

Subject: Fund Administration	Department Name: California State University Foundation	Effective Date: December 2, 2011 Issue Date: December 2, 2011
	New Policy	Approval:

a. Purpose:

This Policy provides specific guidance for minimum levels of funding to establish an endowment, a named scholarship, a named program or a named institute. This policy also conveys authority to the position of Executive Director, Treasurer, President and Chairman to take administrative actions with respect to all funds necessary for the efficient and economic operation of the Foundation.

b. Scope of Policy

This policy applies to all accounts or funds established by the California State University, Stanislaus Foundation.

c. Definitions

1. An endowment fund is defined as a single or combined pool of assets gifted to the California State University, Stanislaus Foundation ("Foundation") to provide resources for various activities consistent with the mission of California State University, Stanislaus. ("University").

Endowments are classified as permanent, quasi, or term endowments. Funds can be either restricted or unrestricted within each of these classifications.

- a) Restricted endowment funds are funds for which the donor specifies how the endowed income will be used.
- b) Unrestricted endowment funds are funds for which the annual earnings are used at the discretion of the Board of Directors of the Foundation.
- c) Endowment-Income Distribution Only: Pure endowment funds are those in which the principal amount must remain inviolate in perpetuity. Only the income distributions may be expended.
- d) Endowment-Income/Principal Distribution: Endowment funds which are those funds for which distributions general are made from investment income. However, these endowments permit under limited circumstances identified by the Donor or by Foundation policy and law, where some portion of the principal may be distributed
- e) Quasi Endowments: Quasi endowment funds are funds functioning as an endowment that are established by the institution from either donor or institutional funds and will be retained and invested rather than expended. The quasi endowment must retain the purpose and intent as specified by the donor or source of the original funds and earnings may be expended only for those purposes. Since quasi endowments are established by the institution rather than by an external source, the principal may be expended as stipulated by the donor.

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- f) Term Endowment: Term endowment funds are similar to permanent endowments except after the expiration of a stated period of time or on occurrence of a specified event; all or part of the principal may be expended depending upon the donor's wishes.
- 2) Current Account Funds
 - a) Scholarship Funds: Monies which are donated or raised through fund raising efforts for the purpose of underwriting all or a portion of the cost of tuition, fees, books, residence or meals for the benefit of students enrolled in any program at the University. These funds are customarily identified to be expended at a certain level and over a certain duration of time. Many scholarship funds received annual funding from endowment funds held by the Foundation. Some scholarship funds receive annual contributions from named donors.
 - b) Campus Program Funds: Monies which are donated or raised through fund raising efforts for the purpose of underwriting portions of expenses associated with the operations of a department, unit or individual's activity at the University. Some campus program funds are funded annually through endowment gifts. Other campus program funds are funded annually by donors or are replenished periodically by the fundraising events conducted by the individuals or personnel associated with the designated program.
 - c) Designated Funds: Monies set aside through by the Foundation Board through official Board action for a specified purpose or purposes.

d. Policy

The Foundation is fiduciary and trustee for these funds and, therefore, has a fiduciary duty to the donor and the University to administer the assets consistent with the donor's wishes and generally accepted financial standards.

- 1. The identification of assets in individual funds creates additional administrative and financial control issues, which is warranted when assets are material and have significant activity. It is the policy that the Foundation does not wish to administer low value, high volume funds which necessitate significant administrative efforts and provides low utility to the mission of the University. Therefore, funds donated to the Foundation are to be held in global, university purposed accounts.

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2. To establish an endowment or other named account, the following criteria minimum funding requirements must be met:

Endowment Established After the Date of this Policy	Minimum Funding Requirements	Illustration of 2% to 5% Distributions of Minimum Funding Results
Endowed Institute & Centers	\$1,000,000	\$20,000 to \$50,000
Endowed Chair	\$500,000	\$10,000 to \$25,000
Endowed Program Fund	\$50,000	\$1,000 to \$2,500
Endowed Scholarship	\$50,000	\$1,000 to \$2,500
<u>Current Use Fund Established after the Date of This Policy</u>		
Presidential Scholarship	Full cost of tuition, fees, housing for 1 student over 4 years: \$60,000 or \$15,000 per year	
Named Scholarship	\$10,000 minimum, must fund \$2,000 per year at a minimum	
Named Campus Program Fund	\$10,000 minimum must be established and maintained in the fund. Spending must be undertaken annually of at least \$2,000 per year.	

