California State University, Bakersfield Foundation
Policy & Procedure Manual
Mission Statement

California State University, Bakersfield, Foundation

The California State University, Bakersfield, Foundation was established in 1969 as a non-profit, financially self-sufficient auxiliary organization that supports the mission of the California State University at Bakersfield through a variety of operations and services, such as federal and non-federal research and sponsored projects, commercial operations including food services (both cafeteria and vending), child care center, intercollegiate athletics, student scholarships and loans, and other services and activities. As a private non-profit corporation, a Board of Directors governs the Foundation. The principal function of the Board of Directors is to establish policies and guide the Foundation in achieving its objectives. To that end, the Foundation coordinates its operations with the operations of the campus to help enhance the educational and cultural environment of the University and the community it serves.
Address: CSUB Foundation  
9001 Stockdale Highway  
Bakersfield, California 93311  
Phone: (661) 664-3208  
Fax: (661) 665-6915

Bell, Denise  
Contracts and Grants Administrator x 2253 dbell@csub.edu

Bye, C. Randal  
Foundation Manager x 2252 rbye@csub.edu

Lee, Fiona  
Accounting x 3209 flee@csub.edu

Martinez, Pam  
Contracts Assistant x 3290 pmartinez3@csub.edu

Mejia, Kelly  
Personnel/Payroll x 3207 kmejia2@csub.edu

Navarro, Loraine  
Cashier x 3163 lnavarro@csub.edu

Sievers, Samantha  
Accounting x 6830 ssievers@csub.edu
Preface

The contents of the California State University, Bakersfield Foundation Policy & Procedure Manual are organized in the following order:

- Mission Statement
- Contact Information
- General Policy & Procedure information
  - The Policies are divided into Sections for ease of reference.

The CSUB, Foundation Policy & Procedure Manual is available at:

http://www.csubfoundation.org/foundation.cfm

All revisions to the manual will be made available as soon as they are approved at the above site and notification of the revision(s) will be posted in the same manner as all public meetings and notices.

It is the responsibility of the interested individuals to keep their Policy & Procedure Manual updated, by adding any revisions as they become available.
## SECTION 1 – GIFTS

### I. ACCEPTING & PROCESSING GIFTS

- A. Introduction
- B. Non-gifts
- C. Gift Transmittal
- D. Gift Acceptance
- E. Authorized Agents
- F. Pledge Payments and Reminders
- G. Donor Information Confidentiality
- H. Gift Valuation Guidelines
- I. Acknowledging and Recognizing Donors
- J. Establishing an Endowment Fund
- K. Types of Gifts
  - 1. Immediate Gifts
    - a. Cash
    - b. Securities
    - c. Tangible Personal Property
    - d. Real Property
    - e. Life Insurance
    - f. Other Assets
  - 2. Planned Gift Vehicles
    - a. Guidelines
    - b. Investment Policies and Practices for Planned Gifts
    - c. Bequests
    - d. Charitable Remainder Unitrusts
    - e. Charitable Remainder Annuity Trusts
    - f. Charitable Gift Annuities
    - g. Charitable Lead Trust
    - h. Retained Life Estate
    - i. Bargain Sale
    - j. Revocable Trusts
    - k. Generation-Skipping Transfers
    - l. Pooled Income Funds
L. Federal and State Tax Information
M. Exceptions
N. Effective Date
Sample: Gift Acceptance Form

II. DISCRETIONARY/CAMPUS PROGRAM ACCOUNTS
A. Discretionary/Campus Program Accounts Policy
B. Funds From External Sources
C. Funds from Internal Sources
D. Expenditure Documentation

SECTION 2 – ACCOUNTING

III. PROCEDURES
A. Journal Entry Processing/Review
B. Financial Statements

IV. ACCOUNTS RECEIVABLE
A. Accounts Receivable Policy
B. Grants & Contract Receivable Policy
C. Returned Item Policy

V. PETTY CASH
A. Petty Cash Policy
B. Steps for Obtaining a Reimbursement
C. Reimbursement of Petty Cash Account
D. Reconciliation of Petty Cash Account
E. Use of Personal Funds

VI. CASHIERING
A. Cash Receipting Policy
1. Window Transactions (with 10 items or less)
2. Window Transactions (with 11 items or more)
3. Mail Transactions
4. Wire Transactions
5. For all Transactions
B. Blank Check Stock Policy

VII. RESERVE FUNDING
A. Reserve For Deficit Funding Policy
B. Purpose
C. Definitions
D. Capital Investment Reserve
E. Planned Future Operations Reserve
F. Unreserved Fund Balance
VIII. INVESTMENT POLICY GUIDELINES

A. General Investment Philosophy
B. Investment Objective
C. Guidelines for Endowment, Designated, Building and Operating Assets
D. Risk Tolerance and Investment Time Horizon
E. Asset Allocation
F. Restricted Investments
G. Manager Reporting and Evaluation

IX. FIXED ASSETS

A. Fixed Assets Policy

SECTION 3 – DISBURSEMENTS

X. ACCOUNTS PAYABLE

A. Stop Payments
B. Void Checks
C. Lost Checks
D. Unclaimed Checks
E. Purchase Orders
F. Reimbursement for Expenditures over $100
G. Cash Advances
H. Direct Pay Invoices
I. Emergency Purchases
J. Release of Checks from Foundation
Sample: Check Request Form

XI. FUND EXPENDITURE CONTROL & DONOR RESTRICTION POLICY

A. Fund Expenditure Control & Donor Restriction Policy
B. Procedures
C. Disbursements
D. Inactive Accounts
Sample: Endowment Fund Worksheet

XII. INDEPENDENT CONTRACTOR/CONSULTANT AGREEMENTS

A. Employee vs. Independent Contractor – Defined
B. Consequences of Treating an Employee as an Independent Contractor
1. Objectives
2. Definitions
3. Standards
   a. Contracts/Agreements
C. Requirements
Sample: Check Request for Independent Contractor

XIII. TRAVEL

A. Travel Policy
XXII. HOSPITALITY

A. Hospitality Policy

B. Authority

C. Definitions

D. Procedures

E. Funding Sources
   1. General Fund Appropriations
   2. Special Funds
   3. Auxiliary Organization Funds

F. Approval of Transactions

G. Trust Funds

H. Payment Method
   1. Off Campus Meetings
   2. On Campus Meetings

I. Responsibilities

XXIII. PUBLIC RELATIONS FUNDS POLICY

A. POLICY

B. APPROVAL

C. SOURCE OF FUNDS

D. USE OF FUNDS

E. ALLOWABLE EXPENDITURES

F. PROHIBITIONS

G. PROCEDURES

XXIV. COMMUNITY RELATIONS EXPENSE

A. Community Relations Expense Policy

B. Authority

C. Definition of Allowable Expenditures

D. Procedure

XXV. CONFLICT OF INTEREST

A. Conflict of Interest Policy

B. Definitions

C. Investigator Disclosure & Resolution Plan

D. Enforcement & Sanctions

E. Documentation & Record Maintenance

XXVI. PUBLIC MEETINGS/NOTICES

A. Public Meetings/Notices Policy

XXVII. WRITTEN AGREEMENTS

A. Written Agreement Policy

XXIIX. UNRELATED BUSINESS INCOME
The Office of University Advancement and the Cal State Bakersfield Foundation are responsible for raising and managing private gift funds for CSUB. Working with deans, faculty, and staff, the University Advancement Office provides specialized fundraising services including annual giving, major gifts, planned giving, prospect research, and consultation. In addition, the University Advancement Office is responsible for the stewardship of gifts. This involves the receipt, acceptance, and recording of all campus gifts and donor information fund stewardship.

- The Foundation's responsibilities include the management and administration of contributions received on behalf of the University and its related organizations. The Foundation is responsible for:
  - The management and administration of all bequests, estates, trust arrangements, and endowments in which the University or Foundation is the intended beneficiary;
  - Investment of all monies and securities;
  - Accounting and reporting for individual gift accounts;
  - Valuation of gifts for internal (not for the donor) reporting purposes;
  - Compliance with federal and state laws and regulations regarding said contributions; and
  - Acceptance, management, and sale of gifts of real and personal property.

Since the Foundation is organized and operated exclusively for education purposes, it is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Because the Foundation is not a private foundation under Section 509(a) of the IRS Code, contributions made to the Foundation on behalf of the University are charitable contributions for federal and state tax purposes and are deductible by donors in computing corporate, partnership, estate, and personal income taxes.
Gift Acceptance Committee

The Gift Acceptance Committee is responsible for reviewing and making recommendations regarding proffered gifts in which present and/or future encumbrances may be incurred and in cases involving certain types of non-cash gifts.

Committee members are the Vice President for University Advancement, Director of Development/Major Gifts, Foundation Manager, Provost/Academic Vice President, and Vice President for Business and Administrative Services.

- This committee considers the acceptance and disposition of all gifts made to the University and any of its affiliated organizations, whether such gifts are inter vivo (lifetime) gifts or gifts from estates, other than gifts of: (a) cash gifts of less than $50,000, (b) publicly-traded equities traded on national exchanges having a value of less than $50,000, or (c) tangible personal property valued at less than $5,000. Types of gifts reviewed by the committee include:
  
  - Gifts of real property or an interest therein.
  - Gifts of undivided interests or future interests.
  - Bargain sales or gifts subject to any encumbrance.
  - Gifts of tangible personal property such as paintings, sculpture, furniture, or other works of art, or collections of such, if made on the condition or expectation that the items will be permanently exhibited, or that the collections will be maintained and shown as such.
  - Gifts that, because of their size, present questions as to the impact on the University, or a particular program or area.
  - Gifts whose terms present the potential for an obligation on the University or the Foundation under local, state, or federal law that either may be unwilling or unable to assume.

The Gift Acceptance Committee in accordance with this policy must approve any gift received that falls under this policy in advance of acceptance. It is the responsibility of any development officer or other University administrator presented with a gift or working with an estate to bring all gifts subject to this policy to the committee prior to accepting such gifts.
SECTION 1 - GIFTS
I. ACCEPTING & PROCESSING GIFTS

A. Introduction

CSUB strongly encourages the solicitation and acceptance of gifts that enable it to fulfill its purpose of teaching, scholarship, and community service.

Gifts may be sought from individuals, corporations, and foundations, as well as federal, state, and local governments. However, they may be sought only for purposes, positions, and programs that have appropriate academic or administrative approval.

The University values and will protect its integrity, its independence, and the academic freedom of the academic community. Gifts that may expose CSUB to adverse publicity, require expenditures beyond University resources, or involve CSUB in unexpected responsibilities because of their source, condition, or purposes will be referred to the Gift Acceptance Committee.

CSUB is unable to accept gifts too restrictive in purpose or inconsistent with its stated academic purpose and priorities. Gifts received by CSUB must not inhibit it from accepting gifts from other donors. Further, no gift can be received which limits, beyond a general definition of subject area, the research that a faculty member or student can perform.

CSUB cannot accept gifts which involve unlawful discrimination based upon race, sex, age, national origin, color, handicap, or any other basis prohibited by federal, state, and local laws and regulations. Nor can CSUB accept gifts that obligate it to violate any other applicable law or regulation.

This policy is designed to provide guidance to the California State University, Bakersfield, community and the general public so as to facilitate the gift-giving process. The University does not intend to stifle philanthropic creativity. Therefore, this policy is to be interpreted liberally so that prospective donors may enjoy the greatest freedom possible in formulating their gifts.

B. Non-gifts

- Payments for goods or services are considered revenue and may not be deposited to gift accounts, except for certain approved benefit events or premium offers.
- Checks from tax-supported agencies in the State of California will not be processed as gifts, because it is illegal for any tax-supported agency in the state to make a donation.
- Scholarship payments where the donor has selected the recipient(s) of the award(s) are not gifts and are referred to as service Scholarships or Level 3 Awards and should be processed through the Financial Aid Office.
- Royalties, expert testimony, consulting fees, and honoraria may be processed as gifts only from the University employee who generated the payment.
- University employees cannot be credited with gifts contributed to budgets of which they are the direct recipients. In such cases—e.g., a department chair that wishes to provide discretionary support—the gift should be directed to a fund administered by someone other than the donor.
I. ACCEPTING & PROCESSING GIFTS (cont.)

- Payments imposing detailed performance criteria, contractual obligations, the performance of a specified product within a specified time frame, the University treats formal financial accounting, closing audits, and/or the refund of unexpended monies as grants or contracts rather than gifts. Grants and contracts are solicited and administered through the Office of Graduate Studies and Research.

C. Gift Transmittal

- All gifts to the University must be directed through the Office of University Advancement where they are properly acknowledged and recorded. When cash, checks, or other assets are sent to the University Advancement Office for deposit, they should be accompanied by written documentation (memorandum, email or other format) or a gift transmittal form with the following information:
  - Gift title
  - Foundation account number if known
  - Name of responsible person to whom acknowledgment should be sent (particularly in the case of corporate checks)
  - Copies of all correspondence relating to the gift, including departmental acknowledgments; and the donor's letterhead or other standard documentation.

- For non-cash gifts: The physical location of the gifted item must be included on the gift transmittal form. Checks should be made payable to the Cal State Bakersfield Foundation. It is critical that title to gifts of Securities and Real Property be transferred to the Foundation, not California State University, Bakersfield.

- All cash gifts (checks) must be sent to the University Advancement Office for deposit immediately, and not held in the department or school. If questions remain outstanding regarding donor wishes, adjustments may be made at a later date. In the case of non-cash gifts, all documents pertaining to the gift must be submitted using the gift transmittal form (see sample in appendix).

D. Gift Acceptance

- It is important to distinguish between gift acknowledgment conducted at the department level and official gift acceptance and acknowledgment that provides the donor with a receipt for tax purposes and the University and Foundation with a complete record of each donor's contributions.

E. Authorized Agents

- The Cal State Bakersfield Foundation has the authority to accept such gifts, grants, conveyances, devises, and bequests, whether real or personal property, in trust or otherwise, for the designated or undesignated use or benefit of the University, its schools, or departments.
I. ACCEPTING & PROCESSING GIFTS (cont.)

- The Vice President for University Advancement has been delegated authority by the University President to accept all gifts or bequests to CSUB. The acceptance procedure is formalized by presentation to the donor of an official gift receipt. Gifts that may result in current or future financial obligations by the Foundation will require approval of the Foundation Manager and approval of the Finance Committee or Foundation Board of Directors. The President of CSUB and the Board of Directors of the Foundation must approve all gifts of Real Property. The Gift Acceptance Committee shall consider said gift and make a recommendation to the Board of Directors.

F. Pledge Payments and Reminders

- Overdue pledge payments for campaigns other than the annual fund are handled on a cash-by-cash basis. Annual fund donors are sent a reminder each month until payment is made, written or verbal cancellation of the pledge is reviewed or the pledge is written-off (approximately four months after the original pledge date). The Vice President for Advancement has the authority to write-off annual fund and campaign pledges.

G. Donor Information Confidentiality

- The CSUB donor information system is maintained using the BANNER database. Access is restricted to authorized users who are granted access by signing a confidentiality agreement and being given a password. The access to specific forms is determined by the password.
- Donor information is treated as confidential information. Primary access is by authorized users although selected information may be printed and distributed to student callers, campaign volunteers and selected campus officials.

H. Gift Valuation Guidelines

**Cash**
- Gifts of cash are valued at their U.S. monetary worth.

**Securities**
- Gifts of securities are credited at the mean of their market value on the date the donor relinquishes control to the University or the Foundation. Neither losses nor gains realized by the sale of the securities after their receipt affect the gift value credited to the donor. Any brokerage fees incurred and changes in value resulting from liquidation are considered gains, losses, or operating expenses or earning of programs benefiting by the gift.

**Real and Personal Property**
- Major gifts or real and personal property over $5,000—such as land, houses, paintings, antiques, and rare books—are recorded at the fair market value placed upon them by an independent, qualified appraiser. Small gifts of real and personal property—such as rare books, prints, etc., with apparent worth of less than $5,000—are valued by a member of the staff of the institution with some expertise—such as a librarian or professor of art—or the donor and their informal valuation is used for internal reporting purposes.
I. ACCEPTING & PROCESSING GIFTS (cont.)

Software
- Gifts of software with an apparent value of $5,000 or more will follow the policies and procedures of the California State University. The Vice President for University Advancement has the responsibility for evaluation and reporting gifts of software.

Acceptance and Evaluation of Gifts of Software
- Acceptance of gifts of software will be referred to the campus Gift Acceptance Committee. That committee is composed of members as follows: Vice President of University Advancement, chair; Vice President for Academic Affairs and Provost; Vice President for Business and Administrative Services; Director of Major Gifts and the CSUB Foundation Manager.
- The chair of the committee will provide committee members with donor information, a description of the proposed gift and proposed use of gift using the Gift Acceptance Committee Review and Acceptance of Gifts of Software Form.
- Following the meeting the chair of the committee will record the actions of the committee. If accepted, the chair of the committee is responsible for recording also the evaluation established by the committee and the criteria or methodology used for establishing the value. (See Sample Gift Acceptance Form at the end of the section.)
- The committee will use as a standard the CSU System Policy and Procedures for Gifts of Software.

Irrevocable Trusts, Annuities, Life Estates, Insurance
- **Charitable Remainder Trusts, Pooled Income Funds, and Gift Annuities.** Gifts made to establish charitable remainder trusts, contributions to pooled income funds, and gift annuities are credited at fair market value, i.e., the full amount of the assets given, as determined by an independent, expert appraisal. In those instances where it is anticipated a portion of the principal will be returned to the beneficiary in order to meet a payout obligation, the gift is credited at its net realizable value, i.e., the remainder interest, as calculated for financial statement purposes. Gift recognition credit is given for the full fair market value.
- **Charitable Lead Trusts.** In recording the value of a charitable lead trust, only the income received from it each year during the period of the operation of the trust is included in gift totals.
- **Trusts Administered by Others.** The value of the assets of gifts in trust that the Foundation or the donor has chosen to have administered by an independent entity, such as a bank or other fiduciary, is recorded as a gift at the time the trust is established (or at the time the institution is informed of the gift), provided the gift is irrevocable. The income derived from such trusts is treated as endowment income and is not included in annual gift totals.
- **Insurance.** Only in cases where CSUB or the Foundation are both beneficiary and irrevocable owner of a whole life insurance policy is the policy recorded as a gift at the time the Foundation is named as irrevocable owner. The cash surrender value of the policy is recorded, rather than its face value, as the amount of the gift. If the donor pays further premiums on the policy, the donor will receive gift credit at full value of the premium. In those cases where CSUB/CSB Foundation receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received is reported as a gift on the date the proceeds are delivered.
I. ACCEPTING & PROCESSING GIFTS (cont.)

- **Gifts-in-Kind.** Faculty Staff and development professional may accept gifts-in-kind wherein the apparent value is less than $5,000 and acceptance of the gift does not obligate the University or the Foundation with undue restrictions such as:

  - Permanently exhibited
  - Perpetual maintenance
  - Insurance
  - Modification of facilities and/or special climate control.
  - All other gifts (over $5,000 or with restrictions) are to be referred to the Gift Acceptance Committee referenced in the Gift Acceptance Policy.

- Faculty, staff and development professionals may tentatively accept gifts not requiring action by the Gift Acceptance Committee.

- When taking possession of the gift-in-kind, one should inform in writing or use the University Advancement Office’s Gift Transmittal form – Gifts-In-Kind (attached) and forward to the University Advancement Office, Attention: Gift Records Clerk. Attach copies of all letters or documents pertaining to the gifts.

- The Vice President for University Advancement or his/her designee will place a value on gifts-in-kind using criteria and sources as follows:

  - University policy such as CSU Policy on Evaluation of Gifts of Software.
  - Price lists provided by the manufacturer, wholesaler or retailer to the University, donor or general public.
  - Quotes obtained, written or verbal, from manufacturer, supplier, trade association, etc. of same or similar products or service.
  - Consultation with University faculty/staff who have expertise in the area.
  - When circumstances make the gift difficult to evaluate and the apparent value is less than $5,000, the Vice President for University Advancement may consider similar gift evaluations, campaign credit given by the campaign or decisions made by the Gift Acceptance Committee.

- The Vice President for University Advancement and his/her designee may use a certain amount of discretion concerning the reasonableness of a valuation, such as:

  - Gifts of food may be evaluated as a cost per person or actual retail market value of the item(s).
  - Gifts of radio and television airtime can be evaluated using the station’s advertising log and accompanying rates sheet.
  - Gifts of newspaper/magazine advertising can be evaluated using that publication’s advertising rate card.

- The Vice President for University Advancement may discount the reported value of a gift if various market values appear to be unreasonably high for the use to which the University makes of the gift.

  - All gifts-in-kind are to be processed through the Office of University Advancement. Gifts of supplies and expendable items should be counted as inventory of the receiving academic department/unit and used or expended according to donor intent. With gifts of a
I. ACCEPTING & PROCESSING GIFTS (cont.)

physical nature (computers, scientific equipment, instruments, furniture, etc.) with a perceived value of $500 or more, the receiving department notifies property control of receipt of gift and requests tagging as a fixed asset of the University. When disposition is made of the item, property control needs to be informed in writing of the date and manner of disposition.

- **Gift of Services.** Operating largely on the basis of volunteer efforts, the Foundation and the University in effect seek gifts of time and other services on a considerable scale. However, services—while crucial and very appreciated—are not tax-deductible to donors beyond out-of-pocket expenses associated with the service. The Foundation does not issue gift acknowledgments for such out-of-pocket expenses.

