The California State University
OFFICE OF THE CHANCELLOR
Capital Planning, Design and Construction
401 Golden Shore, 4th Floor
Long Beach, CA 90802-4210
www.calstate.edu

Paul Gannoe
Assistant Vice Chancellor
(562) 619-0597
pgannoe@calstate.edu

DATE: May 28, 2026

Reporting Window
June 1, 2026 to July 1, 2026

TO: Vice Presidents for Administration and Finance
Executive Facilities Officers

FROM: Paul Gannoe
Assistant Vice Chancellor Paul Gannoe (May 29, 2026 09:24:25 PDT)
Capital Planning, Design and Construction

SUBJECT: 2027-2028 Custodial, 2026 Space and Facilities, Tax Compliance Reporting, Masterplan Map and Legend Review

This call letter requests university updates to the custodial space report for the development of the 2027-2028 support budget requests for new space, updates to the Space and Facilities Database (SFDB), and private use reporting for fall 2026. University information can be submitted through July 15, 2026.

2027-2028 CUSTODIAL SPACE

Universities are required to submit square footage data for all state and self-support facilities listed on the physical master plan and legend. Complete information on the university facility inventory is required for accurate data for insurance purposes, as well as benchmarking for energy conservation and physical plant metrics.

Please review the *2026-2027 Custodial Report* and report new state-maintained square footage for the development of the 2027-2028 support budget request. The detailed use of assignable square feet (ASF) for occupied new space from now through spring 2028 is required to be reported by the university SFDB coordinator. **To be eligible for new space funding request please submit the following** forms:

- *Custodial and Farm Space Campus Worksheet* (CPDC 4-1)
- *Facility Information Sheet* (CPDC 4-2)
- *Space and Facilities Database Worksheet* (CPDC 4-3)

Please review the *Custodial and Farm Space Policy and Guidelines* to determine what square footage is eligible for new space funding. The above forms and guidelines can be found on the Chancellor's Office Space Management website at: https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/space-management.aspx.

FALL 2026 SPACE AND FACILITIES DATABASE UPDATE

The SFDB provides essential information related to facility planning, space planning, and utilization. To develop a comprehensive overview, universities are encouraged to report space for all academic and self-support facilities. University capacity entitlements of lecture and teaching laboratories are based on SFDB data. The SFDB must be updated and reconciled on an annual basis as this information serves as the foundation for several capital planning processes and university requests for new space support budget funding.

The required forms for reporting academic and self-support facilities and space are:

- *Facility Information Sheet* (CPDC 4-2)
- *Space and Facilities Database Worksheet* (CPDC 4-3)

The above forms can be found on the Chancellor's Office Space Management website at: https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/space-management.aspx.

Please refer to the SFDB User Manual for step-by-step instructions on the update process. The SFDB User Manual can be found on the Chancellor's Office Space Management website at: https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/Documents/SFDB-User-Manual.pdf.

The SFDB annual reporting window is from June 15th to July 15th, 2026, to correlate the update with the Academic Planning Database (APDB) fall term reporting schedule. Changes to rooms that are scheduled for fall term classes must be included in the SFDB update to correlate with the APDB 2026 fall term section audit report and to avoid non-matching SFDB facility/space identification errors.

University fall 2025 space related reports and resources are available on the Chancellor's Office Space Management website at: https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/space-management.aspx.

IRS REPORTING PROCEDURES

The California State University's (CSU) academic and self-support facilities have generally been funded with tax-exempt bonds issued by the CSU and the State of California. The status of all such tax-exempt bond-funded university facilities, spaces, or areas must be reported annually and monitored to assure compliance with Internal Revenue Service (IRS) regulations. The steps needed to comply with the IRS and the State Treasurer's Office private use reporting procedures and complete the 2026 Private Use Status update are outlined in the *Internal Revenue Service Tax Compliance Reporting Procedures* (Attachment A) for all academic and self-support facilities funded with tax-exempt bonds.

Chancellor's Office staff work with tax counsel to improve and clarify report forms to identify private use and "safe-harbors" acceptable to the IRS for tax-exempt bond-funded facilities based on facility leases and/or external research funding-programs.

