CHANCELLORS
VICE PRESIDENT HUMISTON

Dear Colleagues:

University of California research has been enhanced by working cooperatively with California farmers and ranchers to develop and apply the latest scientific and technological advances to agricultural operations. UC values its partnerships with the food and agriculture industries that include deep and lasting relationships with trade and marketing associations.

In 1970, the University implemented a policy whereby it would not require recovery of indirect costs on agreements from State Market Orders (see attached). Since that time, the entities that manage this research have evolved. In light of these changes, it is important to reiterate the University’s commitment to its mutually beneficial relationship with the agricultural industry and clarify the applicability of this policy.

Consistent with the University’s past practices, awards to the University based on grower assessments or fees on agricultural products from agricultural commodity groups are not required to include indirect cost recovery. Research Policy Analysis and Coordination within the Office of Research and Graduate Studies will work with Agriculture and Natural Resources (ANR) and the California Department of Food and Agriculture (CDFA) to clearly identify entities that may fall under this policy and provide guidance on its applicability. A list of agricultural commodity groups with which the University has worked in the past is attached to this letter.

Yours very truly,

Janet Napolitano
President

Attachments
Chancellors
Vice President Humiston
August 6, 2019
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cc:    Provost and Executive Vice President Brown
       Executive Vice President Brostrom
       Vice President Ellis
       Chief of Staff Werdick
       Associate Director DeMattos
       Research Policy Manager Kusiak
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
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
Current List of agricultural commodity groups
Updated July 31, 2019

These groups include internal California Department of Food and Agriculture (CDFA) programs, State of California Marketing Orders, Agreements, Councils and Commissions authorized by CDFA, Federal Marketing Orders, Agreements, Councils and Commissions authorized by the United States Department of Agriculture (USDA), non-profit associations, and other entities. All of these entities may make awards to the University based on grower assessments or fees on agricultural products from agricultural commodity groups.

California Alfalfa Seed Production Research Board
California Apple Commission
California Artichoke Advisory Board
California Asparagus Commission
California Avocado Commission
California Beef Council
California Blueberry Commission
California Cantaloupe Advisory Board
California Celery Research Advisory Board
California Cherry Marketing Program
California Citrus Research Board
California Citrus Nursery Program
California Cling Peach Advisory Board
California Cut Flower Commission
California Dairy Council
California Date Commission
California Dried Plum Board
California Dry Bean Advisory Board
California Fig Advisory Board
California Fresh Carrot Advisory Board
California Garlic & Onion Research Advisory Board
California Garlic & Onion Dehydrator Advisory Board
California Grape Rootstock Improvement Commission
California Grown
California Kiwifruit Commission
California Leafy Green Products Handler Marketing Agreement
California Leafy Greens Research Program
California Melon Research Board
California Milk Processor Board
California Manufacturing Milk Advisory Board
California Milk Producers Advisory Board
California Pear Advisory Board (Pear Zone 1)
California Pepper Commission
California Pistachio Board
California Pistachio Research Board
California Potato Research Advisory Board
California Processing Tomato Advisory Board
California Plum Marketing Program
California Raisin Marketing Board
California Rice Commission
California Rice Research Board
California Salmon Council
California Sea Urchin Commission
California Sheep Commission
California Strawberry Commission
Processing Strawberry Advisory Board
California Table Grape Commission
Processing Tomato Advisory Board
California Tree Fruit Agreement
California Walnut Commission
California Wheath Commission
California Wild Rice Board
California Wine Commission- Lake County District
California Winegrape Inspection Advisory Board
Lodi-Woodbridge Winegrape Commission
Mendocino Winegrape and Wine Commission
Sonoma Winegrape Commission
Pierce's Disease Glassy Winged Sharp Shooter Board
California Olive Committee
Almond Board of California
California Walnut Board (Formerly Walnut Marketing Board)
California Crop Improvement Association
Wisconsin Milk Marketing Board
California Beet Growers Association
National Cherry Growers and Industries Foundation
California Citrus Quality Control Council
California Clean Growers Association
Northern California Flower Growers and Shippers Assn
California Tomato Research Institute
USA Rice Federation
California Fig Institute
American Egg Board
California Cotton Alliance
Cotton Inc.
Dairy Management Inc.
National Honey Board
National Mango Board
National Peanut Board
National Pork Board
National Pork Producers Council & Natl Pork Industry Foundation
National Potato Promotion Board
Oregon Wine Board
United Soybean Board/Smith Bucklin & Assoc., L.L.C.
Washington Tree Fruit Research Commission
National Cattlemen's Beef Association