

MISCELLANEOUS FEES

Establishment and Budgetary Review

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I. DELEGATION OF AUTHORITY:

According to the Planning and Budget Manual Chapter 6060, Chancellors are delegated authority for miscellaneous student fees, service charges, fines, course fees and deposits. Miscellaneous Fees are generally user fees, service charges, or fines assessed to cover the cost of services and materials, to encourage compliance with administrative rules or to repair or replace damaged equipment. Miscellaneous Fees are charged if the service is used or compliance is not followed, but are not mandatory for taking a class.

Examples of fees, service charges, and fines include: breakage charges, educational placement fees, health center fees, late filing of study list fees, library fees, improper check-out fines, physical education equipment fees, access fees, rental of facilities fees, transcript fees, and Course Fees for materials which are consumed, retained or used by the student or other materials or services necessary to provide a special supplemental educational experience of direct benefit to the student. *See Course Fee guidelines at <http://planning.ucsc.edu/budget/miscfees.asp>.*

II. CRITERIA FOR ALL MISCELLANEOUS FEES:

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1. When establishing new fees, departments must apply a test of reasonableness between the fee and its purpose.
 2. Services provided are necessary and are not funded by any other source.
 3. Instituting a new fee or increasing an existing fee must be justified (a) to defray the cost of providing a service, or (b) to prohibit abuse of a service.
 4. Increased enrollment has impacted adversely the quality of service being provided, thus necessitating the charging of a supplemental fee for continued service.

III. POLICY GUIDELINES:

The following may be included in Miscellaneous Fees:

- (1) Salaries and benefits directly related to providing the service.
- (2) Supplies and services as they relate directly to providing the service.
- (3) Costs of leased equipment used in providing the service.
- (4) Equipment depreciation on equipment that is used in providing the service.
- (5) Administrative costs of providing the service, if applicable (service center expenses).
- (6) Repairs and maintenance on equipment used in providing the service.

The following may **not** be included in any Miscellaneous Fee:

- Purchase cost of inventorial equipment purchase value of \$5,000 and above, with a useful life of at least one year. Note: Effective July 1, 2004, the University changed the dollar threshold on inventorial (depreciable) equipment from an acquisition cost of \$1,500 or more per unit to an acquisition cost of \$5,000 or more per unit. All equipment acquired prior to July 1, 2004 with an acquisition cost between \$1,500 and \$4,999 shall continue to be depreciated over the useful life of the asset. Equipment acquired after July 1, 2004 with an acquisition cost of less than \$5,000 should be recorded as a non-capital expenditure.

The following may **not** be included in Miscellaneous Fees that are **charged to the Federal Government:**

- (1) Purchase cost of inventorial equipment (purchase value of \$5,000 and above, with a useful life of at least one year.)
- (2) Housing and personal expense
- (3) Bad debts
- (4) Fines/penalties
- (5) Commencement/convocation costs
- (6) Interest expense or fund raising expense
- (7) Memberships in civic, community or social organizations
- (8) Contingency or expansion reserves
- (9) Alumni activities
- (10) Entertainment
- (11) Donations/contributions
- (12) Advertising/publications
- (13) Legal costs

IV. MISCELLANEOUS AND COURSE FEE ADVISORY COMMITTEE

The Miscellaneous and Course Fee Advisory Committee (MCFAC) includes representatives from the Academic Senate Committee on Planning and Budget, Campus Life, the Student Fee Advisory Committee, the Academic Divisions, the campus Registrar's Office, the Vice Provost and Dean of Undergraduate Education and from the Planning and Budget Office.

The charge of the committee is as follows:

- Develop procedures for the periodic review and re-establishment of fees.
- Communicate campus procedures for the development and submittal of the fee proposals to initiate new fees and adjustments to existing fees. This includes:
 - Annual reporting requirements
 - Moderate and gradual fee increases.
- Review the Miscellaneous, Course, and Program Fee proposals, including adjustments to existing fees. This includes:
 - Review the need for a fee, and the basis for the fee level. Fees may only include those costs that are allowable and appropriate, according to UCOP and campus policy.
 - Evaluate the potential impact on students, faculty, and staff. This includes financial impact, and whether fees will impede student access to courses needed for graduation.
 - Is there a reasonable relationship between the fee and its purpose? Is the fee applied consistently and appropriately?
- Make recommendations to the Chancellor for the approval, approval with reservations, or disapproval of Miscellaneous, Course, and Program Fees. The Committee may also recommend that a fee proposal be returned to the initiator with suggestions for consideration.

