# UNIVERSITY
## AUXILIARY AND RESEARCH SERVICES
# CORPORATION
at California State University San Marcos

Dr. Ann Bersi, Chair
Nevada State Tax Commission

Dr. Matthew J. Ceppi
President's Designee
Cal State San Marcos

Mr. David Chang
Hampton Inn San Diego/
San Marcos

Mr. Tres Conrique
Rancho Santa Fe Technology

Dr. Linda L. Hawk
Cal State San Marcos

Mr. Brandon Losey
Alumni Member

Dimitris Magemeneas
Edward Jones

DawnMarie Myers
Student Member

Dr. Graham Oberem
Cal State San Marcos

Ms. Susan Schnepf
Attorney at Law

Dr. Camille P. Schuster
Faculty Member

Dr. Sharon D. Whitehurst-Payne
Community Member

Dr. Ernest E. Zomalt, Vice Chair
Community Member

**Regular Meeting of the Board of Directors**
**February 27, 2014 - 4:00 p.m. – 5:30 p.m.**
**Center for Children and Families Classroom**

## AGENDA

I. **Special Presentation on 5-year Strategic Plan Prior to Board Meeting**
(3:00 p.m. – 4:00 p.m.) *(University Consultant, Kent Gibson)*

II. **Convening of the Regular Board Meeting - 4:00 p.m.**
A. Consideration of Minutes November 14, 2013 Regular Meeting **(Attachment A)**

III. **Closed Session** *(Hawk)*

IV. **University Update and Reports**
A. Finance & Operations Committee *(Bersi)*
B. Administration Report *(Knoblock)*
C. University Update *(Hawk)*

V. **Action Items**
A. Quarterly Financial Report 12/31/13 *(Svatora)* **(Attachment B)**
B. Revision to Property Control Policy *(Svatora)* **(Attachment C)**
C. Proposed FY 14/15 Meeting Calendar *(Knoblock)* **(Attachment D)**

VI. **Campus Partner Presentation – Sodexo**
Dave Hanson, Vice President of Operations
Rick Nargi, Regional Manager
Donna Provost, General Manager

VII. **Adjournment of Regular Meeting**
Next Meeting: May 22, 2014, 4:00 p.m., Center for Children & Families Classroom
*(back to normal meeting time)*

# ATTACHMENT A

Minutes of the November 14, 2013 Regular Meeting

# UNIVERSITY
## AUXILIARY AND RESEARCH SERVICES
### CORPORATION
at California State University San Marcos

## Minutes of the Regular Meeting of the Board of Directors
## November 14, 2013, 3:00 p.m.
Hampton Inn Conference Room, San Marcos, CA

**Attendees:**

| | |
|---|---|
| Members: | Ann Bersi (Chair), David Chang, Tres Conrique, Linda Hawk, Brandon Losey, Graham Oberem, Susan Schnepf, Sharon Whitehurst-Payne, Ernest Zomalt (Vice Chair) |
| Absent: | Matthew Ceppi, Camille Schuster |
| Staff: | Sarah Derho, Michelle Hinojosa, Grant Hubbard, Dora Knoblock, Greg Svatora |

**Convening of the Regular Meeting**
A quorum being present, Chair Bersi called the meeting to order at 3:03 p.m.

**Changes to Agenda**
None

**Minutes of the September 5, 2013 Annual Meeting**
*A motion was made and seconded (Schnepf/Whitehurst-Payne) to approve the September 5, 2013 Annual meeting minutes. Motion carried.*

**Minutes of the September 5, 2013 Regular Meeting**
*A motion was made and seconded (Oberem/Hawk) to approve the September 5, 2013 Regular meeting minutes. Motion carried.*

**University Update, Administration and Committee Reports**
Finance and Operations Committee
Bersi reported. The Finance & Operations Committee met on November 5, 2013 and received updates on administration and the financial audits. The Committee reviewed the quarterly financials and revisions to signature authority which will be considered for action later in the meeting.