- **Acceptance of Gifts from University Employees.** Gifts to the University or the Foundation from University employees may be accepted if the purpose of the gift is to support bona fide University activities or purchases. Such gifts must be subject to University policies and procedures for expenditure. Because a gift to support an employee’s own research, business travel, etc., may have the potential for abuse, the dean and department chair must take special care in approving expenditures in order to ensure that the University’s use of the gift supports its tax-deductibility.

I. Acknowledging and Recognizing Donors

- A numbered receipt is sent to each donor upon acceptance of the gift. Each gift is recorded in the individual donor record. This is necessary to ensure that gifts are deposited correctly and serves as additional verification of a tax-deductible gift for the donor. Most donors are also deeply interested in the progress of the activity they have supported. Therefore, it is highly recommended that follow-up letters be sent by the area of designation to donors of relatively large gifts to inform them of the progress being made in and by the use of their gift and to offer additional thanks for their contribution. Liaison between the University Advancement Office and the University office benefiting from the gift is particularly important for this information system to operate smoothly.

- Memorial gifts and gifts in honor of others are acknowledged to the donor, and a list of donors (but not gift amounts) is provided to the relatives. When departments transmit such gifts, they should indicate that the gift is a memorial or in-honor of gift, who it is in memory or honor of, and the name and address of relatives to be notified of donations made to the fund.

J. Establishing an Endowment Fund

The Cal State Bakersfield Foundation has been given the responsibility for implementing policies for endowments to benefit University and Foundation programs. These policies are established and maintained by the University Advancement Office and the Foundation. The following policies and guidelines for endowments have been established to facilitate processing and handling major gifts that are to be used for endowment purposes. These guidelines will provide direction for the requirements that must be met by both the donors and the University before such an endowment can be accepted. These requirements are intended to protect the
I. ACCEPTING & PROCESSING GIFTS (cont.)

interests of the donors and allow the University to economically carry out the requirements set
down by the endowment guidelines.
• To establish an endowment fund, gifts totaling a minimum of $5,000 will be required.
• Endowed funds may be “named.” (See Named Gifts Policy.)
• Unrestricted endowments will be encouraged.
• Every endowment fund shall have a signed agreement detailing the purpose of the
endowment. (See sample Establishment of Fund worksheet attached.) In addition to the use
of earnings, these agreements should include the following:

  o The inclusion of a flexibility clause similar to the “change of Conditions” clauses in the
Endowment Fund Worksheet is most desirable. Donors are encouraged to recognize that
over the many years following the establishment of an endowment, the needs, policies,
and circumstances of the University can change in unforeseen ways.

  ▪ Such a clause should provide that if, at some future date, circumstances within
  California State University, Bakersfield, should change so that the uses and purposes
  for which this fund has been established are no longer existent and/or are in conflict
  with administrative or academic policies of the University, then the fund income and
  principal may be used in a manner which is in the best interests of California State
  University, Bakersfield, bearing in mind the wishes of the donor(s) set forth herein. In
  this unlikely event, every effort shall be made by the University to contact the
donor(s) prior to any change in fund disbursement.
  ▪ It should further provide that if the Cal State Bakersfield Foundation is dissolved, the
  donor(s) consent that the fund herein created shall automatically revert to California
  State University, Bakersfield, to be managed by the University consistent with the
  laws of the State of California and the uses and purposes established by this
  document.

  o The University will seek changes through Probate to any bequeathed endowment
  guidelines that are in violation of any statutory regulations.
  o At the initial inquiry by a prospective donor regarding an endowment, the University
  Advancement Office and the Foundation should be notified promptly.
  o The Cal State Bakersfield Foundation will ensure continued use of the earnings according
to the specific donor guidelines. Donor stewardship will be managed through the
  Foundation Office.
  o Endowment funds investment policies and practices are developed and maintained by the
  Cal State Bakersfield Foundation in accordance with the Uniform Management of
  Institutional Funds Act of the State of California that provides principles for the
I. ACCEPTING & PROCESSING GIFTS (cont.)

investment of endowments. Donors are not permitted to have control over the investment of endowment funds or the use of the earnings beyond the initial restrictions.

K. Types of Gifts

1. Immediate Gifts
   a. **Cash** - Cash gifts can take the form of currency, coin, checks, money orders, or bank drafts. Checks should be made payable to the Cal State Bakersfield Foundation with a letter or pledge form stating the donor’s designation of the gift. Gifts should be delivered to the University Advancement Office.

   b. **Securities** - Publicly traded securities, shares of stock in closely held companies, bonds, and government issues may be given to Cal State Bakersfield Foundation for use by the University.

It is the policy of the Finance Committee of the Foundation to liquidate gifted securities immediately upon receipt, unless there is an overriding reason to retain a particular security. The investment subcommittee of the Finance Committee makes these decisions.

**Publicly Traded Securities.** These are securities regularly traded on a public stock exchange. The value of the gift will be the mean of the highest and lowest selling prices quoted for the stock the day of the gift, as defined below.

- The value of marketable securities is determined by computing the average of the high and the low stock price on the date of the gift transfer. Same day stock quotes are tracked at http://quote.yahoo.com. Historical quotes are obtained from http://chart.yahoo.com.

**Closely Held Securities.** These are shares of stock in the entities that have been organized for profit-making purposes, and are rarely traded on stock exchanges. Donors may give shares of closely held corporate securities to CSUB in the name of the Foundation in the same manner as publicly traded securities. However, because closely held stock is not publicly traded, these securities present special concerns of valuation. (Normally, the Cal State Bakersfield Foundation will not, formally or informally, enter into any redemption agreement with the donor.)

- The Foundation Manager may only accept gifts of closely held securities for the Foundation after review by the Gift Acceptance Committee.

**Methods of Delivery.** It is critical that title to gifted securities be transferred to the Foundation, not CSUB. Sending the certificate and an executed stock power for each separate issue of stock or bond to the Foundation Manager or the Vice President for University Advancement may make gifts of securities.
I. ACCEPTING & PROCESSING GIFTS (cont.)

- If securities are hand-delivered to CSUB, the value of the gift will be the mean of its fair market value on the date of delivery. Donors should endorse stock certificates only upon delivery to Cal State Bakersfield Foundation.
- If securities are mailed to the Foundation, the value of the gift will be its fair market value on the date the securities were mailed. Donors should obtain a stock power from their banker or broker, signing their name exactly as it appears on the certificates, and have their signature guaranteed by their banker or broker. The stock power and a letter of instruction should be marked to the Foundation Manager under separate cover from the stock certificate(s). Cal State Bakersfield Foundation should be designated on the stock certificate(s), stock power, or related instructions of transfer. The stock certificate(s) should be sent by registered mail, return receipt requested, to the Foundation Manager. Unendorsed stock certificates are non-negotiable. The postmarked date on the stock power will be used as the gift date when the stock certificate and stock power are mailed under separate covers.
- Securities can also be transferred to the Cal State Bakersfield Foundation through a direct wire transfer. Information on wire transfers is available from the Foundation Manager.

c. Tangible Personal Property
Criteria for Acceptance
The University welcomes and seeks gifts of equipment and software; however, these gifts must fit within the stated missions of the University.

- For tangible personal property gifts of $5,000 or greater, donors need an independent qualified appraisal.
- For new gifts over $5,000, donors may use a recent bill of sale or appraisal from corporation or independent appraisal.
- For used gifts of over $5,000, donors may use an independent qualified appraisal.

If the corporation that purchased it donates the equipment, the University credits the value determined by a recent bill of sale or an independent qualified appraisal. If an independent appraisal is needed, the donor pays for it. The donor should be informed that the cost of an independent appraisal is tax deductible. Appraisals made by University personnel are unacceptable because the University is party to the transaction. It is the donor’s responsibility to substantiate value for tax purposes.

The Cal State Bakersfield Foundation is responsible for filing Form 8282 for gifts of tangible personal property, valued at more than $5,000, sold or disposed of by the Foundation within two years of the date of the gift.

d. Real Property
Criteria for Acceptance
*Market Value and Marketability.* The Gift Acceptance Committee must receive a reasonably current appraisal of the fair market value of the property and donor’s interest in the property the University would receive if the proposed gift were
I. ACCEPTING & PROCESSING GIFTS (cont.)

approved. Development officers will inform the donor that, if the gift is completed, the IRS will require a qualified appraisal made within sixty days of the date of the gift.

- Development officers must understand and communicate to donors that it is the University and Foundation’s policy to dispose of all gifts of real estate as expeditiously as possible except in unusual circumstances. Thus, regardless of the value placed on the property by the donor’s appraisal, the Foundation will attempt to sell at a reasonable price in light of current market conditions, and the donor needs to be informed that any such sale occurring within two years of the date of gift will be reported to the IRS on Form 8282.

- In most cases, IRS regulations require that either the donor pay for the appraisal directly, or, if the Foundation pays the appraisal fee, the donor will be issued an IRS Form 1099 characterizing the fees as miscellaneous income.

Site Visit. The Foundation Manager, or his/her agent, should verify the condition of the property. Through this visit, he/she should take note of the improvements and amenities, if present.

- Defects in paint, plumbing, appliances, roofs, foundation, walls, floors, should be observed.

- IF necessary, the opinion of a contractor should be secured if a major problem is suspected.

Potential Environmental Risks. In order to protect CSUB and the Foundation from the high risk associated with accepting contaminated property, all proposed gifts of real property, including gifts from estates, must be accompanied by a Phase I environmental audit performed at the donor’s expense or at the expense of the program benefiting by the gift. All prospective donors should be alerted to this process as discovery of a potential problem may have an economic impact on them, whether or not the California State Bakersfield Foundation accepts the gift.

- Under existing law, current owners can be held fully liable for cleaning up property contaminated by hazardous wastes, even when prior owners or operators were responsible for causing the contamination.

- There have been instances in which donors have knowingly or unknowingly given contaminated property to charities. Although a current property owner may be able to sue prior owners and operators to recover clean-up costs, the costs, delay, and legal risks associated with such lawsuits are often prohibitive.

Limitations and Encumbrances. The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens, and other limitations of record must be disclosed.

- No gift of an interest in real estate will be accepted until all mortgages, deeds of trust, liens, and other encumbrances have been discharged, except in very unusual cases where the fair market value of the Foundation’s interest in the property net of all encumbrances is substantial or where a separate agreement to pay any such
I. ACCEPTING & PROCESSING GIFTS (cont.)

encumbrances which might be charged to the Foundation has been approved by the
Foundation’s Board of Directors.

- Only the Board of Directors of the Foundation may allow an exception to this
requirement, and only on residential property which has been used solely for
residential purposes for a significant (at least twenty-five years) period of time. In
cases where this exception applies and no environmental audit is undertaken, the
- Foundation may require the donor to execute an environmental indemnity agreement.

Carrying Costs. The existence and amount of any carrying costs, including but not
limited to property owners’ association dues, country club membership dues, and
transfer charge, taxes and insurance, must be disclosed and funded by the donor or the
program benefiting by the gift.

Title Information. A copy of any title information in the possession of the donor, such as
the most recent survey of the property, a title insurance policy, and/or an attorney’s
title opinion must be furnished.

Approval/Acceptance Process
- The faculty, staff, development officer, and/or others will submit a written
summary of the proposed gift to the Gift Acceptance Committee. At a minimum
the summary shall include the following information:
  - Complete legal description of real property and copy of warranty deed, if
possible.
  - Tax status of the property and any current or proposed LID assessment.
  - Current zoning and any proposed changes.
  - Mortgage balance, if any.
  - Lease or rental information, if appropriate.
  - Any oil, gas, mineral, or other rights that may or may not be transferred.
  - The purpose of the gift (e.g., to fund an endowed chair, a deferred gift, an
unrestricted gift) and the department(s), program(s), or endowment(s) to
benefit from the gift.
  - An appraisal of the property’s and if different, the University’s interest in the
property’s fair market value and marketability.
  - Real estate listing information if property currently on the market.
  - Any potential for income and expenses, encumbrances, and carrying costs
prior to disposition.
  - Any environmental risks or problems revealed by audit or survey.
  - Any potential University uses.
  - Any limitation upon use of the asset by law or otherwise.
  - Any special arrangements requested by the donor concerning disposition (e.g.,
price considerations, time durations prior to disposition, potential buyers,
realtors or brokers with whom the donor would like the University to list the
property, etc.)

- The Gift Acceptance Committee will review the material presented and make a
determination as to whether to recommend to the Foundation Board of Directors
I. ACCEPTING & PROCESSING GIFTS (cont.)

acceptance or rejection of the proposed gift of real property (or, if necessary to postpone a decision pending the receipt of additional information).

- The President of CSUB and the Board of Directors of Cal State Bakersfield Foundation must approve all gifts of Real Property.
- The final determination of the Foundation Board of Directors shall be communicated to the Vice President for University Advancement who will communicate the decision to the donor in writing, including any conditions imposed by the Foundation Board of Directors prior to acceptance.
- If the Foundation Board of Directors approves a proposed gift of real property, the Vice President for University Advancement will prepare an acknowledgment and receipt of the gift on behalf of the University upon notice by the Foundation that the property has been properly recorded in the local Recorder’s Office.
- The gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance. The costs associated with the conveyance and delivery of the gift, including, but not limited to recording fees and, if deemed necessary, a current survey, title insurance and/or an attorney’s title opinion, will be either paid by the donor or charged to the fund account of the department(s), program(s), or endowment(s) to benefit by the donation. In addition, the filing of Form 8283 by the donor may be required by the IRS for gifts of real property. The Foundation will complete and execute the Section of Form 8283 that is required to be completed by the donor. Copies will be forwarded to the University Advancement Office.

e. Life Insurance

Criteria of Acceptance
Gifts of life insurance may be accepted without special approval if the insurance policy is fully paid and in cases where the donor intends for the policy to be cashed in immediately for its cash surrender value. The Cal State Bakersfield Foundation must be owner (not just beneficiary) of policy. Gift credit will be given equal to annual premiums made by donor if the Foundation owns the policy.

• Gifts of life insurance with a cash value of at least $10,000 and which are partially paid, or, on which no payments have been made at the time of gift, will be reviewed for acceptance on a case-by-case basis by the Gift Acceptance Committee. The donor is expected to make a written pledge to continue paying the premiums on the policy. If no payment is received from the donor within ninety (90) days of the premium payment due date, whole life policies will be cashed in for the cash surrender value and term life policies will be allowed to lapse. The value of paid-up life insurance gifts will be recorded and reported at cash surrender value rather than face value of the policy, in accordance with CASE/NACUBO guidelines.

Approval/Acceptance Process
• The Vice President for University Advancement will prepare a written summary of any proposed gift of a life insurance policy that fails to meet all of the criteria specified above and submit that summary to the Gift Acceptance Committee. At a minimum the summary shall include the following information:
I. ACCEPTING & PROCESSING GIFTS (cont.)

- Description of the type of life insurance policy, face value, premium payment schedule, interest rate, age of insured(s), and other relevant policy information.
- The purpose of the gift (e.g., to fund an endowed chair, a deferred gift, an unrestricted gift) and the department(s), program(s), or endowment(s) to benefit from the gift.
- The Gift Acceptance Committee will review the material and make a determination as to whether to accept or reject the proposed gift or, if necessary, to impose any terms (e.g., the donor’s written pledge to make contributions to cover premiums, a revision in the payment schedule) as a condition of approval. The final determination of the committee will be communicated to the donor in writing, including any conditions imposed by the Gift Acceptance Committee prior to acceptance.
- If the committee approves a proposed gift of a life insurance policy, the Vice President for University Advancement will prepare an acknowledgment and receipt of the gift on behalf of the University.
- The gift will be completed upon the execution and delivery of the life insurance policy to the Cal State Bakersfield Foundation or an assignment of the policy in the event that the Foundation is not the original owner of the policy.

Administration

The Office of the Cal State Bakersfield Foundation shall administer all gifts of life insurance policies and shall maintain records of all donor policies, contribution schedules, donor designations of death benefits, and the like. This office shall also be responsible for pledge reminders and monitoring payments of premiums.

- In conjunction with the University Advancement Office, the Cal State Bakersfield Foundation shall be responsible for confirming the existence and cash value of all policies in force at least annually and for collecting and distributing death benefits. Upon receipt of death benefits, the Foundation shall provide notice to the department(s), program(s), or endowment(s) to benefit from the gift.

f. Other Assets

Criteria of Acceptance

The Gift Acceptance Committee will consider gifts of other assets including but not limited to promissory notes, partnership interests, and restricted or non-publicly traded securities, mineral rights, deeds of trust, stock options, and other negotiable instruments, only after a thorough review of the criteria set forth below:

Market Value and Marketability. The Gift Acceptance Committee must receive a reasonably current appraisal of the fair market value of the property and interest in the property the University/Foundation would receive if the proposed gift were approved. Development officers will inform the donor that, if the gift is completed, the IRS will require an appraisal made within sixty days of the date of gift. The appraisal and other information must indicate clearly and convincingly that there is in fact a market for the asset under consideration and that the asset can be sold within a reasonable period of time.

Approval/Acceptance Process

- The school/office working with the Vice President for University Advancement will submit a written summary of the proposed gift and submit that summary to the Gift
I. ACCEPTING & PROCESSING GIFTS (cont.)

Acceptance Committee. At a minimum, the summary shall include the following information:

- Description of the asset
- The purpose of the gift (e.g., to fund an endowed chair, a deferred gift, an unrestricted gift, and the department(s), program(s), or endowment(s) to benefit from the gift).
- An estimate or appraisal of the asset’s fair market value and marketability.
- Potential for income and expenses, encumbrances, and carrying costs prior to disposition.
- Any environmental risks or problems revealed by audit or survey.
- Credit history or financial statement of financially responsible party, if applicable.
- Any special arrangements requested by the donor concerning disposition (e.g., price considerations, time durations prior to disposition, potential buyers, realtors or broker with whom the donor would like the University to list the property, etc.)

- The Gift Acceptance Committee will review the material and make a determination of whether to accept or reject the proposed gift (or if necessary, to postpone a decision pending the receipt of additional information). The final determination of the committee shall be communicated to the Vice President for University Advancement and he/she shall communicate the University’s decision to the donor in writing, including any conditions imposed by the committee prior to acceptance.

- If the Gift Acceptance Committee approves a proposed gift of an asset in this category, the Vice President for University Advancement will prepare an acknowledgment and receipt of the gift on behalf of the University. The University will not appraise or assign a value to the gift property. It is the donor’s responsibility to establish a value for the gift and to provide, at the donor’s expense, a qualified appraisal required by the IRS in the case of assets valued in excess of $5,000 ($10,000 for non-publicly traded stock).

- The gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance, and the delivery of the property, as applicable. The costs associated with the conveyance and delivery of the gift will be paid by the donor. In addition, the filing of Form 8283 by the donor is required by the IRS for gifts of assets valued at more than $500.

2. Planned Gift Vehicles
   a. Guidelines

The following guidelines govern the solicitation and acceptance of planned gifts by California State University, Bakersfield. All representatives of CSUB shall use their best judgment to help donors to make appropriate planned gifts. The Cal State Bakersfield Foundation may decline gifts if it is not satisfied that the donor has receive proper independent legal and/or financial counseling, or that the gift is not in the best interest of the donor.

- CSUB and the Cal State Bakersfield Foundation endorse the National Committee on Planned Giving’s Model Standards of Practice for the Charitable Gift Planner and require all of its representatives to abide by them. A copy of the Model Standards of Practice is included in the appendix.
I. ACCEPTING & PROCESSING GIFTS (cont.)

- All planned gift agreements shall follow the format of the specimen agreements approved by the Cal State Bakersfield Foundation or other agreements approved as to form by the Foundation. All prospective donors shall be urged to seek their own counsel in matters relating to planned gifts and tax and estate planning. The Foundation will use legal counsel, as it deems necessary.

- The Vice President, the Foundation Manager, and members of the development staff delegated by them, are authorized to negotiate planned gift agreements with prospective donors, following these guidelines and the format of the specimen agreements approved by the Cal State Bakersfield Foundation. All agreements that vary in any substantial respect from the format of the specimen agreements, or otherwise vary from the requirements of these guidelines, must be approved in advance by the Gift Acceptance Committee and the Cal State Bakersfield Foundation.

b. Investment Policies and Practices for Planned Gifts

Investment policies and practices for planned gifts are similar to those for Endowment Funds (see appendix). The investment approach and asset mix for trusts are dependent on the objectives of each individual trust.

- In order to enhance prudent management and investment performance, the Foundation uses a pooling concept that consolidates funds with similar investment objectives. Although funds are pooled for investment purposes, separate accounts are established to maintain the separate identity of each fund, thus assuring each fund’s share of the income and gains of the pool. Through this means, investment risk is reduced and earnings potential is increased.

- Although pooling of individual planned giving vehicles is permissible under current law, it may not be practical for some trusts because of conflicting objectives. However, where possible and desirable, pooling trust assets is considered for diversification and minimizing risk.

- As stated in the investment policies for endowments, The Common Fund is used as the investment manager for most equities, bonds, and case equivalents. In circumstances where it is not appropriate to use The Common Fund, the Foundation has may designate an investment alternative that is bound by similar guidelines as the Common Fund. In addition, the Foundation may utilize the charitable trust fund of a local bank to manage its Pooled (Life) Income Fund. In the case of Gift Annuities, the State of California does not permit commingling of annuity assets with endowment or operating funds. As a result, the Foundation may form a Gift Annuity Pool to enhance prudent management and investment performance of annuity assets.

