Administrative Procedure

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Subject: AUXILIARY ACCOUNTS

1.0. PURPOSE:

To establish the procedures which govern the administration of funds held in campus program accounts by University auxiliary organizations and to establish the guidelines for the proper placement of such funds in accordance with legal and regulatory requirements, and approved operating agreements for each respective auxiliary.

2.0. ORGANIZATIONS AFFECTED:

All organizational units of the University, including Auxiliary organizations.

3.0. REFERENCES:

3.1. Education Code, Sections 89903, 89904.6, 89030, 89036-89039, 89700, 89720, 89722, 89724, 89725, 89750, 89752, 89754, 89756, 89761.

3.2. California Code of Regulations, Title 5, Division 5, Chapter 1, Subchapter 6, Auxiliary Organizations.

3.3. Executive Order 1059, Utilization of Campus Auxiliary Organizations.

3.4. Integrated CSU Administrative Manual (ICSUAM), Section: Auxiliary Organizations, Policy Number: 13680, Placement and Control of Receipts for Campus Activities and Programs.

3.5. Administrative Procedure 209, Hospitality, Payment or Reimbursement of Expenses.

3.6. Current Auxiliary Operating Agreements.

3.7. Cal State LA University Development Policies and Procedures, Sections 7.0., 8.0., and 12.0.

4.0. POLICY:

4.1. The University shall control and prescribe the rules and regulations covering the collection, custody and disposition of any and all money collected by the University and all official University organizations. Official University organizations are prohibited from maintaining a commercial checking, savings or deposit bank account, unless authorized by statute and/or the University President.

Approved: _____ **Date:** _____

4.2. All revenues, fees, charges and donations and expenditures must be consistent and fall within the educational mission of the California State University (CSU) as defined by the respective statutes, Board of Trustees and University policies. All expenditures must be supported by original documentation with evidence of purchases and services performed.

5.0. DEFINITIONS:

5.1. Official University Organization - An organization that uses the name of the University in its title in whole or in abbreviated form (e.g., Cal State LA, CSLA, and CSULA) or in any manner that implies or has an official connection with the University. Recognized student groups are excluded from this definition.

5.2. Auxiliary Program Accounts - A sub-account set up to control and record the receipt and expenditure of income, revenues and donations within permissible activities of an official University organization.

5.2.1. Program Income - Self-support activities entered into to supplement and enhance the educational program.

5.2.2. Gifts and Contributions - Funding derived from restricted and unrestricted donations as described in Section 7.1. of the University Development Policies and Procedures.

5.2.3. Fundraising/Public Relations Events - Funding derived from fundraising/public relations events that are earmarked or pledged for a specific purpose.

5.2.4. Workshops, Conferences and Institutes Income - Funding derived from workshops, conferences and institutes and non-credit courses.

5.2.5. Instructionally Related Programs and Activities - Funding derived from instructionally related programs and activities, including agriculture, athletics, radio and television stations, newspapers, films, transportation, and printing that are earmarked or pledged for a specific purpose.

5.2.6. Other - Items not specifically listed that will advance the mission of the University and the CSU.

5.2.7. Acceptable Expenditures - May include:

a. Hospitality while holding or attending meetings, conferences, or gatherings on or off campus.

b. Public Service /Community Relations which furthers the mission of the University and the CSU.

c. University activities not fully supported by other funds.

d. Student Support activities including scholarships and stipends.

e. Academic Support activities not fully supported by other funds.

f. Other items not specifically listed that will advance the mission of the University and the CSU.

5.3. Ownership – Within the scope of this procedure, the word ownership will be used to describe which entity will be held accountable and responsible for a particular campus activity or program, as determined by the President or designee.

5.3.1. Indications of an assumption of ownership include, but are not limited to:

- Authority and discretion to contract for services or materials required by an activity or program, e.g., contract for the use of hotel conference space or to procure scientific equipment;
- Responsibility for business losses or for bearing excess costs when insufficient funds were collected in connection with commercial and non-commercial activities or programs;
- Acceptance of legal liability as an owner or principal entity being both in charge and answerable for an activity or program;
- Acceptance of fiduciary obligations (beyond those associated with an agency relationship) associated with an activity or program;
- Responsibility for the establishment of operating and administrative policies governing an activity or program;
- Primary control or discretion over the expenditure of funds related to a program or activity.

5.3.2. Determination of ownership of an activity or program is not necessarily evidenced by which entity:

- Employs individuals granted signatory authority related to an activity, e.g., authorization to sign a letter or other related documentations on behalf of the accountable and responsible entity;
- Owns the facility where the activity occurs;
- Has been granted a limited authority to request an expenditure;
- Has academic or similar programmatic control over an activity, e.g., a University program's oversight of studies related to a particular product, item, subject, etc., does not require ownership of such product, item, subject, etc., maintained for the study.

5.3.3. Determining ownership guides the placement of funds within the State University Trust Fund or to auxiliary organization funds. Sections 510 to 580 of the ICSUAM Policy Number 13680 shall guide fund placement for more common activities and programs. Exceptions are permissible where deviation significantly benefits the University.

6.0. RESPONSIBILITIES:

6.1. The Vice President for Administration and Chief Financial Officer (VPA/CFO):

6.1.1. Is responsible for administrative compliance and fiscal oversight of campus auxiliary organizations.

6.1.2. Acts as the President's designee to authorize campus activities or programs.

6.1.2.1. May delegate this authority to the appropriate auxiliary administrator, in writing.

6.1.3. Shall ensure that appropriate accounting frameworks have been established to ensure that any legal or other restrictions on campus activity and program funds are properly maintained.

6.1.4. Shall be responsible, where this procedure does not specifically guide the placement of funds, for making the final determination of the placement of receipts.

