



B U S I N E S S B R I E F

This summary communication has been prepared by the SJSU Foundation to keep the campus community better apprised of key current and pending administrative issues. The Foundation will publish a Business Brief two to three times a year. Your comments and feedback are appreciated and can be emailed to kcarr@foundation.sjsu.edu.

FACILITIES AND ADMINISTRATION (F&A) ALLOCATIONS PLANNED!

Allocations for FY2006 that were delayed due to an unusual decrease in F&A revenue, are scheduled for distribution with the February financial statements. Based on updated although still reduced revenues forecasted, limited funds will be available to provide allocations. For those of you within the campus community who receive these allocations, we have appreciated your patience while the Foundation carefully re-evaluated the revenue outlook. In response to these significant changes in financial performance, Foundation management has developed new tools to more accurately forecast F&A revenue with the expectation that this will provide for more timely determination of funds available for F&A allocations in the future.

CAMPUS PROGRAM FEES TO INCREASE

The SJSU Foundation's administrative fees for gift and fee-supported programs, also referred to as "campus programs," will be updated in the coming months to reflect actual costs. No specific date has yet been set for implementation. The updated fee will allow gift and fee-supported projects, which total \$17 million annually in activity, to recover the full administrative cost associated with supporting the hundreds of projects managed through the Foundation. (Note: these are often referred to as the "34 accounts.") For several years the Foundation has charged a nominal 5% administrative fee, however this was limited by a \$250 cap per transaction. The Foundation is currently considering a fee increase that could be between 1.5% and 2% with no cap, which would be charged against self-supported account expenditures. Meetings will be planned within the next two months to discuss the fee increase with those who would be affected.

PROPOSED FRINGE BENEFIT RATE REDUCTION/ RETIREMENT BENEFIT TO BE REEVALUATED

The steady increase in health care costs has put a major burden on fringe benefit costs, costs which add considerably to contract and grant proposal budgets and

to the cost of externally funded programs. Additionally, in July, 2004, the Foundation was required by the IRS to withhold social security benefits, further increasing fringe benefits expense. As an offset to the additional retirement benefit now provided by the FICA coverage, the Foundation is exploring a possible reduction to the employer retirement contribution to TIAA-CREF for eligible employees, restoring the total retirement benefit closer to pre-July 2004 levels. The proposed change will also be discussed in meetings with the campus community to be scheduled over the next two months.

OSP DIRECTOR CARMO APPOINTED DEPUTY COO

Jerri Carmo, Director of the Office of Sponsored Programs, has been promoted to the new position of Deputy Chief Operating Officer as she assumes responsibility for overseeing all gift and fee-supported programs previously under the management by Suzanne Murphy and her team. Suzanne recently accepted a promotional opportunity at the UCSF School of Medicine as the Director of their Finance and Administration. Carmo has provided administrative leadership for the Foundation's rapidly expanding \$62.5 million research program, including oversight of federal government relations activities for the campus. Additionally, Jerri Carmo will serve as key advisor to an interim COO who will be assigned to the Foundation while Mary Sidney takes a three-month family leave beginning March, 2006, as she and her husband welcome their adopted newborn. Please join us in congratulating Jerri Carmo!

CHECK OUT THE "LATEST NEWS"

As we all know, regulations change, forms need to be modified and policies are developed which may affect externally funded projects. In order to stay abreast of these various items, please be sure to visit www.sjsufoundation.org at least once every few weeks and review the items under Latest News. We will keep that section up to date with relevant information highlighted. We hope you find this to be a user-friendly, informative, and helpful addition to the Foundation's website.