



BFA Administrative Detail: #30-14

Fiscal Management of Extended University and International Programs

1.0 PURPOSE

The purpose of this administrative detail is to ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus policies and procedures related to the fiscal management of CSUCI Extended University and International Programs (EUIP).

2.0 BACKGROUND

Executive Order 1099 (EO 1099) seeks to clarify the procedures to be followed by each campus of the California State University (CSU) to ensure compliance in offering self-supporting instructional courses and programs, including those offered online and during summer session and winter session. .

In relation to fiscal management of CSU self-supporting instructional courses and programs, EO 1099 provides as follows:

1. Fiscal Responsibility

The campus president is responsible for the financial oversight of self-supporting instructional programs operated by the campus through extended education and for the financial aspects of non-credit bearing instructional programs offered by authorized CSU auxiliary organizations.

2. Financial Operation

- A. Except for auxiliary organizations generating revenue by offering non-credit instruction, revenues that the Trustees of the CSU receive from extended education instructional programs (which include credit and non-credit courses and programs offered in or out of the state or out of the country) shall be deposited to the credit of the State Controller's Office (SCO) "California State University Trust Fund" 0948 and recorded to the extended education local trust fund ("EE Local Trust Fund"). (Education Code sections 89721(i) and 89704(a))
- B. All revenue generated by non-credit instruction operated through a CSU auxiliary organization shall be deposited in auxiliary accounts.
- C. The EE Local Trust Fund and its expenditures shall comply with all applicable Chancellor's Office directives (i.e. ICSUAM, EOs, Coded Memoranda); laws; statutes and regulations of the State of California, and local or federal governments and is available solely "for the support and development of self-supporting instructional programs" as provided in Education Code section 89704.

- D. EE Local Trust Fund balance may be carried forward from one year to the other to serve as working capital and to level out the fluctuations in operations.
- E. Extended education operations shall establish reserves in amounts and for purposes described in the ICSUAM Policy 2001.00 Campus Reserves.

Each campus and the Chancellor's Office must designate reserves in amounts and for purposes described in this policy. The campus chief financial officer (CFO) is responsible for establishing reserves to ensure that amounts are consistent with campus plans and requirements.

Reserves for economic uncertainty may be established in each of the CSU operating funds in order to limit the impact of cyclical state recessions and to support year-to-year consistency in the university's operations. Designations for "reserve for economic uncertainty" may accumulate up to an amount that is no more than one-half of the projected annual operating budgets in each of the CSU funds for which the reserve is established.

In addition, other reserve designations should be established as applicable in each of the CSU operating funds for specific capital projects, capital renovation, facilities maintenance and repair, encumbrances, catastrophic events or any other specified purpose consistent with the underlying funding requirements and restrictions. Designated reserves must be accounted for annually using the appropriate Financial Information Recording Management System (FIRMS) reserve object code.

All extended education revenues may be pledged to the acquisition, construction, and improvement of facilities for extension programs, special session, and other self-supporting instructional programs, and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees. (Education Code section 89704(d); State University Revenue Bond Act of 1947)

EE Local Trust Funds shall be self-sufficient by maintaining a continuous positive cash flow and/or positive fund balance at the campus fund level.

This administrative detail provides further information on the fiscal management of the Extended University and International Programs at CSUCI.

3.0 OVERVIEW

The procedures in this Administrative Directive shall apply to the Extended University and International Programs and Departments with EE Local Trust Funds approving authority.

4.0 CITATIONS AND LINKS TO APPLICABLE STATE LAW, CSU POLICIES, ETC.

Executive Order 1099, Extended Education; Self Supporting Instructional Courses and Programs
<https://calstate.policystat.com/policy/6741737/latest/>

Executive Order 341: Use of Surpluses in the Continuing Education Revenue Fund
<https://calstate.policystat.com/policy/6945404/latest/>

Education Code §89704
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC§ionNum=89704

5.0 PROCEDURES

Departments, Approving Authority and the Fiscal Services Office have specific responsibilities which cover the actions under EO 1099.

