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OFFICE OF THE PRESIDENT  
EXECUTIVE VICE-PRESIDENT

February 2, 1970

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VICE PRESIDENT	
BUSINESS & FINANCE	
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CHANCELLORS:  
 VICE PRESIDENTS:  
 DEAN OF UNIVERSITY EXTENSION:

Exception to Indirect Costs on California State Agreements

In reference to President Hitch's letter of December 3, 1969 on the above subject, authority is hereby granted to execute California Standard Agreements with the State Department of Agriculture and other State departments without provision for recovery of indirect costs when funds to be provided to the University by such agreements are derived under State Market Orders. Any other exceptions to the policy set forth in the December 3 memorandum must be considered on an individual case basis by the Vice President--Business and Finance.

*John W. Oswald*  
 John W. Oswald

December 3, 1969

CHANCELLORS:  
VICE PRESIDENTS:  
DEAN OF UNIVERSITY EXTENSION:

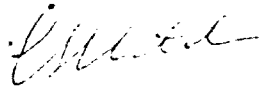
Indirect Costs on California State Agreements

The University frequently enters into agreements with California State agencies for purposes similar to those covered by grants and contracts with Federal and private agencies. It has been a long-standing practice not to make provision in these agreements, in most instances, for reimbursement of the University indirect costs.

Such costs, however, must be budgeted for by the University. Therefore, in accordance with Regental and State fiscal policy it is appropriate that the University be reimbursed by State agencies contracting for special University services, particularly since the agencies involved frequently are supported from special State funds or funds from Federal agencies, rather than from the State's General Fund. The State Department of Finance is in accord with this change in procedure.

Effective immediately, proposals to a State agency for support of a training, research, or public service project shall include provision for reimbursement of indirect costs. The appropriate rates are those promulgated by the Office of Vice President--Business and Finance for application to non-Federal agreements. Any deviations from these rates must be approved in advance of the submission by the Vice President--Business and Finance.

Disposition of amounts received in reimbursement of indirect costs on State agreements will be handled in fiscal closing in the same manner as amounts received under Federal grants and contracts. Detailed implementing instructions will be issued to your Accounting Officer. Please refer questions concerning these matters to the Office of Vice President--Business and Finance, attention: Mr. Norman Gross, Director of Contracts and Grants.



Charles J. Hitch

cc: Assistant Vice President Furtado  
Controller Fredrickson  
Special Assistant Michael  
Campus Accounting Officers  
Campus Contract and Grant Officers  
State Department of Finance  
Attention: Mr. Lowell Gano

See Attached verification re status 3/17/78