

Submitted: January 9, 2008

Approved: March 11, 2008

Recommendation #40: Establishing a timeline for the allocation of the expense pools during the operating cycle.

Issue number: E-13

Background

The expenses associated with the major administrative and support units are aggregated into seven expense pools: University Leadership, Administrative Support Programs, Library, Student Services, Information Technology Services, Business Services, and Facility Services. The University Leadership expense pool is funded directly from the general state appropriation and is not allocated to resource responsibility centers. The other six expense pools are allocated to the resource responsibility centers using an appropriate allocation method to ensure that the allocations are fair and proportional.

The expense pools will be established during the budget development process and the dollar amounts allocated to each resource unit will remain fixed throughout the operating cycle.

The allocation of the expense pools utilize several datasets that are drawn from various sources. Prior year statistics will be used for the actual allocation. For example, the statistics used for the allocation of expense pools in fiscal year 2009 will be based on fiscal year 2008 data.

Recommendation

The RMM Expense Allocation implementation work group recommends that one-fourth of the expense pool dollars be distributed as an allocated expense to resource responsibility centers each fiscal quarter during the year. Therefore, a fixed dollar amount will distributed as an allocated expense to resource responsibility centers on September 30, December 31, March 31 and June 30.