CSULB 49er Foundation

Business Unit Policies and Guidelines (LB49R)

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I. Overview

The 49er Foundation (LB49R) is a non-profit, 501c (3) organization established in 2012 to support and advance the philanthropic mission of California State University, Long Beach. To fulfill this mission, the 49er Foundation actively promotes philanthropy and manages donated resources for the advancement of the University. The 49er Foundation advocates for the people and programs at California State University, Long Beach through the management of private support and the stewardship of donors. CSULB depends on private support to create and sustain high-quality academic, artistic, and athletic programs that give our students the knowledge and experiences they need to be competitive in a global economy.

The purpose of this document is to provide an overview of how the management of these donated resources is reflected in the University's accounting system and to provide links to applicable policies and procedures.

II. ChartFields

The 49er Foundation uses the CFS PeopleSoft system to record all financial transactions. In this system, ChartFields (CF) store LB49R charts of accounts and provide the system with the basic structure to segregate and categorize transactional and budget data. Each ChartField has its own attributes for maximum efficiency and flexibility in recording, reporting and analyzing its intended category of data. While a particular ChartField always represents only one category of data, it stores many values to be used to further categorize that same data. All transactions utilize a Business Unit, along with specific detail organized by ChartFields. The combination and linkage of the various ChartField types and values are commonly referred to as a *"ChartField String."*

LB49R Defined ChartFields Matrix

	Bus Unit	Fund	Account	DeptID	Program	Project	Class	Scenario
Identifies	Org Unit	Where	What	Who	Report	Report	Report	Budget
Length	5	5	6	5	5	10	5	>= 10
Required	Y	Y	Y	Y	N	N	N	Y
Field Name	BUS_UNIT _TBL_GL	FUND_TBL	GL_ACCOUNT	DEPT_TBL	PROGRAM _TBL	PROJECT	CLASS_CF _TBL	BD_SCENARIO _TBL

A. ChartField Components

1. Fund

The 49er Foundation has established the following types of funds:

- Current-Use Funds
  - Operating Funds
  - Scholarship Funds
- Endowed Funds

a) Operating Funds

Campus Programs (Nxxxx)

Funds used to record donated revenues which will be used to support the general programming/operations of a Division, College, Department, Center/Institute, or Program. Scholarships are not authorized expenses to an N-fund, nor may funds be transferred from an N-fund to a K-fund.

Each College, Department, Center/Institute, or Program may have one general N-fund established. There are no minimum donation(s) required for these funds. The fund will be named after the College, Department, Center/Institute, or Program.

Defined as follows:
- College/Department – See Campus Organizational Chart for a complete list.
- Center/Institute – See ORSP's list of Colleges, Centers, and Institutes for a complete list of all authorized CSULB Centers and Institutes.
- Program – A distinct effort or field within a department, college, or division guided by a director (not a dean or department chair) who is assigned with fiscal responsibility for the subunit. New Program fund requests require supporting documentation or a Memo of Understanding to demonstrate plans for ongoing fundraising activity.

Additional N-funds may be established when a donor makes a gift of $15,000 or more. A new fund will be created when either the entire gift amount is received or a donor makes a written commitment for future gifts. For written commitments, an initial gift of $5,000 or more must be received along with a minimum two-year pledge schedule for the remaining amount. Requests for new campus program funds that include the name of the donor in the fund description require approval from the AVP for Administration & Finance and the COO of the 49er Foundation.

Funds are not budgeted. They are managed at a Fund Balance or Trial Balance.

Capital Construction (DNxxx)

Funds used to record the donated revenues and the expenses associated with specific capital projects (e.g., buildings, equipment, landscaping, etc.) These funds accrue investment earnings.

General Fund (GF049)

This fund records the annual operating budget of the 49er Foundation. This fund is budgeted. The budget requires the approval of the 49er Foundation Board of Directors.

Annual Funds (AFxxx)

Funds used to record donated revenues and related expenses associated with fundraising. The annual net proceeds can be spent on activity which supports the specific purpose of the fund. Annual Funds are generally used for 49er Foundation administrative purposes.

b) Scholarships Funds

Scholarship/Award (Kxxxx)

Funds used to record donated revenues which will be used to distribute scholarships/awards to a currently enrolled CSULB student. All payments in this category must be reviewed for compliance and awarded by the Financial Aid Office. No payments for wages or stipends are permitted.

