CSU Fullerton
Financial Services
Partners Roundtable

March 29, 2011
Meeting Objectives

- Introduction to Financial Services Organization
- Receive a budget update
- Learn about new and upcoming Financial Services policies and procedures
- Understand critical resource management information
- Have an opportunity to ask questions
Financial Services

Welcome to Financial Services

The Department of financial services is committed to supporting the academic mission of the University by providing financial services to meet the needs of the entire Cal State Fullerton community.

Our mission is to:

- provide efficient, quality, customer-oriented service.
- provide prudent financial guidance and management of the University’s fiscal resources.
- ensure that all expenditures, reconciliation, accounting, and reporting functions comply with laws and policies.
- develop technology tools and training programs which facilitate approved business practices and fiduciary responsibilities.

http://finance.fullerton.edu/
Administration & Finance Organization
Financial Services Introductions

- Budget Planning & Administration
  - Sarah Song, Director

- Contracts & Procurement
  - Don Green, Director

- University Controller
  - Steven Yim, University Controller

- Financial Services
  - May Wong, Executive Assistant
Budget Update
Context

- State projecting around a $28B deficit over the next 18 months
- Governor Brown’s proposed budget includes a $500M reduction in state allocation support to the CSU
- The proposed state budget also includes a Tuition Fee increase of 10% for Fall 2011 as previously approved by the CSU Board of Trustees
- At this time, the CSU has not proposed any other system-wide “budget solutions”, but nothing is off the table
- Estimated CSUF share of a $500M reduction:
  - $35M Reduction
  - $8M Tuition revenue offset
  - Net $27M
The Governor’s proposed State budget has not been acted on by the legislature, and there is a real possibility of additional budget cuts to the CSU if the proposed five-year extensions of some tax increases in the budget proposal are not enacted.

Additionally, any decisions made at the State level can be modified or otherwise impacted by actions of the Chancellor’s Office.

Thus, while our campus budget decisions have been made on the best information available to us at this time, they are subject to change.

As always, CSUF will maintain a completely balanced budget with no baseline structural deficit.
Amounts include federal American Recovery and Reinvestment Act (ARRA) funds ($717.5 Million in 08/09 and $106 Million in 10/11)

Chart originally presented in 2011-12 CSU Support Budget Board of Trustees January 25, 2011 Robert Turnage Assistant Vice Chancellor for Budget
Update of FY 2010-11 Budget

- CSUF baseline budget restoration of approximately $31M, generated primarily by –
  - Partial restoration of prior year state allocation budget cuts
  - Increasing resident enrollment to 26,903 FTES
  - Summer 2010 was primarily self-support versus state support
  - Tuition Fee increases of 5% for Fall 2010 and another 5% for Spring 2011

- The $31M is still significantly short of the nearly $43M cut from our budget over the past three years

- No mid-year cut in Governor Brown’s proposed budget
FY 2010-11 Approved Budget Allocations

- Approved PRBC Recommendations:
  - $1.7M baseline and one-time funding to Academic Affairs for new faculty searches
  - $1.7M one-time funding to Academic Affairs to address immediate SFR needs
  - $508K one-time funding to Academic Affairs as year 2 funding of the 3 year plan to supplement funding for research
  - $137K one-time funding to Academic Affairs as year 2 of the 2 year plan to augment funding for sabbaticals
  - Allocate $1.8M in Lottery Funds, which includes $1.4M to Academic Affairs to address immediate SFR needs
  - $170K baseline funding to Student Affairs to hire 3 Financial Aid counselors
Approved Allocations (continued)

Approved Required Funding Items:
- $3.4M one-time funding for CMS loan repayment
- $2.5M one-time funding for Academic Affairs pass-through items (i.e., Ed.D., Cal State Teach, Family Nurse Practitioner).
- $276K baseline funding to Academic Affairs for faculty promotion and benefits

Approved Additional Funding Actions:
- $186K one-time funding to Academic Affairs for WASC reaccreditation costs
- $500K baseline funding to University Advancement for budget restoration
- $350K baseline funding to Student Affairs for scholarship-related budget augmentation
Approved Allocations (continued)

- These approved allocations leave us with an estimated $28.6M baseline balance and a $9.5M one-time shortfall.
- Because we have an estimated baseline budget cut of approximately $27M for next fiscal year, the baseline balance of $28.6M cannot be restored on a baseline basis, but will be distributed on a one-time basis as follows:
  - $9.5M to cover one-time expenses of approved budget items
  - $5M towards a university reserve to address instructional and operational needs in the event of further budget reductions
  - $2M to address critical deferred maintenance needs on campus
  - $12.1M pro-rata to the divisions

