

**NON-STATE FUNDS: PROCEDURES FOR
ACCEPTING AND ADMINISTERING**
California State University, Sacramento

A majority of the funding for California State University, Sacramento comes from the State General Fund. Effective with Education Code 89721 (l) and subsequently Executive Order 1000 the CSU Trustees prohibited campuses using the State General Fund to record operating expenditures. Therefore, the General Operating Fund was established in the local CSU Trust Fund, for the purpose of reporting revenues, expenses, and net assets related to state-supported instruction and related programs and operations.

The shift from the State General Fund and the increasing reliance upon alternative funding sources to provide services to students and operate the University and its auxiliaries has created issues as to the proper placement and administration of funds. These procedures provide guidance to the types of funds that may be received under the cited authority and the organizational entity where these funds will be deposited and administered.

Local trusts are defined to include the CSU Trust Fund and the University's six auxiliaries: the University Foundation at Sacramento State (UFSS), University Enterprises, Inc. (UEI), University Enterprises Development Group (UEDG), Associated Students, Inc. (ASI), Capital Public Radio (CPR), and the University Union (UU). The table in Section 2 (page 4) indicates into which trust to deposit funds. Any questions as to proper placement of deposits should be directed to the University's Associate Vice President for Financial Services. Section 3 (page 5) provides a list of other University policies that can be used as resources in the application of this procedure.

Section 1: ACCEPTING AND ADMINISTERING NON-STATE FUNDS

All financial records receiving funds cited under this policy will be established in accordance with applicable laws, regulations, and approved specifications. Further details about related procedures to establish financial records in the CSU Trust Fund are available from the University's Accounting Services Office. Details for procedures to establish financial records with one of the approved auxiliaries are available from:

- UFSS – Sacramento State's Development Office;
- UEI – auxiliary's Business Services Office;
- UEDG – UEI's Business Services Office;
- ASI – auxiliary's Director of Finance;
- CPR – auxiliary's General Manager; and,
- UU – auxiliary's Director.

Deposits

Non-gift funds for deposit in the CSU Trust Fund are to be directed to the Student Financial Services Center. These funds will be deposited within 24 hours of receipt and

available for use at that time provided an approved specification has been completed for the financial record receiving the funds. Gift funds are to be directed to the University's Development Office.

Donations for endowments, scholarship, grant, or financial aid loans received by any school, department, center, or auxiliary organization are to be forwarded to the University's Development Office for deposit.

Funds for deposit with one of the approved auxiliaries are to be directed to the appropriate auxiliary office for receipt:

- UFSS – Sacramento State's Development Office;
- UEI – auxiliary's Business Services Office;
- UEDG – UEI's Business Services Office;
- ASI – auxiliary's Business Office;
- CPR – auxiliary's Business Office; and
- UU – ASI's Business Office.

Funds will be deposited within 72 hours of receipt and available for use at that time provided that an approved specification has been completed for the financial record receiving the funds.

Fund Transfers

Funds deposited under the provisions of this policy may be transferred to other University funding entities according to applicable laws, regulations, and approved specifications. Further details on transfer procedures are available from the University's Accounting Services Office for the CSU Trust Fund and the business office of the specific auxiliary.

Expenditure

Funds deposited under the provisions of this policy may only be used for purposes directly related to the University's mission, project agreements, the University's Business Related Hospitality Expenses policy, applicable laws, regulations, and approved trust financial record specifications. Further details on permitted expenditures are available from the University's Accounting Services Office for the CSU Trust Fund and the business office of the specific auxiliary.

All financial aid awards to students are to be made in conjunction with the University's Financial Aid Office, and disbursed through the financial aid award process.

Investments

Funds deposited in the CSU Trust Fund are invested in accordance with relevant Education Codes and CSU Trustee's policy. This program's investment objectives are

safeguarding principal, maximizing cash management and providing the best possible rate of return.

Funds deposited with the auxiliaries are invested according to the Board policy of the particular organization. The objectives are providing the best possible rate of return and safeguarding principal. Further details on a particular auxiliary's investment policy are available from the director/manager of the auxiliary.

Investment Earnings

All earnings resulting from the investment of CSU Trust funds are distributed based on the financial record's specification agreement. Earnings resulting from investments made by an auxiliary are handled according to the policy of that organization.

Management Fees

Fees are charged for the sole purpose of covering the cost of administering these funds. The services provided for the management fee include accounting, investment, cashiering, accounts receivable, purchasing, accounts payable, personnel and payroll. All other services are provided as an expenditure of funds.

No management fees will be charged to financial records for student fees that support the instructional program in the General Operating Fund.

Reimbursements for services provided to enterprise funds such as Continuing Education, Parking and Student Health by the General Operating Fund will be documented through separate Memoranda of Understanding. Management fees for all other financial records will be charged according to the financial record's specification agreement.

Management fees for the auxiliaries are charged according to the policy of each organization.

Section 2: WHERE RECEIPTS SHOULD BE DEPOSITED

The following table lists the most common sources of receipts and indicates where they should be deposited. Any questions as to proper placement of deposits should be directed to the University’s Associate Vice President for Financial Services.

Types	CSU Trust Fund	Authorized Auxiliary
Gifts	X (1)	UFSS
Contracts for Sponsored Projects		UEI
Grants and Contracts	X (2)	UEI (2)
Interagency Agreements	X	
Endowments	X (1)	UFSS
Student Scholarships, Grants or Loans	X (1)	UFSS
Use of University Services, Supplies & Facilities	X	
Workshops, Institutes and Conferences	X	All
Affiliated Organizations	X	UFSS
Continuing Education	X	
Parking	X	
Student Health	X	
Student Housing (University owned)	X	
Student Fees	X	
Lottery Funds	X	
Reimbursements	X	

Note 1:

Generally, all gifts are to be solicited by and directed to the University Foundation at Sacramento State. Exceptions are made for gifts directed to one of the University’s other recognized auxiliary organizations for purposes that only that auxiliary can fulfill and gifts that supplement existing endowments and scholarships within the CSU Trust Fund. Further details about these procedures are available in the University’s *Development Manual*, at <http://www.csus.edu/giving/docs/CSUSDevelopmentManual0605.pdf>

Note 2:

Research and sponsored projects per delegated authority in Executive Order 890 will be directed to the University Enterprise Inc to administer grants and contracts on behalf of the University, exceptions can be made.

Section 3: CROSS REFERENCES

Below are other University policies that can be referenced as possible resources in the application of this procedure.

- Bank Accounts and Cash Management
- Credit Card Acceptance
- Delegated Financial Authority and Responsibilities
- Gifts
- Gift Acceptance, Responsibility, and Procedures
- Procurement Policy
- Student Fee Policy