- Because of the relatively high interest rates that must be paid on gift annuities, the investment strategy is to emphasize high yielding fixed income investments and add equities as an inflation hedge as the pool grows over time.

c. Bequests

- A bequest is a gift of any amount or form made to the Cal State Bakersfield Foundation for CSUB in a donor’s will or trust. Bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible personal property, or be established as indicated in the section on “Outright Gifts.” A gift in
any amount may be accepted as a contribution to an existing fund so long as the terms and conditions of the existing fund so permit.

- Among donors’ options are residuary and contingent bequests. A residuary bequest will give the University all or a portion of the estate after all debts; taxes, expenses, and all other bequests have been paid. A contingent bequest will ensure that in a case of anticipation of any beneficiaries predeceasing the donor or disclaims the property; the Foundation may be named as the alternate or contingent beneficiary.

- In order to expedite estate distribution, provision in a donor’s will or trust agreements should include the statement… “To Cal State Bakersfield Foundation for the benefit of California State University, Bakersfield.”

- Donors may also establish, by will, an annuity trust or unitrust. The bequest can be arranged so as to provide a life income for a designated beneficiary by directing that the bequest be used to establish a charitable remainder annuity trust or charitable remainder unitrust. If such a gift is made by will, the principal will pass to the University only after the death of the life income beneficiary.

- Gifts may be made to the University through the execution of a new will or addition, or through a codicil to an existing will. Donors may also add either a residuum or contingent codicil to their wills.

- Donors are encouraged to recognize that over the many years following the establishment of an endowment, the needs, policies, and circumstances of the University can change in unforeseen ways. The University administration must have the flexibility to make use of funds in the best interest of the institution and in accord with donor interests and specifications. Thus, donors are advised to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions. Donors considering bequests for a specific purpose are encouraged to consult development staff. The inclusion of a flexibility clause similar to the “changes of Conditions” clauses in the Endowment Fund Worksheet is most desirable.

d. Charitable Remainder Unitrusts
   Definition
   A charitable remainder unitrust is a gift vehicle that irrevocably transfers the remainder interest of an asset’s value to California State University, Bakersfield, upon the death of the named income beneficiaries or at the end of a specified term of not more than twenty years. The donor can name him or herself and/or others as income recipients, with payments made concurrently or consecutively.

- In a unitrust, the donor creates a formal trust arrangement through which donated assets may be transferred to the Cal State Bakersfield Foundation as trustee. The donor cannot stipulate in the trust agreement that the original assets placed in the trust be retained for the life of the trust. These assets are then managed according to the investment strategy of the trustee.

- Types of unitrust gifts include:
  - **Straight Unitrust**: This type of unitrust pays a fixed percentage of the net fair market value of its assets as valued annually (January 1) to the designated beneficiaries. Additional contributions may be added at any time.
I. ACCEPTING & PROCESSING GIFTS (cont.)

- **Net Income Unitrust**: This agreement stipulates that the trust will distribute either the actual amount of income earned or the established percentage payout rate whichever is LESS.
- **Net Income Unitrust with Make Up Provision**: This agreement uses current excess income from the trust to pay the beneficiary(ies) income lost during the years when earnings are insufficient.

**Minimum Funding Level**
The minimum suggested amount to establish a charitable remainder unitrust shall be $100,000—and the charitable contribution, computed using standard government tables, should be the greater of $50,000 or 25% of the initial level of funding. The amount of the initial gift may be less than $100,000 if other factors dictate that to make an exception to this rule would be in the best interests of the University or Foundation.

**Minimum Age Levels**
The minimum age of beneficiaries for all life income gifts is fifty-five (55) years old at the time payments begin. The minimum age, however, is not applicable for trusts of terms of years and the payment rate is subject to negotiation. The Gift Acceptance Committee and the Foundation Board of Directors may grant approval.

**Rate of Payment**
In accordance with IRS regulations, the fixed percentage cannot be less than five percent and is established when the trust is created and cannot be changed. The maximum payment limitations are dependent upon the ages of the beneficiaries, type of trust, anticipated investment strategy, and prevailing economic conditions. Currently, maximum payment guidelines are as follows but these should not be taken to mean that the maximum rates will be offered in any given case:

- Beneficiaries ages 55-59 = 5%
- Beneficiaries ages 60-69 = 6%
- Beneficiaries ages 70-79 = 7%
- Beneficiaries ages 80-89 = 8%

It must be recognized that the fixed percentage rate is established by the donor and does not require approval by the Cal State Bakersfield Foundation. However, when making proposals to prospective donors, development officers shall not use a rate above eight percent (8%) without first consulting with and receiving approval from the Gift Acceptance Committee. Prospective donors should also be advised that as the fixed percentage and number of income beneficiaries increases, the charitable contribution deduction to which the donor is entitled would correspondingly decrease. The Gift Acceptance Committee will review the maximum payout percentage annually.

The maximum payout rates are subject to negotiation in the case of net income unitrusts. There is no maximum number of income beneficiaries, but there shall be no more than two generations of income beneficiaries.

**Funding Assets**
Gifts of cash and appreciated securities are appropriate for any of the three types of unitrust. Charitable remainder unitrusts funded with real estate or other non-liquid assets shall take the form of a “net income” or “net income with make-up” unitrust. The net
I. ACCEPTING & PROCESSING GIFTS (cont.)

income unitrust (with or without make-up provision) is the best way to handle gift or real estate, which would temporarily provide no income between the closure of the gift and the date the property is sold. In a net income arrangement no payments are due to the beneficiary(ies) until the trust is generating income. However, the trust remains intact.

e. Charitable Remainder Annuity Trust
Definition
Like the unitrust, the charitable remainder annuity trust is an income vehicle that irrevocably transfers the remainder interest to the Cal State Bakersfield Foundation upon the death of the income beneficiaries (or for a specified term of not more than 20 years). The concept of an annuity is simple and straightforward. As its name implies, it pays income beneficiary(ies) a fixed dollar amount annually.
Minimum Funding Level
(See above Charitable Remainder Unitrust.)
Minimum Age Levels
(See above Charitable Remainder Unitrust.)
Rate of Payment
The amount must be specified in the trust instrument as either a dollar figure or a percentage of the initial fair market value of the assets used to fund the trust. This amount may never be less than five percent (5%) of the initial contribution. The higher the rate of return, the lower the value of the remainder interest and the lower the benefit of the charitable income tax deduction. (See above Charitable Remainder Unitrust.)

f. Charitable Gift Annuities
Definition
A charitable gift annuity is a contract between the Cal State Bakersfield Foundation and the donor. In return for a gift of cash or marketable securities, the Foundation guarantees to pay to the donor and his or her survivor, if so specified, a fixed annual annuity in equal installments until the death of the surviving annuitant. The Foundation’s obligation to pay the annuity amount is guaranteed and secured by all assets of the Foundation, not merely those exchanged for the annuity contract. Because of this guaranteed obligation, no gift annuity amount shall be used for the intended purpose and shall remain fully funded until the Foundation’s obligation to make annuity payments has been terminated.
Minimum Funding Level
Initial charitable gift annuities shall be issued for at least ten thousand dollars ($10,000).
Minimum Age Levels
The minimum age of beneficiaries for all life income gifts is fifty-five (55) years of age at the time income payments begin. If payment is to be deferred, the period of deferral between the transfer for the deferred payment annuity and the date the annuity payments start shall be no more than twenty (20) years.
• No gift annuity agreement shall be for more than two lives. No exception shall be made to this requirement—otherwise, under law, the Cal State Bakersfield Foundation will be taxed on a large part of the gift’s earnings.
Rate of Payment
The fixed rate of payment for life is established when the annuity contract is signed. A criterion for determining the rate depends upon the age(s) of the annuitant(s). When there
is more than one recipient, the rates will be lower. The older the annuitant(s) at the time
the annuity is established, the higher the fixed rate that can be offered.
• The Cal State Bakersfield Foundation, as well as most other charities, relies on the
rates recommended by the American Council on Gift Annuities, except in cases
where the donor prefers to accept a lower rate. The rates are actuarially determined
with the goal of having at least half the gift asset passed on to the charity and the
other half paid out to the non-charitable beneficiaries in the form of annuity
payments.
• Gift Annuity agreements shall be issued only if the charitable gift, computed using
standard government table, exceeds ten percent (10%) of the amount transferred. No
exception shall be made to this requirement—otherwise, the Cal State Bakersfield
Foundation will be taxed on a large part of the gift’s earnings.

**Funding Asset**
As a rule, the Cal State Bakersfield Foundation will not accept for a gift annuity tangible
personal property or real estate holdings. Any deviation from this requires approval of the
Gift Acceptance Committee and the Foundation Board of Directors.

g. **Charitable Lead Trust**

**Definition**
A charitable lead trust is an arrangement whereby income generating assets may be
placed in trust to the Cal State Bakersfield Foundation for a designated period of years,
after which period the assets transfer to non-charitable beneficiaries named by the donor.
The trust is called a “lead” trust because the income interest paid to the Foundation
“leads” or precedes the “remainder” interest paid to the beneficiaries.

• Types of lead trusts include:
  o **Grantor Lead Trust**: This is a gift arrangement in which the donor (grantor)
    transfers income producing assets to a trust, income is paid to a charitable
    institution (Cal State Bakersfield Foundation) over the trust term, and at the end
    of the term the trust principal returns to the donor. In this case the donor receives
    an income tax deduction based on the present value of the gift. He/she also pays
    income tax on the trust income each year.
  o **Non-Grantor Lead Trust**: In this situation, the donor chooses another non-
    charitable beneficiary (other than him/herself) to receive the assets at the end of
    the trust term. The donor does not receive an income tax deduction; however,
    he/she is not liable for income tax on the annual income of the trust. This type of
    trust is a taxable entity. The donor receives a gift and estate tax deduction for the
    present value of the gift of future income.

**Minimum Funding Level**
The minimum amount suggested to establish a charitable lead trust shall be $100,000 and
trust terms shall not exceed 20 years unless approved by the Gift Acceptance Committee.

**Minimum Age Levels**
N/A

**Rate of Payment**
The annual payments of a charitable lead trust must be in one of the following forms:
I. ACCEPTING & PROCESSING GIFTS (cont.)

- As a unitrust payment, which is a stated percentage of the fair market value of the assets of the trust, determined at least annually.
- Or, as an annuity payment, which is a fixed dollar amount.
- Unlike other gift vehicles, there is no required minimum percentage payout.

**Funding Asset**

Any money or personal property may be used to fund a lead trust. Real Property will not be used except in special circumstances approved by the Gift Acceptance Committee and the Foundation Board of Directors. However, income must be produced by that property or its proceeds. Closely held stock may not be used to fund a charitable lead trust.

**h. Retained Life Estate**

While not a life-income type of gift, the irrevocable donation of real estate, while retaining the right to use the property, has become an increasingly attractive charitable gift arrangement. A donor can give a personal residence or vacation home to Cal State Bakersfield Foundation for benefit of CSUB and reserve the use of the property for life (or a term of years), and/or the lifetime of another resident beneficiary. This arrangement can be ideal for the older donor who owns property and has no heirs. The gift would provide tax savings and the security of knowing that he or she, and a surviving spouse, could make a major lifetime gift of a significant asset without relinquishing its use.

- The immediate benefit of a gift of real estate with retained life estate is often a substantial tax deduction for the charitable gift. This deduction is equal to the remainder interest in the property, (the appraised fair market value of the real estate less the calculated value of the retained life use).
- As with other gifts of real property, it is the donor’s responsibility to obtain an independent appraisal of the value of the property.
- The income tax deduction can mean significant tax savings in the year of the gift and may be carried forward for up to five additional years, to a limit of 30 percent of the donor’s adjusted gross income each year.
- The President of CSUB and the Board of Directors of Cal State Bakersfield Foundation must approve all gifts of Real Property.

For more information, see Acceptance of Real Estate Gifts.

**i. Bargain Sale**

The bargain sale of real estate to a charity is part sale and part gift. When a property is sold to the Cal State Bakersfield Foundation for less than its fair market value, the seller’s charitable gift is the difference between the sale price and the property’s appraised fair market value.

For more information, see Acceptance of Real Estate Gifts.

**j. Revocable Trusts**

The Cal State Bakersfield Foundation will serve as trustee of a revocable trust in situations where CSUB and the Foundation are major beneficiaries of the trust and the arrangement is beneficial to both the Trustor and University. The Gift Acceptance Committee and the Foundation Board of Directors must approve all proposed revocable trusts.
I. ACCEPTING & PROCESSING GIFTS (cont.)

k. Generation-Skipping Transfers
Deferred gifts that would be “generation-skipping” transfers shall not knowingly be accepted without specific prior approval of the Gift Acceptance Committee and the Foundation Board of Directors.

l. Pooled Income Funds
Pooled income fund trusts agreements must be funded with at least five thousand dollars ($5,000), and additional contributions must be at least one thousand dollars ($1,000). All income beneficiaries must be at least 55 years of age at the time the agreement is executed.
There is no maximum number income of beneficiaries, but there shall be no more than two generations of beneficiaries. Real estate, tax-exempt securities, and non-liquid assets shall not be accepted for transfer to any pooled income fund.

L. Federal and State Tax Information
Since the Foundation is organized and operated exclusively for educational purposes, it is exempt from income tax under the provision of Section 501(c)(3) of the Internal Revenue Code. Because the Foundation is not a private foundation under Section 509(a) of the IRS Code, contributions made to the Foundation on behalf of the University are charitable contributions for federal and state tax purposes and are deductible by donors in computing corporate, partnership, estate, and personal income taxes.

M. Exceptions
The Gift Acceptance Committee and the Foundation Board of Directors must approve exceptions to this policy in writing.

N. Effective Date
This policy shall become effective September 18, 1996, and will supersede any previous existing policy purporting to cover the subject matter of this policy.
**I. ACCEPTING & PROCESSING GIFTS**

Sample: Gift Acceptance Form

CSUB/CSUB Foundation

**GIFT ACCEPTANCE COMMITTEE**

**REVIEW AND ACCEPTANCE OF GIFTS OF SOFTWARE**

### I. Donor Information

<table>
<thead>
<tr>
<th>Name of Donor:</th>
<th>Address:</th>
<th>City:</th>
<th>State:</th>
<th>Zip:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telephone:</th>
<th>Email:</th>
<th>Fax: ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Person:</th>
<th>Campus Contact Name:</th>
<th>Department:</th>
<th>Extension:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### II. Description

**Description of Gift:**

**Proposed Use of Gift:**

**Preliminary Estimate of Value:**

### III. Disposition

**Disposition of Request:**

**Committee Evaluation of Gift:**

a) Amount: $

b) Methodology or Rational Used for Evaluation

Committee Members Present: ______________________________________________________

Form Completed by: ___________________________________________ Name ___________ Date ________
II. DISCRETIONARY/CAMPUS PROGRAM ACCOUNTS

A. Discretionary/Campus Program Accounts Policy

All funds received through the various sources shall be maintained in a similar manner. Any monies received by the Foundation must be approved in accordance with the Gift Acceptance Policy.

- For all funds that are received with provisions on their use, these funds shall be used in accordance with the provision stipulated by the donor.
- All funds that are received without any provisions as to their use shall be deemed discretionary and as such, will be allocated based upon the greatest need as determined by the Foundation Manager.

B. Funds From External Sources

Funds held by the Foundation from external sources and restricted for University purposes are typically donations or the proceeds from the sale of non-cash gifts made to the Foundation.

Such funds will be accepted consistent with the established University and Foundation solicitation policy and practices according to the provisions of the Gift Acceptance Policy (See Section 1, Subsection I.) Such funds are typically classified as discretionary or restricted in nature.

In general, discretionary fund expenditures are appropriate to campus authorized educational, social, or business activities, student aid or for other purposes not specified below, which clearly advance the objectives of the campus and the California State University, and which are consistent with applicable procurement and accounting practices, and any restrictions stipulated by the source(s) of the funds being used.

Expenditures of discretionary funds are appropriate for refreshments and entertainment in connection with meetings, conferences, and events at or away from the campus in the furtherance of campus goals and purposes.

Payment of memberships in community or professional organizations is appropriate when such membership is relevant to the department, school, or University. No funds may be used for membership when such membership practices are discriminatory on the basis of race, creed, color, sex, religion, or national origin.

All expenditure requests of restricted funds must be clearly consistent with the restricted purpose.

C. Funds from Internal Sources

Funds from sources internal to the Foundation, and designated for University use, are managed through the University.
II. DISCRETIONARY/CAMPUS PROGRAM ACCOUNTS (cont.)

The expenditure of these funds is generally limited to purposes likely to be most helpful to the University’s programs and/or projects of a University-wide nature.

The Grants/Contracts Director in accordance with the Program Administration Guide will administer each project or program to be supported in significant part through this funding source.

D. Expenditure Documentation

All requests to expend funds designated for University purposes must be in written form with an authorized signature. Requests should include the following:

- Any estimated cost information, including shipping and sales tax.
- If an event related expense, should have the name of the event, the dates of the event, and the location where the event will be held.
- For non-events, should include the item(s) or service(s) to be purchased and information relating the purchase to acceptable expenditures.

**Payments will be made in accordance with the Accounts Payable policy.**
SECTION 2 – ACCOUNTING
III. PROCEDURES

A. Journal Entry Processing/Review
- All journal entries must have all supporting documentation prior to data entry into accounting system
- All journal entries are reviewed and approved by the Accountant prior to entry into the system.
- The Foundation Manager reviews all journal entries on a monthly basis.

B. Financial Statements
- Internal financial statements are reviewed and approved by the Foundation Manager on a monthly basis.
IV. ACCOUNTS RECEIVABLE

A. Accounts Receivable Policy
• Invoices are prepared and mailed, as they are requested.

B. Grants & Contract Receivable Policy
• Invoices are prepared after month-end close. Invoices are created monthly or quarterly depending on the grant, contract or agreement.
• The original invoice and two copies are created. The original is mailed to Where? The two copies are stamped “Copy” and one copy is placed in the What? file, and the other is entered on the Accounts Receivable list and filed numerically in the unpaid invoice binder.
• Invoice amounts are posted to the Grant Billing List spreadsheet.
• For outstanding invoices:
  o After thirty days of non-payment a duplicate invoice is mailed.
  o After sixty days a letter is sent asking for payment.
  o After ninety days and beyond phone calls are made. If no phone number is available, letters continue.
  o After no payment has been received for 120 days, the invoice is sent to collections and written off as a bad debt.

C. Returned Item Policy
• A journal entry is created for bounced check(s) fee and reversing income to bank charge expense.
• Return check(s) to department with memo (see attached) with the option of sending to Check Busters at District Attorney office. The returned item comes back to G/L Manager for collection.
V. PETTY CASH

A. Petty Cash Policy

- A petty cash fund of $3,500 will be maintained in the Foundation Office with the expenditures approved by the appropriate personnel (department heads, club presidents).
  - An authorized signor on the account must sign Petty Cash Disbursement Form. The cashier will verify authorization using account set-up form for comparison.
- There is a locked “cash drawer” that will have no more than $300.00 in cash of the available petty cash amount that will not be locked in the safe during the course of the day. The cash drawer is supervised by the cashier and is used for cash reimbursements during the day.
- Petty cash reimbursements will be approved only for purchases up to $100, with the exception of the Children’s Center.

Note: Purchases in excess of $100 may be made by securing a “cash advance” or by submitting a request for reimbursement through the regular payable process.

- Cash Boxes may be signed out to an authorized individual with a Cash Box Request Form, which is available in the Foundation office.
  - The cashier will verify authorized individuals using the account set-up form for comparison.
  - Cash Box Requests are filled out by requestor and submitted to cashier. Requestor signs the form at time of disbursement, and when the cash box is returned the cashier verifies the amount. The form is initialed by the cashier, dated, and stamped “Paid” with the amount returned and given to the individual returning the cash box.
  - Cash Box Requests are treated as a “loan” against an organization’s available funds and any discrepancies will be charged to the organization’s funds.

B. Steps For Obtaining a Reimbursement

- Complete a petty cash disbursement Form (PCD) obtained from the Foundation Cashier. Upon completion, submit PCD to Foundation Cashier. Original receipt must be submitted. Photocopies will not be accepted.
  - If the sales receipt is not a cash register slip, show means of payment (cash, check, charge card). Invoices should have the printed name of the vendor.
  - The cashier will review the presented receipt to verify that the expenses are acceptable and appropriate prior to reimbursement.

C. Reimbursement of Petty Cash Account

- A check to replenish petty cash fund is generated as needed.
- All paid petty cash vouchers are pulled out of the Petty Cash Drawer. The sum of the paid vouchers is compared with the petty cash spreadsheet.
V. PETTY CASH (cont.)

- On Excel, retrieve file “PETTYCAS”, breakdown each voucher into their respective account number. The total amount for this spreadsheet should equal all petty cash vouchers.
- A check requisition is prepared payable to CSB Foundation/Petty Cash and given to cashier for deposit into Petty Cash Fund.

D. Reconciliation of Petty Cash Account

- The Accountant will make a count of the petty cash box on a random basis, 3 – 4 times a quarter.
- In the event that the cashier is unavailable, a separate cash box will be signed out to the substitute cashier. This cash box will be given to the Accountant by 4:30 pm for a count and reconciliation prior to the end of the business day.

E. Use of Personal Funds

- At no time shall any employee and or agent of the Foundation contribute “personal funds” to the available petty cash in order to fill a reimbursement request.
VI. CASHIERING

A. Cash Receipting Policy

There are four ways of receiving funds:
- Window Transactions (with 10 items or less)
- Window Transactions (with 11 items or more)
- Mail Transactions
- Wire Transfer Transactions

Each type of transaction is handled in like manner with minor differences. For purposes of detail, each transaction procedure will be described below.

