

ADMINISTRATIVE CHARGE TO AUXILIARY AND DESIGNATED FUND UNITS

OVERVIEW

A rate of 3.25% will be assessed on all qualifying expenses of auxiliary and designated fund units. The current rate of 3.25%, plus investment income earned on balances for these units, reimburses the University for direct and indirect administrative services. Some examples of these services are as follows: accounting, payroll, banking, purchasing, human resources, and legal services.

Beginning in September of 2008, the 3.25% administrative charge will be assessed on:

- Auxiliary Fund (29 accounts) that generate external income;
- Designated Fund (19 accounts) that generate external income or receive other external (non-UT account) funding; and
- ~~Agency Funds (41 accounts) – Pending further review~~

The charge will also be assessed on accounts that are funded 100% via transfer from an account that is assessed the charge. Transfers will not be allowed from accounts that are assessed the charge to those that are not.

EXEMPTIONS

University academic units are exempt from the charge as it is rolled into the tuition paid by attending students. Prior to disbursement of tuition dollars to the academic units, a portion of tuition goes to paying the administrative function of the University.

An account will be exempt if:

- Exempted by the University Budget Council (UBC) for special, documented reasons;
- The program or activity directly contributes to the completion of a University of Texas academic degree; or
- The program or activity is 100% centrally funded.

Some expenditure object codes such as capital outlay, scholarships, royalties, and food purchased for resale are automatically excluded from the charge. A complete list of exempted object codes is attached.

PREPARATION OF BUDGETS

For budgeted accounts, an estimate of the 3.25% charge should be shown in the budget document as a transfer to either 29-7120-0095 or 19-0206-0695, depending on the source of funds.

MONTHLY CHARGE

The automated monthly assessment and transfer of funds will be based on actual expenditures and will automatically generate on the 10th of each month.

As new accounts are requested, unless exempted by the reasons above, they will be assessed the 3.25% charge.

USING *DEFINE TO VIEW ACCOUNTS CURRENTLY BEING ASSESSED THE ADMIN FEE

To view accounts that are subject to the 3.25% charge in *DEFINE, enter CA3 (BUDGET GROUP / ACCOUNT PROFILE - CA3) in the command line. Enter the account number and proper fiscal year. In the center section of the CA3 screen is "Report Codes:". If the code "**ASC 001**" appears in this section, then the account will be assessed the 3.25% charge. If the code "**ASC EX###**" appears in the "Report Codes:" section, the account is exempt from the charge. ASC EXUBC - exempted by the UBC, ASC EXACA - exempted program or activity that directly contributes to the completion of a UT academic degree, and ASC EXCF – exempted because it is 100% centrally funded.

To obtain a list of all budget groups in a unit, go to *DEFINE, GG5 command and enter a "B" in the space to the left of the unit code.

**THE UNIVERSITY OF TEXAS AT AUSTIN
OBJECT CLASS CODES FOR EXPENDITURES
EXEMPT FROM 3.25% ADMINISTRATIVE CHARGE**

Object Class Code	Description	Exemption Criteria
1465	Alcoholic Beverages for Resale	Resale Items
1466	Food for Resale	Resale Items
1467	Merchandise for Resale	Resale Items
1524	Discount on Credit Cards	Other
1600	Scholarships/Fellowships-Citizens	Scholarships
1601	Scholarships/Fellowships-Non-Citizen	Scholarships
1602	Third Party Scholarship - Travel	Scholarships
1603	Tuition Remission	Scholarships
1604	Tuition and Fee Exemption	Scholarships
1605	Tuition Charges	Scholarships
1606	Grants - Senior Colleges/Universities	Scholarships
1607	Grants - Other	Scholarships
1608	Scholarships - Taxable	Scholarships
1690	Royalties	Royalties
1801	Construction of Buildings	Capital Outlay
1802	Purchase of Buildings	Capital Outlay
1803	Remodeling of Building - UT	Capital Outlay
1804	Remodeling of Leased Buildings	Capital Outlay
1805	Purchase of Land	Capital Outlay
1806	Construction/Improvements-Grounds	Capital Outlay
1807	Construction of Roads	Capital Outlay
1810	Purchase of Motor Vehicle - Passenger	Capital Outlay
1811	Purchase of Motor Vehicle - Other	Capital Outlay
1812	Purchase of Aircraft	Capital Outlay
1813	Nat Gas Conversion - Motor Veh - Passngr	Capital Outlay
1814	Nat Gas Conversion - Motor Veh - Other	Capital Outlay
1820	Boats	Capital Outlay
1830	Purchase of Furnishings & Equipment (Capitalized) - \$1000 and over	Capital Outlay
1840	Purchase of Computer Equipment (Capitalized) - \$1000 and over	Capital Outlay
1841	Computer Software (Capitalized) - \$1000 and over	Capital Outlay
1850	Library Books	Capital Outlay
1856	Museum Artifacts & Collections (Capitalized) - \$1000 and over	Capital Outlay
1860	Telecommunications Equipment (Capitalized) - \$1000 and over	Capital Outlay
1861	Telecommunications Equipment - Data (Capitalized) - \$1000 and over	Capital Outlay
1875	Animals Purchase (Capitalized) - \$1000 and over	Capital Outlay