



VISAYAS STATE UNIVERSITY

6521-A Visca, City of Baybay, Leyte, Philippines

BOR RESOLUTION NO. 66, s. 2008

A RESOLUTION APPROVING THE POLICY AND GUIDELINES ON THE USE OF UNIVERSITY ADMINISTERED OVERHEAD FUNDS

WHEREAS, the Leyte State University was created by virtue of Republic Act 9158 which converted the then Visayas State College of Agriculture (ViSCA) into a state university last 11 August 2001 and was later renamed Visayas State University (VSU) by virtue of R.A. 9437;

WHEREAS, Section 7 of R.A. 9158 specifically empowers the Board of Regents of the University to exercise all the powers granted to the Board of Directors of a corporation under Section 36 of Batas Pambansa Blg. 68, otherwise known as the Corporate Code of the Philippines;

WHEREAS, among other powers granted to the Board of Regents is the power "*to enact rules and regulations not contrary to law, as may be necessary to carry out the purposes and functions of the University*" as stipulated in Item (a), Section 7 of R.A. 9158,

WHEREAS, the University undertakes a substantial number of externally funded research and extension programs annually as part of the trilogy of functions of a University;

WHEREAS, there are a number of non-project employees that are involved in such research and extension projects who have to work over and above their normal workload in order to serve said projects;

WHEREAS, the funding agency permits the allocation of some funds specifically for Administrative Overhead Cost.

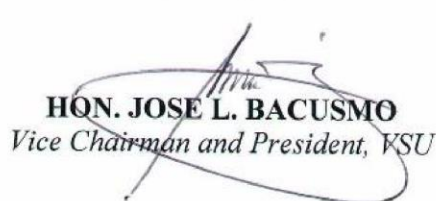
THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED to approve the proposed policy guidelines on the use of University Administrative Overhead Funds.

IN WITNESS of our approval thereof, we hereby affix our signatures this 8th day of October 2008 at Visayas State University, Visca, Baybay, Leyte.

VSU BOARD OF REGENTS



HON. NONA S. RICAFORT
*CHED Commissioner and Chairman
VSU-Board of Regents*



HON. JOSE L. BACUSMO
Vice Chairman and President, VSU

HON. ALAN PETER S. CAYETANO
*Chair, Committee on Education, Arts & Culture
Senate of the Philippines*

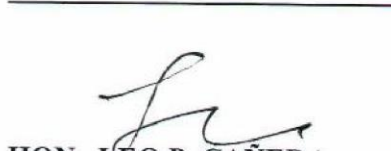
HON. CYNTHIA A. VILLAR
*Chair, Committee on Higher & Tech. Educ.
House of Representatives*

Represented by:

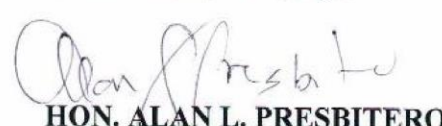




HON. BUENAVENTURA C. GO-SOCO, JR.
*Regional Executive Director
National Economic & Dev. Authority-RO8
Gov't. Center, Palo, Leyte*




HON. LEO P. CAÑEDA
*Regional Executive Director
Department of Agriculture-RO8
Tacloban City*




HON. ALAN L. PRESBITERO
*Faculty Regent – VSU System
Visayas State University, Visca, Baybay, Leyte*

HON. EDGARDO M. ESPERANCILLA
*Regional Executive Director
Dept. of Science and Technology
Government Center, Palo, Leyte*




HON. CHRISTOPHER RAY Q. PANTIN
*Student Regent – VSU System
Visayas State University, Visca, Baybay, Leyte*




HON. BERNARDO H. TOCMO
*President, VSU Federated Alumni Assn.
Visayas State Univ., Visca, Baybay, Leyte*

Private Sector Representatives:



