

OPERATING POLICY AND PROCEDURE

MEMORANDUM

TO: All holders of the MSU Operating Policy and Procedure

DATE: January 1997

SUBJECT: Sharing of Institutional Support Costs by Separately Budgeted Units of the Division of Agriculture, Forestry and Veterinary Medicine (DAFVM)

PURPOSE

Mississippi State University is a comprehensive land-grant university and thus includes legislatively mandated and separately budgeted units as integral components. As part of MSU, these units provide benefit to and derive support from the university as it fulfills its total comprehensive mission.

In an effort to increase efficiency, institutional support offices of the separately budgeted units have been merged with E&G offices of the university. In turn, a policy is needed to make systematic and equitable the sharing of institutional support costs.

POLICY AND PROCEDURE

The university provides all institutional support costs for academic units. It is expected that separately budgeted and auxiliary units will provide from their resources 100% of their prorata cost of institutional support functions. The MSU Internal Audit department identified prorata costs for institutional support services for the DAFVM and the separately budgeted units.

Due to the recognized mutually advantageous inter-relationships among teaching, research and service, approximately 73% (73.28372%) of the Division's prorata share of institutional support will be direct payment to the university administration with the remaining 27% (26.71628%) of the rate covered by in-kind support of university functions at various levels. The base cash contribution (\$2,727,464) established for the DAFVM will remain at the present level through FY99-2000. However, during the 3-year interval should there be significant increases or decreases in operational budgets of the university or DAFVM or salary increases funded internally, special adjustments may be calculated. Thereafter, institutional support costs for the DAFVM will be calculated on a five-year basis using the algorithms developed by the Internal Audit department with approximately 73% paid in direct cash and the remaining 27% in in-kind contributions.

The university will provide institutional support services as it does to academic units. In-kind contributions from separately budgeted units within the Division will be identified, documented, and provided to the vice president, Business Affairs for verification and acceptance.

OP 56.01

OP 61.03

2/27/97

Indirect cost recoveries generated by DAFVM units will accrue to the units and may be used to pay institutional support contributions to E&G functions. Institutional support to the physical plant from the separately budgeted units will be paid on a job order basis. Utilities for jointly occupied buildings will be shared prorata based on square footage used as per OP 56.03. Institutional support provided and/or billed externally will be the responsibility of the individual separately budgeted units as appropriate (i.e. E&G, outside legal fees, tort liability, etc.)

REVIEW/RESPONSIBILITIES

This policy will be reviewed in April of each year by the vice presidents of Business Affairs and Agriculture, Forestry and Veterinary Medicine.

RECOMMENDED BY

Ann Merman
VICE PRESIDENT FOR BUSINESS
AFFAIRS

Date: 2/21/97

[Signature]
VICE PRESIDENT FOR AGRICULTURE,
FORESTRY & VETERINARY MEDICINE

Date: 2/25/97

REVIEWED BY

David Morgan
DIRECTOR OF INTERNAL AUDIT

Date: 2/28/97

Charles K. [Signature]
UNIVERSITY COUNSEL

Date: 3/3/97

APPROVED BY

[Signature]
PRESIDENT

Date: 4/15/97

This policy has been superseded