For more detail see President’s FY 2010-11 Budget approval memo at: http://vpadmin.fullerton.edu/VP/ReportsAndPresentations/PRBCApprovedPres0111.pdf
Questions?
Budget Planning and Administration

Sarah Song

- Budget Planning Process
- Budget Administration Function and Timeline
- FY 2010-2011 University Revenue by Fund Source
- FY 2010-2011 Year-end Deadlines for Budget
- Contact Information
Budget Planning Process

- California’s State Budget
  January 10: Governor’s Budget Proposals
  February: LAO’s Analysis of the Budget Bill
  March through June: Legislature
  May: Governor’s May Revise
  June 15: Constitutional Deadline for Legislature to pass the Budget Bill
  July (or later): Budget Enactment

- CSU Budget
  May through August: Campus and CSU Priority Needs Identified
  August through September: CO develops CSU Request Strategy
  Budget Allocations to Campus (March Prelim, May Adj, and July Final)
Budget Planning Process

- CSUF Budget
  PRBC (Planning, Resource, and Budget Committee) is a key forum for University’s Budget reviews and discussions.

  Final Budget Decisions are made by the President following a consultative process that includes PRBC, Deans of Council, and PAB (President’s Administrative Board), among others.

  Timeline Details:
  BL 09-2 Planning, Resource, and Budget Committee Functions
  [link](http://www.fullerton.edu/senate/PDF/100/UPS100-001.pdf)
  UPS 100.201 Planning and Budgeting Process
  [link](http://www.fullerton.edu/senate/PDF/100/UPS100-201.pdf)
Budget Administration Function and Timeline

- July – August: Prior Year Budget Load
  (ie. Carryforward, encumbrance, project to date)
- After President’s Budget Approval: Baseline & New Budget Load
  (ie. Initial Baseline, Divisional Baseline Adjustments, New Baseline & One-time Budget Approved by the President)
- Throughout the Fiscal Year: Various Budget Load and Transfers
  (ie. Baseline & One-Time Budget Transfers, Additional New Budgets, CPOs, Revenue Budgets, and etc.)
- Other Items:
  Chart-field Maintenance (Department and Class)
  Labor Cost Distribution (LCD) Processing
  Annual Cost Allocation
  Prepares and submits budget reports to the Chancellor’s Office
University Revenue By Fund Source
FY 2010-11 Original Budget

• CSU Operating Fund $323,826,826
• Lottery Education Fund 2,245,000
• Continuing Education Revenue Fund (CERF) 10,000,000
• Health Facilities Fee 220,000
• Housing Fund 4,853,100
• Parking Fund 9,344,000
• Parking Fines & Forfeitures 1,440,896
• Auxiliary Funds (Operating Funds):
  ➢ CSU Fullerton Auxiliary Services Corporation (ASC) 29,563,527
  ➢ CSF Philanthropic Foundation 502,000
  ➢ Associated Students CSU Fullerton, Inc. (ASI) 6,769,569
  ➢ CSU Fullerton Housing Authority 1,107,752

$389,872,670

Excludes Trust Funds Consisting Primarily of Financial Aid and Capital Funds
University Revenue By Fund Source
FY 2010-11 Original Budget

- CSU OPERATING FUND
  - $323.8M
  - 83.1%

- EDUCATION FUND
  - $2.2M
  - 0.6%

- LOTTERY

- PARKING FINE & FORFEITURES
  - $1.4M
  - 0.4%

- PARKING FUND
  - $9.3M
  - 2.4%

- HOUSING FUND
  - $4.9M
  - 1.2%

- HEALTH FACILITIES FEE
  - $0.2M
  - 0.1%

- CONTINUING EDUCATION REVENUE FUND (CERF)
  - $10.0M
  - 2.5%

- AUXILIARY FUNDS
  - $37.9M
  - 9.7%
FY 2010-2011 Year-end Deadlines for Budget

**Budget Transfers**
Thursday, June 30, 2011 at Noon in order to be reflected in FY 2010-2011.

**Payroll Expense Transfers**
Wednesday, June 22, 2011 in order to be reflected in FY 2010-2011.

http://finance/fullerton.edu/Budget/Forms/

**FY 2011-2012 Baseline Budget**
Wednesday, June 15, 2011: Budget Office to provide Base Budget data at the CFS chart-field level as of May Month-end (May 31, 2011) to Divisions.
Monday, July 18, 2011: Budget Office to provide Base Budget data at the CFS chart-field level as of Fiscal Year-end to Divisions.
Monday, August 1, 2011: Divisions to submit changes to the Base Budget to Budget Office.
## Contact Information