V. ESTABLISHMENT OF A NEW OR REVISED MISCELLANEOUS FEES

Departments may not assess and collect Miscellaneous Fees that have not been specifically approved by the Chancellor. The campus Miscellaneous and Course Fees Advisory Committee (MCFAC) is responsible for the review of new fee proposals, including proposals to adjust existing fees, and providing recommendations to the Chancellor. The MCFAC encourages departments to plan the submission of Miscellaneous Fee proposals for July 1 implementation. The following is a required eight-step process.

Review and Approval Process

In past years, Miscellaneous Fee levels were approved until the department or division submitted a request to change the fee. This remains the normal practice.

Step 1: The department head, chair of an academic department or the director of an academic program submits a miscellaneous fee proposal to the Vice Chancellor or Dean. The proposal shall contain appropriate supporting materials, as described below in the “Proposal Format” section.

Step 2: If the Vice Chancellor or Dean concurs with the proposal, he or she forwards the proposal package to the Chair of the MCFAC in Planning and Budget by the due date.

Step 3: The Chair of the MCFAC distributes the proposal to all MCFAC members for review and discussion. The divisions proposing the miscellaneous fees may be requested to be present at the meeting when their fee is reviewed to present the fee and answer any questions the MCFAC might have. Departments will be notified of the dates when their fees will be reviewed during the March reviews.

Step 4: If the MCFAC recommends approval of the fee, it is forwarded to the Labor Relations Office for review.

Step 5: Final committee recommendations to the Chancellor shall be made in April/May. The MCFAC will not recommend approval of a fee if the justification is based solely on shortfall in program expenses.

If the Miscellaneous and Course Fee Advisory Committee recommends that a fee should not be approved, the appropriate Dean/Vice Chancellor has authority to appeal the decision to the Chancellor.

Step 6: The Chancellor determines whether to authorize the fee.

Step 7: Upon receiving approval from the Chancellor, the MCFAC will inform the requester of approved fees.

Step 8: The Department or Division will set up an appropriate fund number by calling (Rob Jarvis in Accounting at 9-5294), and a permanent budget should be established for the fee if the volume of expenditures is significant; call Lucy van Doorn at 9-3355 in Planning and Budget to establish a new organization code).

Fee Communication

The requester is responsible for communicating the approved fees to all affected constituencies prior to inception.

Fee Limits

The following elements shall be considered when determining what constitutes a reasonable fee:

- Existing fees
- Cost per customer
- Relationship between the fee and its purpose

Fee Revenues

Fee revenues shall be retained by the department in a designated FOAPAL to be applied only to the costs associated with the approved fees. Revenues collected for a specific purpose cannot be transferred to cover the costs of other services.

- Exception: Facility rental fees from off-campus users over and above on-campus user fees may be transferred to cover the cost of general operations. (Example: on campus user fee of \$50, off-campus user fee of \$75, the unit may transfer \$25 from off-campus user fees to cover general operations.)

Year-End Surplus/Deficit Balances

Surplus balances must be retained in a departmental account to be used in the subsequent year towards the same service. The departments must absorb any deficit balances. An adjustment of the fee level is required to help reduce the amount of any future surpluses or deficits.

Reserves

Reserves are allowed for:

- (a) Accumulating equipment depreciation for the replacement of equipment associated with the fee.
- (b) Setting aside funds specifically identified in the fee proposal to cover future expenses of the service.

Proposal Format – All forms and instructions are available at –

<http://planning.ucsc.edu/budget/miscfees.asp>.

Completed Miscellaneous Fee Request Forms, Attachment 1, Attachment 2 and Attachment 3, must accompany the proposal to establish a new fee or adjust an existing fee (Attachments 4 and 5 should also be completed if applicable).

Attachment 1 – Identifies Fee request and includes Vice Chancellor or Dean's approval.

