

I. The President recommends approval . . . (cont'd.)

A. Proposed revisions in the qualifications . . . (cont'd.)

Unit

A-1 Likewise, adoption of a work ethic plan for GIA grantees where a full grantee renders 48 hours' work, and a partial grantee, 24 hours' work, per semester. The assignment of work hours per GIA category was arrived at through the following formula:

UP System

$$Y = \frac{24}{29} (x-1) + 24$$

where x is the peso value in hundred and y, hours.

Note: Details of the work ethic plan will be worked out on a campus to campus basis.

The work ethic for entering freshmen shall take effect on the second semester after their admission.

B. Policy and guidelines on the use of university administrative funds, the main features of which are the following (see Appendix "A" for the complete text of the proposed policy and guidelines):

UP System

BOARD ACTION: APPROVAL

1. Definition of such terms as university administrative overhead cost, external funding agency, central administration, system administration, and university administrative overhead fund;
2. Procedure to be followed in the negotiation and review of contracts;
3. Schedule of administrative overhead to be charged, based on the total amount of the grant;
4. Administration of the university overhead fund by the Chancellor of the autonomous university concerned, subject to monitoring by the Vice-President for Planning and Finance;
5. Purposes for which the university administrative overhead fund may be used; and
6. Authority of each autonomous university to formulate the implementing rules consistent with these guidelines, subject to the approval of the President in order to ensure compliance with the said policy and guidelines.

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 a 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. Central Administration - unless otherwise specified this term shall refer to the campus administration in the university concerned, e.g. the central administration of the UPLB.
- D. System Administration - Offices with System-wide functions shall be referred to as part of the "System administration."
- E. University Administrative Overhead Fund - refers to the fund maintained by central 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 consideration.

- A. The use of the U.P. 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-Chancellor for Administration and by the appropriate officer(s) or unit in the University, in accordance with existing rules and procedures, before the signature of of the parties concerned.

IV. Rates of Administrative Overhead

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

<u>Amount of Grant</u>	<u>Administrative Overhead Cost</u>
₱ 50,000 or less	at least 15 per cent
50,001 - 200,000	7,500 plus 12 percent of excess over 50,000
200,001 - 500,000	25,500 plus 10 percent of excess over 200,000
500,001 - 1,000,000	55,500 plus 7 percent of excess over 500,000
over 1,000,000	90,000 plus 5 percent of excess over 1,000,000

- B. The administrative overhead cost charged project/programs shall be shared by central administration and the unit which generated the project/program at the ratio of 75%-25% or as otherwise determined by the Chancellor upon consultation with the units concerned.

V. University Administrative Overhead Fund

There shall be a University Administrative Overhead Fund in each autonomous campus, hereinafter referred to as the Fund, under the administrative control of the Chancellor. The source for this fund shall be the percentage share of central administration from the administrative overhead costs charged against projects/programs sponsored by external funding agencies.

The Vice-Chancellor for Administration shall prepare an annual plan indicating a system of priorities for the use of such fund for approval by the Chancellor.

The Vice-President for Planning and Finance shall 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 honoraria/incentive pay to deserving personnel and/or offices service to the project/program.

The amount to be allocated as honoraria/incentive pay to deserving personnel shall in no case exceed 25% of the share of the central 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 project as approved by the appropriate University official.

VII. Coverage

These general guidelines shall apply to the entire University System.

Autonomous units may formulate implementing details in accordance with these guidelines.

VIII. Repealing Clause

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

IX. Effectivity

These guidelines shall take effect immediately.