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Questions
Contracts & Procurement

Don Green

- Contracts & Procurement is directly responsible for the purchasing and contract functions for the University

- Interpret and apply Federal, State, and CSU policies

- Purchase, service, and blanket orders, agreements, contracts, and leases

- Conducts requests for proposals, bids, reverse auctions, and other procurement processes

- Major and Minor Capital Outlay Projects
Contracts & Procurement

Contracts & Procurement is comprised of the following areas:

- Contracts & Procurement
  - Sally Yassine, Associate Director

- Procurement Card and OfficeMax Administration
  - Michael Pruitt, eBusiness Coordinator
Contracts & Procurement

- Mandatory Reporting Requirements
  - Small Business
  - Disabled Veteran Business Enterprise (DVBE)
  - Recycled Products
  - Vehicle Purchases
  - Dept of Fair Employment & Housing
Contracts & Procurement

- eBusiness Programs – Focused on repetitive transactions
  - Procurement Card (US Bank Visa)
  - Office Products (OfficeMax)

- Proposed eBusiness Programs
  - Declining Balance Pcards
  - Payment Plus
Contracts & Procurement

- Strategic Sourcing
  - Volume purchasing programs
  - Multiple sourcing opportunities
  - State and Systemwide Agreements
  - Group Purchasing Organizations (GPOs)
Contracts & Procurement

- CSU and National Initiatives
  - CSU Synergy
    - Reverse Auction for Housing Mattresses
    - CSU Spend Analytics
  - National Strategic Sourcing
    - GPO Strategic Sourcing Committee
    - GPO Technology Committee
    - Procurement Leadership Forum
Questions?
University Controller

Steven Yim

- Oversees Accounting and Financial Reporting, Accounts Payable & Travel Operations, Student Financial Services, University Tax Compliance and Finance Systems and Reporting
- Maintains accounting records, ensuring accuracy and integrity of accounting data
- Produces financial and management reports
- Implements appropriate fiscal policies and procedures and methods to improve the efficiency of operations
- Ensures compliance with applicable, laws, rules and regulations
- Provides guidance on University fiscal matters
- Responsible for vendor payments and processing of travel reimbursements
- Receives, processes and reconciles student fees and other payments
- Disburses student financial aid and emergency loans
University Controller

University Controller’s Office is comprised of the following areas:

- Accounting Services & Financial Reporting
  - Lynn Cayas, Accounting Lead
  - Laura Hultman, Financial Reporting Lead

- Accounts Payable & Travel Operations
  - Mary Ann Torres, Director of Accounts Payable and Travel Operations

- Student Financial Services
  - Leslie Wolbers, Associate Director, Student Aid Accounting, Perkins, Student System
  - Zia Qureshi, Associate Director, Cash Operations/Student Accounts
University Controller

- University Tax Compliance
  - Greg Sweet, Tax Compliance Manager

- Financial Systems and Reporting
  - Lydia Rodriguez, Administrator Finance Systems and Reporting
University Controller
Year-end Close Activities

Legal Close

- **March 2011**
  - AVP sends out year-end close guidelines to the campus

- **May 2011**
  - Two-day Year-End Legal & GAAP Reporting Workshops presented by Chancellor’s Office (CO) and KPMG
  - Start reviewing reverting funds; clear reverting funds to zero by the reversion date

- **June 2011**
  - Submit Test SAM99 file to State Controller’s Office (SCO)
  - Establish Accounts Receivable (AR) reserves
University Controller

- July 2011
  - Record accrual entries
  - Post correcting entries
  - Close General Ledger for the current fiscal year (July 1, 2010 to June 30, 2011)
  - Submit FIRMS file to CO
  - Submit SAM99 file to State Controller’s Office (SCO)
  - Submit Hardcopy Year-End Report Package to CO and SCO
  - Open General Ledger for the new fiscal year (July 1, 2011 to June 30, 2012)
    - Revenues and expenses are reset to $0.00 (except Project-to-Date activities)
University Controller

GAAP Close

- June 2011
  - KPMG Interim Fieldwork
- July 2011
  - Preliminary Fieldwork for A-133
- August 2011 to November 2011
  - Weekly GAAP conference call with CO and campuses
- August 2011 to First Week of September 2011
  - Prepare 144 Prepared by Client (PBC) schedules including GAAP Reporting Package and Cash Flow Statement prior to the arrival of KPMG audit team
University Controller

- **September 2011 to October 2011**
  - KPMG audit team arrives onsite (usually after Labor Day)
  - System Revenue Bond audit by CO
  - ARRA Audit by KPMG
  - Prepare Fluctuation Analysis
  - Clear review comments by CO and KPMG

