



CALIFORNIA STATE UNIVERSITY
Stanislaus
FOUNDATION

OPERATING BUDGET 2017-18

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
OPERATING BUDGET FOR 2017-18
Table of Contents

Memorandum to Board of Directors	3
Summary of 2017-18 Operating Budget	5
General & Administrative Fund Budget	6
Designated Fund Budget	7
Campus Program Fund Budget	8
Scholarship Fund Budget	9
Endowment Fund Budget	10
Supplemental Schedule	11



MEMORANDUM

DATE: May 23, 2017

TO: California State University, Stanislaus Foundation Finance & Investment Committee

FROM: Amanda Nelson, Manager of Auxiliary Accounting

SUBJECT: Recommendation to Approve 2017-18 Operating Budgets

Background:

Pursuant to the provisions of the *Compilation of Policies and Procedures for California State University Auxiliary Organization* Section 9.8.1, for the Educational Code Section 89904(b), the California State University, Stanislaus Foundation (Foundation) is required to prepare an annual operating budget. The proposed operating budget for 2017-18 includes: General and Administrative activities, the Designated Fund, the Campus Program Fund and the Scholarship & Endowment Funds.

The Foundation's governing Board can accomplish this requirement by reviewing and approving the annual operating budget before the start of each fiscal year. Necessary changes to the approved budgets may be made by the governing Board as the fiscal year progresses.

The Foundation's operating budget is based on assumptions, historical performance, judgment of management and successful efforts to solicit and collect donations from corporations, foundations and individuals interested in support of the future success of California State University, Stanislaus. The Foundation has used sound business principles and practices to develop and anticipate the needs and obligations of the Foundation. The Foundation cannot predict all the actions or inactions, risks and uncertainties over which there may not be control that could cause actual results to differ materially. Some factors that may cause such a difference include:

- Changes in the state budget allocations to CSU
- Fluctuations in enrollment
- Changing economic conditions and their impact on investment strategies and earnings
- Increased operating costs
- Impacts of costly compliance with new regulations
- Unanticipated liability for claims against the Foundation

The proposed restricted and unrestricted budget is projected to generate a surplus of \$1.77 million. The underlying philanthropic projection for the 2017-18 academic and fiscal year is the successful collection of contributions and fundraising event income amounting to \$3.25 million. University Advancement is charged with targeting potential donors and soliciting contributions on behalf of the Foundation.

General & Administrative Fund:

A major source of revenue for the General & Administrative Fund comes from the annual support of the Foundation Board of Directors Contributions. This contribution, solicited from the members of the Board, is specifically used to fund the general operations of the Foundation, which include the company's liability insurance expense; the cost of the annual audits & legal services; and services from University accountants/financial staff, who perform the accounting and administrative services necessary to remain in compliance with federal and state laws as well as the fiduciary requirements imposed by the Foundation's role as a public benefit corporation.

For 2017-18 the Foundation will be receiving a cost allocation for the services rendered by the University for administrative management, accounting and financial systems access. The Foundation proposes to remit 40% of the allocation expenses for the next fiscal year with the balance waived in consideration for the resources contributed by the Foundation in support of the education mission of the University.

Designated Fund:

For the year, we have projected donations and pledges of \$75,000 which will be transferred to the University to various departments and programs. Management/administrative fees are projected to be \$3,750.

Campus Program Fund:

These funds have historical balances and receive current revenues from fund raising events and other donations made specifically for departments, programs or specific University personnel or activities.

In anticipation of an expanded donor pipeline and the benefit of enhanced divisional resources, University Advancement worked with the President, the Foundation Board of Directors, and various campus constituents to identify and begin the process of building-out scopes of work and funding models for the top major gift giving priorities for the campus.

Scholarship Fund:

The 2017/18 scholarship contributions budget includes \$965,000 in various outright scholarships. Donations anticipated for the remainder of the 2016/17 fiscal year include \$224,500 in scholarship funding.