1. Window Transactions (with 10 items or less)

Cash and checks are received through the cashier’s window daily. Upon presentation of such, a hand-written receipt is generated in triplicate copy on the CSUB Foundation Receipt Form (see attached example). Checks are endorsed with the CSUB Foundation Stamp at the time of acceptance.

Specific information is required to complete the receipt:
- Designation of currency or check #
- Amount received (counted/totaled)
- Organization or individual the payment is from
- Description of what the payment is for (i.e. parent fees, malpractice insurance, invoice number, etc.)
- Account number to deposit to (split between accounts if necessary)
- Signed, dated and totaled by person receiving transaction
- Revenue account number is written on the face of all checks and hardcopy of credit card transactions
- Once receipt is complete, top copy is given to presenter and funds are attached to the pink and yellow copies and placed in the holding “lid”.

**Deposits of 10 items or less must be present in Foundation office no later than 4pm. Any exceptions to this policy will be made on a case by case basis by the Accountant.**

- By 3:00 p.m. each day, receipts received for that day are logged on a template and a deposit is prepared. A copy is made and given to the Foundation manager. The G/L Accounting manager receives and electronic copy of the template.
- The deposit is then prepared for Brinks pick-up by noon the following day.
- By 4:00 pm each day, an upload template is prepared and sent by e-mail to CSUB Accounting. The template includes a listing of deposits and applicable revenue accounts, references, invoice numbers, amounts and bank number. The template must equal the total of the deposit.

2. Window Transactions in Batch Form (usually over 11 items)

- Deposits in batch forms only require one receipt. For instance, the Athletic Department submits deposits in batch form already totaled. The cashier generates a single receipt based on the Summary Batch Sheet and verification of enclosed funds.
VI. CASHIERING (cont.)

Deposits of 11 items or more must be present in Foundation office no later than 2:30 p.m. Any exceptions to this policy will be made on a case-by-case basis by the Accountant.

3. Mail Transactions
   • Mail is received twice daily once by 10:30 am and again by 2:30 pm. It must be retrieved at the campus designated central location at those times.
   • Once retrieved, mail is opened, separated and distributed. Any checks received shall be endorsed and receipted by the end of each working day, as described in the Window Transactions, and placed in holding “lid”.
   • Mail receipts are handled the same way as window transactions for deposit preparation.
   • The white copy of the receipt is forwarded to the department through the campus the same business day as the deposit.
   • Procedures in the Window Transactions shall be followed to complete the Mail transactions.

4. Wire Transfers
   • All funds received form Federal grants funded by the Department of Education are requested when invoices are created. A journal is completed to record the amount.
   • When Bank statements are reconciled, all unaccounted for transfers are brought to the Grants/Contracts Assistant who compares them to the Grants Billing List.

5. For all transactions
   • Any monies receipted must have an account number for depositing. If there are any problems with an account number, the check shall be referred to the Accountant for immediate research.

All monies received in the Foundation office will be deposited in the bank no later than 72 hours from receipt.

B. Blank Check Stock Policy

All unwritten Foundation checks will be received and maintained in the following manner:
   • Blank check stock is delivered directly to CSUB cashiering office.
   • Only Foundation authorized individuals may sign blank check stock out.
   • All blank check stock not currently checked out will remain locked in the campus vault.
VII. RESERVE FUNDING

A. Reserve For Deficit Funding Policy
At the Foundation Board of Directors’ meeting December 19, 1973, the Board approved establishing a RESERVE FOR DEFICIT FUNDING, in the amount of one-third of each prior year’s General Fund Budget or $15,000, whichever is the larger.

Please initially establish the reserve from 1973/74-year income from current General Fund operations. The first year’s contribution shall not exceed $10,000. Commencing at the conclusion of the 1974/75 fiscal year and in subsequent years, bring the reserve to the maximum authorized by the Board.

B. Purpose
The purpose of reserves is to set aside a portion of the Fund Balance (also called Net Assets) corresponding to the portion of an organization’s assets that are being used to conduct its business and are therefore not available for spending.

C. Definitions
Fund Balance is defined as fund assets minus fund liabilities. It represents the total amount of net income (excess revenue over expenses), which has been accumulating year by year since the fund began operating. In other words, Fund Balance represents the net assets of a fund—resources on hand and available to operate the activities of the fund. This does not mean that there is “cash” available equal to the Fund Balance. Most funds need fixed assets (i.e. fixtures and equipment) to carry out the activities of the fund, or some of the fund’s resources may be in the form of receivables or inventory. Accordingly, those parts of the fund balance that are tied up (invested) in non-cash assets are recognized as reservations of Fund Balance; these resources are “reserved” and, thus, not available for spending.

D. Capital Replacement Reserve
The purpose of this reserve is to set aside excess earnings to replace fixed assets as needed. It will enable the Foundation to meet ongoing plant and equipment needs in a systematic way and prevent sudden or large demands on the supply of cash. Funds should be reserved in accordance with a schedule of capital replacement needs approved by the Board. In coordination with the annual budgeting process, management will prepare a three-year forward-looking schedule for replacing capital items accompanied by a Capital Expenditure Budget, which enumerates the funding needed to meet the requirements of the plan. Based on this plan, the Board approves the reservation of appropriate funds in the Capital Replacement Reserve. The three-year plan is then updated, and the funding adjusted if needed, on an annual basis.

The reserve shall be equal to the planned capital replacement expenditures as set forth in a three-year plan and a Capital Expenditure Budget approved by the Board.
VII. RESERVE FUNDING (cont.)

E. Planned Future Operations Reserve

The purpose of this reserve is to provide funding for new operations, campaigns or development projects specifically adopted by the Board, including the facilities, equipment, staff, or training needed to accomplish them. It is separate from the Capital Replacement Reserve, which is intended to replace already existing assets. A specific schedule of future needs will be presented to the Board with a corresponding expenditure budget so that funds may be reserved.

The reserve shall be equal to the planned future operational expenditures approved by the Board.

F. Unreserved Fund Balance

The Fund Balance that remains after the Board has established funding levels for each of the organization’s reserves shall be designated the Unreserved Fund Balance, and is available for spending at the Board’s discretion. In accordance with the Foundation practice, once funds are allocated by the Board, they will be transferred to and reserved in the Board Designated Fund and dispersed from there. Should they not be needed or utilized for the purpose specified, they may be transferred with Board approval back to the Unreserved Fund Balance and again become eligible for allocation.
VIII. INVESTMENT POLICY GUIDELINES

A. General Investment Philosophy

The Board of Directors of the California State University Bakersfield Foundation has adopted the following investment management guidelines. These guidelines apply to those gifts and donations in the form of endowments, those monies set aside by the Board as designated funds, building funds and to those contributions received for the current fund. The Foundation shall generally be limited to placing investments with those firms and/or instruments which adhere to the standards of these guidelines, and which meet the standards of a prudent investor.

Note: All investment transactions over $5,000.00 shall require two authorized signatures.

B. Investment Objective

The objective of these investment management guidelines is to prescribe a course of action for the endowment and building funds’ managers. The objective is to promote growth in the investment funds sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant-dollar value and purchasing power of the funds for future generations, and to preserve the principal of operating cash and reserves while producing market-level income. The minimum total-return objective for the full portfolio shall be inflation plus 5 percent.

C. Guidelines for Endowment, Designated, Building and Operating Assets

The guidelines shall call for the investment portfolio of the Foundation to be categorized by the following attributes:

- Endowment Funds / Long term (more than 5 years)
- Building Funds / Intermediate (3 to 5 years)
- Operating Funds set aside for current operations (less than 3 years)

D. Risk Tolerance and Investment Time Horizon

The endowment and designated assets have an indefinite time horizon literally coterminous with the endurance of the institution, in perpetuity. As such, these funds can assume a time-horizon that extends well beyond a normal market cycle, and can assume an above average level of risk as measured by the standard deviation of annual returns. It is expected, however, that both professional management and sufficient portfolio diversification will smooth volatility and help to assure a reasonable consistency of returns.

The building funds have a defined time horizon and a time certain the funds are to be available. As such, these funds cannot be exposed to a time-horizon that extends beyond a normal market cycle, and can assume only an average level of risk as measured by the standard deviation of annual returns. The minimum return(s) of these funds should reasonably coincide with minimum earning guidelines.
VIII. INVESTMENT POLICY GUIDELINES (cont.)

Funds set aside for current operations cannot tolerate any level of risk, as the need for these funds could be immediate and of an emergency nature. These funds should be limited to investments in shorter term, high quality instruments.

E. Asset Allocation

The general policy shall be to diversify investment among equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. As a long-term guideline, equity investments will normally constitute at least one-half, and fixed income securities no more than one half, of investment assets. Further, it is expected that the preferred long-term mix will be seventy-five percent equity and thirty-five percent fixed income in the Endowment Funds and forty-five percent equity and fifty-five percent fixed income in the Building Funds. Re-balancing of Asset Allocation will be at any time there is a 5 percent variance from the adopted target allocation in any fund at the end of the quarter. Should a substantial variance occur before the end of the quarter, the Investment sub-committee should be advised. The Foundation management shall bear the responsibility of monitoring the target asset allocation. The following chart illustrates the preferred Asset Allocation.

<table>
<thead>
<tr>
<th>FUND</th>
<th>Equity</th>
<th>Fixed</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment</td>
<td>65%</td>
<td>30%</td>
<td>5%</td>
</tr>
<tr>
<td>Intermediate/Building</td>
<td>45%</td>
<td>45%</td>
<td>10%</td>
</tr>
<tr>
<td>Operating</td>
<td>0%</td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>

- Equity Investments
  - Common Stock
    The principal category of equity investments will be common stocks with primary emphasis on high quality investment grade stocks in companies that are financially sound and that have favorable prospects for earnings growth. Stock investments should be diversified by industry, capitalization size, relative value, and nation of origin. It is expected that not more than 20 percent of stock investments should be in companies not within the United States, that no more than 5 percent of the equity portion of the investment’s assets should be invested in any single issue, and not more than 15 percent of the equity portfolio should be invested within a single industry sector. Preferred Stock and Convertible securities shall be considered Equity, as it would relate to this policy. The suggested mix and diversification of stock investments accomplished through investment(s) in the Common Fund, or a like institution, is consistent with this policy.
  - Real Estate
    Equity investments may also include equity real estate, held in the form of professionally managed, income producing commercial property. Such investments, however, shall not exceed 10 percent of total equity investment in order to achieve diversification over time.
VIII. INVESTMENT POLICY GUIDELINES (cont.)

- Hedge Funds, Venture Capital, and other Private Equity Partnerships
  Equity investments may also include hedge funds, private equity, or venture capital investments, held in the form of professionally managed pooled limited partnership investments. Such investments shall not exceed 5 percent of total equity investments.

- Fixed-Income Investments
  - Intermediate and Long-Duration Bonds
    It is expected that at least two-thirds of all fixed income investments will normally be invested in domestic, high quality corporate and Treasury bonds of intermediate to long duration. In addition, investments may include no more than 15 percent of the fixed income portion in the professionally managed below investment grade portfolios (high yield or distressed debt issues), and no more than 20 percent of the fixed income portion, or not more than 15 percent of the investments assets, in international sovereign (Treasury) securities. The suggested mix and diversification of fixed income investments accomplished through investments in the Common Fund, or a like institution, is consistent with this policy.
  - Short Duration Bonds
    While it is not expected that securities with average maturity of less than five years will normally be included in the portfolio, monies in transition, monies expressly restricted by the donor, and other assets generally as may from time to time be considered prudent by professional management may be invested in high quality government and corporate bonds with a maturity of 1-5 years.
  - Money Market or Cash Equivalent Investments
    Short term, cash equivalent investments are not considered an appropriate vehicle for endowment assets. However, such vehicles are appropriate as a depository for income distributions from longer-term investments, or as needed for temporary placement of funds directed for later investment to the longer-term capital markets. In addition, such vehicles are the norm for contributions to the current fund, or for current operating cash. Investment eligible for this class include only the highest quality (A1-P1 Moody’s and S&P rated) commercial paper and Treasury Bills.

F. Restricted Investments

Occasional gifts are offered to the Foundation whereupon the donor wishes to place certain restrictions on the form of investment to which these amounts may be applied. Such funds will be invested according to the donor’s requirement only to the extent such requirement is a condition of the gift, and these monies will be excluded from the total pool of available funds for the purpose of establishing asset allocation percentages as directed in the policy. As a normal course, donors will be encouraged to entrust endowed gifts to the institution without restriction of the investment of these funds, and the University may, from time to time, determine that the refusal of such restrictions, and the gift, is more prudent than acquiescence.
G. Manager Reporting and Evaluation

- It is expected that professional management responsible for the investment of these funds shall report not less than quarterly on the performance of the portfolio, including comparative gross returns for the funds and their respective benchmarks, as well as a complete accounting of all transactions involving the Foundation’s investments during the quarter, together with a statement of beginning balance, fees, capital appreciation, income, and ending balance for each account.
  
  o Professional investment management is encouraged to report routinely to the Vice President for Development, and twice annually in person to the Foundation Investment Committee. Additional meetings with the Committee or the Board may be requested.
IX. FIXED ASSETS

A. Fixed Assets Policy

At the end of each quarter a Brio report of all sub-codes 4100, 4500, 5600, 7770, 7850, 7775 will be run. An analysis will be made to determine what equipment purchases need to be recorded in FRS. (At the Foundation Manager’s discretion, most equipment over $500 will be capitalized) Depreciation for the quarter is calculated and a journal entry prepared.

Fixed assets are capitalized at the end of each quarter, and not at the time of purchase. Purchases are credited to the Acquisitions account until reviewed and reconciled at the end of each quarter.

- Semi-Annually the general ledger is reconciled to the fixed asset schedule.
- Annually a random sample of fixed assets will be tested.
- Every three years a complete inventory will be taken so assets can be written off as needed.
SECTION 3 – DISBURSEMENTS
X. ACCOUNTS PAYABLE

A. Stop Payments

- Requests are to be made in writing, either by authorized signed memo, or by an authorized
  signatory completing the Foundation Stop Request Form (see attached copy of form).
- Once requests are received, the Foundation Accounting Manager will have discretion of
  action taken.
- Online banking will be contacted to verify that check has not cleared the account.
- If check is 30 days or older, and the bank does not have verification of check clearance, stop
  payment will be placed online.
- Two business days after stop payment has been placed, online banking will be contacted
  again to verify that the check has not cleared by way of in-transit timing of stop payment.
- If check has still not cleared, and a replacement check has also been requested, the original
  request for payment will be pulled and given to the A/P clerk for void and re-issuance of
  disbursement.
- The re-issuance of disbursement will follow the normal A/P schedule, and will be produced
  within that schedule.

B. Void Checks

- Checks are voided for a variety of reasons such as stale dated, wrong amount, etc. Original
  check must be returned to Foundation. Request to reissue check can also be made at this
  time.
- All voided checks are kept secured in the campus vault.

C. Lost Checks

- Lost checks should be immediately reported to foundation. Foundation staff will record
  pertinent information and immediately place stop payment on the checks. Generally,
  approximately two weeks will elapse before the replacement check is issued to allow for the
  possibility of late mail delivery or the original check.

D. Unclaimed Checks

- After six months from issuance, unclaimed checks may be cancelled. Every effort should be
  made to contact payees; however, should these efforts be unsuccessful, notify Foundation to
  cancel said check. Should the payee eventually claim the check, a check requisition must be
  completed and circumstances of the reclamation must be provided.

E. Purchase Orders

- All Purchase Orders must include:
  - The proposed expense amount
  - A description of the item(s) or service(s) being purchased
  - A brief description of the purpose of the expense (i.e. club event, supplies, etc.)
X. ACCOUNTS PAYABLE (cont.)

- All expenditures made on behalf of the Foundation must include all of the following before a disbursement will be issued:
  - A copy of the purchase order that shows the proposed expense amount, the purpose of the expense and a description of the item(s) or service(s) being purchased.
  - An original receipt showing an imprinted vendor name, address and telephone number. If the original receipt is unavailable, an authorized signor on the account must provide a written reason why the original is not available.
  - Any invoices/receipts submitted that are not originals or without proper documentation will have a processing delay for payment.
  - Any shipping or manifest information sent from the vendor.

- Expenditures for hospitality events (See Section 6) or group activities should include a list of the above items, as well as a list of participating individuals.
- A check stub should be attached to all of the items when the invoice has been paid.

F. Reimbursement for Expenditures over $100

- Employee secures approval of supervisor and director prior to incurring expense.
- Following completion of transaction, employee fills out check requisition form and attaches receipts or invoices.
- Check requisitions are to be signed by the supervisor. Approved check requests are submitted to Foundation for processing.
- Reimbursement checks are issued with regular payables.

G. Cash Advances

- Requests for a “cash advance” are to be submitted to the Foundation Office at least five (5) business days prior to the date funds are needed.
- The amount of the “Cash Advance” should be a close estimate of the cost of the planned purchase. The requestor is to obtain exact prices and/or quotes from the vendor specifying names and telephone numbers on the support documentation.
- The check request is submitted to Foundation and charged to account of requestor.
- Upon release of the check, the Foundation Office will provide the requestor with the check.
- All expenditures must be supported with the original receipts. Receipts should be organized and affixed to a separate sheet of paper for ease of verification.

H. Direct Pay Invoices

- Direct pay purchases must be under $500, including tax and freight. Purchases over $500 must be processed by procurement.
  - A direct pay form may be used for:
    - Memberships
    - Subscriptions
    - Order forms for specific items (i.e., books and pamphlets)
X. ACCOUNTS PAYABLE (cont.)

- Runner Bookstore
  - The department submits the Direct Pay form and attachments to the Bookstore for them to process the order.
  - The bookstore completes the order, notifies the department that the order is in.
  - Department picks up order at the bookstore and signs off on the direct pay form showing that the merchandise has been received.
  - Bookstore submits original direct pay form along with supporting invoice to Accounting to process for payment.

I. Emergency Purchases

- Emergency purchases are defined as those purchases necessary to ensure the health and safety of all CSUB faculty, staff, and students and/or facilitate the continuance of the mission and goals of the University. These purchases will not be used for stock items, but rather to resolve an immediate emergency need. Lack of proper planning by the requesting department does not constitute an emergency.

J. Release of Checks from Foundation

- Checks for reimbursement, payroll or any other form of disbursement will require a valid picture ID for release.
- ID information will be compared to signature cards kept on file for confirmation of authorization.

All Purchase Orders, Request for Payments, Advances, etc. must be initialed by Foundation employee responsible for approval prior to any processing.
X. ACCOUNTS PAYABLE (cont.)

Sample: Check Request Form

CALIFORNIA STATE UNIVERSITY BAKERSFIELD, FOUNDATION CHECK REQUEST FORM
Allow up to 10 working days for processing

Date __________

---

CHECK PAYABLE TO:
Claimant's/Company: ________________________________
First, MI, Last______________________________
Address ________________________________________
City, State & Zip ________________________________
Project: ______________________________________
Project Contact: ________________________________
Project Phone #: ________________________________
___Mail to payees address
___Hold or Call for pickup. Name & Phone #

---

PAYMENT TYPE: (*Not to be used for travel costs or payroll*)
___Prepayment (attach order form)
___Direct payment (attach original invoice)
___Reimbursement (attach original receipts)

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th># DESCRIPTION OF GOODS AND SERVICES</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**I certify these expenses are valid, that they are related to the objectives of the project, and that the attached receipts are original.

Authorized Signature __________________ Date __________ Title __________

---

ACCOUNTING USE ONLY

Vendor: __________________ Account: __________________ INV. Num: __________________
Inv. Date: __________________ Inv. Amount: __________________ Rept. Amt: __________________
Dup. Date: __________________ Spec. Msg: __________________

DATE RECEIVED __________________ APPROVED BY __________________ DATE ENTERED BY A/P __________________
XI. FUND EXPENDITURE CONTROL & DONOR RESTRICTION POLICY

A. Fund Expenditure Control & Donor Restriction Policy

- An Endowment Fund Worksheet is required to be completed before an account number can be assigned and funds expended on all newly established endowment funds. In the event that an Endowment Fund Worksheet is not complete, funds will be deposited and coded to a holding account until the Endowment Fund Worksheet is complete.
- All non-endowment accounts are required to complete a CSUB Foundation Request for Establishment of Special Account form. All authorization forms shall be routed to the Assistant Vice President, Fiscal Services, for signature, in accordance with the CSUB Foundation Policy and Procedure manual.
- All accounts will be reviewed annually and updated as needed for authorization/signature specimen. In the event that an account needs to be updated, a CSUB Foundation Approval Authority form will be completed.

B. Disbursements

- All disbursement requests are to be made by submitting a check request form to the Foundation Office. The cashier will time stamp the request and route to the proper authority for preliminary audit.
- Check requests relating to Grants and Contracts will be routed to the Grants and Contracts Administrator for audit.
- All other check requests will be submitted to the Foundation Accountant for audit.
- The preliminary audit will consist of verifying signature authority, policy compliance, funds available, and special considerations and/or requests.
- The preliminary audit will be verified by signature of the Grants and Contracts Administrator or the Foundation Accountant.
- Check requests that are incomplete, inaccurate, or have other discrepancies, will be returned to the initiators.
- Audited check requests are forwarded to A/P for processing.
- The Foundation Manager will perform a final audit to ensure that each disbursement request is initially audited, signed, accurate, and agrees to check before checks are distributed.
- Disbursements will not be entered without the following:
  - The expense has been approved and signed off by an authorized signor on the account.
  - An original receipt for goods/services has been provided.
- All disbursements greater than $5,000.00 shall require two authorized signatures.
  - A signature file will be kept in the Foundation office and only signatures of verified and authorized individuals may be used to approve invoices and requisitions.
  - Signatures will be updated on an annual basis, except in the case of a change in the status of an authorized signor or the addition of a new authorized signor.

