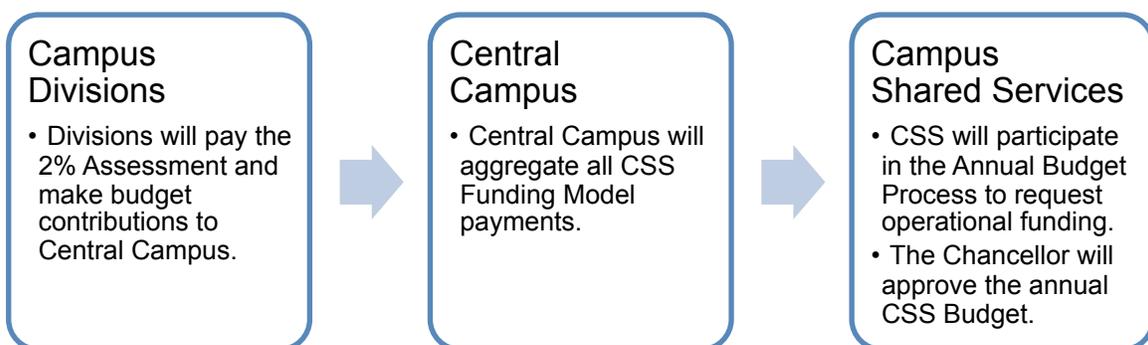# CSS Funding Model

History

The CSS Funding Model was based on the principles that the model should be simple to explain and implement, automated to minimize administrative work, and contain appropriate incentives that drive good decision-making.

Starting in 2012, various campus stakeholders came together to form the CSS Funding Model Team, including:

- John Wilton, Vice Chancellor, Administration and Finance
- Keith Gilless, Dean, College of Natural Resources
- Andrew Szeri, OE Faculty Head, Vice Provost for Graduate Studies, and Dean of the Graduate Division
- Erin Gore, Associate Vice Chancellor, CFO
- Thera Kalmijn, Chief Operating Officer, Campus Shared Services
- Laurent Heller, Executive Budget Director, Campus Budget Office
- David DeClercq, Director of Finance, Campus Shared Services
- Micah Press, Project Consultant, Campus Shared Services

The CSS Team worked closely with many Assistant Deans and Chief Administrative Officers to test assumptions and finalize operational details. To build consensus for the Funding Model, the CSS Team conducted 30+ individual meetings with Deans, Vice Chancellors, and Vice Provosts and presented 3 times to the Council of Deans, Chancellor's Cabinet, and OE Executive Committee throughout 2012 and 2013. The CSS Funding Model was approved by the OE Executive Committee in February 2013 and implemented on a rolling basis as units joined CSS.

Overview

Campus Divisions
- Divisions will pay the 2% Assessment and make budget contributions to Central Campus.

→

Central Campus
- Central Campus will aggregate all CSS Funding Model payments.

→

Campus Shared Services
- CSS will participate in the Annual Budget Process to request operational funding.
- The Chancellor will approve the annual CSS Budget.

Departmental Administration Services:

Departmental Administration Services include the following services:

- **Business & Financial Services**
- **Human Resources and Academic Personnel Support**
- **Information Technology**

The cost of Departmental Administration Services was based on the amount of shareable work that transferred to CSS. Administrative Divisions will pay 100% of the assessed cost, while Academic Divisions will pay a discounted rate of 97%. The 3% discount for Academic Divisions will remain in the unit with the goal of preserving resources for Berkeley's teaching, research and public service mission.

Administrative Divisions largely paid through a budget allocation transfer at the time of implementation.

In general, Academic Divisions retained the budget associated with "shareable" Departmental Administration Services work and are assessed a 2% charge (CSS Assessment) on all non-contracts and grants expenditure to collect the amount owed. Divisions that over-pay through the 2% assessment will receive a refund. Divisions that are projected to under-pay will only pay the amount collected by the 2% charge.

All non-Contract and Grant fund expenditures will have the CSS Assessment (expense account #56637) added to the ledger during each month close. In addition to Contact and Grant fund expenditures, the following are exempted from the 2% assessment:

- **Recharge funds**
- **All expenditures in the Account Code 574XX (BUDSUM Pymts to Students/Stud Aid) series**
- **Cost share expenses (Chartfield 1 series 2XXXX)**
- **All student-fee funds that resulted from a referendum**
- **Research Gifts that are assessed the 10.5% Gift Fee**
- **All other Gift Funds are currently exempt due to the lack of systems data to isolate Research Gifts from other Gifts**

Research Administration Services:

After implementation, all Divisions have access to Research Administration services without any periodic or per-use charge. At implementation the Divisions made an initial contribution to the CSS Funding Pool composed of two parts:

- **Transfer of permanent budget that supported RA positions**
- **The amount of Indirect Cost Recovery (ICR) received under the old ICR distribution model**

The old ICR distribution model was replaced with a new model where Divisions now receive up to 10% of all ICR generated by the Division, distributed as follows:

1. **Deans/VCR will receive 6% of all ICR generated by the Decanal or Vice Chancellorial Unit; and**
2. **Each member of the Faculty will receive an annual allocation of $4,000**

For further information regarding ICR distribution please see the Executive Vice Chancellor and Provost (EVCP) website: http://evcp.berkeley.edu/news/indirect-cost-recovery-icr