Joint Audit Committee
Chang reported. The Joint Audit Committee of the four CSUSM auxiliaries (UARSC, Foundation, UCorp and ASI) met via teleconference and in-person on November 7, 2013. Jim Burke, Assurance Director and Justin Kay, Assurance Manager, came in person to present to the Committee. Partner Jeffrey Altshuler attended by phone. In addition to the Committee, staff representatives from each auxiliary were present. The auditors gave an overview of the audit process and the processes set in place to ensure independence of team members, as well as presented the results of each auxiliary audit. The Committee took action to accept and move forward to their respective Boards, the

Financial Audit Reports for all four auxiliaries and the A-133 Compliance Report (grants and contracts) for UARSC. Overall, UARSC received a clean opinion and Chang reported three audit adjustments to the Board. The audit team identified uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. McGladrey agrees with management's conclusion and they were summarized in the management representation letter provided in the Board packet. In addition, Chang reported that there was a separate audit communication dated September 9, 2013 regarding certain internal control deficiencies that were identified during the planning or performance of the audit of the financial statements. There were no findings for the A-133 Compliance Audit. There were no disagreements with management about matters that, individually or in the aggregate, could be significant to UARSC's basic financial statements or the auditor's report. There have not been any discussions or correspondence from McGladrey with management that should be brought to the Board's attention other than those stated in the management letter. No significant difficulties encountered were reported in performing the audit. Staff was excused at the end of the presentation by McGladrey to speak with the auditors separately. A request to recommend acceptance of the UARSC Financial Audit and the A-133 Compliance Audit will come as action later in the meeting. Overall, no significant issues. Bersi called for questions.

Nominating and Governance Committee
Zomalt reported. The Nominating and Governance Committee met on November 6, 2013 to discuss new Board member nominations and a revision to Committee Membership 2013/2014 which will come before the Board as action later in the meeting.

Administration Update
Knoblock reported. UARSC continues to partner with its State-side colleagues in the PeopleSoft Implementation Project, converting UARSC accounting from the current Costpoint system to PeopleSoft, and is on target for a go live date of July 1, 2014. Processes continue to be re-engineered and data cleaned up, with system testing beginning this month.

Knoblock highlighted Sodexo for the Campus Partner Update. President Haynes met in early September with Dave Hanson, Vice President of Operations and Rick Nargi, Regional Manager and committed to hosting an Expectations Working Luncheon which was held on November 1, 2013 with 14 University guests. VP Hawk and Knoblock invited guests that were identified as primary persons engaged with event planning with perspective of what is expected by various constituent groups. Sodexo brought a complement of eight team members and they listened to the concerns of the University guests, and together, participants identified both short- and long-term expectations. Sodexo made a commitment to focus on achieving the identified expectations over the upcoming year and will provide a report summarizing the expectations to all those in attendance, as well as provide quarterly updates. Hawk noted that the ultimate goal would be for our Campus Partner to have exclusivity in catering. Knoblock was pleased

to report that Sodexo is on target for the opening of the new four food concepts, c-store and coffee shop in the new University Student Union on January 21, 2014.

<u>UARSC Audits Update</u>
Svatora reported that the 3-year Chancellor's Office Auxiliary Audit will be finalized in March or April, then issued and published.  Overall, the auxiliaries came out clean compared to other auxiliaries.  There were two findings that fell under UARSC which have been completed and he is assisting the campus with a finding.  Svatora reported that the Centers & Institutes Audit was completed today and he is now working on the eight findings for the finalized report which will be published in March.  The Palliative Care Audit has been completed and was very clean with no findings.  UARSC had no findings for the FY 12/13  annual Financial Audit or the A-133 Compliance Audit (grants & contracts) Audit.  Both the FY 12/13 Financial Audit and the A-133 Compliance Audit will come before the Board for action later in the meeting.  Hinojosa reported that the CA EDD audit is still underway.  The auditor has been delayed, but is hoping to complete it before the holiday break.  Some items being reviewed are how classifications are made for Independent Contractors.  While UARSC's Independent Contractor Packet is extremely thorough, auditing auxiliaries is fairly new to the EDD.

<u>University Update</u>
Ceppi had to exit after the Board retreat for an urgent matter, but may return later to provide the University update.