Attachment 2 – Miscellaneous Fee Financial Statement
Instructions for completing Attachment 2

Attachment 3 – Miscellaneous Fee Calculation
Instructions for completing Attachment 3

Attachment 4 – Salary and Benefit Schedule (if salaries are included in fee expenses)

Attachment 5 – Annual Depreciation Expense (if depreciation is included in fee expenses)
Example of a completed Attachment 5

If you have questions please contact Lucy van Doorn at 9-3355 or at lvandoor@ucsc.edu

Federally Disallowed funds and expenditures

<u>Number of Account Codes</u>	<u>Descriptions</u>
001040	Services - Scholarship Stipend
001130	Housing Allowance/Subsistence Paymt
001160	Services - Stipend Payments
001170	SIS FinAid Disburse - Schlsp & Fellsp
001080	Services - Fellowship Payments
001210	Services – Memberships/Subscriptions - Not Fed Chargeable
001240	Advertising - Not Federally Chargeable
001250	Services - Entertainment/Soc Acty
001251	Academic Activities
001252	Alumni Activities
001253	Student Programming Refreshments
001270	Administrative Meetings
001271	Entertainment
001273	Outreach Activities
001280	Services - Donations & Contributions
001330	Debt Collection Fees
001340	Services - Cost of Legal Proceedings
001460	Public Relations Services
005010	Medical - Patient Care
009430	Misc. - Fines & Penalties
009460	Debt Payment Interest
009465	Other Interest
009480	Interest on Installment Payments
009490	Interest on Capital Lease
Account Type 72 Capital Equipment	

Unallowable for Recharges to Federal Government Funds: Housing and personal expense to campus officers; bad debts and fines or penalties; commencement or convocation costs; interest expense or fund raising expenses; memberships in civic, community or social organizations; contingency or expansion reserves; inventorial equipment purchases; cost of items funded by Federal Government; alumni activities; entertainment (alcohol, event tickets, flowers, gifts, etc.); donations or contributions; legal proceeding costs; student activities; and advertising and public relations costs (refer to OMB Circular 21).

Miscellaneous Fees
Establishment and Budgetary Review

MISCELLANEOUS FEE REQUEST

The following information is required for the establishment of a new Miscellaneous Fee or adjustment of an existing Miscellaneous Fee:

Department/Division: _____

Requesting Unit: _____

Contact Person: _____

 Email _____

 Phone _____

1. Which of the following does this request concern? (Please choose one)
 Proposal of a New Miscellaneous Fee
 Increase to an existing Miscellaneous Fee
 Decrease to an existing Miscellaneous Fee

2. If this is an existing fee please provide the FOAPAL. _____

3. Provide a brief description of the basis for the proposed or increased fee.

4. What is the name and amount of the proposed fee?

5. If this fee affects retirees, have you consulted with the appropriate group?

6. On the attached page (Attachment 2), provide a detailed breakdown of the fee calculation proposed, including all projected expenses. If this request is to change an existing fee, complete the prior year actual column as well as the current year projected income and expenses portion.

MISCELLANEOUS FEE FINANCIAL STATEMENT

Miscellaneous Fee Activity: _____ FOAPAL Number(s): _____

Unit Division: _____ Prepared by (Contact Info): _____

(Formulas are embedded in form)

DESCRIPTIONS	If existing fee		New Request
	ACTUAL PRIOR YEAR 2013-14	JUNE 30, 2015 PROJECTED 2014-15	2015-16 PROJECTED
REVENUES (1)			
Fee Income (Attachment 3)			
TOTAL REVENUES	0	a 0	b 0
EXPENSES (2)			
Salaries and Wages (Attachment 4, if applicable)			
Employee Benefits "			
SUBTOTAL Salaries & Benefits	0	0	0
Level 3 Account Codes (BANNER - FGIBDSR)			
010 Supplies			
020 Communications Services			
030-035 Services/Professional Fees			
040 Travel			
050 Meetings, Activities, Entertainment**			
060 Facilities			
070 Interest**/Debt Service			
090 Transportation, Parking			
100 Equipment/Non-Inventorial Depreciation Expense (Attachment 5, if applicable)			
Other (specify):			
TOTAL EXPENSES	0	0	0
NET REVENUE (LOSS) (3)	0	0	0
PRIOR YEAR (6/30/XX) ACCUMULATED			
EARNINGS or (DEFICIT) (4)			
TOTAL OPERATING BALANCE (5)	0	0	0
RESERVES BALANCES (6)			
Depreciation Reserves			
Other Reserves			

This document may be customized to accurately state the expense categories associated with this fee.
Expense lines for Salaries, Wages and Benefits and Depreciation require backup sheets.

Numbered notes within circles refer to specific rows or columns and are linked to specific instructions located within the instructions section.

(a) Should equal (a) on attachment 3.

(b) Should equal (b) on attachment 3.

** These expenses may not be charged to federal awards.

**INSTRUCTIONS FOR THE
ANNUAL SUBMISSION OF MISCELLANEOUS FEES**

1

MISCELLANEOUS FEE FINANCIAL STATEMENT:

Most formulas are embedded in the statement. Please enter your Unit or Division, FOAPAL, and the contact information for the person who prepared the statement.