C. Inactive Accounts

All existing Funds that have not had account activity for more than 1 year shall be determined inactive and closed. Any balance remaining will be redistributed by contacting the last known
XI. FUND EXPENDITURE CONTROL & DONOR RESTRICTION POLICY (cont.)

responsible party and advising them of our intention to close the account and allowing them the option of having the funds transferred to either an existing Foundation account, or to compete the documentation required to create a new account. Any fund accounts newly opened will also be bound by this redistribution policy and will have funds redistributed if activity is not maintained.

In the event that a responsible party is unavailable, the remaining funds will be redistributed to a liability account created for the purpose of housing these funds. Any distribution of these funds will be made only with the approval of the Foundation Manager.

D. Distribution of Surplus Funds

1. Fixed Priced or Performance Based Grants
   - This policy applies only to surplus funds available at the end of the project period and after completion of all deliverables required by the grant or contract.
   - All costs charged to the project must be allowable and allocable to that specific project, and the project must be successfully completed so that funds are legally earned.
   - If no indirect, or only partial indirect costs are allowed under the original agreement, the balance of surplus or unexpended funds will be used to recover the “full indirect costs” allocable to the specific project. The full indirect cost for non-federal projects is 20% of total direct cost; the full indirect cost for federal projects would be based on the current rate approved by Department of Health & Human Services (DHHS) which is based on salary and wages (not including fringe benefits).
Establishment of Endowed Fund: True _______ Quasi_________ Board Designated_______

There is hereby established with the California State University, Bakersfield Foundation the
__________________________________________________________________________
Name of Fund

Background Information (donor(s) and/or the genesis of the gift): _____________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

Procedures

The Cal State University, Bakersfield Foundation shall establish a separate project and account
number in the name of the Fund hereunder. Any and all contributions designated for this Fund shall be
credited to the aforesaid project number. All such contributions shall be managed and invested by the
Foundation in accordance with established policies.

Any and all gifts and contributions received for credit, together with the earnings generated by
this Fund, shall be held until the Fund reaches $5,000. At that time the income shall be disbursed for the
uses and purposes stated herein. The donor agrees that if the Fund herein created does not reach $5,000
within five years of the initiation of the Fund, the Fund may be distributed to be expended in part or full
consistent with the uses and purposes stated herein; OR any and all gifts and contributions received for
credit to this Fund shall be available for the uses and purposes stated herein.

The uses and expenditures of this fund shall be consistent with California State University,
Bakersfield Foundation policies. Disbursements from this fund shall be administered by the
dean/chairperson of the School/Department of:

__________________________________________________________________________ or his/her designee(s).

Disbursement of Funds

Payout of earnings from the endowment fund shall be made through Foundation payment
procedures existing at the time of such payment.
California State University, Bakersfield, Foundation

ENDOWMENT FUND WORKSHEET

Change of Conditions

If, at some future date, circumstances within California State University, Bakersfield should change so that the uses and purposes for which this fund has been established are no longer existent and/or are in conflict with administrative or academic policies of the University, then the fund earnings and principal may be used in a manner which is in the best interest of California State University, Bakersfield, bearing in mind the wishes of the donor(s) set forth herein. In this unlikely event, every effort shall be made by the University to contact the donor(s) prior to any change in fund disbursement.

If the California State University, Bakersfield Foundation is dissolved, the donor(s) consent that the fund herein created shall automatically revert to California State University, Bakersfield to be managed by the University consistent with the laws of the State of California and the uses and purposes established by this document.

________________________________________, dated this ___ day of ____________, 20___
Donor

________________________________________, dated this ___ day of ____________, 20___
Academic Vice President

________________________________________, dated this ___ day of ____________, 20___
Dean/Director/Department Chair

________________________________________, dated this ___ day of ____________, 20___
Director of Financial Aid & Scholarships

________________________________________, dated this ___ day of ____________, 20___
Vice President for University Advancement

________________________________________, dated this ___ day of ____________, 20___
CSUB Foundation Manager
XII. INDEPENDENT CONTRACTOR/CONSULTANT AGREEMENTS

A. Employee vs. Independent Contractor – Defined

From the Wage and Hour Manual for California Employers:
The requirements and protections of the wage and hour laws apply only when an employer-employee relationship exists. If a worker is not an employee, the employer need not comply with either the federal or state wage and hour laws with respect to that individual. However, if an employment relationship exists, the employer must comply with the wage and hour laws. It should be noted that the criteria used to ascertain whether an employer-employee relationship exists for purposes of the wage and hour laws may vary considerably from the criteria used for similar purposes under other laws, such as the laws pertaining to income tax, social security tax and unemployment insurance.
The question whether an employer-employee relationship exists commonly arises for individuals characterized as Independent Contractors. Individuals who are independent contractors are not considered employees for state and federal wage and hour purposes and are, consequently, not subject to the minimum wage, overtime pay, or other protections of these laws.
The analysis of an individual’s status under the wage and hour laws focuses on the economic realities of the relationship. The most significant factor in determining whether the economic realities indicate the existence of an employment relationship or, in the alternative, an independent contractor relationship, is if the putative employer has control or the right to control the worker both as to the work done and the manner in which it is performed. The right to control can be illustrated in the following ways:
- The right to control the manner and means of accomplishing the results desired.
- The right to terminate the relationship at will.
- Whether the person performing the service is engaged in a distinct occupation or business.
- Whether the work is usually done under the direction of the employer, or by a specialist without supervision.

However, while the right to control issue represents the most significant consideration, other factors considered by the federal enforcement authorities (wage and hour laws) include:
- The extent to which the worker’s services are an integral part of the employer’s business
- The amount of the worker’s investment in facilities and equipment
- The worker’s opportunities for profit and loss
- The amount of initiative, judgment, or foresight required for the success of any supposed independent enterprise in open market competition
- The permanency of the relationship.

None of these factors is controlling in and of themselves, rather, each situation must be examined on a case-by-case basis in light of all the circumstances.

From IRS Publication 15-A, Employer’s Supplemental Tax Guide:
The general rule is the individual is an independent contractor if you, the payer, have the right to control or direct only the result of the work and not the means and methods of accomplishing the result. An employer must generally withhold income taxes, withhold and pay social security and Medicare taxes and pay unemployment tax on wages paid to an employee. An employer does not generally have to withhold or pay any taxes on payments to an independent contractor.
XII. INDEPENDENT CONTRACTOR/CONSULTANT AGREEMENTS (cont.)

Facts that provide evidence of the degree of control and independence fall into three categories: behavioral control, financial control, and the type of relationship of the parties.

**Behavioral control:** Facts that show whether the business has a right to direct and control how the worker does the task:
- Instructions the business gives the worker
- Training the business gives the worker

**Financial control:** Facts that show whether the business has a right to control the business aspects of a worker’s job:
- The extent to which the worker has un-reimbursed business expenses
- The extent of the workers investment
- The extent to which the worker makes services available to the relevant market
- How the business pays the worker, i.e. hourly, weekly, monthly or by the job.
- The extent to which a worker can realize a profit or incur a loss.

**Type of relationship:** Facts that show the parties’ type of relationship:
- Written contracts describing the relationship the parties intend to create.
- Whether the business provides the worker with employee type benefits, such as insurance, pension plan, vacation or sick pay.
- The permanency of the relationship.
- The extent to which services performed by the worker is a key aspect of the regular business of the company.

B. Consequences of Treating an Employee as an Independent Contractor

If you classify an employee as an independent contractor and you have no reasonable basis for doing so, you may be held liable for employment taxes for that worker.

*From State Compensation Insurance Fund Guidelines:*

**Independent Contractor vs. Employer/Employee Relationships**

1. Objective: To ensure consistent and correct identification of workers as independent contractors or employees for purposes of premium collection and liability determination.

2. Definitions
   - An independent contractor is a person who for a set fee contracts to do work or perform a service for another and who retains total and free control over the manner and means used in doing the work or performing the service.
   - An employee is any person who performs services for an employee under a contract of hire. Primary control rests with the employer as to means and methods used in doing the work or performing the service.
   - A worker is presumed to be an employee, not an independent contractor; the burden is on the employer to prove independent contractor status.
XII. INDEPENDENT CONTRACTOR/CONSULTANT AGREEMENTS (cont.)

- The following factors may be considered as evidence in determining status:
  - How are income taxes paid? Does the employer withhold taxes or instead issue an IRS form 1099?
  - Under whose name are any required licenses?
  - Who carries the liability insurance?
  - Are the materials and tools used at the place of business supplied by the employer or the independent contractor?
  - Who controls the length of time and hours worked?
  - Is the worker legally obligated to complete a contract or can employment be terminated at any time?
  - Is a job paid on a contract basis or by wage?
  - Does the service provider have the potential for profit as well as the risk of loss?

3. Standards

Any subcontractor that performs work for which a contractor’s license is required, that does not have that license, is considered an employee and must be included for premium computation. If that person has a license, there remains an arguable presumption that the person is an employee rather than an independent contractor unless certain facts can be shown.

Per Labor Code Section 5705, in part, the burden of proof rests upon the employer to establish an injured person claiming to be an employee was in fact an independent contractor. Even in the absence of injury, it is the employer’s burden to prove that a worker would not be subject to California’s workers’ compensation laws.

C. Contracts/Agreements

- All Foundation contracts/agreements with independent contractors/consultants must meet certain requirements prior to the ratification of any written agreement.
- All independent contractor/consultant agreements will be subject to random review and audit of gross receipts.
X. INDEPENDENT CONTRACTOR/CONSULTANT AGREEMENTS (cont.)

Sample: Payment Request for Independent Contractor

CALIFORNIA STATE UNIVERSITY BAKERSFIELD, FOUNDATION

Request for Payment of Independent Contractor

Date________________________

Please issue check to:

Name
(First, MI, Last)_________________________________ SSN#______________________

Address___________________________________ Phone#_________________________

City, State & Zip___________________________________________________________

Amount___________________________

Service to be Rendered_______________________________________________________

Date of Service_________________ □ Mail □ Pick up

<table>
<thead>
<tr>
<th>Legal resident of the United States?</th>
<th>Social Security #</th>
<th>FEIN #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes □</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No □</td>
<td>Immigration Status</td>
<td>J1</td>
</tr>
<tr>
<td>Other □</td>
<td>Passport #</td>
<td></td>
</tr>
</tbody>
</table>

*If No, this payment is subject to 38% withholding. Please complete form 1042 S

I understand that I am not an employee or agent of the Foundation, that I am solely liable and responsible for all Federal and State taxes, that I am not covered by Worker’s Compensation or Unemployment Insurance or eligible for any fringe benefits, and that I agree to hold the Foundation harmless from any liability resulting from work performed relative to this agreement. I further agree to indemnify and/or defend the Foundation in any legal proceedings that arise out of the performance of this contract by any party.

Signature ____________________________________________

(Worker should sign prior to beginning work)

I certify that the above services were completed, that the compensation hereby approved for payment is appropriate to the service performed, that the services were necessary and could not be performed by anyone currently employed by the project, and that a selection process was used to assure the qualifications of the person to perform the services.

Request By ____________________________

Account Number ____________________________

Project Director or Supervisor ____________________________

Audited ____________________________

Check Number ____________________________

Date ____________________________

*Please complete Independent Contractor checklist if you are a new vendor or tax information has changed.
XIII. TRAVEL

A. Travel Policy

INSTRUCTIONS
Expense accounts are to be submitted at least once a month and not more than twice a month, except where the amount claimed is less than $10, the claim need not be submitted until it exceeds $10 or until June 30, whichever occurs first. Requests for reimbursement of out-of-state travel expenses must be claimed separately. Requests for reimbursement of travel expenses that are incurred in different fiscal years must be claimed separately. A brief statement, one line if possible, of the purpose or objective, of the trip must be entered on the line immediately below the last entry for each trip. If the claim is for several trips for the same purpose or objective, one statement will suffice for those trips. Vouchers that are required in support of various expenses must be arranged in chronological order and attached to the claim. Each voucher must show the date, cost, and nature of the expense.

MULTIPLE PAGES
If your claim is more than one page, indicate page number and total number of pages. DO NOT total each page. Subtotal items on each page and enter the total amount of the claim on the last page of the claim in the space to “TOTALS” and “CLAIM TOTAL.”

COLUMN ENTRIES
- MONTH/YEAR—Enter numerical designation of month and last two digits of the year in which the first expenses shown on the form were incurred.
- DATE/TIME—Enter date and time of departure on the appropriate line using twenty-four-hour clock (example: 1700=5:00p.m.). Show time of departure on date of departure, show time of return on the date of return. If departure and return are on the same date, enter departure time above and return time below on the same line. Where the first date shown is a continuation of trip, enter “Continuing” above that date, and where a trip is continuing beyond the last date shown, write “Continuing” after the last date.
- LOCATIONS WHERE EXPENSES WERE INCURRED—Enter the name of the city, town, or location where expenses were incurred. Abbreviations may be used.
- LODGING—Enter the actual cost of the lodging and attach receipts.
- MEALS—Enter the actual cost of each meal not to exceed the maximum per diem amount for each meal. Dinner column is to be used to claim dinner on regular travel, overtime meals, and long-term noncommercial and relocation daily meal expenses.
- OVERTIME MEAL AND BUSINESS RELATED MEAL—Enter the actual cost of the meal not to exceed the maximum per diem amount.
- INCIDENTALS—Enter the total actual cost of incidentals not to exceed the maximum per diem amount.
- TRANSPORTATION—Purchase the least expensive round-trip or special rate ticket available. If you travel between the same points without using round-trip tickets, an explanation must be given.
  - COST OF TRANSPORTATION—enter the cost of cash purchase to transportation. Show how transportation was obtained if fare was not purchased for cash. Use “CC” for credit card and “C” for cash. If transportation was paid by the Foundation, enter method of payment only. Attach all passenger coupons and ticket order stubs including the
XIII. TRAVEL (cont.)

unused portion of tickets, other credit documents or premiums, where credits or refunds are due to the Foundation.

- **TYPE OF TRANSPORTATION USED**—Enter method of transportation used. Use “R” for railway, “B” for bus, air porter, light rail, or DART. “A” for scheduled commercial airline, “RA” for rental aircraft, “DA” for department-owned aircraft, “PA” for privately owned aircraft, “PC” for privately owned car, truck or other “RC” for rental vehicles, “T” for taxi, and “BI” for bicycle. Supervisors shall not authorize the use of motorcycles on official Foundation business, and no reimbursement will be allowed for motorcycles.

- **CAR FARE, TOLLS AND PARKING**—Enter carfare, bridge tolls, and parking charges: attach a voucher for any parking charge in excess of $6.00 for any one continuous period of parking.

- **PRIVATE CAR USE**—Enter number of miles traveled and amount due for mileage for the use of privately owned automobiles.

- **BUSINESS EXPENSE**—Claims for phone calls must include the place and party called. If charge exceeds $2.50, support by vouchers or other evidence. Emergency purchases of equipment, clothing or supplies.

- **ENTER TOTAL EXPENSES FOR THE DAY**

- **ENTER SUBTOTALS OR TOTALS**

- **PURPOSE OF TRIP. REMARKS OR DETAILS**—Explain need for travel and any unusual expenses. Enter detail or explanation of items in other columns, if necessary. Vouchers must be provided for any miscellaneous item of expense.

- **NORMAL WORK HOURS**—Enter your beginning and ending normal work hours using twenty-four –hour clock (example: 0800 = 8:00 a.m.)

- **PRIVATE VEHICLE LICENSE NUMBER**—Enter license number of the privately owned vehicle used on official Foundation business.

- **MILEAGE RATE CLAIMED**—Enter the rate of reimbursement being claimed for private vehicle use.

- **CLAIMANTS CERTIFICATION AND SIGNATURE**—Your signature certifies that expenses claimed were actually incurred and that the cost of operating the vehicle is at or above the rate claimed.

- **SIGNATURE OF OFFICER APPROVING PAYMENT**—Certifies and authorizes travel, approves expenses as incurred on Foundation business.

**PER DIEM AMOUNTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$ 9.00</td>
</tr>
<tr>
<td>Lunch</td>
<td>$12.00</td>
</tr>
<tr>
<td>Dinner (If travel extends past 6pm)</td>
<td>$ 20.00</td>
</tr>
<tr>
<td>Lodging</td>
<td>actual</td>
</tr>
<tr>
<td>Incidental</td>
<td>$ 5.00</td>
</tr>
<tr>
<td>Mileage</td>
<td>$ 0.345</td>
</tr>
</tbody>
</table>
## STATE OF CALIFORNIA

### TRAVEL EXPENSE CLAIM

STD. 262B

**CLAIMANT'S NAME**

**SSN**

**DEPARTMENT**

**POSITION**

**CB/ID NUMBER**

**DIVISION OR BUREAU**

**RESIDENCE ADDRESS**

**HEADQUARTERS ADDRESS**

**CITY**

**STATE ZIP CODE**

**CITY**

**STATE ZIP CODE**

### LOCATION

<table>
<thead>
<tr>
<th>MONTH/YEAR</th>
<th>LOCATION</th>
<th>WHERE EXPENSES WERE INCURRED</th>
<th>MEALS</th>
<th>TRANSPORTATION</th>
<th>PRIVATE CAR USE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MEALS

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Lodging</th>
<th>Breakfast</th>
<th>Lunch</th>
<th>Dinner</th>
<th>Incidents</th>
<th>Cost of Trans.</th>
<th>Type Used</th>
<th>Parking</th>
<th>Miles</th>
<th>Amount</th>
<th>Business Expense</th>
<th>Total Expenses For Day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TRANSPORTATION

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>WHERE EXPENSES WERE INCURRED</th>
<th>MEALS</th>
<th>TRANSPORTATION</th>
<th>PRIVATE CAR USE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Subtotals

Travel Claim Total $0.00

Less Travel Advances positive) (enter as positive) Net Reimbursement $0.00

### PURPOSE OF TRIP, REMARKS AND DETAILS

(Please attach receipts/vouchers when required)

**NORMAL WORK HOURS**

**PRIVATE VEHICLE LICENSE NUMBER**

**MILEAGE RATE CLAIMED**

0.345

**AGENCY ACCOUNTING OFFICE USE ONLY**

PAID BY REVOLVING FUND CHECK NUMBER

Account Number: ___________________________ Def. Driving #: ___________________________

**I HEREBY CERTIFY** That the above is a true statement of the travel expenses incurred by me in accordance with DPA rules in the service of the State of California. If a privately owned vehicle was used, and if mileage rates exceed the minimum rate, I certify that the cost of operating the vehicle was equal to or greater than the rate claimed, and that I have met the requirements as prescribed by SAM Sections 0750, 0751, 0752, 0753 and 0754 pertaining to vehicle safety and seat belt usage.

**CLAIMANT'S SIGNATURE**

**DATE**

**SIGNATURE OF OFFICER APPROVING TRAVEL AND PAYMENT**

**DATE**

**SPECIAL EXPENSE AUTHORIZATION - SIGNATURE and TITLE**

**DATE**
XIV. PURCHASING

A. Purchasing Policy

1. Request for Issuance of Check
   
   Applicable uses
   
   • Dues, subscriptions and memberships
   • Reimbursement of food/drink (not in conjunction with travel)
   • Ticket purchases (theatre, amusement park, etc.)
   • Cash and carry on non-equipment purchases (t-shirts, promotional items, books, videos, supplies, Honorariums)
     o For your convenience, we suggest you purchase your supplies through the campus stockless inventory system.
     o Honorarium/non-employee compensation requests will be reviewed by the foundation for compliance. It will be the discretion of the Foundation as to the method of payment (i.e. payroll vs. independent contractor). If you have any questions in this area, please contact our office prior to submission of paperwork.

   Instructions
   
   • Complete the Name & Address area
   • Complete the Social Security Number area if check is to be issued for an honorarium
   • Indicate if check to be mailed or who to pick up
   • Description of check
   • Amount
   • Account Number
   • Appropriate signature required in Approval area (project director, treasurer, dean, etc.)

   When check request is submitted, proper back-up must be attached, i.e. receipts, membership application, etc. (Does not apply to honorarium)

2. Charge Request
   
   Applicable Uses
   
   • Car Rental
   • Air Travel
   • Banquet Facilities
   • Food Service (Sodexho)

   Instructions
   
   • Car Rental/Air Travel – After reservations are made, complete Foundation Charge Request in its entirety.
     o Applicant and Department Head must sign before submitting to Foundation for approval.
     o After Foundation signs off on the form the yellow copy is retained by Foundation until it is matched up with the invoice from the agency. (The completed charge request is Foundations approval to pay when invoice submitted.)

Revised 12/30/2003
XIV. PURCHASING (cont.)

- The applicant retains the original and pink copies. The original copy must be presented when picking up car or airline tickets.
- Banquet Facilities – After arrangements have been made complete the form and submit to Foundation for approval.
  - After approval, the original is given to the appropriate vendor.
  - The yellow copy is retained by Foundation until it is matched up with the invoice from the vendor. (The completed charge request is Foundations approval to pay when invoice submitted.)
- Food Service (Sodexho) – Completed form need not be submitted to Foundation for approval, however, the yellow does need to be submitted for invoice match-up.
  - Original is taken to Sodexho and submitted along with food order.
  - Sodexho has exclusive rights to all campus functions, including catering.
  - The department may make food service arrangements for functions held off campus, but the yellow must be sent to Foundation for invoice match up.

Failure to properly complete these procedures may result in non-payment form the Foundation to the Agency.