2. All new funds must meet minimum funding requirements within 5 years of initial fund establishment
3. Fund Administration Policy: It is the responsibility of the Executive Director and Treasurer to establish and maintain procedures which facilitate the timely accounting and administration of all fund accounts established within the Foundation. In all cases, the Executive Director or the Treasurer may establish such procedures and take such action to ensure that account funds are established, identified, administered, used and accomplish the defined objectives of the accounts. All funds will have defined purposes. All current funds will have annual budgets approved by the Foundation Board and annual expenditures unless such action is waived by the Executive Director or the Treasurer.
 - a. The Executive Director, Treasurer, President or Chairman (Officers) have the authority to direct the movement of funds for purposes of investment pursuant to approval by the Finance & Investment committee or the Board of Directors.

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- b. The Officers individually have the authority take such reasonable action as to define the forms and procedures by which the designated owners or responsible persons for Foundation Fund Accounts are identified and by which these individuals use the account. In the event that a designated fund manager, signatory or other responsible person resigns or is no longer able to carry out the duties to manage the designated fund, any two of the officers may initiate the necessary action to approve new fund managers or signatories, close such funds or direct the residual spending of balances of such funds, as long as such actions are consistent with the general intent of donor.
- c. After funds are received in an endowment or quasi endowment, these funds may be moved or expended only upon the approval of the Foundation or the University President for purposes consistent with the intent of the donor. The Officers may individual or collectively authorize the movement after the board has approved the annual budget, as itemized in the budget, support documents or within the framework of approved contingencies.
- d. If a Foundation fund remains unused for longer than 15 months, the Executive Director or the Treasurer shall have the authority to temporarily freeze the fund and meet with the assigned fund manager to ascertain the plan for spending such funds to support the purpose of the fund.
- e. Any fund which sustains a balance less than \$1000 for 12 months or longer and is unused shall be identified by the Executive Director or Treasurer. After consulting with the Vice President of Advancement or designee to confirm the utility and current purpose of the account, these officers are authorized and empowered to take such actions necessary to close these accounts to other funds which are intended to serve similar if not identical purposes. Written notice shall be given to fund holders whose funds have been closed for lack of material balances and activity.
- f. Funds which have been transferred from an endowment fund to a scholarship or campus spending fund may be returned to the primary endowment fund by the Executive Director or the Treasurer to assist in optimizing investment income or to make operations more efficient.
- g. Scholarship funds held in designated accounts (A5XXX) shall ordinarily be controlled by the Director of Financial Aid of the University (FA Director). The FA Director is authorized by the University to make aid awards and is charged with monitoring and tracking the distribution, compliance with policy, regulation and law. In cases, where the FA Director has initiated payment through the University State payment system for specific amounts and scholarships, either the FA Director or the Executive Director may authorize the disbursement from the Foundation scholarship funds for the purpose of reimbursing the state funds for underwriting an initial disbursement of the financial aid.

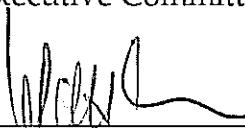
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- h. Campus Program funds shall be managed by the designated signatories to the funds. All such signatories will be approved by the Dean/Chair of the College/Department or by the Vice President of Academic Affairs. Either the VP of Advancement or the Manager of Advancement and either the Executive Director or the Treasurer of the Foundation shall review and approve the appointment of Campus Program Fund signatories.

IMPLEMENTATION


The Foundation Executive Director is required and authorized to develop and adopt any written guidelines necessary to implement this policy statement.

I hereby certify that the Fund Administration Policy was approved at the December 2, 2011 Executive Committee Meeting for the CSU Stanislaus Foundation Board of Directors



 Matt Swanson, President
 Foundation Board of Directors
 California State University Stanislaus Foundation

December 2, 2011



 Hamid Shirvani, Chair
 California State University Stanislaus Foundation

December 2, 2011