

## Administrative Overhead

### Oil Spill Recovery Institute

#### Recommended changes

#### **POLICY STATEMENT regarding administrative funds**

Twenty percent of the annual OSRI deposit shall be credited to the administrative fund and the remaining 80% placed into the OSRI program fund. These funds shall be managed as a unit and all interest and appreciation earnings shall accrue to the program fund. Interest and appreciation income (Interest funds) on OSRI deposits shall be subject to an -20% administrative fee of 20% of the total Interest funds withdrawn when ~~those~~ ~~they~~ ~~funds~~ are appropriated for annual work plan projects. Financial reports for both the administrative and program funds shall be provided quarterly to the OSRI Advisory Board.

Adopted by the OSRI Advisory Board ~~April 27, 2000~~ February 15, 2008.

An example of how the admin fee would be calculated.  
(not from our budget/just an example)

#### **Sources of funds**

1) OSRI deposit from USCG Pollution Acct:	\$ 700,000
20% Administrative fee paid when funds received	<del>&lt;\$140,000&gt;</del>
Balance available for programming	\$560,000
2) Interest funds account balance	\$1,300,000
(20% overhead fee due when using Interest funds)	

If the Work Plan budgets more than \$560,000 for the fiscal year, the remainder of the budgeted funds will come from the Interest funds. 20% of the total Interest funds withdrawn will be provided as administrative fees. This means for every \$80,000 of Interest funds to be used for programming \$100,000 will need to be withdrawn.

#### **If the work plan allocates \$720,000 for programming then:**

Deposit balance available:	\$560,000
Programming funds from Interest funds	<u>\$160,000</u>
<u>Total programming funds</u>	<u>\$720,000</u>

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Administrative fee for Interest funds used	\$ 40,000
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#### **Interest fund balance**

Starting balance	\$1,300,000
Programming funds withdrawn	\$ <160,000>
Administrative funds withdrawn	<u>\$ &lt;40,000&gt;</u>
Interest funds remaining	\$1,100,000