Endowment Fund:

For 2017/2018, efforts to renew and develop new endowments are projected at \$620,000. Donations anticipated to be realized for the remainder of the 2016/17 fiscal year include \$20,000 in endowment funding.

Recommendation:

Management recommends the Foundation Finance & Investment committee recommend the full Board of Directors at the June 8, 2017 meeting accept and approve the 2017-18 operating budget.

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Summary of 2017-18 Operating Budget

	Approved Annual 2016-2017 Budget	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017- 2018
Revenue				
Board Member Contributions	95,000	11,187	86,187	90,000
Contributions	2,649,000	913,479	1,187,110	2,910,000
Event Income & In-Kind Support	318,500	110,672	130,000	250,000
Gift Assessment Income	98,950	15,988	22,440	97,250
Management Fee Income	129,000	83,579	132,500	155,500
Investment Income	108,000	1,080,724	1,212,500	7,500
Other Revenue (CSURMA Dividend)	-	5,752	5,752	5,750
Total Revenues	3,398,450	2,221,381	2,776,489	3,516,000
Expenses				
Accounting & Auditing Services	34,500	21,675	34,500	28,500
Advertising & Promotional Publications	11,500	2,076	2,768	2,750
Awards, Gifts & Donations	115,850	36,642	44,500	96,750
Event Expense Including In-Kind	25,000	4,308	5,500	5,700
Fiscal & Management Services	367,376	275,542	367,376	291,244
Gift Assessment	98,950	15,988	22,440	97,250
Gift in Kind - State	317,000	37,923	40,000	200,000
Hospitality	16,000	13,871	16,000	16,000
Instructional Equipment	5,000	-	-	5,000
Instructional Material	3,000	202	275	500
Insurance	26,500	16,280	21,721	22,500
Investment Service Charges	72,000	60,793	77,000	77,000
Legal Fees	7,500	-	-	7,500
Management Fees for Endowment & Fund Administration	129,000	83,579	132,500	155,500
Other Expenses (see attached schedule)	62,150	52,962	68,189	73,460
Postage & Freight	1,250	299	560	1,000
Printing & Reproduction	5,500	2,895	3,860	4,500
Programs, Student Grants & Scholarships	650,000	710,847	720,000	750,000
Salaries & Benefits - University Advancement	175,000	131,250	175,000	175,000
Salaries & Benefits Reimbursed to University	2,500	506	675	2,500
Software Licensing (Fundriver)	-	7,125	9,500	9,500
Supplies & Services	71,200	16,665	22,250	50,500
Training & Professional Development	5,500	(772)	2,500	8,500
Travel	12,000	4,526	7,000	12,000
Total Expenses	2,214,276	1,495,182	1,774,113	2,093,154
Add: Fiscal & Management Services Waiver	220,426	165,325	220,426	174,746
Add: Salaries & Benefits University Advancement Waiver	175,000	131,250	175,000	175,000
Increase (Decrease) in Net Assets	1,579,600	1,022,774	1,397,801	1,772,592

Footnotes

A = See Page 11 Supplemental Schedule for detail of Other Expenses

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
General & Administrative Fund 2017-18 Operating Budget