Each College, Department, Center/Institute, and Program may have one general scholarship (K-fund). There are no minimum donation amounts required to open these funds. The fund will be named after the College, Department, Center/Institute, or Program.

Defined as follows:

- College/Department – See Campus Organizational Chart for a complete list.
- Center/Institute – See [ORSP's list of Colleges, Centers, and Institutes](#) for a complete list of all authorized CSULB Centers and Institutes.
- Program – A distinct effort or field within a department, college, or division guided by a director (not a dean or department chair) who is assigned with fiscal responsibility for the sub-unit. New Program fund requests require supporting documentation or a Memo of Understanding to demonstrate plans for ongoing fundraising activity.

Additional funds may be established when a donor makes a gift of $6,750 or more. A new fund may be created when either the entire gift amount is fully received or a donor makes a written commitment for future gifts. For written commitments, an initial gift of $2,250 or more must be received along with a minimum two-year pledge schedule for the remaining amount.

If a written commitment cannot be provided from the donor(s), there must be a demonstrated three-year pattern of giving and an assurance of ongoing fundraising activity at the required threshold. Such new fund requests will require supporting documentation or a Memo of Understanding.

The fund may be named to represent the purpose of the donation or the name of the donor.

Additional funds may also be created when donors who established an Endowed Build fund wish to make a concurrent additional annual contribution to fund a student award during the "build" period.

Funds are not budgeted. They are managed at a Fund Balance or Trial Balance.

c) Endowed Funds

1) Types of Endowments

Board Endowment (Bxxxx)

University-established funds subject to the endowment spending policy of the

Foundation; funds may come from donor(s) or other sources.

Pure Endowment (Exxxx)

Donor-established funds subject to the endowment spending policy of the Foundation.

Quasi Endowment (Qxxxx)
University-established funds not subject to the endowment spending policy of the Foundation; funds may be spent down for specific approved expenses above and beyond the spending policy limits; funds may come from donor(s) or other sources.

Term Endowment (Txxxx)
Donor-established funds not subject to the endowment spending policy of the Foundation; funds are to be spent down/exhausted over a specific period of years.

Endowment Buildup (EBxxx)
Used to accommodate fundraising initiatives that may require multiple years to meet the minimum endowment threshold. No expenditures may be made during the buildup period. Once the minimum threshold is met, the fund will be moved to a Pure Endowment. If, after 5 years, the dollar threshold has not been reached, the balance in the "build" fund will be moved to a corresponding current-use fund to be spent down. These funds accrue investment earnings.

2) Minimum Thresholds

Endowment Type	Minimum Dollar Amount
Endowed Dean's Chair	$2.5 million
Endowed Chair	$1 million
Endowed Research Fellowship	$250,000
Endowed Graduate Scholarship	$100,000
Endowed Scholarship	$50,000
Endowed Program Fund	$25,000
Endowed Student Award	$25,000

3) Use of Program Codes
In order to enhance the monitoring of endowed funds, an extra ChartField is used to identify the nature of the fund. Although technically an optional ChartField, the PeopleSoft Program ChartField is required on all expense transactions involving 49er Foundation endowed funds. For these funds, the Program ChartField is used to define allowable types of spending and to record the allowable budget to be spent in a given fiscal year. Program codes are as follows:

- **C0001** = Endowment Chair – To be used only for officially approved faculty appointments. Funds may be used to supplement salary, pay for travel, supplies, equipment or other approved expenses of the chair-holder.
- **P0001** = Endowment Programs – Indicates a general type of fund used for supplies, travel, honorariums, student wages, etc. Program funds should be used to support CSULB programs and are not to be used for scholarships.
- **S0001** = Endowment Scholarships – Donor-provided funding required to be distributed to a currently enrolled CSULB student for scholarships/awards and student scholarly expenses. Must be processed through the Financial Aid Office. This may include scholarships, awards, honorariums, book awards or any similar payment.
- **U0001** = Endowment Unrestricted – Can be used for scholarships and programmatic support. Special approval from the Chief Operating Officer of the 49er Foundation is required to set up this type of fund.