MASTERPLAN MAP AND LEGEND REVIEW

The Masterplan Maps and Legends are an important source of current and future facility information for our university system. Maintaining accuracy between the Masterplan Maps and Legends with facility data in SFDB is important to accurately document campus development. We are requesting that each university complete an internal review of their Masterplan Map and Legend, mark up a copy of the map and legend with any updates, and then transmit that marked up document to the University Planner at the Chancellor's Office for review and coordination.

SUBMITTALS AND CONTACTS

a. Submittals: Please return your electronic custodial submission and IRS Private Use reporting forms to Brian Bass, Facility Space Planner at bbass@calstate.edu.

b. For questions contact:
   - Custodial space, SFDB, and Masterplan Map and Legend information – Brian Bass, Facility Space Planner at (562) 951-4171
   - Facility leases – Eric F. Anderson, Executive Director of Real Estate Services at (562) 951-4326
   - Private use in state facilities – Brian Bass, Facility Space Planner at (562) 951-4171
   - Private use in self-support facilities – Rosa H. Renaud, Director of Long-Term Finance at (562) 951-4566
   - Sponsored programs – Melissa Mullen, Director of Sponsored Programs at (562) 951-8452

PG:BB:kk

Attachment A: Internal Revenue Service Tax Compliance Reporting Procedures

Distribution
Vice Presidents for Student Affairs
Directors of Facilities Operations
Chief Research Officers
Financial Officers' Association Delegates
Executive Directors, Auxiliary Organization
Risk Managers
Procurement Officers
Facility and Space Planners
SFDB Coordinators
Patrick J. Lenz, Interim Executive Vice Chancellor/Chief Financial Officer, Business & Finance, CSU Office of the Chancellor
Jeni Kitchell, Assistant Vice Chancellor, Finance and Budget Administration/Controller, CSU Office of the Chancellor
Melissa Mullen, Director, Sponsored Programs Administration, CSU Office of the Chancellor
Zachary Gifford, Senior Director, Systemwide Risk Management, CSU Office of the Chancellor
Eric F. Anderson, Executive Director Real Estate Services, CSU Office of the Chancellor
Shawn Holland, Chief of Facilities Operations, CSU Office of the Chancellor
CPDC Planners

CO Tax-Exempt Task Force:

Paul Gannoe, Assistant Vice Chancellor, Capital Planning, Design and Construction
Robert Eaton, Assistant Vice Chancellor, Financing, Treasury, and Risk Management
Jack E. Andersen, Chief, Planning and Design, Capital Planning, Design and Construction
Rosa H. Renaud, Director, Long Term Finance, Financing and Treasury
Anna Bakardzhieva, Assistant Manager, Long Term Finance, Financing and Treasury
Angelique Sutanto, Manager, Debt Administration and Compliance, Financing and Treasury
Brian Bass, Facility Space Planner, Capital Planning, Design and Construction

California State University
Internal Revenue Service Tax Compliance
Reporting Procedures

The status of all tax-exempt bond-funded campus facilities, spaces, or areas must be reported annually and monitored to ensure compliance with Internal Revenue Service (IRS) regulations. Most campus facilities have been funded by tax-exempt bonds, be it as new construction or due to renovations. Note: private activity use is defined as any arrangement with a commercial entity, a nonprofit organization unrelated to the California State University (CSU), or the United States Government (including federally-funded research grants) for a right to use a facility by means of ownership, leases, management, special legal entitlement, or special economic benefit. Campuses may have several academic and self-support facilities, spaces, or areas with externally-funded research activities and/or privately subleased facilities or areas. Private use must be actively tracked and monitored by the University and reported to the Chancellor's Office (CO) annually.

Universities shall report private use updates during the Space and Facilities reporting window. However, if a University has concerns about private use impact, the University is encouraged to contact the CO Capital Planning, Design and Construction (CPDC) and Financing and Treasury during the year. The steps needed to comply with the IRS and State Treasurer's Office (STO), private use reporting procedures and records retention system are outlined below.

1. The Chancellor's Office has reviewed the fall private use submittals from campuses for academic and self-support tax-exempt bond-funded facilities and compiled the *2026 Private Use Status Update* (Attachment B) list.

    a. On the *2026 Private Use Status Update* list, answer the question in the last column, "Are there any changes to the Private Use info/status compared to the previous year?", with a "yes" or "no" regarding any changes compared to the information previously submitted.

    b. If "yes", please follow the instructions in Steps 3 and 4 below and submit appropriate forms to reflect updates. Once the University has reviewed the list and completed all updates, the *2026 Private Use Status Update* list form will require the signature of the Vice President for Administration and Finance verifying the list.

