ABC 2014 Fall Summit

Funds – Sources & Uses

University, Cal Poly Foundation and Cal Poly Corporation

September 9, 2014
Funds – Sources & Uses

- Source and Purpose of Funds
- Use of Funds
- Appropriately Sourcing Transactions between University funds, and between University and Auxiliary Organization funds

- New this Year!
  - Delegation of Authority Module
  - Cal Poly Foundation into Peoplesoft – Nov. 1
## Funds – Sources & Uses

### TYPES OF FUNDS (Sources)

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*SRB* = Special Research Board
Executive Order 1000

- President delegated Fiscal Authority and Responsibility
- Effective oversight of all funds held by the University and those held in a fiduciary capacity
- Ensure propriety of all expenditures and the integrity of financial reporting made by Auxiliary Organizations
- Administered by Vice President of Administration and Finance
University Funds - Sources

- SL001 CSU Operating Fund
  - Primary Operating Fund of the CSU
  - Sources: Student Fees and Budget Act Appropriations
  - Budgets allocated to Colleges or Departments
  - Purpose: State-supported instruction and related programs and operations

- SL006-SL010 CSU Operating Fund
  - CSUPERB, COAST, ARI and WR&PI
  - Sources: Allocation from Chancellor’s Office
  - Budgets allocated at Fund level
University Funds - Sources

- MRxxx CSU Operating Fund
  - Sources: Student Fees only
  - Operates at Cash Level through a Unique Fund
  - Purpose: Same as SL001
  - Examples: Commencement, WOW, SOAR
  - Explanation of unexpended revenue in excess of 20% annually
University Funds - Sources

- MOxxx: Instructionally Related Activities (IRA)
  - Sources:
    - IRA student fees (application process)
    - Nominal gifts
    - Other revenue generated by IRA program itself, such as gate receipts, event fees, advertising, etc.
  - Purpose: Out of class experience that provides enrichment to students and enhances learning. Must be integrally related to instruction.
  - Explanation of unexpended revenue in excess of 20% annually
University Funds - Sources

- MYxxx: Lottery Education Fund
  - Sources: Allocation from Chancellor’s Office
  - Budgets allocated at Fund level
  - Purpose: To supplement, not replace, current or prospective state-funding for instruction
  - Excludes: Uses for non-instructional purposes, like construction of facilities, and faculty/staff compensation, stipends, honoraria, faculty overloads
  - Allocations spent in year allocated - Explanation of unexpended revenue in excess of 20% annually
University Funds - Sources

- **MXxxx: Other Trust Fund**
  - Only used when activities are not described by any other fund. The propriety of other funds should be considered first when determining where to record new activity
  - Sources: Varies-by type of activity
  - Purpose: Varies-by type of activity
  - Trust Agreement for initial setup
  - Explanation of unexpended revenue in excess of 20% annually
  - Examples: Compost Sales, Green & Gold event, Preschool Lab, Career Fair, Theatre Rental
University Funds – Sources

SL002: Aux Org/3rd Party Cost Recovery (SL002)

- Sources: Revenue from monthly “Auto Invoice” process – triggered by University expenses
- Purpose: Reimbursement of goods and services paid by the University from funds held by the Auxiliary Organizations or external 3rd parties
- Expense Transaction Requirements:

  Program:
  - CPF – R2000*
  - CPC – R1000
  - ASI – R1001

  Project:
  - CPF - V + Org Key*
  - CPC - Z + Org Key
  - ASI - Y + Org Key
University Funds - Sources

- RLxxx/RMxxx: Internal Service Funds - Cost Recovery/Chargebacks
  - Sources: Cost Recovery/Chargeback Income
  - Purpose: Reciprocal and Non-Reciprocal Activities
    - Reciprocal Activities: Services, goods and facilities provided between internal University departments or between the University and Chancellor’s Office
    - Non-Reciprocal Activities: Receipt of cash or goods without receipt of cash or goods in return and without a requirement of repayment
  - Annual approval of chargeback methodology
Cal Poly Foundation Funds - Sources

- Gifts:
  - Campus Programs:
    - Restricted Gifts
    - Discretionary
    - Professional Development
  - Endowments
  - Trusts
  - Bequests
Cal Poly Foundation Funds - Sources

- Easy reference to decipher different fund sources
  - Restricted Gifts & Professional Development: Range 60000-69999
  - Discretionary: Range 70000-79999
  - Life Income and Endowments: Range 00000-09999
Cal Poly Corporation Funds - Sources

- Income:
  - Campus Programs
    - Professional Development
    - Discretionary
    - Special Activity
    - Centers & Institutes
    - Conference & Event Planning
  - Commercial Services
  - Sponsored Programs
Professional Development/Research Support

Sources:

- Indirect costs related to Contracts and Grants
- Nominal gifts can be received to avoid duplication of accounts with the same purpose.

Purpose: Provide University faculty/staff with additional opportunities to attain skills and knowledge for career advancement and funding for future research projects.
Cal Poly Corporation Funds - Sources

- Discretionary
  - Sources:
    - Retained earnings from Commercial Services operations
    - A few are funded by gifts, but retained by CPC due to their relationship to CPC activities, i.e. Swanton Ranch
  - Purpose: Provide support for various programs and departments across Campus
Cal Poly Corporation Funds - Sources

- Special Activity
  - Sources: Income-Generating Activities
    - Fundraising Events
    - Department Banquets and Internal Meetings
    - Ticket Sales
    - T-shirt Sales
    - Memberships
    - Cal Poly Arts
    - Athletic Activities, including Mustang Stampede memberships
Cal Poly Corporation Funds - Sources

- Centers and Institutes
  - Offer non-credit instruction
  - Build links with industry and the community
  - Foster interdisciplinary efforts and cooperation among departments and across colleges
  - Perform public service
  - Develop student opportunities to practice their academic discipline
Cal Poly Corporation Funds - Sources

- Conference and Event Planning
  - Offers non-credit courses, seminars, workshops, conferences or other outreach events
  - Purpose: Activities and programs which provide opportunities for developing and promoting the University and community relations
Cal Poly Corporation Funds - Sources

- Commercial Services
  - Agriculture
  - Bookstore
  - Campus Dining
  - University Graphic Services (UGS)

- Sponsored Programs
  - Purpose: Administer research grants
All Funds - Uses

- Fund Purpose
- Externally-Imposed Restrictions
- Mission of the University
- Bona fide Business Purpose
- Hospitality Policy
- Travel Policy
- Appropriately Sourcing Transactions
- Delegation of Authority

New!
Funds – Sources and Uses

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University Funds – References

- **All Funds**
  - Executive Order 1000

- **SL001, SL006-SL010 & MRxxx: Operating Funds**
  - Fund Authority: Education Code 89721(l)

- **MOxxx: Instructionally Related Activities (IRA)**
  - Fund Authority: Education Code 89230, 89700 and 89721(h)
  - IRA Website: [http://www.academicprograms.calpoly.edu/IRA/](http://www.academicprograms.calpoly.edu/IRA/)
University Fund - References

- MYxxx: Lottery Education Funds
  - Fund Authority: Government Code Section 8880.1, 8880.5, California State Lottery Act of 1984, Education Code 89721(l) and 89722.5
  - Lottery Website: www.calstate.edu/budget/lottery

- MXxxx: Other Trust Funds
  - Fund Authority: Education Code 89721(g)

- SL002: Aux Orgs/3rd Party Cost Recovery
  - Fund Authority: Education Code 89721(g)

- RLxxx/RMxxx: Internal Service Funds
  - Fund Authority: Education Code 89721(g)