A. Line Headings

1. REVENUES - total from fee income - actual and projected.
2. EXPENSES – Enter actual salaries and benefits for prior years and salaries and benefits as calculated in Attachment 4. Other expenses must total all other costs incurred in providing goods and services to provide the service. You should use the Account codes at the Level 3 rollup codes to report prior year actual expenses and to project expenses. Not all Account codes will be applicable to every unit. You may customize expenditure categories if you have special expenses that are not part of the Banner accounts. Certain expense categories may not be included in charges to federal contracts and grants. (please refer to the Fee Policy and OMB Circular 21).
3. NET REVENUE (LOSS) - total revenues less total expenditures.
4. PRIOR YEAR ACCUMULATED EARNINGS (DEFICIT) - total net earnings or deficit through the end of the prior fiscal years for all years.
5. TOTAL OPERATING BALANCE - total net revenue (or loss) for the operating year, plus accumulated earnings (or loss) from prior year operations.
6. RESERVE BALANCES - These reserve balances should reflect the total reserve balances for Equipment Depreciation Reserves and any other Reserve Funds that are included in the fee service.

B. Column Headings – Formulas are embedded in Statement

1. ACTUALS PRIOR YEAR - previous fiscal year 2013-2014.
2. JUNE 30, 2015 PROJECTED - final operating results, projected through June 30 of the 2014-2015 fiscal year.
3. 2015-2016 PROJECTED - estimated income and expenses for year based on requested rates for 2015-16.

MISCELLANEOUS FEE CALCULATION

Miscellaneous Fee Activity _____ Unit/Division: _____

For Fiscal Year 2015-16

(Formulas are embedded in form)

1	2	3	4	5	6	7	8	9
DESCRIPTION	2013-14 PRIOR YEAR FEES (if an existing fee)	2014-15 CURRENT YEAR FEE (if an existing fee)	2015-16 PROPOSED FEE	OUTSIDE COMPARABLE VENDOR FEES (if available)	2014-15 CURRENT ANNUAL NUMBER OF CUSTOMERS	(Column 3 x Column 6) 2014-15 PROJECTED CUSTOMERS TIMES FEE	2015-16 PROJECTED NUMBER OF CUSTOMERS	(Column 4 x Column 8) 2015-16 PROJECTED CUSTOMERS TIMES FEE
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
						0.00		0.00
TOTALS						0.00		0.00

Should equal **a** on the Miscellaneous Fee Financial Statement - Attachment 2.

Should equal **b** on the Miscellaneous Fee Financial Statement - Attachment 2.

INSTRUCTIONS FOR THE
ANNUAL SUBMISSION OF MISCELLANEOUS FEES

MISCELLANEOUS FEE CALCULATION:

Formulas are embedded in the Form

Please identify your Unit or Division, AND who prepared the Form and date prepared.

Column Headings:

1. DESCRIPTION - a brief description of the fee for service provided.
2. PRIOR YEAR FEES – fee level for previous year – 2013-14.
3. CURRENT YEAR FEES – fee level for current fiscal year – 2014-15.
4. PROPOSED FEES – fee level proposed for next fiscal year – 2015-16.
5. OUTSIDE COMPARABLE VENDOR FEES - fees charged by local, non-University businesses for the same services. If no comparable vendor fees are available, show fees charged by other UC campuses, if applicable. (At the foot of the page, indicate which vendors or UC campuses were quoted.)
6. CURRENT YEAR CUSTOMERS - projected number of customers for current year (2014-15).
7. COLUMN 3 x 6 - current year (2014-15) estimated customers multiplied by current year fees. This will give the estimated total revenue from this service. (Column total must equal current year's revenue projected to June 30, as shown in Column 2 of the Miscellaneous Fee Financial Statement).
8. FOLLOWING YEAR CUSTOMERS (2015-16) estimated customers for next fiscal year.
9. COLUMN 4 x 8 - following year (2015-16) estimated customers multiplied by proposed fees. (Column total must equal following year's estimate revenue as shown in column 3 of the Miscellaneous Fee Financial Statement.)

SALARY AND BENEFIT SCHEDULE

Miscellaneous Fee Activity: _____

Unit/ Division: _____

(Formulas are embedded in form)

This template should identify the calculation of the total employee or position salary costs that are included in Template 2 - the Miscellaneous Fee Financial Statement.