3. Form 5
The Office of Procurement shall handle the following (NO EXCEPTIONS):

Applicable Uses
- Equipment purchases/leases
- Contracts, Agreements, Memoranda of Understanding
- Bus Rentals
- Insurance Advertising

Instructions
See Campus directory for instructions for completion.

The following may be handled individual departments:

Applicable Uses
- Non-equipment cash and carry purchases

Instructions
- Any other order that is not cash and carry that will be delivered on campus must have a Form 5 prepared so that receiving can identify it.
- Items delivered without a PO/Form 5 will be returned to sender. The Form 5 should be filled out in the customary manner. (See Campus Directory) Form 5 needs to be routed to Foundation for approval and vendor number assignment.
- If the order has already been placed, the Form 5 is faxed to receiving.
- If procurement is to place the order, Foundation approves, assigns vendor number and forwards to procurement to be processed.
XIV. PURCHASING (cont.)

- Incomplete orders and follow-up are the responsibility of the department, not Receiving or Procurement.
- After Procurement has processed order, then the Form 5 is faxed to receiving.
- Upon receipt of the merchandise, send the packing slip, invoice and all documentation to Foundation as authorization for payment.

**Note:** Grants & Contracts Manager approves all Form 5 requests for grants and contracts for budget and expenditure authorization.

**Please refer any questions or concerns regarding instructions on completing a Form 5 to our office.**
XV. ESTABLISHMENT OF ACCOUNT

A. Establishment of Account Policy

It is the policy of the Cal State Bakersfield Foundation that all accounts maintained, and all new account established, are done so in accordance with CSU directives and the Education Code of the State of California. All deposits of revenue from campus sponsored self-supporting instructional programs (and activities) shall be directed to the appropriate Continuing Education Revenue Fund (CERF) or Trust accounts.

In order to provide assurances that campus sponsored activities are re-directed to the appropriate CERF or Trust account, the following procedure shall be implemented:

- Effective January 1, 2000 all Request for Establishment of Special Account, other than recognized clubs, grants, contracts, endowments, scholarships and building funds, forms submitted to the California State University Bakersfield Foundation shall be routed to the campus Assistant Vice President, Fiscal Services (or designee) for signature.

Note: All accounts established at the CSU Bakersfield Foundation require completion of this form.

- All authorized signature(s) for each account need to be updated on an annual basis.
- Letters to the most current listed responsible party for each account will be sent out with the current school year update of the Approval Authority at least two weeks prior to the first day of classes.

Note: Before any purchases may be made, the updated form must be in the Foundation office.

B. Funds Held in Trust

The above policy is applicable to all trust accounts and, in addition, all trust accounts will include directives regarding the following:

- Inactive accounts and transfer of funds – All account set-up and renewal forms include an area for disposition of funds remaining in an account that has been determined to be inactive. Responsible parties for accounts will need to designate the account for any unused funds. In the event that there is not a designated account for remaining funds, any monies remaining in an inactive account will be transferred to a holding account with the approval of the Foundation Manager.

- It is the policy of the Foundation not to advance funds. However, some accounts may experience certain circumstances where advancing of funds, with the approval of the Foundation Manager, may be acceptable.
XV. ESTABLISHMENT OF ACCOUNT (cont.)

Sample: Establishment of Account Form

California State University Bakersfield, Foundation

To:  Foundation Accountant

From:  _____________________________


Subject:  Request for Establishment of Special Account

I am requesting that a Special Trust Account be established for the purpose of: ________________

____________________________________________________________________________________

__________________________________________________________________________

Source of Funds: _________________________________________________________________

____________________________________________________________________________________

__________________________________________________________________________

Disbursements will be used for: _____________________________________________________

_______________________________________________________________________________________________

_______________________________________________________________________________________________

Authorized Signature(s)

Print Name:     Signature:  

____________________________________ __________________________________

____________________________________ __________________________________

____________________________________ __________________________________

In the event that this account has been determined to be inactive, any remaining funds should be
transferred to account: ______________________________  ________________

Name of account  Account number

Approved:  Departmental Approval:

_____________________________________ __________________________________

Foundation Accountant   Date

_________________________________________________

Account Number

Revised 12/30/2003
XV. ESTABLISHMENT OF ACCOUNT (cont.)

Sample: Update Approval Authority

CSUB Foundation

Approval Authority Fiscal Year ****/****

Account Number: ____________________

Account Name: __________________________________________________________

Responsible Person: ______________________________________________________

Department: ____________________ Extension: __________

Foundation staff will use the information on this form to confirm that disbursement transactions have been properly authorized. The following transactions are classified as disbursements: check requests, travel expense claims, petty cash transactions, Form 5, travel advance, independent contractor form, and payroll timesheets. If an authorized signature is not present on the disbursement form, payment will be delayed and the request for payment will be sent back to the originator.

If, in the normal course of business for this account, you, as responsible person, will need to be reimbursed for expenses incurred, please have the person who would normally approve your reimbursement claims sign below. It is advisable to have the second signer on the account be your supervisor so that, if you are unavailable, the normal business of the account can continue.

The following individual(s) are authorized to approve disbursements from this account.

<table>
<thead>
<tr>
<th>Print</th>
<th>Sign</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☐ This account is closed.

In the event that this account has been determined to be inactive, any remaining funds should be transferred to account: ____________________

Name of account ____________________ Account number ____________________

Revised 12/30/2003
XVI. ACCOUNT CLOSING

A. Account Closing Procedures

- Monthly Closing
  - Verify all journal entries posted, Payroll downloaded, Accounts Receivable & Accounts Payable.
  - Review General Ledger for miscoding, new account established, verify balances.
  - Generate reports to activities and distribute.

- Quarterly Closing (Includes all Monthly procedures)
  - Verify all journal entries posted and cross reference to master list (last quarter.)
  - Verify general ledger is in balance.
  - Record any new equipment and input into accounting system.
  - Calculate depreciation in accounting system and record in general ledger.
  - Record quarterly service charges.
  - Record quarterly interest (endowment, building fund, etc.)
  - Reconcile investments.
  - Calculate deferred revenues and record (athletics, grants, etc.)
  - Accrue accounts payable and receivable for period.
  - Search for any unrecorded pledges.
  - Search fund balances for any transactions.

- Annual Closing (Includes all Quarterly procedures)
  - Verify all journal entries are posted.
  - Record final quarter equipment additions/deletions and depreciation.
  - Reconcile equipment/depreciation sub schedules in accounting system to general ledger.
  - Record final quarter interest (endowment, building fund, etc.)
  - Reconcile investments/interest to general ledger.
  - Calculate deferred revenues and prepare schedules for auditors.
  - Reconcile accounts payable/receivable and prepare schedules for auditors.
  - Record pledges receivable and record non-cash donations.
  - Reverse prior year vacation accruals and record current year vacation accruals. Prepare schedules for auditors that also include sick leave accruals.
  - Record post retirement benefit obligation.
  - Reconcile fund balances
  - Review entire general ledger and verify balances.
SECTION 4 – HUMAN RESOURCES
XVII. NEW EMPLOYEES

A. New Employee Policy

- The new employee needs to fill out a W-4, I-9, and an information sheet.
- The employee will need to show a valid social security card, and one other acceptable documentation for the I-9. It is required by state law to get a copy of social security card for valid employment.
- If the employee needs to show INS authorization to work also get a copy of that.
- If the employee is a student, they must have a 105 form in order to work.
- If the employee is starting above a step one, they must have a form 117.
- Once the employee has turned in a time sheet you will need to enter them into the system (Payroll People), and type up a label to make them a file.
- In order to pay the employee you must have a division and department number.
**XVII. NEW EMPLOYEES (cont.)**

**Sample: Employment Application**

**EMPLOYMENT APPLICATION**

CSU, BAKERSFIELD FOUNDATION
9001 Stockdale Hwy
Bakersfield, CA 93311
(661) 664-3207
Fax: (661) 665-6915

<table>
<thead>
<tr>
<th>POSITION APPLYING FOR:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Middle</th>
<th>Home Telephone</th>
<th>Business or Message Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Education**

<table>
<thead>
<tr>
<th>Name and Location of Last School Attended</th>
<th>Major</th>
<th>Units/Years Completed</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Employment Record** (*List present or most recent job experience first - include Armed Services, non-paid and volunteer work*)

**Employer’s Name and Address**

<table>
<thead>
<tr>
<th>From (Mo/Yr)</th>
<th>Start Salary</th>
<th>Type of Business</th>
<th>Job Title</th>
<th>Reason for Leaving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To (Mo/Yr)</th>
<th>End Salary</th>
<th>Full Time</th>
<th>Part time</th>
<th>Temporary</th>
<th>Supervisor/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Job Duties (Describe in detail those similar to the job for which you are applying)**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Employer’s Name and Address**

<table>
<thead>
<tr>
<th>From (Mo/Yr)</th>
<th>Start Salary</th>
<th>Type of Business</th>
<th>Job Title</th>
<th>Reason for Leaving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To (Mo/Yr)</th>
<th>End Salary</th>
<th>Full Time</th>
<th>Part time</th>
<th>Temporary</th>
<th>Supervisor/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Job Duties (Describe in detail those similar to the job for which you are applying)**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Employer’s Name and Address**

<table>
<thead>
<tr>
<th>From (Mo/Yr)</th>
<th>Start Salary</th>
<th>Type of Business</th>
<th>Job Title</th>
<th>Reason for Leaving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To (Mo/Yr)</th>
<th>End Salary</th>
<th>Full Time</th>
<th>Part time</th>
<th>Temporary</th>
<th>Supervisor/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Job Duties (Describe in detail those similar to the job for which you are applying)**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

Revised 12/30/2003
Qualifications Briefly describe how you are qualified for this position by virtue of your interests, aptitudes, education and experience. Where applicable to this position, include: California Drivers License, workshops, night school classes, seminars and similar training activities attended. List specialized skills such as editing for correct grammar; using a calculator or a coin counting machine; compiling regression analyses. Describe any equivalent experience include (volunteer and paid experience). (Attach additional page(s) if needed).

Typing: _______ wpm  Ten-Key: _____ spm  Computer Platforms/Programs:

Other equipment you operate:  Licenses or Certificates:

Please Read Carefully, and Sign Below

Can you, after employment, submit verification of your legal right to work in the United States? □ Yes □ No

Are you under 18 years of age? □ Yes □ No

If you are under 18 years of age, can you at the time of employment, submit a work permit? □ Yes □ No

Are you Presently Employed? □ Yes □ No

May we contact your Present Employer? □ Yes □ No

May we contact your Former Employer? □ Yes □ No

I hereby certify that I have not knowingly withheld any information that might adversely affect my chances for employment and that the answers given by me are true and correct to the best of my knowledge. I further certify that I, the undersigned applicant, have personally completed this application. I understand that any omission or misstatement of material fact on this application or any other document used to secure employment shall be grounds for immediate rejection of this application or for immediate discharge if I am employed, regardless of the time elapsed before discovery. ________ initial

I hereby authorize the CSU, Bakersfield Foundation to thoroughly investigate my references, work record, education and other matters related to my suitability for employment and, further authorize the references I have listed to disclose to the CSU Bakersfield Foundation any and all letters, reports and other information related to my work record, without giving me prior notice of such disclosure. In addition, I hereby release CSU Bakersfield Foundation, my former employers and all other persons, corporation, partnerships and associations from any and all claims, demands or liabilities arising out of, or in any way related to, such investigation or disclosure. ________ initial

I understand that nothing contained in this application, or conveyed during the interview, which may be granted, or during my employment, if hired, is intended to create an employment contract between me and the CSU, Bakersfield Foundation. In addition, I understand and agree that if I am employed, my employment is for no definite or determinable period and may be terminated at any time, with or without prior notice, at the option of either myself or the CSU, Bakersfield Foundation, and that no promises or representations contrary to the foregoing are binding on the CSU, Bakersfield Foundation unless made in writing and signed by me and the CSU, Bakersfield Foundation designated representative. ________ initial

____________________________________    ___________________
Applicant Signature        Date

AN AFFIRMATIVE ACTION/EQUAL OPPORTUNITY EMPLOYER

Qualified applicants are considered for all positions without regard to race, color, religion, sex, national origin, age, marital or veteran status, or the presence of non-job-related medical condition or disabilities. It is the CSU, Bakersfield Foundation’s policy to hire only United States citizens and aliens lawfully authorized to work in the United States. All new employees must provide proof of identity and authorization to work. Prospective applicants with a disability may request and receive reasonable accommodation during the application and selection process.
XIX. VOLUNTEER EMPLOYEE
A. Volunteer Employee Renewal Policy

This is a reminder that all volunteer appointments must be renewed each fiscal year in order to continue individual coverage under the Campus’ Workers Compensation policy. Individuals working in the capacity of a volunteer will be covered for workers compensation as long as the following forms have been properly completed and filed with the Office of Personnel Services prior to commencing volunteer work:

- Volunteer Acknowledgement Form
- Health Questionnaire
- Employment Eligibility Verification (I-9)

Continuing volunteer appointments must be documented each fiscal year using a new Volunteer Acknowledgment Form. The form must identify the following:

- Essential functions the volunteer will perform
- An appropriate CSU class title
- All necessary qualifications, current licenses and/or certifications that is required for the field in which the volunteer will be performing services (i.e. CPR, medical license, degree, etc.) Copies must be attached to form.

Please pay special attention to the provisions regarding volunteers who will be required to drive for campus business. These volunteers must have all the necessary forms on file three (3) days prior to their assignment start date in order to verify and issue state certification for driving. All of the forms are available in Personnel Services. The Volunteer Acknowledgement Form is available via our website at:

http://www.csub.edu/Admin/Personnel/pershma.htx.

Please refer any questions or concerns regarding the volunteer employee policy to ext. 3205.
XIIX. VOLUNTEER EMPLOYEE (cont.)

Sample: Volunteer Acknowledgement Form

CALIFORNIA STATE UNIVERSITY-BAKERSFIELD
Personnel Department

Volunteer Acknowledgement Form

TO: Office of Personnel Services
FROM: Department/Office: ________________________________
SUBJECT: VOLUNTEER SERVICES

This is to acknowledge that I ____________________________ (Type/Print Name of Volunteer) (Social Security No.)
desire to volunteer my services as a ____________________________ volunteer (Non-Academic, Faculty, Student)
performing duties similar to those listed for a ____________________________ (*Most Appropriate CSU Class Title)
and that services on ________________ to ________________ rendered by me (Effective Date: Start Date) (End Date)
will be at the direction of ____________________________ in ____________________________ (Supervisor’s Name) (Department) (Extension)
and that I will not be compensated for these services.

Essential Functions:
_____________________________________________________________________
_____________________________________________________________________
Identify Required Licenses, Certifications, Etc. (Attach copies)
_____________________________________________________________________
Address: ______________________________________________________________
Social Security Number: ________________________________
Emergency Contact Name: ____________________________ Tel: __________________
Are you going to drive as part of your volunteer service? ____Yes ____No
Drivers License Number: ____________________________ State: _____ Exp. Date: _______
If driving is required, forms must be submitted at least 3 days in advance to allow for DMV certification
through Public Safety, unless you hold a current state defensive driving certificate from CSUB. If so,
please attach a copy of the certificate.

Volunteer’s Signature ____________________________ Date ______________
Dean/Director/Administrator’s Signature ____________________________ Date ______________
Personnel Representative ____________________________ Date ______________

*Most appropriate CSU class title should be placed here. If none is appropriate, describe the essential functions that
the Volunteer is to perform. The Personnel Department is available to assist in this determination.

Rev: 6/00

Revised 12/30/2003
XIX. PAYROLL PROCEDURES

A. Payroll Procedures Policy

• Only authorized signors may approve timesheets. Signatures will be compared to card kept in Foundation office.
• Timesheets are required for employees. Timesheets have been updated and are available on the Foundation website.
  o Timesheets must be signed, approved and received by Payroll as per the Payroll Schedule. (see Sample at the end of Payroll Procedures)
  o Payroll schedule is available on the Foundation website.
• Holiday, sick, vacation, and personal time should be indicated on timesheets.
  o Holiday schedule is available on the Foundation website. (see Sample at the end of the Payroll Procedures.)
• Employees who wish to have someone other than themselves pick-up their paychecks must sign a Paycheck Release Form. (See Sample form at the end of Payroll Procedures.)
  o Employees must include the name and Driver’s License number of the individual who will be authorized to receive their paycheck.
  o Individuals, other than employees, who have been authorized to pick-up paychecks, will need to bring their ID for verification prior to having the paycheck released.
  o Each time an individual, other than the employee, will be authorized to pick-up a paycheck, a Paycheck Release Form will need to be completed.
  o If there is not a Paycheck Release Form on file, the paycheck will not be released.

B. Entering Time for Payroll

• On the time sheet due date, begin dividing Division 01 and Division 02. Within the divisions put in order by account number, smallest to largest and alphabetize within account.
• After all the time sheets are in and sorted, go through them and check the following; make sure account numbers are filled in, check to see that the correct supervisor and employee have signed in, check the Division 02 time sheets to see that the calculation of hours X rate is correct, and finally check to make sure there has not been any overtime omitted.
• Next, run a tape on Divisions 02 gross pay.
• Go through time sheets to identify any new employees. They must be entered before time can be entered. Also, check to see if there have been any address changes or W-4 employee updates.

Note: When entering new employees information, make sure you know the following:
• Classification of workers compensation.
• First day of employment
• Rate of pay
• Division and department

To enter time follow the PC Suite training instructions.
• When all time has been entered run a pre-process report on screen. Make sure the total for Division 02 is the same as the tape. If totals match, run hard copy of report. If totals differ,
XIX. PAYROLL PROCEDURES (cont.)

• determine why. Make corrections and run report again. Continue this step until totals match then run a hard copy.
• Prior to transmitting payroll, submit Div 02 pay dates to Payroll People.
• Check Division 01 employees on hard copy for reasonable accuracy. When satisfied with totals transmit payroll to Payroll People to make per PC Pay Suite training.
• Fifteen minutes after transmitting, call Payroll People to make sure a full file has gone through.
• Should receive checks by 10 am the next day.
XIX. PAYROLL PROCEDURES (cont.)

Sample: Pay Schedule

**Foundation Payroll Schedule for 2003**

<table>
<thead>
<tr>
<th>Time Sheets Due-by 5:00 p.m.</th>
<th>Pay Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/08/03</td>
<td>01/15/03</td>
</tr>
<tr>
<td>01/24/03</td>
<td>01/31/03</td>
</tr>
<tr>
<td>02/07/03</td>
<td>02/14/03</td>
</tr>
<tr>
<td>02/21/03</td>
<td>02/28/03</td>
</tr>
<tr>
<td>03/07/03</td>
<td>03/14/03</td>
</tr>
<tr>
<td>03/21/03</td>
<td>03/28/03</td>
</tr>
<tr>
<td>04/08/03</td>
<td>04/15/03</td>
</tr>
<tr>
<td>04/23/03</td>
<td>04/30/03</td>
</tr>
<tr>
<td>05/08/03</td>
<td>05/15/03</td>
</tr>
<tr>
<td>05/22/03</td>
<td>05/30/03</td>
</tr>
<tr>
<td>06/06/03</td>
<td>06/13/03</td>
</tr>
<tr>
<td>06/23/03</td>
<td>06/30/03</td>
</tr>
<tr>
<td>07/08/03</td>
<td>07/15/03</td>
</tr>
<tr>
<td>07/24/03</td>
<td>07/31/03</td>
</tr>
<tr>
<td>08/08/03</td>
<td>08/15/03</td>
</tr>
<tr>
<td>08/22/03</td>
<td>08/29/03</td>
</tr>
<tr>
<td>09/08/03</td>
<td>09/15/03</td>
</tr>
<tr>
<td>09/23/03</td>
<td>09/30/03</td>
</tr>
<tr>
<td>10/08/03</td>
<td>10/15/03</td>
</tr>
<tr>
<td>10/24/03</td>
<td>10/31/03</td>
</tr>
<tr>
<td>11/06/03</td>
<td>11/14/03</td>
</tr>
<tr>
<td>11/19/03</td>
<td>11/26/03</td>
</tr>
<tr>
<td>12/08/03</td>
<td>12/15/03</td>
</tr>
<tr>
<td>12/16/03</td>
<td>12/31/03**</td>
</tr>
</tbody>
</table>

All timesheets turned in late will be processed with the next payroll. Be prepared...have your supervisor sign your timesheet prior to turning it in. An unsigned timesheet is a late timesheet.

** Payroll pickup will be 8:00 a.m. to 12:00 p.m.**

Revised 12/30/2003
XIX. PAYROLL PROCEDURES (cont.)

Sample: Holiday Schedule

HOLIDAY CALENDAR 2003/2004

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Classes Scheduled</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 04, 2003 Independence Day</td>
<td>No</td>
</tr>
<tr>
<td>Sep. 01, 2003 Labor Day</td>
<td>No</td>
</tr>
<tr>
<td>Nov. 11, 2003 Veteran’s Day</td>
<td>No</td>
</tr>
<tr>
<td>Nov. 27, 2003 Thanksgiving Day</td>
<td>No</td>
</tr>
<tr>
<td>Nov. 28, 2003 Lincoln’s Birthday – Moved</td>
<td>No</td>
</tr>
<tr>
<td>Dec. 23, 2003 Columbus Day – Moved</td>
<td>No</td>
</tr>
<tr>
<td>Dec. 24, 2003 Washington’s Birthday – Moved</td>
<td>No</td>
</tr>
<tr>
<td>Dec. 25, 2003 Christmas Day</td>
<td>No</td>
</tr>
<tr>
<td>Dec. 26, 2003 Admission Day – Moved</td>
<td>No</td>
</tr>
<tr>
<td>Jan. 01, 2004 New Year’s Day</td>
<td>No</td>
</tr>
<tr>
<td>Jan. 19, 2004 Martin Luther King, Jr.’s Birthday</td>
<td>No</td>
</tr>
<tr>
<td>Mar. 31, 2004 Cesar Chavez Day</td>
<td>No</td>
</tr>
<tr>
<td>May 31, 2004 Memorial Day</td>
<td>No</td>
</tr>
</tbody>
</table>

Each employee is entitled to one Personal Holiday, which must be taken on one day during the 2003 calendar year. If the employee fails to take the Personal Holiday before the end of the year, the holiday is forfeited.

