

admissions test administered for the purpose, provided that at least half of those admitted shall come from families with family income equivalent to those in Brackets I and II under STFAP guidelines.

Board action: Approval.

- 1.2 Amendment of the Policy and Guidelines on the Use of University Administrative Overhead Funds

UP

Board action: Approval.

(Please see Appendix B for a copy of the Policy and Guidelines, as amended.)

- 1.3 Proposed Guidelines and Basic Provisions in Agreements and Contracts for Academic Undertakings

UP

Board action: Approval.

For a copy of the guidelines and basic provisions, please refer to Appendix C.

The Board also amended its policy authorizing the President and the Chancellors to approve and sign agreements for joint academic research and/or training programs. This policy, adopted by the Board at its 987th meeting held on April 24, 1986, provided, among others, that all such agreements entered into shall be subject to confirmation by the Board of Regents not later than thirty (30) days from the signing thereof.

The Board's amendment refers specifically to the period of time within which the agreements should be submitted to the Board for

POLICY AND GUIDELINES ON THE
USE OF UNIVERSITY ADMINISTRATIVE OVERHEAD FUNDS
(As amended by the Board of Regents at its 1037th
meeting held on January 31, 1991)

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. CONSTITUENT UNIVERSITY Administration - unless otherwise specified this term shall refer to the campus administration in the university concerned, e.g. the administration of the UPLB.
- 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 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 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 Chancellor upon consultation with the units concerned.

V. University Administrative Overhead Fund

There shall be a University Administrative Overhead Fund in each autonomous UNIVERSITY hereinafter referred to as the Fund, under the administrative control of the Chancellor. 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-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 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.

Autonomous units 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 ₱500,000. THE CHANCELLORS ARE AUTHORIZED TO WAIVE ADMINISTRATIVE OVERHEAD COSTS OF PROJECTS WITH TOTAL BUDGETS NOT EXCEEDING ₱500,000.

VIII. Repealing Clause

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

IX. Effectivity

These guidelines shall take effect immediately.