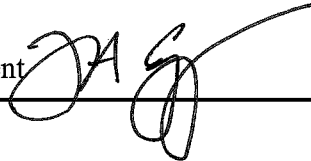


# CAL MARITIME

## ACADEMY POLICY MANUAL

<b>Policy Title:</b>	<b>Management of Unspent Funds at Year End from Departments Funded by State Appropriations and Mandatory Student Fees</b>
<b>Policy Number:</b>	AF-03-004
<b>Policy Administrator:</b>	Stephen J. Mastro, AVP for Fiscal Affairs
<b>Policy Initiator:</b>	Kurtis D. Lohide , VP for Administration and Finance
<b>Authority:</b>	<b>CSU Revenue Management Program Memorandum-Interim Guidelines for Operations and Fiscal Year Closing 2006-2007 – March 19, 2007. CSU Executive Order EO-1000</b>
<b>Effective Date:</b>	1/1/14
<b>Revised Date:</b>	
<b>Approved:</b>	Thomas A. Cropper, President 

**Purpose:** This policy establishes guidelines for CMA management of the uncommitted funds in the CSU Operating Trust and other funds from mandatory student fees to be rolled forward at year-end under the CSU Revenue Management Program. This policy is designed to provide a consistent approach to the management and allocation of uncommitted funds at year-end, with the following goals: 1) to establish adequate institutional reserves; 2) to encourage good stewardship of divisional/departmental budgets; 3) to provide a process to fund institutional needs from the roll forward of year-end uncommitted funds; and, 4) to provide a process to identify year-end commitments to be rolled forward into the new fiscal year.

**Scope:** The policy applies to all CMA departments funded by state appropriations and/or mandatory student fees. This primarily includes the CSU Operating Trust, (CMA fund 48485), but also includes any other CMA fund with a CSU fund designation of 485. Fees collected by other trust departments (e.g. enterprise funds, Associated Students, Instructionally Related Activities, etc.) are assumed to be in Proprietary Funds not subject to this policy.

**Accountability:** The Budget Office plan to sweep and allocate the uncommitted funds at year end will be reviewed and approved by the Chief Financial Officer (CFO). Implementation of the annual sweep allocations will be tracked by the budget office.

**Policy:** To encourage good stewardship of resources CMA will implement a plan that will benefit divisions and the campus as a whole. The sweep plan will be to sweep up uncommitted 485 funds on June 30<sup>th</sup> and then adjust out the earmarked, special purpose, and funds needed to cover any structural deficit in the CMA Operating fund. The remainder of the swept pool will be split and allocated out in

three components: 1) the institutional reserve will get 40% of the swept funds towards meeting the operating reserves as required by CSU policy; 2) 30% of the swept funds will be returned to the division VP's based on the pro-rata share of the funds swept from that division; and, 3) 30% of the swept funds will be made available in an equipment replacement pool provided to meet institutional needs for replacement of equipment that cannot be funded by divisional budgets or re-allocation of unspent funds.

## **Procedures**

- The Budget Office will compile a list of earmarked programs and special purpose funds from information submitted by managers and verified with the CSU. The list will show the amount of uncommitted funds that will be rolled-forward. The list will be submitted to the CFO for approval.
- Departments/divisions requesting roll-forward of earmarked or special purpose funds shall be made no later than June 30<sup>th</sup> of the fiscal year. Some earmarked funds that must be rolled forward to departments due to system wide directives (e.g., program support funds for Community Service Learning, CSU support for faculty senate travel, etc.).
- The Budget Office will identify any structural deficit in the institutional budget that must be covered prior to distribution of uncommitted swept funds for review by the CFO. Once approved by the CFO, funds equal to the structural deficit will be removed from the uncommitted sweep amount prior to calculating the 40/30/30 percent distribution amounts.
- The Budget Office will calculate 40/30/30 distribution for the remaining uncommitted swept funds and provide the proposed distribution of all the uncommitted swept funds to the CFO for review and approval by the President.

## **Reference Forms**

The Budget Office will develop and make available forms for requesting special purpose funds and identifying earmarked funds. The distribution plan to be presented to the President will be in a format that will create an annual institutional record of the approved distribution of all swept funds annually. In addition, the Budget Office will create proposal formats for divisions to submit to the Budget Advisory Committee to request funds from the Equipment Replacement pool.