- Lincoln’s Birthday is observed Monday, February 10, 2003; the holiday credit will be observed Friday, November 28, 2003.
- Washington’s Birthday is observed Monday, February 17, 2003; however, classes are in session on this date, and therefore, the holiday credit will be observed on Tuesday, December 23, 2003.
- Admission Day is observed Tuesday, September 9, 2003; the holiday credit will be observed on Wednesday, December 24, 2003.
- Columbus Day is observed Monday, October 13, 2003; however classes are in session on this date, and therefore, the holiday credit will be observed on Friday, December 26, 2003.

XIX. PAYROLL PROCEDURES (cont.)

Sample: Paycheck Release Form

California State University Bakersfield, Foundation

Paycheck Release Form

This form is being submitted to notify the Foundation that for the pay date of __________, I would like to grant permission to have my paycheck released to the individual named below. I understand that the Foundation may not be held responsible in any way for any problems arising from the release of my paycheck to an individual other than myself.

______________________________________  ______________________
Signature       Date

__________________________________________________
Print Name

Paycheck Release is authorized to:

_______________________________________  _______________________
Authorized Person      CA Drivers License #

____________________________________________________
Signature of Person Receiving Check

______________________________________________________________
ID Verified By

Revised 12/30/2003
XX. HUMAN RESOURCES

A. Human Resources Policy
SECTION 5 – RISK MANAGEMENT
XXI. RISK MANAGEMENT

A. Risk Management Guidelines

The Foundation recognizes that field trips are often an essential part of program requirements and/or club enrichment activities. However, there are a number of risks associated with field trips. The below guideline provides essential information, which will assist in providing liability coverage for program trips and avoiding unnecessary liability exposure. All forms and support documentation can be obtained by picking up a Field Trip packet from the Office of Risk Management, 664-2251. (Sample Form at the end of Section 5)

1. Steps to follow for a Foundation sponsored field trip
   - All trips should begin and end on campus. This will assist the trip supervisor in exercising all reasonable precautions to protect the safety of the trip participants. Only persons officially associated with the program/club or University are allowed to attend the field trip, unless they are a driver or carry another official role with the trip. In the event individuals not directly associated with the program/club or University are attending the trip, an additional single event certification of insurance must be purchased at least three days prior to the event. This will provide insurance coverage for those individuals. Please contact the Foundation for assistance.
   - All trip participants must complete and submit the appropriate liability waiver at least five days prior to the event. This waiver protects the State of California, the Trustees of the California State University, California State University, Bakersfield; it’s auxiliary organizations, and the officers, directors, employees and agents of all of them, herein after referred to as the “State”.
   - A list of all persons participating in the trip must be retained and must be forwarded to the Public Safety office prior to departing on the trip.
   - Advise participants of any hazardous, extraordinary, or strenuous activity anticipated during the trip.
   - No alcoholic beverage or chemical substance shall be transported in a Foundation or privately owned vehicle that is being used in support of a Foundation-sponsored or athletic related activity.
     - **Violators of this provision will be banned from future trips, as well as facing possible suspension from athletics or expulsion from CSUB.**

2. Transportation/Drivers
   - All transportation provided by a vendor must be arranged through procurement. All CSUB designated drivers must obtain appropriate authorization from the university to participate and submit appropriate forms to the Foundation.
   - All vehicle field trip drivers must possess:
     - Drivers, if required for the field trip, must be CSUB employees, including faculty staff, student graduate or teaching assistants, or approved volunteer employees. Drivers must possess a valid drivers license. If driving more than one time per month must possess a current Defensive Driving Training Certificate.
     - A valid California driver’s license approved for the class level of the vehicle being driven.
     - A current Defensive Driver Training Certificate. (If driving more that one time per month)
XXI. RISK MANAGEMENT (cont.)

- A good driving record (DMV pool notice).
- A completed Authorization to Use Privately Owned Vehicles on State Business form (Std. 261), on file with the Foundation Office, if driving a private vehicle.

**Note: Personal liability insurance is primary coverage when driving a privately owned vehicle.**

3. **What to do in Case of A Vehicle Accident**
   - Determine whether immediate attention is needed for anyone in the accident. Obtain necessary medical assistance.
   - Use the Accident Information Card (Std. 269) if driving a State (rental or leased) vehicle. Share information with the other driver. Do not admit any fault or make promises.
   - If any police authority or California Highway Patrol (CHP) is present, obtain a police report number if a report is completed.
   - Report any accident to the campus Risk Office that involves any State-owned vehicle or any vehicle used for State business within 48 hours. Complete and submit the Vehicle Accident Report (Std 270) to your Supervisor and the Foundation Office. If a police report was completed, provide the report number with the Std 270. Your supervisor must complete and submit a State Driver Accident Review form (Std. 274).
   - **Immediately report any bodily injury or significant property damage by telephone to the Foundation Office (661) 664-3208. The Foundation Office should be notified within 24 hours of the first workday following a weekend incident.**

4. **Medical Coverage for Accident Injury**
   - **CSUB affiliated participants: In the event of an accident injury during a trip, the participant’s personal health care plan provides for primary medical coverage payment. If the participant’s health care benefits are exhausted, the CSU Student Travel Accident Insurance helps pay for additional related injury expenses. CSUB affiliated participants without a private health plan may seek medical attention from the campus Student Health Center at (661) 664-2394. All participants not associated with CSUB will be covered by the single event certification of insurance purchased prior to the trip.**

   *Please note that the CSU Student Travel Insurance policy covers accident injury only. The policy does not provide coverage for any illness for disease unless an accident is the direct cause of the illness.*

5. **Workers’ Compensation Benefits**
   - If you are an employee with CSU Bakersfield participating in a field trip (i.e. staff, faculty, student working on a trip as student assistant, college work study student, or approved student volunteer, etc.) you may be eligible for Workers’ Compensation benefits that may assist to pay for medical expenses related to your accident.
   - The work-related accident must be reported to the Foundation office immediately. Notification of an accident is the responsibility of the employee (i.e. staff, faculty, student working on a trip as a student assistant, college work-study student, or approved student volunteer, etc.) and his/her advisor. An Employee Claim form must be
XXI. RISK MANAGEMENT (cont.)

completed to initiate a Workers’ Compensation claim. The advisor in charge is responsible for informing the Foundation Office through the Supervisor’s First Report for Injury Form. This form must be completed and filed in the Foundation Office within 24 hours of the incident. Call the Foundation Office to obtain a claim form.
WAIVER OF LIABILITY AND HOLD HARMLESS AGREEMENT

I, the undersigned participant, am requesting participation in the CSUB Foundation, activity that begins on ______________ and ends on __________________, all of which are hereinafter referred to as the "activity."

In consideration of my participation in the activity, I hereby waive all claims or causes of action against the CSUB Foundation and the officers, directors, employees, and agents of the Foundation, all of which are collectively hereinafter referred to as "the Foundation", arising out of my participation in the activity and hereby release, hold harmless, and discharge the Foundation from all liability in connection therewith.

Knowing, understanding, and fully appreciating all possible risks, I hereby expressly, voluntarily, and willingly assume all risks and dangers associated with my participation in this activity. Some of the risks and dangers are listed below. I understand this list is not exhaustive.

List risks here: (List all potential hazards of trip, including travel to and from campus)

In addition, I have been advised to obtain personal medical coverage aside from the coverage provided by the Student Health Services of CSU, Bakersfield. Although I may obtain some medical care from the University Student Health Services, I understand that such care is limited and that I will have full medical coverage for my participation only if I obtain such coverage on my own. Furthermore, I agree to use my personal medical insurance as a primary medical coverage payment if accident or injury occurs.

I have read this waiver and release and understand the terms used in it and their legal significance. This waiver and release is freely and voluntarily given with the understanding that right to legal recourse against the Foundation is knowingly given up in return for allowing my participation in the activity.

My signature on this document is intended to bind not only myself but also, my successors, heirs, representatives, administrators, and assigns.

Participant’s Signature ___________________________ Date

Parent’s Signature (If under 18) ___________________________ Date

Participant’s Name (Print) ___________________________ (Area Code) Phone Number

WITNESS (must be at least 18 years old)

Signature ___________________________ Date ___________________________ Address (City/State/Zip)

Revised 12/30/2003
XXI. RISK MANAGEMENT (cont.)

Supervisor’s First Report for Injury Form

Sample Form
SECTION 6 – MISCELLANEOUS
XXII. HOSPITALITY

A. Hospitality Policy

Hospitality expenses may be paid with university funds to the extent that the purchase and use of these services and items is consistent with the mission and fiduciary responsibilities of the university. This policy applies to activities that promote the university to the public and the provision of hospitality in connection with official University business and specifies the University funds that may be used for such purposes.

B. Authority

Executive Order No. 761, California Code of Regulations, Title V, Division 5, California Code of Regulations, Sections 41600, 41601; California Education Code Sections 66600, 89030, 89035, 89044; HR 96-11.

C. Definitions

**Approving Authority** A person to whom authority has been delegated in writing to approve expenses in accordance with university policy.

**Auxiliary Organization Funds** Funds held by a recognized auxiliary organization.

**Award** A gift of tangible personal property in recognition of service or achievement directly benefiting the university.

**General Fund Appropriations** Funds approved to the university by the state legislature for support expenditures of the university.

**Gift** Something of value given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the university.

**Hospitality** The provision of meals (catered or restaurant) or light refreshments (beverages, hors d’oeuvres, pastries, cookies, etc.), promotional materials, gifts, and travel expenses of official guests of the university. Hospitality includes expenses for activities that promote the university to the public. Usually with the expectation of benefits accruing directly or indirectly to the university and may include the provision of gifts, awards, and promotional materials.

**Official Host** University employee who hosts a meeting, conference, or event.

**Official Guest** A person invited by an official host to attend a university meeting, conference, reception, or event. Examples of official guests include employees from another work location, members of the community, or media representatives. Employees of the university are not considered official guests.

**Promotional Materials** A gift of tangible personal property that is distributed to promote the name or image of the university, to provide information, or enhance University productivity. Promotional items are of minor value and bear the logo or other icon or information identifying the university such as a pen, folder, calendar, or clothing.

**Special Funds** Funds authorized for support of activities that are supplemental to the primary mission of the university and are paid for by fees and revenues other than general tax revenues. Special funds include, among others, Reimbursed Programs, Continuing Education Revenue Funds, Lottery Education Funds, Parking Funds, Housing Funds, Trust Funds, and Special Project Funds.
XXII. HOSPITALITY (cont.)

Work Location  The place where the major portion of an employee’s working time is spent, or the place to which the employee returns during working hours upon completion of special assignments.

D. Procedures

Allowable Expenses and Occasions

- Payments or reimbursements of hospitality expenses must be directly related to, or associated with, the conduct of official university business.
- When a university employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a university business purpose, with no personal benefit derived by the official host or other university employees.
- In addition, the expenditure of funds for food should be reasonable and in accordance with the best use of public funds.
- Payment or reimbursement is not permitted for the following types of occasions:
  - Employee birthdays
  - Weddings
  - Anniversaries
  - Farewell gatherings
  - Holiday celebrations
  - Occasions such as Secretary’s Day
- When determining whether a food expense is appropriate, the approving authority must evaluate the:
  - Importance of the event in terms of the costs that will be incurred
  - Benefits to the University, which will be derived from such an expense
  - Availability of funds
  - Alternatives that would be equally effective in accomplishing the desired objective.
  - Hospitality expenses, including awards and gifts, must conform to IRS regulations.

Examples of Allowable Expenses

Host to Official Guests
When the university is host to official guests, including visitors from other universities, members of the community, or university employees visiting from another work location, the cost of meals or light refreshments may be reimbursed. Activities may include but are not limited to campus receptions, public ceremonies, and advisory committee meetings concerned with various aspects of the campus instructional program. In addition, such costs may be reimbursed for prospective employees seeking positions with the university.

Meetings of a Learned Society or Organization
When the university is the host or sponsor of a meeting of a learned society or organization, the cost of light refreshments may be reimbursed.

Meetings of an Administrative Nature
When meetings of an administrative nature are sponsored by the University, and it is directly concerned with the welfare of the University, the cost of meals or light refreshments may be reimbursed depending on the funding source. The meal must be a necessary and integral part of the business meeting, not a matter of personal convenience. Qualified meetings, which include
XXII. HOSPITALITY (cont.)

food and beverages purchased by Special Funds, should last at least six hours and the agenda should include a working meal. General Fund Appropriations may not be used to pay for food and beverages for business meetings attended only by employees of the same work location.

Receptions
The cost of meals or light refreshments may be reimbursed, depending on the funding source (see Table 1), for University hosted receptions. Qualified receptions are receptions held in connection with conferences, meetings of a learned society or organizations, fundraising events, meetings of student organizations and groups, employee recognition or length of service awards, retirement presentations or benefits for employee morale, student events such as commencement exercises and meeting of other University related groups such as alumni organizations.

E. Funding Sources

Hospitality expenses may be paid from various university funds sources, subject to the rules outlined below and the restrictions previous identified. It is the responsibility of each Vice President to ensure that all funds are used in accordance with this policy. There are three kinds of funds available for the payment of hospitality expenses, General Fund Appropriations, Special Funds, and Auxiliary Organization Funds.

1. General Fund Appropriations
The following restrictions, in addition to those identified in Table 1, apply to the use of General Fund Appropriations:

- General Fund Appropriations may not be used to pay for alcoholic beverage or tobacco purchases, gifts, or awards.
- General Fund Appropriations may not be used to pay for food and beverages for business meetings attended only by employees of the same work location.
- Any expenditure prohibited by statute including the California Budget Act.

2. Special Funds
The following restrictions, in addition to those identified in Table 1, apply to the use of these Special Funds:

- Special Funds may not be used to pay for alcoholic beverages, tobacco products. Gifts and awards to the extent these purchases are not restricted by other applicable laws, regulations, or agreements may be purchased.
- Special Funds may be used to pay for food and beverages for business meetings attended only by employees of the same work location.
- Trust Funds and Special Project Funds may be used to pay hospitality expenses only to the extent permitted by the statute under which the funds are established and maintained and any trust agreement or special project agreement.
- Federal or local government contract and grant funds may be used to pay hospitality costs only if such expenses are specifically authorized in the contract or grant, or by agency policy, and only to the extent and for the purposes authorized. In the event of a conflict between agency and university policy, the stricter of the two policies shall apply.

Revised 12/30/2003
XXII. HOSPITALITY (cont.)

- No alcoholic beverages or tobacco products may be charged to State or Federal funds.

3. Auxiliary Organization Funds
Auxiliary Organization Funds may be used to fund hospitality but only within the restrictions established by the auxiliary organization. In the event of a conflict between the terms of the Auxiliary policy and university policy, the President or his designee shall determine which policy shall apply. Alcoholic beverage or tobacco purchases, gifts, and awards may be charged to Auxiliary Organization Funds subject to the policies and restrictions established by this policy and the auxiliary organization.

Table 1.
Funding Sources for Payment of Hospitality Expenses

<table>
<thead>
<tr>
<th>Hospitality Exp.</th>
<th>Gen. Fund Appropriations /Special Funds/ Auxiliary Org. Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverages (other than Alcoholic Beverages)</td>
<td></td>
</tr>
<tr>
<td>for Meetings Attended Only by Employees of the Same Work Location</td>
<td>No</td>
</tr>
<tr>
<td>Food and Beverages (other than Alcoholic Beverages)</td>
<td></td>
</tr>
<tr>
<td>for Meetings Attended by Official Guests</td>
<td>Yes</td>
</tr>
<tr>
<td>Food and Beverages (other than Alcoholic Beverages)</td>
<td></td>
</tr>
<tr>
<td>for Receptions Attended By Employees of the Same Work Location</td>
<td>No</td>
</tr>
<tr>
<td>Food and Beverages (other than Alcoholic Beverages)</td>
<td></td>
</tr>
<tr>
<td>for Receptions Attended by Official Guests</td>
<td>Yes</td>
</tr>
<tr>
<td>Alcoholic Beverages and Tobacco Products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Gifts</td>
<td>No</td>
</tr>
<tr>
<td>Awards</td>
<td>No</td>
</tr>
<tr>
<td>Promotional Items- Employee</td>
<td>No</td>
</tr>
<tr>
<td>Promotional Items Non Employee</td>
<td>Yes</td>
</tr>
<tr>
<td>Travel</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Revised 12/30/2003
XXII. HOSPITALITY (cont.)

F. Approval of Transactions

The President has delegated authority to each Vice President to approve hospitality expenses; however, the President must approve hospitality expenses of each Vice President. Individuals with delegated approval authority may not approve their own expenses and individuals may not approve expenses of their supervisor. The request must be completed on the Business Meal Approval Form one week prior to scheduling the event. The completed request must specify the following:

- Type and date of event
- Type of food expense (e.g., breakfast, lunch)
- Department name and chargeable account number
- Number of participants (with attached guest list)
- Estimated cost per person
- Nature of the occasion or purpose of the meeting
- Vendor providing the food
- Signature of approving authority

G. Trust Funds

Various non-State funds controlled by the university may be used to fund official business, but only within the restrictions set forth in this policy. In the event of a conflict between the terms of the fund and university policies, the more restrictive of the two policies shall apply. Alcoholic beverages may not be charged to state special funds. Expenditures from trust funds are restricted to the purpose for which the trust fund was established. Expenditures for food must be included in the trust fund description to allow for such expenditures.

H. Payment Method

1. Off Campus Meetings
   When business-related food purchases are made in conjunction with an off-campus meeting, a purchase order or contract must be established in advance through the Purchasing Department. The completed Business Meal Approval Form and list of attendees must be submitted to purchasing no later than one working day after submitting the requisition. Reimbursement may be issued to a campus employee or faculty member acting in the capacity of host to an official guest, visitor, or prospective employee (as described earlier). In these instances, payment must be made by personal credit card, personal check or cash. Under no circumstances will a cash advance be provided. The employee or faculty member authorized to expend funds must submit to Accounts Payable a request for personal reimbursement using the Direct Pay Form. Attach the itemized receipt, completed Business Meal Approval Form, and guest list. The responsible Vice President must sign the Direct Pay form.

2. On Campus Meetings
   A completed Business Meal Approval Form and list of attendees must be presented to the Accounting Office for payment. Foundation Food Services (Sodexho) must be used for on
XXII. HOSPITALITY (cont.)

campus events unless a waiver has been approved and signed by the Food Services General Manager or Manager.

**THE UNIVERSITY PROCUREMENT CARD CANNOT BE USED FOR FOOD PURCHASES OF ANY KIND.**

I. Responsibilities

- Vice Presidents-Responsible for reviewing, restricting, and approving expenses and occasions.
- Requesting Departments-Responsible for seeking appropriate approvals and providing documentation when requesting reimbursement.
- Purchasing Department-Processing orders for off-campus food services and maintaining the documentation associated with the requisition.
- Accounting Department-Responsible for paying invoices in a timely manner and storing invoices/required documentation associated with the invoice.
XXIII. PUBLIC RELATIONS FUNDS POLICY

A. POLICY

The following public relations policy and procedure statement meets the requirements of Section 42502 Subsection (I) of Subchapter 5 of Chapter 5 of Title 5, which reads as follows:

- Proposed expenditures for public relations or other purposes, which would serve to augment state appropriations for operation of the campus. With respect to expenditures for public relations, or other purposes which would serve to augment state appropriations for operation of the campus, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the governing body of the auxiliary organization.

- The President shall file with the Chancellor, a statement of such policy on accumulation and use of public relations funds for all auxiliary organizations. The statement will include the policy and procedure on solicitations of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control.

- In accordance with Section 42502 (I) of Title 5 of the California Administrative Code, the President has designated California State University, Bakersfield Foundation as the entity to administer non-state public relations funds for California State University, Bakersfield. The funds shall be maintained as a regular part of the California State University, Bakersfield Foundation accounting record. As public understanding and goodwill materially affect the success of the university and its auxiliary organizations, the California State University, Bakersfield Foundation is an appropriate source of limited funds for public relations purposes subject to proper procedures.

B. APPROVAL:

A written budget proposal prepared by California State University, Bakersfield Foundation for review by the President and then is submitted to the California State University, Bakersfield Foundation’s Board of Directors for review and approval.

C. SOURCE OF FUNDS:

Monies for the President’s Community Relations Expenditures and University Advancement Stewardship expenses are provided by California State University, Bakersfield Foundation as a regularly budgeted item. The Board of Directors of the California State University, Bakersfield Foundation approves such items as a part of their normal budgetary processes. Contributions from individual, corporate, or other donors who wish to support the University may also increase the budget amount. Donations must be specifically designated for the President’s Community Relations Expenditures or University Advancement Stewardship expenses.

D. USE OF FUNDS:

The President’s Community Relations Fund is established to provide a method for University officials to host quests and partake in activities that are of benefit to the University. Typical examples of use of the Fund are hosting student groups, community
XXIII. PUBLIC RELATIONS FUNDS POLICY (cont.)

members, and individuals and organizations interested in supporting the University. Also, involvement in activities, which may engender financial or other support to the University, is a proper use of the Fund. Normally, the President’s Community Relations Funds are used when it has been determined that State funds are not available for the purpose.