**Action Items**
<u>Quarterly Financial Report 09/30/13</u>
Svatora reviewed the quarterly financial report ended 09/30/13 and the details of which were outlined in the summary provided in the packet.  He noted that while Sodexo is beginning to apply their $1.4 million commitment to food service operations in the new University Student Union, UARSC now has the obligation to pick up equipment repairs and utility costs not planned for previously, without the commission revenue offset.  Bersi called for questions.  *A motion comes moved and seconded from the Finance & Operations Committee to approve the Quarterly Financial Report ended 09/30/13 as presented.  Motion carried.*

<u>Financial Audit Report & A-133 Compliance Report 06/30/13</u>
Svatora reported that the Financial Audit Report and A-133 Compliance Report 06/30/13 as provided in the Board packet have been reviewed by the Joint Audit Committee of the CSUSM Auxiliaries as reported by Chang.  He reported no findings and improvements were made during the year to prep for the audit.  Svatora called for questions.  *A motion comes moved and seconded from the Joint Audit Committee to accept the UARSC Financial Audit Report and A-133 Compliance Report 06/30/13 as presented.  Motion carried.*

<u>Revision to Signature Page of Delegation of Authority Policy</u>
Knoblock reported on the changes requested for signature authority.  Selma McDermid has left UARSC employment and is being removed.  UARSC is requesting to add Hinojosa

(at the Central Office) as well as Annemarie Broderson (at the campus Accounting office) in order to assist with signature efficiencies now that the UARSC Accounting team is no longer housed at UARSC Central. In addition, the signature authority amounts for Patti Kastner and Michelle Meeks in the Office of Sponsored Projects are requested to increase from $500 to $1,000, again to improve business efficiencies with the Accounting location changes. The Finance & Operations Committee did review this revision request; however a new addition was added after the meeting, requesting Erin Lane, Accountant on the State-side Accounting team, also be granted signature authority. Therefore a new motion from the full Board for approval is needed. *A motion was made and seconded (Whitehurst-Payne/Zomalt) to approve the Revision to the Signature Authority Page of the Delegation of Authority Policy as presented in the Board packet. Motion carried.*

<u>New Board Member Nominations</u>
Bersi turned the meeting over to Zomalt. As reported earlier, the Nominating and Governance Committee met and is moving forward to the Board for approval the following nominations; Attachment F in the packet, Proposed Revision to Board Terms for 2013/2014, was provided as an information item. Bios of the nominees were provided as handouts.

*A motion comes moved and seconded from the Nominating and Governance Committee to reappoint Brandon Losey (former Student Member) to a partial Alumni Member 2-year term, February 27, 2014 through September 2015. Motion carried.*

*A motion comes moved and seconded from the Nominating and Governance Committee to nominate Dawnmarie Myers as the new student member for a partial 1-year term, February 27, 2014 through September 2014. Motion carried.*

*A motion comes moved and seconded from the Nominating and Governance Committee to nominate Dimitris Magemeneas for a new partial community member 3-year term, February 27, 2014 through September 2016. Motion carried.*

<u>Proposed Revision to Committee Membership for 2013/2014</u>
The proposed revision is that Deborah Kristan, Associate Professor, Biology, be added as a voting non-UARSC Board Member to the Sponsored Projects Committee (bio provided as handout). *A motion comes moved and seconded from the Nominating and Governance Committee to approve the proposed revision to the Board Committee Membership for 2013/2014 as presented. Motion carried.*

*At 3:45 p.m., a five-minute break was called. Meeting resumed at 3:51 p.m.*

<u>University Update</u>
In Ceppi's absence, Oberem provided the University Update. He reported that enrollment exceeded expectations. Yield rates are way up and the transfer rate is up 58%. The campus is over 9,000 FTE, with a headcount of approximately 11,400. When adding Extending Learning to these numbers, the headcount jumps to 12,000. The

challenge is to fall within the enrollment target that the campus is allowed to exceed. There is a squeeze on Facilities but new space will be opening up with the new USU on target for January 21, 2014.  Oberem highlighted that the new Chancellor, Timothy White, visited the campus on October 24, 2013 and his visit very successful.  Chancellor White connected with faculty, campus labs, had lunch with students and participated in an Open Forum for the campus.  In addition, there was a community forum and dinner. The campus did an excellent job of showcasing its uniqueness.  The WASC Accreditation visit was held on the same day.  Oberem reported that the San Diego Business Journal honored President Haynes with the 2013 Darlene Marcos Shiley Educational Leadership Award yesterday for her exemplary contributions to women in higher education and she was also was recognized by American Council on Education earlier in the year with 2013 Donna Shavlik Award for the same reason.  The Stevens Institute of Technology in New Jersey held an International student competition to build a house to be self-sustaining. After the competition the Institute donated one of its homes, called Ecohabit to CSUSM to use as the campus' new Veterans Center, as both the Institute and CSUSM have demonstrated a shared commitment to veterans and sustainability.  The home will serve 900 identified veterans and service members.  The groundbreaking will be held on November 8, 2013 and completed by the end of spring.