HON. VICENTE A. QUITON
Tacloban City



HON. RUFINO L. BRODETH
Ormoc City

POLICY AND GUIDELINES ON THE USE OF UNIVERSITY ADMINISTRATIVE OVERHEAD FUNDS

I. DEFINITION OF TERMS

- A. University Administrative Overhead Cost** – refers to expenses incurred by the University for accounting and bookkeeping, personnel support services, maintenance of facilities, utilities, etc., which are not provided for in the itemized budget of a project/program. These are indirect costs of project/program borne by external funding agencies.
- B. External Funding Agency** – refers to institution, both local and foreign, which provide financial assistance to the University for the conduct of research, training, or other projects/programs.
- C. Constituent University Administration** – unless otherwise specified this term shall refer to the campus administration in the university concerned, e.g. the administration of the external campus.
- D. University Administration** – offices with System-wide functions shall be referred to as part of the “UNIVERSITY administration.”
- E. University Administrative Overhead Fund** – refers to the fund maintained by the administration derived from its share of the administrative overhead cost charged against externally funded projects/programs.

II. RATIONALE

The University, as a matter of policy, shall charge externally funded projects/programs of University units or its constituents an administrative overhead cost for the following considerations:

- A. The use of the VSU name and the honor attached to it.
- B. The use of University resources and facilities – personnel, library, laboratories, utilities, etc.

III. NEGOTIATION OF CONTRACTS

All contracts for projects/programs negotiated with external funding agencies by the University or any of its units or personnel shall include a charge by the University for administrative overhead costs.

All such contracts shall first be reviewed by the Vice-President for Administration and Finance and by the appropriate officer(s) or unit in the University, in accordance with existing rules and procedures, before the signature of the parties concerned.

IV. RATES OF ADMINISTRATIVE OVERHEAD

- A. A percentage of all project funds shall be allocated for University administrative overhead costs in accordance with the following schedule:

LESS THAN P100,000	Minimum of 5 Percent
P100,001 – P200,000	Minimum of 7 Percent
P200,001 – ABOVE	Minimum of 10 Percent

- B. The administrative overhead cost charged per project/program shall be shared by CONSTITUENT UNIVERSITY administration and the unit which generated the project/program at the ratio of **SIXTY PERCENT (60%) – FORTY PERCENT (40%)** or as otherwise determined by the President upon consultation with the units concerned.

V. UNIVERSITY ADMINISTRATIVE OVERHEAD FUND

There shall be a University Administrative Overhead Fund in the Main Campus and in each of the satellite campuses of the University hereinafter referred to as the FUND, under the administrative control of the President. The source for this fund shall be the percentage share of administration from the administrative overhead costs charged against projects/programs sponsored by external funding agencies.

The Vice-President for Administration and Finance shall prepare an annual plan indicating a system of priorities for the use of such fund for approval by the President. The Vice President for Administration and Finance shall also monitor the use of such fund and report to the President.

VI. USES OF FUND

The University Administrative Overhead Fund shall primarily be used for the following purposes:

- A. To help shoulder the utilities and maintenance bills.
- B. To provide assistance to academic programs, such as the acquisition of equipment and supplies and materials in support of such programs.
- C. To help upgrade the library collection of the University.
- D. To grant SALARIES/honoraria/incentive pay to deserving personnel and/or offices service to the project/program.

The amount to be allocated as SALARIES/honoraria/incentive pay to deserving personnel shall in no case exceed FIFTY PERCENT (50%) of the share of the administration per project/program and in no case shall any part or portion of that honoraria be paid to any personnel of the University who is not involved in providing administrative support to the projects as approved by the appropriate University official.

VII. COVERAGE

These general guidelines shall apply to the entire University System.

Sattelite campuses may formulate implementing details in accordance with these guidelines, subject to the approval of the President in order to ensure compliance with said policy and guidelines.

IN MERITORIOUS CASES, ADMINISTRATIVE OVERHEAD CHARGES MAY BE WAIVED BY THE PRESIDENT FOR PROJECTS WITH TOTAL BUDGETS OF MORE THAN P500,000.

VIII. REPEALING CLAUSE

Existing policies/guidelines contrary to these are hereby deemed repealed.

IX. EFFECTIVITY

These guidelines shall take effect upon approval by the VSU Board of Regents.