or functional programs projects. CMC shall attempt to provide these services at the lowest possible costs while looking for operating efficiencies and synergies with the University and other service providers.
  - 3.1.1. "Administrative Support Services" costs include, but are not limited to, those indirect labor costs, indirect material costs, and all other costs (such as supervision, supplies, rent, utilities, small tools, equipment depreciation) reasonably associated with the provision of CMC services, and not otherwise recovered as a direct charge.
- 3.2. Budgeted Allocations from CMC Operations. The cost of Administrative Support Services rendered to sustaining CMC operations, including University Store, and Campus Dining, -- shall be recovered through a budgetary allocation system. This system shall be implemented through the budgets of each CMC operation. The Board shall annually review and adopt a General Administrative budget that is supported by allocating Administrative Support Services costs to these departments.
- 3.3. Services Fees for Other Activity. The cost of Administrative Support Services rendered to support University and University-related activities, such as: conferences and workshops; agency services to university-affiliated groups; trust, endowment, and gift-related accounts; university-requested services program; and similar activities, shall be recovered through an annual administrative Service Fee, as applicable.

- 3.4. Indirect Cost Recovery from Externally-Sponsored Activity. Administrative Support Services costs rendered by Sponsored Programs Administration to externally sponsored programs/projects shall be recovered from the indirect-cost earnings derived from such programs/projects.

#### **4.0 DEFINITIONS**

- 4.1. Administrative Support Services costs. This includes those indirect labor costs, indirect material costs, and all other costs (such as supervision, supplies, rent, utilities, small tools, equipment depreciation reasonably associated with the provision of CMC services, and not otherwise recovered as a direct charge.

#### **5.0 PROCEDURES, GUIDELINES AND FORMS**

- 5.1. The Lead Financial Administrator or his/her designee is charged with the responsibility of implementing this policy through procedures, guidelines and forms, if needed, and as approved by the Chief Executive Officer. Such guidelines shall include:

5.1.1. The rationale and methodology used to develop the General Administrative budgetary cost allocation system;

5.1.2. The basis, rates, applications, and exceptions for the administrative services fee schedule; and

5.1.3. The process and method used to allocate indirect-cost earnings for the Sponsored Programs Administration budget and reserves.

- 5.2. The operating guidelines shall be consistent with applicable and generally accepted cost principles and accounting practices.

#### **6.0 COMPLIANCE**

- 6.1. All CMC units, departments and personnel, including principal investigators, and individuals working on contracts and grants, must comply with this policy.

#### **7.0 REFERENCES AND RELATED POLICY**

- 7.1. Federal A-21 and A-133 regulations,

7.2. GAAP

7.3. California Education Code §§89904(b), 89904.6

7.4. CSU policies

7.5. California Polytechnic State University regulations