


Systemwide Budget Office
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CODED MEMO B 2018-04

To: Vice Presidents for Administration/Chief Financial Officers

From: Kara Perkins, Executive Budget Director 

CC: Steven Relyea, Executive Vice Chancellor and Chief Financial Officer,
Mary Ek, Assistant Vice Chancellor Financial Services and Controller
Ronald Flatt, Director Treasury Operations
Scott August, Manager of Investments
Alisa Schivley, Manager of Banking Operations
Assistant Vice Presidents for Finance
Budget Officers

Date: September 26, 2018

Re: 2018-19 Annual Investment Earnings Allocation, SWIFT and SMIF

Beginning with the 2018-19 fiscal year, investment earnings managed centrally will be allocated for the full year during the first quarter of each year. In 2018-19 the allocation will total \$50 million; \$47 million in SWIFT earnings net of fees and cost-recovery expenses, and \$3 million in SMIF earnings. These amounts reflect last year's total earnings, less an amount now earned as a part of the investments in the Total Return Portfolio to be used for capital programs.

Going forward, the allocation amount each year will be equal to the amount earned in the prior year in the main SWIFT and SMIF accounts, net of investment fees. Cost Recovery for Finance and Treasury and Accounting will be reflected in the annual cost-recovery memo from Financial Services. We will no longer process monthly SWIFT or quarterly SMIF earnings allocations.

The campus earnings distribution is based on past year actual equity and revenue collection in all funds participating in the SWIFT pool, and the general fund offset in fund 485. Campuses will distribute earnings to each participating fund on the campus. The PeopleSoft Interest Distribution Allocation (IDA) module can still be used for this process, or a campus can change the process so long as all participating funds receive an earnings allocation equivalent to their share of the total campus allocation.

Please contact Kara Perkins at (562) 951-4560 or kperkins@calstate.edu, or Mary Ek at (562) 951-4671 or mek@calstate.edu if you have questions concerning this memo.