6.1.5. Shall review all Campus Program Account Application and Agreements every five (5) years to ensure compliance with this procedure.

6.2. The Executive Director of the California State University, Los Angeles University Auxiliary Services, Inc. (UAS) will:

6.2.1. Review all Campus Program Account Application and Agreement forms and make a determination as to the benefits of placement of the account with either the University or UAS, if such authority has been delegated, or otherwise forward to the VPA/CFO.

6.2.2. Communicate approval and assignment or explanation of denial to the requester and the College Dean/Administrative Department Head.

6.3. UAS will:

6.3.1. Receive requests for new accounts and forward them to the Executive Director of UAS for review and approval.

6.3.2. Process deposits.

6.3.3. Process expenditure requests.

a. Verify that documentation is complete.

b. Verify signature authority.

c. Verify availability of funds.

d. Issue check or return for departmental resolution.

6.3.4. Maintain account files for inquiries and audits.

6.3.5. Provide account balances and other pertinent information as requested by College and Department offices.

6.4. College Deans and Administrative Department Heads will:

6.4.1. Approve or deny Campus Program Account Application and Agreement forms for organizations/programs within their respective area.

6.4.2. Accept financial responsibility for potential expenditures in excess of revenues, and be prepared to fund them from other appropriate sources.

6.4.3. Review Campus Program accounts for potential problems.

6.5. UAS Campus Account Holders will:

6.5.1. Deposit all funds received in a timely manner.

6.5.2. Submit fully documented requests for expenditures in a timely manner.

6.5.3. Review Campus Program accounts for potential problems.

6.5.4. Manage the account in a fiscally responsible manner.

6.5.5. Advise UAS regarding any change in account management or signature authority.

6.6. The Executive Director of the California State University, Los Angeles Foundation (Foundation) will:

6.6.1. Review the Scholarship and Fund Account Authorization Application and Criteria forms and make a determination as to the benefits of placement of the account with the University or the Foundation, if such authority has been delegated, or otherwise forward to the VPA/CFO.

6.6.2. Communication approval and assignment or explanation of denial to the requestor.

6.7. The Foundation will:

6.7.1. Review requests for new accounts and forward them to the Executive Director of the Foundation.

6.7.2. Process deposits.

6.7.3. Process expenditure requests.

a. Verify that documentation is complete.

b. Verify signature authority.

c. Verify availability of funds.

6.7.4. Maintain account files for inquiries and audits.

6.7.5. Provide account balances and other pertinent information as requested by the donor/requestor.

6.8. The Authorized Foundation Account Holder will:

6.8.1. Review the scholarship award applications.

6.8.2. Select the qualified applicants for the award.

6.8.3. Submit the approved applicants to the Student Financial Aid Office for distribution of funds.

7.0. PROCEDURES:

7.1. Account Establishment

7.1.1. The UAS Account Applicant will:

7.1.1.1. Obtain a Campus Program Account Application and Agreement from the UAS Office.

7.1.1.2. Complete the Campus Program Account Application and Agreement, being as specific as possible. Include copies of the organization charter and bylaws, if applicable.

7.1.1.3. Obtain signature of the appropriate College Dean or Administrative Department Head.

7.1.1.4. Return the completed form to the UAS Office.

7.1.2. The Executive Director of UAS will:

7.1.2.1. Review Campus Program Account Application and Agreement forms and determine the placement of the Campus Program account, if such authority has been delegated, or otherwise forward to the VPA/CFO.

7.1.2.2. Communicate approval and assignment or an explanation of the denial of the request for a Campus Program account.

7.1.2.3. Communicate account numbers to the account holder and College Dean/Administrative Department Head.

7.1.3. The Foundation Account Applicant will:

7.1.3.1. Obtain a Scholarship or Fund Account Authorization Application and Criteria form from the Foundation Office.

7.1.3.2. Complete the appropriate form, being as specific as possible, and include copies of the organization charter and bylaws, if applicable.

7.1.4.3. Obtain signature(s) of the appropriate College Dean or Administrative Department Head.

7.2. Account Use

7.2.1. The UAS Campus Program Account Holder will:

7.2.1.1. Forward all funds for deposit to the UAS Office.

7.2.1.2. Submit properly completed and documented forms in a timely manner.

7.2.1.3. Review account transactions and activity and report discrepancies in a timely manner.

7.2.2. The UAS Office will:

7.2.2.1. Receive and process deposits of funds and requests for expenditures.

7.2.2.2. Maintain auditable records of all transactions.

7.2.2.3. Provide assistance and information to account holders including correction of errors in the accounts.

7.2.2.4. Review on a periodic basis, the activity within accounts and reports that information to the Executive Director of UAS.

7.2.3. The Foundation Account Holder will:

7.2.3.1. Forward all funds for deposit to the Foundation Office.

7.2.3.2. Submit properly completed and documented forms in a timely manner.

7.2.3.3. Review account transactions and activity and report discrepancies in a timely manner.

7.2.4. The Foundation Office will:

7.2.4.1. Receive and process deposits of funds and requests for expenditures.

7.2.4.2. Maintain auditable records of all transactions.

7.2.4.3. Provide assistance and information to account holders including correction of errors in the accounts.

7.2.4.4. Review on a periodic basis, the activity within accounts and reports that information to the Executive Director of the Foundation.

7.3. Account Closure

7.3.1. UAS will close any account that has a cash balance of less than $500 and no activity for one (1) year. Any funds remaining in the account will be disbursed in the manner as defined in the Campus Program Account Application and Agreement.

8.0. APPENDICES:

8.1. UAS Campus Program Account Application and Agreement form.

8.2. Foundation Scholarship Authorization Application and Criteria form.

8.3. Foundation Fund Account Authorization Application and Criteria form.