Department

Departments must familiarize themselves with and adhere to EO 1099. Departments are required to complete a certification form explaining the nexus between expenditures made from EE Local Trust Funds and the specific self-support program functions that benefit from the expenditures. The certification form must be submitted to the Dean and Associate Vice President of Extended Education and International Programs (or designee) for prior approval.

For Budgetary guidelines, Departments should contact the office of the Assistant Vice President for Budget and Planning.

Approving Authority

The Approving Authority designated to approve expenditures from EE Local Trust Funds ensures all expenses are reasonable in terms of price, purpose, and necessity.

The Approving Authority is responsible for ensuring:

- 1) Expenditures against this program are allowable and allocable for the benefit of the Extended University Students, and
- 2) Sufficient funding is available.

Fiscal Services

The Fiscal Services Office will perform the following functions:

- 1) Review/audit expenditures from EE Local Trust Funds for compliance with policy,
- 2) Verify appropriate approver has signed the certification form,
- 3) Ensure appropriate documentation is submitted, and
- 4) Process reimbursements and payments.

Allowable Charges

The following is a list of possible allowable charges in the EE Local Trust Funds. This list is not intended to be exhaustive of all possible allowable charges nor is it intended to supersede the need for review and approval of individual expenditures by the Approving Authority.

1. Faculty Professional Development
 - Travel
 - Memberships
 - Subscriptions
 - Additional Pay
 - Discipline related publications
 - Discipline-related Materials
2. Equipment Acquisition that enhances instruction or faculty capability
 - Technology
 - Equipment
 - Furniture
3. Instructional Development
4. Hospitality expenses that directly benefit Extended University and can be documented

Unallowable Charges

The following expenditures are expressly not allowed to be charged against EE Local Trust Funds:

- Promotional items – allowable in Extended University Fund
- Alcohol and Tobacco
- Gifts or awards of cash

- Holiday, Birthday, Shower, etc. gifts
- Expenses not substantiated with appropriate supporting documentation – (i.e. documentation that does not indicate the nexus between the expense and the relevant self-support instructional program)
- Expenses that are lavish or extravagant under the circumstances
- Expenses that are not in compliance with IRS regulations

6.0 DEFINITIONS

Fiscal Services Department

Fiscal Services Department refers to the unit within the Division of Business and Financial Affairs charged with processing disbursements.

Approving Authority

The Approving Authority refers to Dean and Associate Vice President of Extended Education and International Programs or their designee.

Department

Department, as used herein, refers to any one of various academic departments that partner with EUIP to provide instruction to EUIP students.

Extended Education

Extended education (also known as special sessions and continuing education) is a means whereby the instructional courses and programs of the CSU can be provided on a self-supporting basis at times and in locations not supported by the CSU Operating Fund. Examples of extended education include but are not limited to: interim sessions between college year terms; course and degree program offerings scheduled online, at military bases, employment locations, organizations, correctional facilities, and other distant locations; and instructional programs for a specific client group requiring special services or scheduling accommodations.

Extended Education Local Trust Fund

Formerly the Continuing Education Revenue Fund, the Extended Education Local Trust Fund ("EE Local Trust Fund") is the fund into which revenues received by the Trustees of the CSU from extended education and other self-supporting instruction – excluding auxiliary programs – shall be recorded. EE Local Trust Funds include the following funds:

Fund #	Description
TH901	EUIP Revenue/Expense Account
TH915	Extended Education Local Trust Fund - Early Start
TH910	Osher Endowment
TH925	Rental Expense Goleta Campus
TH920	Extended Education Local Trust Fund - Campus Partners

7.0 CONTACTS

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REVISION TRACKING

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Revision History

Revision Date	Revised By	Summary of Revisions	Section(s) Revised
11/19/2019	Stephanie Bracamontes	New administrative detail	All

Review / Approval History

Review Date	Reviewed By	Action (Reviewed, Recommended or Approved)
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