E. ALLOWABLE EXPENDITURES

The President’s Community Relations Fund is established to provide a method for University officials to host quests and partake in activities that are of benefit to the University. Typical examples of use of the Fund are hosting student groups, community members, and individuals and organizations interested in supporting the University. Also, involvement in activities, which may engender financial or other support to the University, is a proper use of the Fund. Normally, the President’s Community Relations Funds are used when it has been determined that State funds are not available for the purpose. In general, the funds allocated by the President shall be proposed for expenditures only if consistent with the approved written budget. Such proposed expenditures must be appropriate to campus authorized educational, social, or business activities which clearly advance the University’s objectives, and which are processed consistent with applicable procurement and accounting standards and practices. In accordance with Foundation policy, all funds expended require appropriate authorization signatures and a description of use of the funds. The use of funds budgeted for public relations or similar activities shall be requested through practices formally established by the Foundation. Such practices shall include appropriate documentation, including the special certification and review in questionable cases, required to establish that the proposed expenditure will not:

- Fall outside the educational mission of the CSU;
- Be prohibited either by statute, or CSU or campus policy; or
- Be contrary to CSU or campus procedures

The University will look to, and operate within, Foundation expenditure documentation procedures.

F. PROHIBITIONS:

The Foundation is aware of and acknowledges the existence of the following prohibitions stated in the California Administrative Code Title 5 in Section 42403 (c) which reads as follows:

- Funds of an auxiliary organization shall be used for purposes consistent with Board of Trustees and campus policy, and shall not be used:
  - To support or oppose any candidate for public office, whether partisan or not, or to support or oppose any issue before the voters of this state or any subdivision thereof or any city, municipality, or local governmental entity of any kind except as may be permitted by Section 89300 of the Education Code. The prohibition of this subdivision shall not apply to:
    - Expressions published in the student press;
XXIII. PUBLIC RELATIONS FUNDS POLICY (cont.)

- Support of a position taken by the Board of Trustees on an issue, which the Board
determined, will significantly affect the California State University or any campus
thereof.
  - To make personal loans to non-educationally related purposes, except that such loans
may be made when specifically authorized by a trust instrument under which the funds
were received.

G. PROCEDURES:
Careful screening of proposed expenditures by the Executive Director of the California State
University, Bakersfield Foundation, the President and the Foundation Board of Directors
insures an appropriate budget at the outset. Control of expenditures is maintained by these
requirements:
- All authorizations to be vested in the Executive Director of the California State University,
  Bakersfield Foundation or his/her designee.
- Quarterly statements of expenditures to be distributed by the Foundation office.
- Year-to-year carry-over of unexpended funds is permitted only with specific Board
  approval.
- A report of each year’s use of funds for public relations is made by the Executive
  Director of the California State University, Bakersfield Foundation to the President and to the
  Foundation Board of Directors.
XXV. COMMUNITY RELATIONS EXPENSE
A. Community Relations Expense Policy

It is the policy of the Foundation to provide funds to promote the purposes, objectives and educational mission of the Foundation or University. These expenditures, collectively referred to as “community relations” expenses, must be directly related to, or associated with, the active conduct of official University or Foundation business. Community relations include those functions that are intended to create or promote favorable publicity and support for the Foundation and/or the University and their related projects. Community relations are a means for development and growth of both the Foundation and the University, in terms of fulfilling its mission. These programs may include but are not limited to fund raising, providing facilities, making its services and resources available to the citizens of our service area, and promoting the professional growth and enterprise of those who represent the Foundation or University. For purposes of this policy, the term “community relations” will be used to refer to all of the following types of expenditures, unless otherwise noted.

- Public relations
- Hospitality (see Definitions item #2). This policy is consistent with, and incorporates, the Chancellor’s Executive Order No. 761.
- Employee relations
- Community relations
- Development relations

This policy applies to all community relations expenditures including grants and contracts, the Foundation general and designated funds, and all agency funds including, the University President’s, Vice President’s and Dean’s funds.

The expenditure of funds for community relations should be cost effective. When determining whether a hospitality expense is appropriate, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives. The Executive Director of the Foundation, or designee has responsibility to determine the reasonableness of cost to be reimbursed under this policy as well as consistency with the internal Revenue Code requirements both as to the allowability and adequacy of the documentation.

B. Authority

California Code of Regulations, Title 5, Division 5, California Code of Regulations; Section 41600, 41610; California Education Code Sections 66600, 89030, 89035, 89044; HR 96-11

C. Definition of Allowable Expenditures

Allowable costs are those deemed ordinary, reasonable and necessary for the pursuit or the University or Foundation’s community relations, so long as they are consistent with the Internal Revenue Service standards that apply to nonprofit tax-exempt corporations and within

Revised 12/30/2003
the educational mission of the University. Daily reimbursement of lunches would not be considered ordinary, reasonable and necessary. “Community relations” expenses are usually reimbursed on the basis of actual costs incurred. “Community relations” expenditures include, but are not limited to:

- Membership and participation in the activities of community groups, including but not limited to service clubs and community-wide organizations of leading citizens in education, business, government, industry, and agriculture, with which the University or Foundation may properly server the needs of the campus community.
- Hospitality, which includes the provision for meals (catered or restaurant), light refreshments (beverages, hors d’oeuvres, pastries, cookies, etc.), promotional materials, gifts and travel expenses for official guests of the University or Foundation. Hospitality includes expenses for activities that promote the University or Foundation to the public, usually with the exception of benefits accruing directly or indirectly to University or Foundation.
- Awards of tangible personal property in recognition of service or achievement directly benefiting the University or Foundation. Cash/check awards to University or Foundation employees are subject to payroll taxes and withholding as applicable.
- Gifts given or bestowed upon an individual, group, or entity with the expectation of benefits accruing to the University or Foundation.
- Promotional materials of tangible personal property distributed to promote the name or image of the University or Foundation, to provide information, or enhance the University or Foundation productivity. Promotional materials are of minor value and bear the logo, icon or information identifying the University or Foundation such as a pen, folder, calendar, or clothing.
- Business related meals (which may include alcoholic beverage), when it is necessary for employees to conduct official University or Foundation business during a meal. There must be a reasonable expectation that the University or Foundation will benefit from the expenditure. They may be reimbursed for actual meal expenses substantiated by a receipt.
- Official activities commonly engaged in by campus administrators and reasonable for promoting and maintaining student, faculty, and staff recruitment, morale, and/or development, and for developing and maintaining effective relations with the community. These activities may include, but are not limited to campus receptions, and any and all of the academic disciplines and programs of the University. Typical expenditures for these activities include the cost of meeting, conferences, receptions, open houses and cost of individual or group meals.
- This policy provides the means for appropriate participation in bona fide activities by the spouse or significant other of an officer, employee, or other delegate of the University or Foundation where such participation is reasonable intended to achieve the “community relations” objectives of the University or Foundation.
- **No reimbursement shall be allowed for the following expenses:**
  - Employee birthday, baby shower, wedding, anniversary and farewell gatherings, unless approved in advance by the University President or a Vice President (food, gifts, flowers, etc)
  - Tuxedo or other clothing rental
XXV. COMMUNITY RELATIONS EXPENSE (cont.)

- Political contributions, with the exception of capital bonds supported by the California State University Board of Trustees and authorized by the University President.

D. Procedure

Community Relations expenditures are claimed for reimbursement on the ___________ Form. Consistent with California State University policy and Internal Revenue Service regulations, the following information must be documented on the ______________ form:

- **Amount**: The amount of each separate expenditure such as meals or receptions.
- **Date**: Dates for each event or activity
- **Place**: Name and address or location of place of each event or activity
- **Purpose**: Business purpose for the expenditure or the nature of the business benefit gained or expected to be gained as a result of the expenditure. The nature of the business discussion or activity. Generic purpose statements such as “promotes positive relations”, “community relations” or “employee relations” are not acceptable. Be specific. The purpose must be within the educational mission of the University.
- **Relationship**: Names of the persons included, their employer and occupation or title that shows their business relationship to you. When a donor’s name needs to be kept confidential, use one of the following appropriate phrases: “confidential, refer to private log” or “confidential, refer to report of contacts”.
- **Receipts**: Receipts are required for all lodging expenditures and all expenditures. Receipts should show the amount, date, place and essential character of the expenditure. In cases where receipts cannot be obtained or have been lost a statement to that effect should be made and attached to the authorization.

The ___________ form must be approved by the authorized account signer with an original signature. Signature stamps are not acceptable. The Account signer approving the authorization is responsible to ascertain the necessity and reasonableness of the authorization and that adequate documentation is attached to support the authorization. Account signers may not approve authorizations payable to themselves; thus and approval by the account signer’s supervisor is required. Account signers may not approve authorizations payable to their supervisors.

___________ forms shall be submitted within one month of the date the expenses was incurred. Authorizations submitted beyond one month may not be reimbursed unless there are extraordinary circumstances that justify the late submission.
XXVI. CONFLICT OF INTEREST

A. Conflict of Interest Policy

CSU directive Faculty and Staff Relations- Office of the Chancellor (FSR) 86-05, Conflict of Interest Policy for: Principle Investigator (PI), dated February 14, 1986, among other things, states that unlike business position financial disclosures which occur when the incumbent enters or leaves the position as well as the annual April 1 filing, financial disclosures by principle investigators must take place before the faculty member applies for a non-governmental contract or grant.

The Director of Grants and Contracts, in the office of graduate studies and research, is responsible for initiating the process. Investigators must disclose significant financial interests at the time of proposal submission and update this information annually or more frequently as new financial interests are obtained during the life of the award. Awards cannot be accepted until any conflict of interest issues are resolved.

B. Definitions

A potential conflict of interest occurs when a divergence develops between an individual’s private interests and his/her professional obligations to the University and its auxiliary organizations such that an independent observer might reasonably question whether the individual’s professional actions or decisions are determined by considerations of personal gain, financial or otherwise. Reviewer(s) of disclosure statements can find an actual or potential conflict of interest when it is determined that a significant financial interest of the investigator could directly or significantly affect the design, conduct, or reporting of the activity(ies) funded or proposed for funding. Each investigator must disclose all financial interests that would reasonably appear to be affected by the proposed activities.

Investigator means the principal investigator/project director, co-principal investigator(s)/project director(s), and any other member of the campus community who is responsible for the design, conduct, or reporting of activities proposed for funding or funded by an external source. The latter includes funds provided by grants and contracts and other means. In this context, “investigator” includes the investigator’s spouse and dependent children. For the purposes of this policy, investigators may also include subcontractors where the foregoing definition may apply.

Significant financial interest refers to anything of monetary value, including but not limited to salary or other payments for services (e.g., consulting fees, honorariums, etc.), equity interests (e.g., stocks, stock options, or other ownership interests), and intellectual property rights (e.g., patents, copyrights, and royalties from such rights.)

As a result of differing state and federal regulations, significant financial interest is defined in two ways, as follows:

In relation to nongovernmental funding source(s) (sources other than federal, state, or local government agencies and their subsidiaries), significant financial interest is involved and must be disclosed where the funding source has allocated to the investigator:
XXVI. CONFLICT OF INTEREST (cont.)

- $250 or more in salary or other payment(s) for services (outside the parameters of a current or previous award conducted through the campus wherein the investigator was paid through the campus) in the last 12 months.
- A gift of $50 or more in the last 12 months.
- A loan of $250 or more in the last 12 months.

Or where the investigator:
- Has investment or equity interest in the nongovernmental funding source of more than $1,000.
- Serves as a director, officer, partner, trustee, or employee or holds any management position in the entity providing the funds.

In relation to governmental funding source(s) (specifically the National Science Foundation and the Public Health Service), significant financial interest is involved and must be disclosed where
- The investigator’s financial situation would reasonably appear to be directly and significantly affected by the activities funded or proposed for funding.
- There exists any significant financial interest of the investigator in an entity whose financial interest would reasonably appear to be directly and significantly affected by the activities funded or proposed for funding.

In relation to governmental funding source(s), significant financial interest **does not include:**
- Salary, royalties, or other remuneration from the University or its auxiliary organizations.
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities.
- Income from service on advisory committees or review panels for public or nonprofit entities.

An equity interest in a business enterprise that when aggregated for the investigator and the investigator’s spouse and dependent children meet both of the following tests:
- Does not exceed $10,000 in value for any single entity as determined by reference to public prices or other reasonable measures of fair market value.
- Does not present more than five percent ownership interest in any single entity
- Salary, royalties or other payments made when aggregated for the investigator and the investigator’s spouse and dependent children over the last 12 months or anticipated in the next 12 months are not expected to exceed $10,000 from any single business enterprise entity.
- Any ownership interests in the University or its auxiliary organizations, if either is applicable under the Small Business Innovation Research Program or Small Business Technology Program.

Revised 12/30/2003
XXVI. CONFLICT OF INTEREST (cont.)

C. Investigator Disclosure & Resolution Plan

Each investigator who has significant financial interest will complete the appropriate Conflict of Interest Disclosure form(s), Non-governmental Funding Source form 730-U, or the Governmental Funding Source form 700. The appropriate form must be submitted to the Office of Graduate Studies and Research.

Each investigator must make a disclosure at any time during the award period when a material change occurs that presents a conflict of interest as defined by this policy. Supporting documentation that provides details as to the investigator’s significant financial interest(s), relationships(s) with external entity(ies), and any other pertinent information should be attached to the form. A Non-governmental Funding Source form 730-U must also be filed within 90 days after the expiration of the contract or grant.

A conflict of interest exists when the review reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, and reporting of the proposed activity(ies). Upon such finding, an Independent Review Committee (IRC), comprising of the Dean of Graduate Studies and Research, the Foundation Manager, the unit Dean, and two faculty chosen at-large, would develop a resolution plan to address the actual or potential conflict of interest. The unit Dean, with advise from the Foundation Manager, shall monitor the affected personnel. The IRC’s resolution plan will be forwarded to the President or designee for final approval.

Final resolution, as approved ultimately by the President, will be sent to the investigator(s), who will abide by the resolution plan, the project/account file, and other parties deemed appropriate and necessary by the Dean of Graduate Studies and Research or designee.

D. Enforcement & Sanctions

Instances of failure to disclose conflict(s) of interest and potential violation(s) of the resolution plan will be referred to the Dean of Graduate Studies and Research or designee, who will investigate the issue(s), following campus and system wide procedures and rules for such matters. Disciplinary measures, if any, will be in keeping with campus and system wide policies, procedures, and union contracts current at the time. Funding sources and other appropriate parties will be notified and kept informed as required by state and federal laws and regulations and sponsored projects award documents.

E. Documentation & Record Maintenance

Records pertaining to all disclosures and actions taken resulting there from will be maintained for a period of three years from either the date of termination or completion of the award to which such documents relate.

Revised 12/30/2003
XXVII. PUBLIC MEETINGS

A. Public Meetings Policy

The Foundation Board conducts its meetings in accordance with the requirements set forth in Education Code Sections 89920 through 89928.

Members of the public may attend any Board meeting, or any sub-board meetings. Meetings are held Where? When?

- **Notification**
  - Public Meetings and Notices, in accordance with CSU policy will be made available on the Foundation home page, via Bulletin Board link.
  - Public Meetings and Notices are also posted on the bulletin board in the Foundation office.
  - Regularly scheduled Meetings/Notices will be announced no less than 7 days prior to the scheduled start time.
  - Special Meetings/Notices will be posted at least 24 hours prior to the scheduled start time.
XXIX. WRITTEN AGREEMENTS WITH 3RD PARTY, CLIENT ENTITIES

A. Written Agreement with 3rd Party, Client Entity Policy

- Written agreements will be reviewed on an annual basis for conformance to Foundation requirements with Athletics, Agencies, Institutions, and etcetera as applicable.
- Renewals of all contracts will be done on the approval of the Foundation Manager after all requirements have been met.
- All Employee Contracts are not bound by this policy, but instead by the agreements set forth in either the individual employee contract or in accordance with the Human Resource Policy of CSU, Bakersfield Foundation. (Section 4)
XXIX. UNRELATED BUSINESS INCOME

A. Unrelated Business Income Policy

- It is the policy of the Foundation to classify all applicable income as “Unrelated Business Income.”
- The Foundation Manager and external auditor will review income characteristics on an annual basis to determine if any Foundation activities have resulted in Unrelated Business Income. Required reporting procedures will be followed as recommended by findings.
XXX. ESCHEAT

A. Escheat Policy

It is the policy of the Foundation, that unclaimed monies and/or property be distributed to the rightful owner as determined by the civil codes of the State of California after three (3) years of inactivity. The policy calls for a diligent effort to determine the rightful owner of any unclaimed monies and/or property, to use diligent effort to contact and notify the determined rightful owner, via telephone and mail at the last known contact information, of any and all unclaimed monies and/or property, and after all reasonable and legal efforts to do so have been exhausted, to escheat unclaimed monies and/or property to the state.

All outstanding checks will be reviewed during the monthly reconciliation of bank accounts to determine monies subject to escheat policy. The Accounting Manager will identify any monies that are subject to this policy. Subject monies will be escheated to the State on a monthly basis.

B. Definitions

*All definitions taken from the California Code of Civil Procedure, Section 1300-1301.*

**Property** – Unless specifically qualified, includes all classes of property: real, personal, and mixed.

**Unclaimed Property** – Unless specifically qualified, means all property:
1. Which is unclaimed, abandoned, escheated, permanently escheated, or distributed to the state
2. Which, under any provision of law, will become unclaimed, abandoned, escheated, permanently escheated, or distributed to the state, or to
3. The possession of which the state is or will become entitled, if not claimed by the person or persons entitled thereto within the time allowed by law, whether or not there has been a judicial determination that such property is unclaimed, abandoned, escheated, permanently escheated, or distributed to the state.

**Escheat** – Unless specifically qualified, means the vesting of the state of title to property the whereabouts of whose owner is unknown or whose owner has refused to accept, whether by judicial determination or by operation of law, subject to the right of claimants to appear and claim the escheated property or any portion thereof.

**Permanent escheat** – Means the absolute vesting in the state of title to property the whereabouts of whose owner is unknown or whose owner has refused to accept, pursuant to judicial determination, pursuant to a proceeding to escheat as provided by Chapter 5 (commencing with Section 1410) of this title, or pursuant to operation of law, and barring of all claims to the property by the former owner thereof or his successors.

**Controller** – Means the State Controller.

**Treasurer** – Means the State Treasurer.

Revised 12/30/2003
XXXI. THEFT, FRAUD, OTHER REPORTING

A. Theft, Fraud, Other Reporting Policy

Purpose:
To document, clarify and disseminate established practices and notification content for fiscal improprieties reporting compliance requirements.

References:
Executive Order No. 813, dated March 22, 2002; State Administrative Manual (SAM) Section 20080.

Background:
Executive Order No. 813, “Reporting of Fiscal Improprieties,” extends to auxiliary organizations the requirement to properly report all cases of actual or suspected theft, fraud, defalcation or other irregularity involving auxiliary organization assets. This Procedures Statement describes general and specific practices required to comply with Executive Order No. 813. Adoption of this Procedures Statement should be consistent with any implementation requirements - including reporting time periods and minimum asset values - set by the campus.

Compliance Requirement:
The Foundation Manager shall provide proper written notification to the University Office of Risk Management and the Board of Directors within 12 hours of any incidence of actual or suspected theft, defalcation, fraud or other irregularity involving auxiliary organization funds, property or other resources. The purpose of this notification is to provide the Board and University President with critical information about such incidences, and to enable the University to comply with both SAM Section 20080 and Executive Order No. 813 within the required time constraints.

Procedures:
- The Foundation Manager shall promptly notify the designated University official and the Board of Directors in writing of any incident of actual or suspected auxiliary organization theft, fraud, defalcation or other irregularity involving corporate assets. Information about such incidences may arise from within or from external sources and may involve employees or others outside the organization. Prompt notification means within 12 hours of the time the incident becomes known to the notifying official.
- Notification Information. An incident report shall include, at a minimum: the known sequence of events; internal controls compromised; discovery means; actual or estimated asset value loss; and remedial and/or disciplinary actions taken or considered.
- Follow-up to Preliminary Notification. If complete information for an incident report is not known within the reporting requirement period, a preliminary notification will be submitted within the required period, followed by either a complete report or progress reports within thirty days until the matter is fully reported.

Contacts:
- Foundation Manager
- Office of Risk Management
XXXII. RAFFLE POLICY

A. Getting Approval

- All raffle-type fundraising activities must be cleared through the University of Advancement office.
- Any student organization that wishes to hold an on-campus fundraising activity must be a recognized organization before approval for the activity will be granted.
- The office of the Vice President of University Advancement will verify the eligibility of the organization requesting approval for fundraising activities.

B. Procedures

- Any fundraising activity that has been approved by the office of University Advancement will be given a determination as to whether or not the event is exempt from regulatory filing requirement
  - If a raffle-type fundraising activity has been determined to require the filing of Form 990, for reporting purposes, the University Advancement office will file the form RRF-1 annually to allow for a continuation of this raffle-type fundraising.
  - Regulatory requirements are available online at: http://caag.state.ca.us/charities/

C. Raffle Fundraising Requirements

- All proceeds must be deposited in the Foundation office in accordance with the cash receipting policies in Section 2 – ACCOUNTING, Item V. CASH RECEIPTING.
- Proceeds from fundraising will meet Office of the Attorney General of the State of California guidelines, which will be provided upon request from the office of University Advancement.