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SAN MARCOS

SONOMA

STANISLAUS

November 12, 2001

MEMORANDUM

To: CSU Presidents

From: Charles B. Reed
Chancellor

A handwritten signature in black ink that reads "Charles B. Reed". The signature is written in a cursive style and is positioned over the printed name and title of the Chancellor.

Subject: Executive Order No. 794
Financial Management of Extended Education

Attached is a copy of Executive Order No. 794, which updates policies and procedures governing the financial management of self-supporting extended education programs. This executive order supercedes Executive Order No. 313.

In accordance with the policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

Please address any questions you may have regarding this executive order to the State University Dean, Extended Education (562) 951-4795 or the Executive Vice Chancellor and Chief Financial Officer, Business Affairs (562) 951-4600.

CBR:clm

Attachment

c: Executive Staff, Office of the Chancellor
Extended Education Deans

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4700

Executive Order: 794
Title: Financial Management of Extended Education
Effective Date: November 12, 2001
Supersedes: Executive Order No. 313

Purpose

The purpose of this executive order is to set forth policies and procedures designed to ensure the financial stability of self-supporting instruction programs operated through the State University Continuing Education Revenue Fund (CERF) or local trust accounts, and to ensure compliance with California Education Code and California State University systemwide policy.

Continuing Education Revenue Fund and Local Trust Accounts

In accordance with Education Code Section 89704, extended education revenue may be deposited in the State University Continuing Education Revenue Fund in the State Treasury, or shall be deposited in a local trust account as authorized in Education Code Section 89721. These funds shall be used only for the support and development of self-supporting instructional programs of the California State University, as provided in Section 89704 of the California Education Code.

Program Ownership/Sponsorship

—Regarding Programs Awarding Academic Credit or Continuing Education Units

Self-supporting instructional programs awarding academic credit or Continuing Education Units (CEUs) must be owned and/or sponsored by a CSU campus. Ownership/sponsorship of an instructional program awarding credit or CEUs shall not be assigned or contracted to another party or organization, including campus auxiliary organizations.

—Other Self-Supporting Instructional Programs

Other self-supporting instructional programs (those that do not award academic credit or Continuing Education Units) may be owned and/or sponsored by a CSU campus or CSU auxiliary organization, and shall be operated in accordance with Education Code, Title 5 of the California Code of Regulations, and the following:

- In accordance with Education Code Section 89704, all revenue generated by a CSU-owned or CSU-sponsored organization may be deposited in the Continuing Education Revenue Fund in the State Treasury or shall be deposited in a local trust account as authorized in Education Code Section 89721.
- Self-supporting, instructionally related programs and activities conducted by CSU auxiliary organizations shall not use the California State University name or representation in any manner. All revenue generated by a CSU auxiliary organization shall be deposited in auxiliary accounts.

Campus Responsibility

Each campus president is responsible for the financial as well as academic aspects of the self-supporting instructional programs operated by the campus through the Continuing Education Revenue Fund or local trust accounts. Presidential authority and accountability for the administration of extended education self-support funds shall be governed by the provisions of Executive Order No. 648 *Delegation of Fiscal Authority and Responsibility*.

Budget Preparation

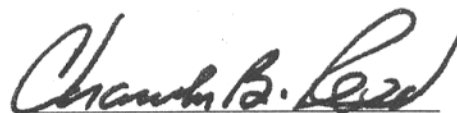
Campus extended education budgets shall be based upon enrollment and revenue projections. Initial projections shall be prepared by the campus and submitted for review to the Division of Extended Education in the Office of the Chancellor. Revisions to these projections may be made by the Chancellor's Office, following consultation with the campus.

Budget Management

It is the primary responsibility of the campus to monitor enrollments, revenues, and expenditures during any given fiscal year to assure the fiscal stability of its self-supporting instructional program. Budget changes should be initiated as necessary to assure this fiscal stability.

Periodic Financial Reporting

Each campus unit shall submit an annual plan for revenue generation in extended education programs. These projections will be included in the trustees annual budget and shall include CERF and trust fee revenues, Student Credit Units (SCUs), and headcount registrations. The campuses may revise revenue projections in any budget year during the fourth quarter. A systemwide projection of fee income and Student Credit Units will be consolidated by the Division of Extended Education.



Charles B. Reed
Chancellor

Date: November 12, 2001