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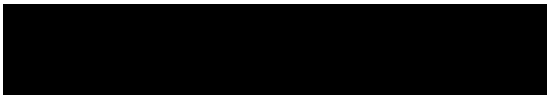
July 20, 2001

Assistant Vice Chancellor Harry LeGrande
Residential & Student Service Programs

Re: Delegation of Authority - Group A Housing System Funding
for Major Maintenance Replacement & Improvement of Facilities
(Business & Finance Bulletin BUS-20)

In accordance with Business and Finance Bulletin BUS-20 delegating to Chancellors responsibility for campus compliance with the principles and requirements of this bulletin, I am redelegating to you as Assistant Vice Chancellor-Residential & Student Service Programs the authority to act on my behalf.

Please contact Manager Susan Combs in the Chancellor's Communications and Resource Center with any concerns you may have regarding this delegation of authority.


Robert M. Berdahl
Chancellor

Cc: Vice Chancellor G. Padilla
Assistant Chancellor J. Cummins
Manager S. Combs

UNIVERSITY OF CALIFORNIA
OFFICE OF THE PRESIDENT
Office of the Vice President - Business and Finance


20 November 1968

BFB BUS - 20

NEW

BUSINESS AND FINANCE BULLETIN ADDRESSEES:

Attached is BFB BUS - 20, "Group a Housing System Funding for Major Maintenance, Replacement, and Improvement of Facilities". Please insert at the end of the BUS series.


Kent D. Greene
Supervisor
General Systems - North

UNIVERSITY OF CALIFORNIA
OFFICE OF THE VICE-PRESIDENT—BUSINESS AND FINANCE
BUSINESS AND FINANCE BULLETINS

NUMBER BUS-20
PAGE 1 OF 3

EFFECTIVE DATE November 14, 1968	TITLE: GROUP A HOUSING SYSTEM FUNDING FOR MAJOR MAINTENANCE, REPLACEMENT, AND IMPROVEMENT OF FACILITIES	UNIVERSITY-WIDE FILE REFERENCE 760-30-6a
AUTHORIZED BY John H. Starnford		LOCAL FILE REFERENCES

I. REFERENCES:

- A. Group A Housing System Indenture - Sections 4.11 and 6.01 (c).
- B. Group A Housing System Rate Structure Policy - Regents' Item 502, March 16, 1967.
- C. Haskins and Sells Cost Accounting Study - Part III.

II. INTRODUCTION:

Under the provisions of the Housing System Rate Structure Policy, student rates are established at levels sufficient to cover net revenue requirements (Part A), and operating expenses (Part B). Part A consists of funding requirements for the system's financial obligations (debt service), and for the needs of the system for funds to cover extraordinary maintenance, replacement, and improvement of facilities (major maintenance). This bulletin sets forth the procedures necessary to implement the University's rate structure policy and the recommendations of Haskins and Sells with respect to the generation, allocation, and utilization of major maintenance funds.

III. PROCEDURES:

- A. Campus net revenue assessments are subject to annual determination by the Vice President - Business and Finance. Net revenue assessments shall include the amounts necessary:
 - 1. To meet debt service requirements and other direct charges to the net revenue fund, and
 - 2. To provide funds required for current and future major maintenance expenditures.
- B. The portion of the annual net revenue assessment authorized for major maintenance at each campus is subject to determination by the Vice President - Business and Finance. Major maintenance requirements shall be based on the total capital investment in Group A facilities in operation on each campus, and on a moving

average of system-wide experience in the utilization of major maintenance funds.

- C. Of the total amount of net revenues derived from assessments for major maintenance, the Vice President - Business and Finance will authorize annually for expenditure a portion of these funds to each campus.
1. Itemization of planned major maintenance expenditures (pre-audit) is not required for expenditures within the limits of the annual authorizations.
 2. Two copies of annual reports of actual major maintenance expenditures made during a fiscal year (post audit) shall be submitted to the Vice President - Business and Finance, Attention: Director of Business Services. These should be submitted as early as possible after the end of the fiscal year.
 3. Responsibility for complying with the provisions of the Group A Housing System Indenture covering the expenditure of major maintenance funds rests with each campus Chancellor or his designated representative.
- D. Of the total amount of net revenues derived from assessments for major maintenance, the balances not subject to annual allocation in accordance with (C.) above shall be identified by campus.
1. Upon applications by campuses, and approval thereof by the Vice President - Business and Finance, funds retained as major maintenance reserves may be made available for specified purposes. (To conserve these reserves, campuses must demonstrate inability to meet specific and unanticipated needs from the funds allocated annually in accordance with (C.) above.)
 2. Until funds retained as major maintenance reserves have accumulated to a level insuring system-wide security, campuses receiving approval to expend such funds may also be required to replace them by means of a surcharge added to their regular net revenue assessments.
 3. Unencumbered balances of annual allocations pertaining to major maintenance funds in accordance with (C.) above shall expire at the end of each fiscal year.
- E. The procedures outlined in this bulletin are subject to higher authority. The provisions of the Group A Housing System Indenture and the policies and directives of The Regents and of the President are governing in all cases.

IV. RESPONSIBILITIES:

- A. The Office of the President has the responsibility for:
 1. Determining annual net revenue assessments.
 2. Determining annual expenditure authorizations of major maintenance funds.
 3. Maintaining major maintenance reserve sub-accounts.
 4. Controlling major maintenance reserve funds.
- B. Chancellors, or their designated representatives, have the responsibility for:
 1. Complying with Group A Housing System Indenture provisions.
 2. Reporting major maintenance expenditures annually.
 3. Maximizing the efficient utilization of major maintenance funds.