CMS FUND CHANGES BEGINNING JULY 1, 2006

Date: July 5, 2006  *Update - Legislation Passed with the 2006/2007 Budget on June 30th*

To: Deans, Associate Deans, Department Chairs, Directors, Managers and Campus Business Partners

From: Suzanne Green, Associate Vice President for Finance

BACKGROUND INFORMATION
Included in the State of California 2006-2007 budget there is legislation pending which, if passed, that will affect business processes within the entire California State University (CSU) system. Specifically the FUNDS used for daily operations will change.

Pending Legislative Changes
- The CSU will have authority to maintain student fee revenue in the State University Trust Fund effective July 1, 2006.
- With this change, the CSU will operate within the State University Trust Fund
  - Monthly transfers will be processed by the State Controller
- Legislation will likely pass; so, we are “running until tackled” *Update - Legislation Passed with the 2006/2007 Budget*

WHAT DOES THIS MEAN TO SAC STATE? –
Essential Information for Department Business Partners

If the legislation passes…. *Update – Legislation passed with the 2006/2007 Budget*
- Campuses will operate within a new State University Trust Fund
- This fund will act like General Fund and Departments will continue to be allocated a budget
- The New Funds for 2006-2007 will be:
  - MDS01 - General Support
    - Same operating rules as GXXDS funds in the past
    - Do Not Use G06DS!
  - MDR01 - Reimbursed Activity Expenses
    - Same operating rules as GXXDR funds in the past
    - Do Not Use G06DR!
  - MDS01 and MDR01 are the funds you will use FOREVER!!

**Maybe…. *Update – Legislation passed with the 2006/2007 Budget***
- Remember – we’re “running until tackled”
- We will know as soon as the 2006-2007 Budget Act is approved

No matter what happens, for this year (2006-2007):
• Fund Values will be
  o MDS01 – NOT G06DS
  o MDR01 – NOT G06DR

• Next Steps
  o To spend funds that “would” have been budgeted within fund G06DS – Departments must use MDS01.
  o nVision – use “Department Expense Info” buttons
  o During July – when we know if the legislation passed we’ll notify the campus
  o If it does pass, MDS01/MDR01 will remain our main campus funds from year to year – they will NOT change each year *Update – Legislation passed with the 2006/2007 Budget*

• How will the Fund value not changing affect you?
  o All activity will be processed within MDS01 and MDR01
  o In the second year all prior year activity will continue within MDS01 and MDR01
  o Open PO’s at June 30, 2007 will be paid during 2007-2008 in MDS01 or MDR01

• Mandatory Student Course Fees
  o Separate Trust Fund for each Student Course Fee
  o You will be notified of new Fund value (MS###)
  o You will use these new Funds FOREVER!
  o Update forms for Student Payments
  o Departments will spend from this New Fund
  o These are Cash Funds; no Budget allocated
  o nVision – use “Trust Fin Info” buttons

**If the legislation does NOT pass**  *Update – Legislation passed with the 2006/2007 Budget*

• General Fund and Reimbursed Activity
  o We will use MDS01 and MDR01 during 2006-2007 and then revert to using G07DS and G07DR for 2007-2008.

• Mandatory Student Course Fees
  o Student Course Fees will use Fund M06RF
  o Update forms for Student Payments
  o Budget allocated to MDS01 based on Revenue Estimate
  o Departments will spend from MDS01
  o nVision – use “Department Expense Info” buttons
  o We will use M06RF and MDS01 during 2006-2007 and then revert to using H07RF and G07DS for 2007-2008

For questions, please contact: Stacy Hayano at 8-3909 or Justine Heartt at 8-7440