	Approved Annual Budget 2016-2017	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017-2018	Comments/Rationale
Revenue					
Board Member Contributions	95,000	11,187	86,187	90,000	Foundation Board Members Annual Contribution - 18 board members with dues obligations for FY 2017-18.
Assessment on Gifts (5%)	98,950	15,988	22,440	97,250	
Management Assessment For Campus Program Fund & Endowment Fund Administration (1%)	129,000	83,579	132,500	155,500	Per Foundation Gift Assessment on All Funds Policy
Investment Income	3,000	5,724	7,500	7,500	
Other Revenue	-	5,752	5,752	5,750	CSURMA Dividend Revenue
Total Revenues	325,950	122,230	254,379	356,000	
Expenses					
Accounting & Auditing Services	34,500	21,675	34,500	28,500	Financial Statement Audit & Preparation of Federal and State Exempt Informational Returns
Awards, Gifts & Donations	100	399	500	500	Gift for Annual Auxiliary Organization Association Conference
Bank Charges	9,500	7,014	9,350	9,500	Bank charges for checks/credit card fees.
Contracted Services	8,200	-	5,000	5,000	Services from YH Advisors for Annual Registration for Charitable Solicitation Registration
Employee & Board Functions	-	337	500	500	Board Functions
Fiscal & Management Services	367,376	275,542	367,376	291,244	Administrative Management, Accounting and Financial Systems Access Services provided to the Foundation by University Employees. Increase from budgeted amount is addition of UPD services for 2015-16.
Hospitality	1,000	576	1,000	1,000	Board and committee meetings
Insurance	25,000	15,953	21,271	21,500	Liability/Board of Directors Errors & Omissions Insurance
Investment Service Charges - External	-	1,344	2,000	2,000	Investment service charges on stock gifts.
Legal Fees	7,500	-	-	7,500	Legal Fees including Gift Agreement Reviews and conflict of interest board training
Membership & Dues	1,100	825	1,100	1,100	Auxiliary Organization Association Annual Dues
Other Tax & License Fees	2,000	2,679	2,679	3,000	Annual Registrations with Attorney General and Franchise Tax Board Filing Fee, Multi-State Charitable Solicitation Annual Fees
Postage & Freight	750	254	500	500	Postage to send Board Packets/Tax Returns
Printing & Reproduction	5,000	2,895	3,860	4,000	Board Meeting Materials
Repairs & Maintenance	350	797	1,000	1,000	Facilities fees for Board Meeting Set Up
Salaries & Benefits - University Advancement	175,000	131,250	175,000	175,000	Advancement Employees assigned to the Foundation. Amount budgeted and used for accruals last year is high, will be adjusted down to actual salary reimbursement at 06/30/16
Software	-	7,125	9,500	9,500	Fundriver quarterly fee's; budgeted in contractual services in FY 2016-17
Supplies & Services	1,200	131	250	500	Office Supplies
Training & Professional Development	3,500	495	1,500	3,500	Board Training & Continuing Professional Education
Travel	2,000	1,220	2,000	2,000	Annual Auxiliary Organizations Association Conference
Total Expenses	644,076	470,511	638,886	567,344	
Add: Fiscal & Management Services Waiver	220,426	165,325	220,426	174,746	Waiver for cost allocation for fiscal, management and University Advancement services provided in consideration for the resources contributed by the Foundation to the University in support of the education mission of the University
Add: Salaries & Benefits University Advancement Waiver	175,000	131,250	175,000	175,000	
Increase (Decrease) in Net Assets	77,300	(51,706)	10,919	138,402	

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Designated Fund 2017-18 Operating Budget

	Approved Annual Budget 2016-2017	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017-2018
Revenue				
Contributions	15,000	17,713	20,000	75,000
Event Income & In-Kind Support	1,500	-	-	-
Total Revenues	16,500	17,713	20,000	75,000
Expenses				
Awards, Gifts & Donations	15,750	16,511	19,000	71,250
Gift Assessment	750	869	1,000	3,750
Total Expenses	16,500	17,380	20,000	75,000
Increase (Decrease) in Net Assets	-	333	-	-

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Campus Programs Fund 2017-18 Operating Budget

