

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION ACCOUNT POLICY

CIRCULAR 03-1

This policy document describes the types of accounts which are administered by the Foundation. It also describes the manner in which such accounts are established, managed, and reviewed.

There are four types of accounts within the Foundation:

1. Grant and Contract accounts (Sponsored Programs)
2. Operating trust accounts (Campus Programs)
3. Loan and Scholarship accounts, and
4. Endowment accounts.

Each is described below (either directly or by reference to established policy).

1. GRANT AND CONTRACT ACCOUNTS (SPONSORED PROGRAMS)

The source of funding is external and is governed by University policy APM 501 entitled *Policy on the Administration of Sponsored Programs*.

2. OPERATING TRUST ACCOUNTS (CAMPUS PROGRAMS OR AGENCY ACCOUNTS)

Trust accounts support the operating purpose of the University. The source of funds deposited to these accounts includes donations and interest income and may include program income – subject to compliance with CSU Executive Order 919. An administrative handling fee, currently 8%, is assessed on these accounts. This is a one-time assessment on all revenues, excluding donations, interest income allocations, and transfers between Foundation accounts. Transfer of funds from sponsored program accounts are subject to approval by the Foundation's Director of Financial Services.

University Vice Presidents have the primary responsibility for approval and use of trust accounts in their respective areas. If donations are a source of funds then the Vice President for University Advancement must review and approve. The Associate Vice President for Financial Services must approve all trust applications for compliance with CSU Executive Order 919. The University President approves any new accounts that do not fall directly under one of the Vice Presidents.

Under no circumstances will any Petty Cash/Change Funds be opened, maintained, funded, or reimbursed using Foundation Trust Accounts. Petty Cash/Change Funds may be established with University in accordance with University Petty Cash/Change Fund procedures and regulations.
<http://www.csufresno.edu/accountingservices/policies/pro-petty.shtml>

Any trust account overdrafts must be approved, in advance and in writing, by the Associate Vice President for Auxiliary Operations and Enterprise Development. Overdrafts are considered loans and will be treated accordingly. Interest will be charged against the trust account while the account is overdrawn, subject to the terms of the Foundation's loan policy.

Trust account funds are held in non-interest bearing accounts. As a service to the trust account owner, the Foundation, given an authorized request, will invoice third parties on behalf of the trust account. The Foundation will also make reasonable attempts to collect outstanding Accounts Receivable.

An application, including instructions, to open, close, or renew Foundation Operating Trust accounts is available at [California State University, Fresno Auxiliary Services](http://www.calstate.edu/auxiliary/services/).

3. LOAN AND SCHOLARSHIP ACCOUNTS

Gifts for loan and scholarship accounts may be accepted consistent with the Foundation's Gift acceptance policy, which may be accessed at <http://www.auxiliary.com/Foundation/documents/GiftAcceptancePolicy.pdf>.

4. ENDOWMENT ACCOUNTS

Gifts for endowment accounts may be accepted consistent with the Foundation's Gift acceptance policy, which may be accessed at <http://www.auxiliary.com/Foundation/documents/GiftAcceptancePolicy.pdf>.

APPROVAL PROCEDURES (ALL ACCOUNTS)

Laws and regulations governing the not-for-profit and tax exempt status of the Foundation prohibit self-dealing practices. Consequently, the Foundation must have in place internal control procedures that preclude even inadvertent events that may jeopardize its status. The following procedures are established in accordance with this requirement.

Account signers may not approve authorizations or payment requests of any kind payable to themselves for amounts equal to or greater than \$100.00. A counter signature by the account signer's supervisor is required on all authorizations and payroll documents in all of the following cases:

1. Where funds, regardless of amount, are to be disbursed to a member of the account signatory's family.
2. Where funds are to be disbursed to the project director/account signatory for amounts equal to or greater than \$100.00.