A	Current Salary Calculations			Merit Calculations	Salary Total	Benefit Calculations		TOTAL Salary & Benefits
	B	C	D	E	F	G	H	I
Employee Name or Position Title	Current Annual Salary	Portion of FTE Devoted To Fee Activity (May be % of FTE)	FTE/% times Annual Salary (Column B times Column C)	Projected Merit and/or Range Amount for 2015-16	Total Salary Calculations (Column D + Column E)	Actual or Estimated Benefit Rate (1)	Total Benefits Rate Times Salary Charged to Fee Activity (Column F x Column G)	TOTAL Salary & Benefit Costs (Column F + Column H)
2015-16								
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
			0.00		0.00		0.00	0.00
Total	0	0	0	0	0	0	0	0

(1) For the benefits rates, please use actual current benefit rates as a percentage of salary.

Equipment Depreciation Expense for Miscellaneous Fees

Miscellaneous Fee Activity: _____ Unit/Division: _____

This information should be reflected in Template 2 of the Miscellaneous Fee Financial Statement if applicable.

Total										
Equipment	Year of Purchase	Purchase Price	Percentage Fee Usage	Amount to be Depreciated	Useful Life (Months)	Annual Depreciation Expense	# of Months Depreciated Prior Yr(s)	Prior Yr(s) Total Accum. Depreciation	2014-15 Amount Depreciated	2015-16 Amount Depreciated
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
				0		#DIV/0!			#DIV/0!	#DIV/0!
Totals		0		0		#DIV/0!		0	#DIV/0!	#DIV/0!

Totals from 2014-15 (Column 10) and 2015-16 (Column 11) should be added to expenditures of the fee Activity on the Miscellaneous Fee Financial Statement.

Calculations:

Column 5 = (Column 3 x Column 4)

Column 7 = (Column 5 / Column 6 x 12 months)

Column 10 = Column 7 or amount for the number of months remaining to be depreciated.

Column 11 = Column 7 or amount for the number of months remaining to be depreciated.

Additional Information/Regulations:

- Inventorial Equipment has a useful life of more than one year and a cost of \$5,000 for UCSC.

-Effective July 1, 2004 the University changed the dollar threshold on inventorial (depreciable) equipment. All equipment acquired prior to July 1, 2004 with an acquisition cost between \$1,500 and \$4,999 shall continue to be depreciated over the useful life of the asset. Pre-7/1/2004 purchases should remain on the depreciation schedule until they are fully depreciated without regard to the new \$5,000 threshold.

*Equipment that costs less than \$5,000 and was purchased after July 1, 2004, need to be shown as an expense in the year purchased.

- Expensing the total cost of equipment in the year of purchase is not in accordance with Generally Accepted Accounting Principles. GAAP requires the cost of an asset to be spread over its expected useful life.

- OMB Circular - 21 allows Universities to be compensated for the use of their equipment through depreciation.

If the equipment is purchased with 19900 funds it may not be depreciated.

It specifically states that depreciation expense may not recover more than the equipment cost.

- All depreciated equipment must be used for a specified fee operation.

- A unit may purchase an item with current reserves and collect funds over the useful life of the equipment to repurchase the item at the end of its useful life.

- If the equipment is used only part of the time for fee activities and the remainder of the time for non-fee activities, only that percentage of the equipment may be depreciated.

You may find the Definition of Equipment for Depreciation at the website (<http://planning.ucsc.edu/budget/Toolkit/recharge/2005-06/Depreciation.pdf>)

- The Equipment Administration Office (x9-2851) or the UCOP web at (<http://http://eulid.ucop.edu/>), has information regarding the salvage value and useful life of equipment.

Equipment Depreciation Expense for Miscellaneous Fees

This information should be reflected in Template 2 of the Miscellaneous Fee Financial Statement if applicable.

Total										
Equipment	Year of Purchase	Purchase Price	Percentage Fee Usage	Amount to be Depreciated	Useful Life (Months)	Annual Depreciation Expense	# of Months Depreciated Prior Yr(s)	Prior Yr(s) Total Accum. Depreciation	2014-15 Amount Depreciated	2015-16 Amount Depreciated
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Computer Server	2010	\$6,500	100%	\$6,500	48	\$1,625			\$1,625	\$1,625
Totals		\$6,500		\$6,500		\$1,625		0	\$1,625	\$1,625

Totals from 2014-15 (Column 10) and 2015-16 (Column 11) should be added to expenditures of the fee Activity on the Miscellaneous Fee Financial Statement.

Calculations:

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Column 7 = (Column 5 / Column 6 x 12 months)

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