4) Use of Budget

Budgets are required in endowment funds, except endowment buildup funds. (Budget – Actuals – Encumbrances = Balance Available). All funds show a budget for the current year's earnings distribution plus, if applicable, a carryforward budget for cumulative unspent distribution from previous years.

5) Distribution of Earnings

The annual distribution is subject to the spending policy of the 49er Foundation. The distributions to the beneficiary funds shall be an amount equal to 4.5% of each endowment fund's corpus based on a 36-month moving average market value, determined as of December 31 of each year for the following fiscal year's allocation.

No distribution will be made from an individual endowment if its corpus value drops to less than 80% of its historical gift value. Partial distributions will be made as long as the distribution shall not cause the historical gift value to drop below 80%.
CSULB 49er Foundation Spending Policy

Distribution notification is made early in the calendar year to facilitate expenditure planning for the following fiscal year. However, these funds may not be spent until the new fiscal year begins. In addition, no other funds may be deposited into these "spending accounts." The total expenditures in a fund may not exceed the spending amount allocated in a current year (plus any carryforward from previous years.) In July, the distribution will be deposited into the fund and a budget will be posted to the fund/program combination. The budget in each fund becomes the spending authorization for the fund.

6) Investment Policy

The 49er Foundation's investment policies are designed to protect the long-term viability of its endowment and seek a total return that provides for the annual spending policy disbursement, fees, and inflation protection. The 49er Foundation utilizes the services of an Outsourced Chief Investment Officer (OCIO) and decisions related to endowment investment are made by the Finance & Investment Committee of the Board of Directors.
CSULB 49er Foundation Investment Policy

2. Account

- Uses LBCMP SetID list. Shared across all Business Units.
- Identifies **"What"** is the nature of the transaction.
- **Required** on all transactions.
- Used to identify the type of activity by classification into one of the following:
  Balance Sheet Items: (1) Assets, (2) Liabilities and (3) Fund Balance/Net Assets
  Income Statement Items: (5) Revenue and (6) Expense
- This ChartField value captures the detailed breakdown of a financial transaction that is entered into the system.

3. Department
   - Uses LBCMP SetID list. Shared across all Business Units.
   - Identifies **"Who"** is the department effected by the revenue or expense transaction.
   - **Required** for all revenue and expense account transactions.
   - Represents the detailed breakdown of the Business Unit organizational structure.
   - Required for reporting.
   - Combined with other ChartField values, can form the basis for departmental budgets that track revenue and expense.

4. Program
   - Uses LB49R SetID list.
   - **Tracking type** – available campus wide. Used to define a set of ongoing accounting activities for which revenue and/or expense needs to be tracked at a campus-wide level.
   - Used on Endowment Funds to define allowable types of spending (see Use of Programs above in the Fund section).
   - May be used for special reporting needs at an organizational unit spanning more than one department, divisional area, division or campus.
   - May track reimbursable activities.
   - Does not have strict start and end dates.

5. Project
   - Uses LBCMP SetID list.
   - Identifies a discrete set of activities that occur within a finite time period (defined start and end date).
   - Optional value and usage only for revenue and expense accounts.
   - Project to Date balances available. Project expenses roll forward.
   - Reporting available.

6. Class
   - Uses LB49R SetID list.
   - Fifty user-designated class values of C9001 through C9050 (with description left blank in PS) have been made available for any activity the department may want to track.
   - Tracks revenue and expense that occurs within the same fiscal year. Class balances will not roll forward.
   - Reporting available.

7. Scenario
   - Uses LBCMP SetID list. Shared across all Business Units except for LBGAP.
   - Used to track 3 budget Scenarios: ORIGINAL, New, and Project to Date.
   - **Mandatory value** for all Budget Ledger transactions in revenue and expense accounts.

B. Reporting Groups

A Reporting Group is assigned to every fund. Inquiries and reports can be made using reporting groups.

