

Presented to BLP 3/12/12 A100888

**MEMORANDUM OF UNDERSTANDING**  
**between**  
**EXTENDED LEARNING**  
**and**  
**CALIFORNIA STATE UNIVERSITY SAN MARCOS**  
**for**  
**REIMBURSEMENT TO THE GENERAL OR TRUST FUND**  
**ACADEMIC YEARS 2011/12 and 2012/13.**

Extended Learning (EL) is an Academic Affairs unit of California State University San Marcos (CSUSM). In the course of normal operation of EL programs, CSUSM provides administrative support, academic support, and direct services to EL and its students. EL is required by CSU policy and regulation (EO 1000) to reimburse (from its Trust fund to the CSUSM General or Trust Fund) the cost of services and support rendered. Further, EL operates at two campuses and separates the trust funds into Extended Learning San Marcos (ELSM) and Extended Learning San Marcos at Temecula (ELSMT). Since reimbursements and financial support for these units are treated differently, two distinctions in reimbursement are included in this agreement. Further, the Summer School revenue/expenses are exempt from this agreement.

EL and CSUSM hereby enter into this Memorandum of Understanding (MOU) for reimbursement to designated university units as follows:

**I. Financial Determination:**

The appropriate level of support has been determined based on prior review of established university practices, current processes, and CSU system-wide guidelines and programmatic analysis.

The President of CSUSM or designee(s) shall have the authority to reallocate the ELSM reimbursement distribution to the campus population based on campus policies governing such allocations. Further, per EO 1000, if the University needs to modify the MOU because of budget reductions, authorization can be done by the VP for Academic Affairs and/or the VP for Finance and the President. Currently, these funds are distributed to the areas of:

- A. Finance and Administrative Services (FAS)** for controller services, accounting, cashiering, procurement, receiving and mail services, student financial services, payroll, systems operations and management, budget office services, human resources services, facility services, risk management and environmental health and safety support.
- B. Academic Affairs (AA)**, including the Provost's Office for WASC, faculty, and curriculum and scheduling issues and general ELSM program support; the colleges for course/program review and approval; IITS for general IT support; and the Library for student resources support.

## II. Financial Reimbursement Calculation:

Due to the difference in types of services provided by the various units and these units' capacity to identify the actual value of services, reimbursement is calculated in three different ways, depending on the division (1) based on expenditures (FAS); (2) based on revenues (AA), or (3) based on fee-for service (IITS) or flat-fee plus (Library). Reimbursement to FAS is billed quarterly in current year; reimbursement to AA units is made in the subsequent year, as soon as possible after year-end closing. Summer School revenue/expenses are exempt from the following calculations. Summer School is distributed as lump sum reimbursement to the President's Office that is made based upon Summer School expectation and operational performance including a 5% reimbursement of summer revenue to Special Session/Colleges. Non-Summer School reimbursements are calculated as follows:

### A. **Extended Learning San Marcos (ELSM)**

1. **FAS.** The calculation is derived by a formula based on the percentage of total annual ELSM designated *expenditures* against total University expenditures. The calculated amount then allows for an "exchange of value" in services provided by ELSM and agreed by FAS, which is subtracted from the total calculation. Payment is not to exceed 6% of EL previous year's expenditures unless justified by FAS and agreed upon by EL.
2. **AA.\*** ELSM agrees to reimburse the various units of Academic Affairs as:
  - a. **Provost's Office:** 2% of annual academic credit *revenue* for the Provost's discretionary distribution to Provost Office Units.
  - b. **Colleges:** 30% of annual revenue generated through Open University enrollments *and* 5% of annual revenue generated through Special Session courses and programs for respective colleges.
  - c. **IITS:** Direct chargeback for pre-approved services on a billed-quarterly basis (to include both instructional and administrative services). Added contract services are paid separately.
  - d. **Library:** Flat \$50,000 annually in reimbursement for general overhead costs *and* a budgeted line item in relevant self-support degree and certificate programs to purchase/support Library collections affiliated with those programs.

## **B. Extended Learning San Marcos at Temecula**


1. **FAS.** FAS agrees to waive reimbursement for ELSMT during the formative start-up years of the Temecula campus and programs. Further, FAS agrees to pay benefits for Temecula based University employees from the University benefits pool.
2. **AA.\*** ELSM agrees to reimburse the various units of Academic Affairs as:
  - a. **Provost's Office:** 2% of annual academic credit *revenue* for the Provost's discretionary distribution to Provost Office units.
  - b. **Colleges:** 30% of annual revenue generated through Open University enrollments *and* 5% of annual revenue generated through Special Session courses and programs for respective colleges.
  - c. **IITS:** Direct chargeback for pre-approved services on a billed-quarterly basis (to include both instructional and administrative services). Added contracts and services are paid separately.
  - d. **Library:** 0.5% of annual revenue in reimbursement for general overhead costs *and* a budgeted line item in relevant self-support degree and certificate programs to purchase/support Library collections or book transfers affiliated with programs at ELSMT.

\*Consistent with established University practice, the Dean of Extended Learning will allocate these amounts as reimbursement for services provided by these units in support of EL programs. Plans for sharing revenue with the colleges shall be determined through consultation with the Provost and respective deans and, where appropriate, added as a line item to the program budget. This practice is "revenue sharing," rather than General fund reimbursement and falls outside the parameters of Executive Order 1000 which directs General Fund reimbursement.

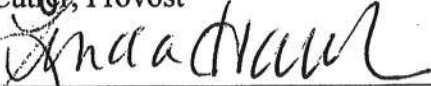
## **III. Duration of Agreement**

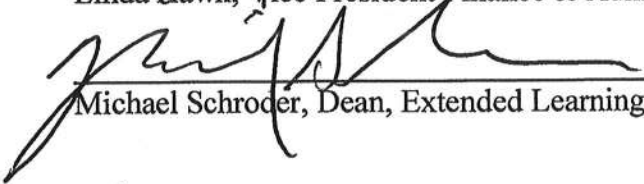
This Agreement remains in effect through AY 2012/13 or June 30, 2013 unless terminated by mutual consent of the parties. The Agreement survives change of control for the respective units and signors. Copies of this agreement and any modifications will be kept on file in the following division offices as well as in the offices of Finance and Business Services and Procurement and Support Services.

IV. Signatures

  
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Karen S. Haynes, President  
Date 12/14/11

  
\_\_\_\_\_  
Emily F. Cutler, Provost  
Date 12/12/11

  
\_\_\_\_\_  
Linda Hawk, Vice President Finance & Administrative Services  
Date 12-16-11

  
\_\_\_\_\_  
Michael Schroder, Dean, Extended Learning  
Date 12-12-11

cc. Budget Office  
Procurement Office