Sacramento State
New CSU Proprietary Funds

543 – Internal Service Funds – “PN”
544 – Enterprise Funds – “PX”
New CSU Funds at Sac State

- Why do we have new Funds?
- What are Proprietary Funds?
  - Internal Service Fund
  - Enterprise Fund
- Do they earn interest?
- Do they pay overhead?
- What does this mean to you?
Why do we have new Proprietary Funds?

- As mandated by the CO and the Revenue Management Program, we need to define and more accurately reflect the activity that has been historically recorded in the Trust Miscellaneous (TM or TX) and in Reimbursed Activity (MDR01) funds.
- To be comparable between CSU campuses.
- The Chancellor’s Office will be able to respond timely to information for Public Records Requests from the Unions and others.
Proprietary Funds

- There are two types of Proprietary Funds
  - Internal Service Funds – Begin with “PN”
  - Enterprise Funds – Begin with “PX”

- All Proprietary Funds are
  - Self-supporting [i.e., all of the costs (including salaries and benefits) related to producing the goods and/or services are posted to this fund, and the users are charged appropriately]
  - To break-even each year, while maintaining a modest positive cash balance at all times. With preapproval, reserves may be built up for major future purchases (equipment replacement, space renovations).
Internal Service Fund – “PN”
CSU Fund 543

- To be used when a campus department provides goods/services to other campus departments, on a direct and/or indirect cost reimbursement basis and the campus is the predominant user of those goods/services.
- The goods/services provided are associated with regular, ongoing campus activities, and with the routine conduct of campus business.
- Sac State Examples include Reprographics and Photocopy
Enterprise Fund - “PX”
CSU Fund 544

- To be used for reporting any activity for which a fee is charged to external users for campus goods/services. External users may include University auxiliaries, the general public, alumni, outside business entities, and non-Sacramento State governmental entities.
- Goods/services provided are associated with various aspects of campus life, academic expertise, cultural enrichment and benefits generated by a campus that accrue to the surrounding community or the State.
- Sac State Examples include IR&T’s SECC External Service and Telecommunication–Networking External Services Funds
Interest Earnings & Management Fees?

- Funds in CSU 543 – “PN” – Internal Customers
  - Formerly in the Reimbursed Activity (RA) Fund
  - Will not earn Interest
  - Will not pay Management Fees
    - If implemented, expenses rise and the fees charged to customers would increase accordingly and need to be recovered from Departments’ General Operating Funds

- Funds in CSU 544 – “PX” – External Customers
  - Formerly in Trust Miscellaneous “TM” and RA Funds
  - Will earn Interest
  - Will pay Management Fees
    - External Customers need to pay full costs
What does this mean to you?

- **All Customers – Internal and External**
  - No Change
    - Departments, Auxiliaries and other customers will still be charged for goods and services received

- **Service Providers Moving to New “P” Funds**
  - Work with Financial Services, Budget and Payroll to
    - Move year-to-date amounts
    - New PTF’s to move payroll
    - Update chargeback/campus cost recovery (CCR) tables
    - Update existing requisitions and purchase orders
    - Update fund specification sheets
Reference Link

- CO Revenue Management Program Website
  - [http://www.calstate.edu/bf/rmp/](http://www.calstate.edu/bf/rmp/)
  - #5 Campus Service Providers Document