*ChartField Attribute Value	Description
AGF	Annual Fund
CN	Construction
CP	Campus Programs
CT	Charitable Trust
EB	Endowment Buildup
EBC	Board Endowment - Chair
EBP	Board Endowment - Program
EBS	Board Endowment - Scholarship
EBU	Board Endowment - Unrestricted
EEC	Pure Endowment - Chair
EEP	Pure Endowment - Program
EES	Pure Endowment - Scholarship
EEU	Pure Endowment - Unrestricted
EQC	Quasi Endowment - Chair
EQP	Quasi Endowment - Program
EQS	Quasi Endowment - Scholarship
EQU	Quasi Endowment - Unrestricted
ETC	Term Endowment - Chair
ETP	Term Endowment - Program
ETS	Term Endowment - Scholarship
ETU	Term Endowment - Unrestricted
GF	General Fund
SF	Scholarship and Fellowship
URD	University Relations and Development

C. Combo Edits

Within the Common Financial System (CFS) a function known as Combination Edits is used to enforce criteria for filtering out unwanted transactions based on combinations of ChartFields and their values. ChartField combination editing compares each ChartField combination entered to the definitions and rules governing ChartField combinations that have been defined.

The following rules/edits have been established:

- FND_ACCT_K – K funds can only use scholarship expense accounts: 609xxx, 660046, and 660923.
- FUND_ACCT_N – Scholarship expense accounts are not allowed on N funds.
- FUND_PRG2 – Endowment funds (funds beginning with E,B,Q, or T) require specific program codes (codes beginning with C,P,S, or U) on expense transactions.

D. How to Request a New ChartField

The ChartField Request Form is used to request a new ChartField or to make a change to an existing one. For all new Fund Requests, the requesting unit will also need to complete the Delegation of Authority Form in order to assign responsibility for access to the fund. See the Delegation of Authority Section for more information.

ChartField Request Form Link

III. Expenditures

A. Delegation of Authoriy

The 49er Foundation follows the campus' Signature of Authority policy. Signature authority is the permission to execute and approve transactions up to limits established by relevant University policies. Delegation of Authority is the formal recorded conveyance of authority from the Board of Trustees to the campus presidents and, if applicable, to designees.

Executive Order 1000 states that "The campus President is delegated authority and responsibility for effective oversight of all state funds held by the campus and all funds held in a fiduciary capacity." As a result of this Order, CSULB has provided Signature Authority to certain individuals to approve various transactions based on their level of responsibility in the organization. Within each division, the dean or department head is responsible for the overall operations of the department and may assign signature authority to certain employees in compliance with the Signature Authority policy. Signature Authority is granted by Business Unit, then by either Department or Fund.

The Delegation of Authority Form is used to request additions or updates to the Delegation of Authority (DOA) within CFS. This form is to be completed when (1) adding a new Fund or Department to Delegation Authority, (2) updating existing Delegation Authority, (3) replacing and inactivating Delegation of Authority or (4) inactivating Delegation Authority for a specified employee. The routing of the form for approval is through email. All parties to the approval process should keep copies of the form; institutional responsibility for obtaining and documenting this process resides with Financial Management/CMS.

Delegation of Authority Form and Instructions Link.

B. Spending Guidelines

Payment for all purchases, except payroll, will be made by the 49er Foundation (LB49R). With few exceptions, the 49er Foundation follows the University's policies and guidelines when it comes spending money on either goods or services. All LB49R exceptions are noted within each of the University guidelines:

University Property Guidelines
Purchasing Delegation of Authority Guidelines
      How to Buy and Pay
  Procurement Credit Card Guidelines
      Direct Payment Guidelines
  Gift Employees Guidelines
  Gift Non Employee Guidelines
  Travel Guidelines
      Travel Restrictions (Effective Jan. 1, 2017)
      CSULB Travel Procedures
      Current Foreign Travel Warnings/Travel Alerts
  Hospitality Guidelines

C. Capital Purchases

All capital items charged to 49er Foundation funds are purchased for the benefit of the University. Capital projects are managed by the University through Plant Facilities, and the appropriate 49er Foundation funds are charged based on a project agreement negotiated between Plant Facilities and the fund owner. Equipment not connected with a capital project that is eligible for capitalization (acquisition cost is $5,000 or more) is recorded at the time of purchase in the University's asset management system for accounting and for inventory purposes.