- **November 2011 to December 2011**
  - Submit/lock reporting package with the CO
  - Prepare stand-alone financial statements

- **January 2012**
  - KPMG issues campus stand-alone financial statements
University Controller

CALIFORNIA STATE UNIVERSITY, FULLERTON
Administration and Finance
Office of the Associate Vice President of Finance
P.O. Box 6108, Fullerton, CA 92834 / T 657-278-2512 / F 657-278-5816

DATE: March 4, 2011

TO: Campus Employees

FROM: Brian K. Jenkins
Associate Vice President of Finance

SUBJECT: FY 2010-2011 Year-End Close Guidelines

In order to ensure the accuracy of the University’s financial records, the fiscal year-end financial statements, and to assure an efficient fiscal year-end close, the processing guidelines detailed in this memo have been established. All of the processes and timelines have been completely reviewed and updated as appropriate to provide as much flexibility as possible to the campus community.

ACCOUNTING

Billing Requests
Requests for miscellaneous billing for FY 2010-2011 must be received by Accounting Services by Friday, July 1, 2011. Requests received after this date will be processed in FY 2011-2012.

http://finance.fullerton.edu/Controller/Accounting/Forms/

Reimbursements / Deposits to University
Submit checks for deposit to the Cashiers Office by 12:00 P.M., Thursday, June 30, 2011.

http://finance.fullerton.edu/Controller/Accounting/Forms/

Expenditure Transfers, Non-Payroll
Submit electronic or manual Expenditure Transfer Forms to Accounting Services by Friday, July 1, 2011. Requests received after this date will be processed in FY 2011-2012.

http://finance.fullerton.edu/Controller/Accounting/Forms/

Petty Cash
Petty cash transactions (approved Disbursement Voucher) should be submitted to the Cashiers Office by 12:00 P.M., Thursday, June 30, 2011.

http://finance.fullerton.edu/Controller/AccountsPayable/Forms/

ACCOUNTS PAYABLE AND TRAVEL

Invoices
Submit Direct Expense Forms (subscriptions, memberships) to Accounts Payable by Monday, June 13, 2011. Requests made after this date will be processed in FY 2011-2012. The last FY 2010-2011 Accounts Payable check run distribution is scheduled for Monday, June 20, 2011.

Submit all outstanding Invoices for FY 2010-2011 to Accounts Payable by Thursday, June 9, 2011 so they can be paid on or before the June 20, 2011 check run. Continue to submit FY 2010-2011 Invoices through Friday, July 1, 2011 so they can be appropriately obligated in CFS. If the invoice is a final payment, please indicate as such on the invoice to finalize the purchase order.

After July 1, 2011, continue to forward all unpaid FY 2010-2011 Invoices (for goods and/services received prior to July 1, 2011) to Accounts Payable in order to ensure these transactions are captured for FY 2010-2011 financial reporting. These transactions; however, may not be reflected in your reports.

http://finance.fullerton.edu/Controller/AccountsPayable/Forms/
University Controller

“New” CSU Travel Policy

- Effective April 1, 2011
- Campus training beginning next month
- Noted changes:
  - Establishes responsibilities guidelines for travel
  - Eliminates meals and incidentals for travel less than 12 hours
  - Eliminates meals and incidentals for travel less than 24 hours unless it includes an “overnight stay” supported by a hotel receipt
  - Meals reimbursed based on actual expenses up to $55 per day, receipt required for meals over $25 or more
  - Incidentals up to $7 per day
- Connexxus Travel System (UC)
University Controller

Directive 11

“Administrative Guidelines for Expenditure of University Funds”

- “Revised D11” – Summer 2011
- Last updates to address university fundraising events
University Controller

Tuition Fee Naming Convention

- Executive Order 1054 changes the terminology for Category I fees, which are now defined as system-wide mandatory “tuition fees and other fees” that must be paid to apply to, enroll in, or attend the university, or to pay the full cost of instruction.
- Under the new terminology “tuition fees” replaces what was formerly referred to as “state university fees”.
- Each campus is requested to modify all fee notifications and billings, in all formats, to students and their families to reflect these changes as soon as possible.
University Controller
Common Finance System (CFS)

- Modules Implemented July 1, 2010
  - Accounts Payable
  - Accounts Receivable/Billing
  - Asset Management
  - General Ledger
  - Purchasing

- Data Warehouse Reports/Queries
  - Purchase Requisitions/PO/Payments
  - Revenue & Expenditure
  - Budget Balance Available (TBD)
  - My Queries

http://fullerton.edu/cms/cfs/index.html
Questions?