	Approved Annual Budget 2016-2017	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017-2018
Revenue				
Contributions	1,694,000	348,156	375,000	1,250,000
Event Income & In-Kind Support	317,000	110,672	130,000	250,000
Investment Income	-	75,198	80,000	- B
Total Revenues	2,011,000	534,026	585,000	1,500,000
Expenses				
Advertising & Marketing	11,500	2,076	2,768	2,750
Awards, Gifts & Donations	100,000	19,732	25,000	25,000
Bank Charges	500	495	660	660
Contractual Services	1,500	2,243	2,500	3,000
Dues & Subscriptions	500	914	1,200	1,200
Employee & Board Functions	-	-	-	-
Event Expense Including In-Kind	25,000	4,308	5,500	5,700
Food/Snack/Meals	17,500	10,321	13,000	15,000
Gift Assessment	84,700	10,736	18,750	62,500
Gift in Kind - State	317,000	37,923	40,000	200,000
Honorarium	500	4,500	5,000	5,000
Hospitality	15,000	13,295	15,000	15,000
Instructional Equipment	5,000	-	-	5,000
Instructional Material	3,000	202	275	500
Insurance	1,500	327	450	1,000
Management Fees for Campus Program Fund Administration	20,500	-	20,500	20,500
Miscellaneous Expenses	5,000	12,782	13,000	10,000
Other Tax & License Fees	7,500	5,785	7,500	7,500
Postage & Freight	500	45	60	500
Printing & Reproduction	500	-	-	500
Repairs & Maintenance	5,000	(13)	-	5,000
Salaries & Benefits Reimbursed to University	2,500	506	675	2,500
Small Equipment	500	-	-	500
Space Rental-Other	2,500	4,283	5,700	5,500
Supplies & Services	70,000	16,534	22,000	50,000
Training & Professional Development	2,000	(1,267)	1,000	5,000
Travel	10,000	3,306	5,000	10,000
Total Expenses	709,700	149,033	205,538	459,810
Add: Board Approved Transfer from Endowment Fund	78,250	75,750	75,750	118,291
Increase (Decrease) in Net Assets	1,379,550	460,743	455,212	1,158,481

Footnotes

B - Note due to market volatility, management is not able to estimate potential market earnings or losses.

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Scholarship Fund 2017-18 Operating Budget

	Approved Annual Budget 2016-2017	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017-2018
Revenue				
Contributions	670,000	513,810	738,310	965,000
Total Revenues	670,000	513,810	738,310	965,000
Expenses				
Programs, Student Grants & Scholarships	650,000	710,847	720,000	750,000
Total Expenses	650,000	710,847	720,000	750,000
Plus: Board Approved Transfer from Endowment Fund	119,850	113,518	113,518	146,917
Increase (Decrease) in Net Assets	139,850	(83,519)	131,828	361,917

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Endowment Fund 2017-18 Operating Budget

	Approved Annual Budget 2016-2017	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017-2018
Revenue				
Contributions	270,000	33,800	53,800	620,000
Investment Income (loss)	105,000	999,802	1,125,000	- B
Total Revenues	375,000	1,033,602	1,178,800	620,000
Expenses				
Management Fees For Endowment Administration (Internal & External)	108,500	83,579	112,000	135,000
Investment Service Charges	72,000	59,449	75,000	75,000
Gift Assessment	13,500	4,383	2,690	31,000
Total Expenses	194,000	147,411	189,690	241,000
Less: Board Approved Payout to Scholarship Fund and Campus Program Fund	(198,100)	(189,268)	(189,268)	(265,208)
Increase (Decrease) in Net Assets	(17,100)	696,923	799,842	113,792

Footnotes

B - Note due to market volatility, management is not able to estimate potential market earnings or losses.

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Supplemental Schedule 2017-2018

Other Expenses - Detail Listing	Approved Annual Budget 2016-2017	Actual Results as of 03/31/2017	Projected 2016-2017	Proposed Annual Budget 2017-2018
Bank Charges	10,000	7,509	10,010	10,160
Contractual Services	9,700	2,243	7,500	8,000
Dues & Subscriptions	500	914	1,200	1,200
Employee & Board Functions	-	337	500	500
Fines & Penalties	-	-	-	-
Food/Snacks/Meals	17,500	10,321	13,000	15,000
Honorarium	500	4,500	5,000	5,000
Membership & Dues	1,100	825	1,100	1,100
Miscellaneous Expenses	5,000	12,782	13,000	10,000
Other Tax & License Fees	9,500	8,464	10,179	10,500
Repairs & Maintenance	5,350	784	1,000	6,000
Small Equipment	500	-	-	500
Space Rental-Other	2,500	4,283	5,700	5,500
Sub-Total Other Expenses	62,150	52,962	68,189	73,460