IV. Cash Handling/Management

It is the policy of the 49er Foundation to establish and maintain an adequate system of internal control for the handling of cash (and cash equivalent) receipts. As a result, the 49er Foundation follows the University's policies and guidelines.

Cash Handling/Management

V. Fees

To cover the costs of gift administration, investment management, accounting, auditing and compliance costs, the Board of Directors has adopted the following fee structure:

- Gift Fees – 5% fee on all gifts at the time of receipt.
- Event Fees – All revenues associated with a fundraising event will be charged 5% at the time of receipt.
- Credit Card Fees – assessed by journal entry at the end of the month for gifts made in the month. The credit card fee is intended to cover the costs charged by banks for credit card transactions. Since fees vary by credit card and by transaction type and amount, a flat fee will be assessed. This fee will be reviewed annually for adequacy and adjusted if necessary.
- Endowed Funds – annual 1% fee, assessed quarterly.

VI. Fundraising Events

All Fundraising events must be approved in writing by the Delegated Authority when the fundraising event utilizes the University name, logo, or trademarks and represents that the University will benefit from the proceeds. Prior to the event's announcement, the Delegated Authority shall review the fundraising event's budget, drafts of solicitation materials, and action plan to ensure compliance with federal, state, and local regulations. The Fundraising Event Approval Form (with instructions) is available via CSULB Single Sign-On under the "Forms" button.

- All marketing, solicitation and/or registration materials must be included with the form.
- The Purchasing Office will be contacted regarding venue contracts. Appropriate insurance must be in place prior to the event.
- Please allow <u>five</u> business days for approval or changes to the request form.

Two ChartFields are required at the time of approval: 1) the fund and department which will be used for the event and 2) the fund, or funds, to which the net surplus of the event will be directed.

A. Raffles

A raffle, also known as an opportunity drawing or basket auction, is a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes. Each ticket is sold with a detachable coupon or stub, and both the ticket and its associated coupon or stub are marked with a unique and matching identifier. (Penal Code Section 320.5 Charitable Raffles)

No raffle may be held before a certification is received from the CA Attorney General's Office by the CSULB 49er Foundation. It may take up to sixty (60) days to receive a certification after the application is submitted.

An application for all raffle events will be filed once each year (usually in July). Only the events listed in the application may be held.

Raffle Ticket Sales

- Raffle tickets may only be sold at the event.
- Advance ticket sales are not allowed.
- Raffle tickets may not be sold over the Internet

Supervision and Prizes
Each raffle must be conducted under the supervision of an individual who is 18 years of age or older.

Awarding raffle prizes by use of a gaming machine, apparatus, or device such as a slot machine is prohibited.

B. Controlled Games

Casino nights, poker nights and other fundraising events with "controlled games" conducted by nonprofit organizations (including auxiliary organizations) for charitable purposes are lawful under California Business and Professions Code §19985-19987. Nonprofit organizations and suppliers of equipment and/or services for such fundraising events must submit an annual registration form to the Bureau of Gambling Control for approval 30 days prior to conducting activities. Contact local police or sheriff's departments for local reporting requirements.

1. A nonprofit organization may only hold one "controlled games" fundraising event per year and it may not exceed five hours.
2. Only individuals over 21 years of age may participate in controlled games.
3. No cash prizes or wagers may be awarded to participants; however, the winner of each controlled game may be entitled to a prize from those donated to the fundraiser. An individual prize awarded to each winner shall not exceed a cash value of five hundred dollars ($500). For each event, the total cash value of prizes awarded shall not exceed five thousand dollars ($5,000).
4. At least 90 percent of the gross revenue collected must go directly to the nonprofit organization and no more than 10 percent of gross revenue may be used to compensate individuals or entities that conduct the fundraising event on behalf of the nonprofit.
5. Controlled games may not be conducted over the Internet.
6. Detailed records must be maintained for each fundraising event using controlled games.