2. For this reporting period, identify any new or previously unreported academic/state and self-support/non-state tax-exempt bond-funded facilities which may include private (including federal) external research funding and/or areas subleased for private use.

    a. The facilities subject to IRS compliance on private activity use include those initially financed or subsequently re-financed with either: (1) State General Obligation (GO) Bonds; (2) State Public Works Board (PWB) issued lease revenue bond funds since 1988; (3) CSU Systemwide Revenue Bond (SRB); and (4) Commercial Paper (CP). All four types shall be reported for the duration of the bond life, plus five years (generally 35 years). Please note that the life of a bond may be extended through subsequent refinancing. Should you need further information, contact Financing and Treasury.

b. Universities shall continue their efforts to monitor, identify, and report any new tax-exempt bond-funded facilities on the main campus, off-campus center(s), and off-site. See Step 5 for additional information.

c. Please follow instructions in Steps 3 and 4 below and submit the appropriate forms to reflect any new or unreported private use items.

3. Complete the Private Use Checklist and all appropriate forms.

a. For facility updates identified in Step 1 or reporting a new tax-exempt funded facility from Step 2, campus will complete a *Facilities and Property Survey Private Use Checklist*. If you respond "yes" to any of the six checklist questions, follow the directions for that item to complete the appropriate supporting documentation on CPDC Form 4-2 and/or 4-4 as described below**.**

b. **CPDC Form 4-2** *Facility Information Worksheet* should be completed for each facility that includes Subleased Areas.

a. WHAT'S NEW ON THE 4-2
As the CO continues the effort to collect relevant data to meet the IRS tax compliance reporting, we have made some changes to the CPDC Form 4-2. Campus reporting private use updates using the revised CPDC Form 4-2 will be requested to:

i. Report total assignable square footage (ASF) in the facility.
ii. Calculate the percentage of facility with private use against the ASF and not the gross square footage (GSF).

c. **CPDC Form 4-4** *CSU Compliance with IRS "Private Business Use" Exclusions for Research Projects* should be completed for any facility that includes areas designated for externally-funded research by non-state/private funding sources (including federal).

d. All checklists and forms require signature of the Vice President for Administration and Finance signifying the validity of the information and approval of private use. These forms will be submitted to Financing and Treasury and the STO via the CO. The forms serve to identify the "safe-harbors" for private use acceptable to the IRS.

4. Report the space use as part of the annual Space and Facilities Database (SFDB) reporting process.

a. **CPDC Form 4-3** *Space and Facilities Database Worksheet* should be completed to update space use for private activity, as reported in Step 1 or Step 2. Note that these space changes should be submitted along with fall 2026 updates.

5. Next Steps

   a. The University shall continue to incorporate internal procedures for monitoring of any on-going or new private activity usage and leasing of space utilizing the review of the *Facilities and Property Survey Private Use Checklist* as part of the continual compliance with IRS regulations. This includes private activity use that may relate to equity contribution from facilities such as student unions and campus housing, or program reserves. Note: In general, there is a 10 percent limit on private use based on assignable square footage.

   b. The University shall forward this memo to the Enterprise Program Directors, Auxiliary Organization Directors, and to any person(s) that will be involved in providing the necessary information to comply with the reporting procedures.

   c. Universities with State Public Works Board lease revenue bond funded facilities shall continue to provide proposed sublease agreements within these facilities to CPDC for State Public Works Board review and approval at least two months ***prior*** to leasing space to auxiliaries or private lessees. CPDC must coordinate with the State to obtain approval of private use per the lease agreements with the State.

   d. For a better understanding of what is considered private use, please review the *Common Scenarios of Private Use* matrix.

   e. Both the University and Chancellor's Office will continue to retain auditable records for the term of the bonds, typically 35 years, as required by the IRS and outlined in *Records Retention Checklist*. Campus records are required for each bond funded project (for both state and self-support facilities) to document accounting and payment of invoices for the original project construction or renovation funded by tax-exempt bonds (as best possible for older buildings); and all subsequent facility leases, subleases, and management contracts for private activity use such as food service, bookstores, etc. Records of sponsored research must also be retained. Universities need to be able to access records in a timely and systematic manner.