

Responsibility Center Management

Allocation of Costs Methodologies

University of Minnesota

- Budgets support units on incremental basis then allocates costs
- Facilities
 - All space is assigned to a unit or college
 - Costs are directly charged based on square footage assigned
- Debt and Leases
 - Charged based on usage and occupancy

University of Minnesota

- Information Technology
 - Student, staff and faculty FTEs
- Administrative Service Costs
 - Allocated based on a college or units direct expenditures as a percentage of the university's total expenditures
- Research Administration
 - 3% of direct research expenditures

University of Minnesota

- Libraries
 - Weighted headcount
 - Lower division = 2
 - Upper division = 3
 - Professional = 4
 - Graduate = 4
 - Faculty = 4
- Law library and medical libraries are in college budget and headcounts are not in this calculation

University of Minnesota

- Student Services
 - Allocate costs between undergraduate and graduate
 - Allocate costs by SCH
- Unassigned Classrooms
 - Proportion of college FTE to total FTE
- Institutional Revenue Sharing
 - Method for provost to reallocate funds
 - 3.75% of sales and service revenue
 - 8.5% of all other revenue

University of Michigan

- Facilities
 - Charges based on occupancy
 - Separately metered for utilities
 - Rental of non-university property is direct charge
- Taxes are based on expenditures with a two-year lag
- Excluded expenditures
 - Interdepartmental charges
 - Capital purchases greater than \$25,000
 - Scholarships
 - Returned overheads
 - Depreciation
 - Space rental

University of Michigan

- Centrally Awarded Financial Aid
 - Distributed proportionately with tuition
- College Awarded Financial Aid
 - Charged to the awarding college

University of Michigan

- Taxes
 - University Participation
 - 2% of any and all expenditures
 - Research
 - Supports research administration and initiatives
 - 11% of direct sponsored expenditures
 - General Tax
 - 4% of auxiliary expenditures
 - 21% of non-sponsored expenditures by research units
 - 24% of expenditures by colleges

University of New Hampshire

- Facilities – based on net square feet
- General Administration
 - Prior year revenues, and
 - Personnel expenses
- Academic Affairs
 - Prior year revenues, and
 - Personnel expenses

Ohio State University

- All Administrative Costs are Budget on an Incremental Basis and then Allocated
- Student Services
 - Financial aid
 - Divided between undergraduate and graduate
 - Allocated by SCH
 - Operating expenses
 - Allocated by total SCH
- Research Administration
 - Colleges and centers revenues
 - Based on prior year direct research expenditures

Ohio State University

- Facilities
 - Flat rate based on square footage assigned
- Development
 - Allocated to all budget units by expenditures
- General and Administrative
 - 19% tax of expenditures on colleges
- Initiatives
 - 5% tax of expenditures on colleges

Ohio State University

- Costs Excluded From Cost Pool
 - Interdepartmental charges
 - Differential tuition
 - Colleges charge differing rates