**Adjournment**
The next Regular Board  meeting is scheduled for May 22, 2014 at 4:00 p.m., Center for Children and Families.  The Board agreed to hold a separate meeting  one hour prior to the regular Board meeting to review  results from today's board retreat.

*The meeting adjourned by acclamation at 4:07 p.m.*

*Respectfully submitted,*
*Sarah Derho*

*I, Dora Knoblock, Secretary, hereby certify that the above Minutes were approved by the University Auxiliary and Research Services Corporation Board of Directors at a regular meeting held on February 27, 2014, at San Marcos, California.*


_____          _____

Secretary                                   Date

# ATTACHMENT B

Quarterly Financial Report 12/31/13

**University Auxiliary and Research Services Corporation**

**Summary of 12/31/13 Financial Statements**

**Statement of Financial Position (pg 1) and Net Asset Summary (pg 2)**

- Assets:    Total assets at 12/31/13 were $20,532,970, up $107,417 from the 9/30/13 quarterly financial report.   There was an increase of cash held on behalf of CSUSM Foundation during the quarter of about $246k to end the quarter at $8,059,886.  There were no significant changes to the other asset accounts.

- Liabilities:  Total liabilities at 12/31/13 increased by $495k primarily due to the $246k increase in the amount of cash held on behalf of the Foundation as described above. Accounts payable increased $112k and deferred revenue increased 110k.

- Net Assets:  Page 2 of the financial statements provides a breakout of the Net Assets shown on Page 1, the Statement of Financial Position.  The Working Capital Operating Reserve decreased by $43k due to the allocation of the Post Retiree Health Benefit accrual.  Designated Program balances decreased by approximately $83k due to reductions in pre-funded sponsored project account balances of approximately $30k and reduction in other designated campus projects of approximately $53k.

**Program Revenue Activity Summary (pg 3)**

- Total Grants and Contracts fiscal year-to-date activity through the quarter ending 12/31/13 was approximately $2.9 million vs a budgeted amount of $3.0 million.

- Campus and Designated Programs gross fiscal year-to-date revenue activity through the quarter ending 12/31/13 was approximately $913k vs a budgeted amount of $1,207k.

**Net Operating Revenue Summary (pg 4)**

- Net administrative fee recovery from Grants and Contracts generated net fiscal year-to-date indirect recovery revenues of $542k for the quarter ending 12/31/13, which was slightly below budget of $580k.  The annual amount of indirect sharing to the campus was accrued at a fiscal year-to-date amount $201k for the quarter ending 12/31/13.

- <u>Campus Program and Business Service Fee Revenues</u>: Campus Program admin fee fiscal year-to-date revenue was $76k for the quarter 12/31/13 vs budgeted amount of 60k. The business service fee for CSUSM Foundation was accrued at the fiscal year-to-date amount of $75,000 for the quarter.

- <u>Bookstore Net Revenue:</u> Fiscal year-to-date commissions of bookstore net revenues were at budget of $206k.

- <u>Investment Income:</u> Fiscal year-to-date investment income was $12k vs a budgeted amount of $20k for the quarter ending 12/31/13. Accrued CD interest income of $10k is not reflected in the $12k amount.

- <u>UARSC Operations Expenses</u> through 12/31/13 were $817k vs the budget amount of $773k resulting in an overage of $44k. Approximately $32k relates to the Finance Director position being a full-time vs a budget position level of half-time. The remaining variance primarily relates to the annual business insurance of $31k being paid in full as of 12/31/13 vs a budgeted 12/31/13 amount of $16k.

- <u>Net Operating Revenues</u> through the quarter ending 12/31/13 were -$47k vs a budgeted amount of $10k and is shown on the Statement of Financial Position and Net Asset Summary.

# UARSC
## Statement of Financial Position
## December 31, 2013

| | Balance 12/31/13 | Balance 09/30/13 | Quarter Increase/ (Decrease) |
|---|---|---|---|
| **Assets** | | | |
| Cash and Short-Term Investments-(UARSC) | $ 5,473,234 | $ 5,576,226 | $ (102,992) |
| Cash and Short-Term Investments-(CSUSMF) | 8,059,886 | 7,814,146 | 245,740 |
| Accts Receivable-Sponsored Programs | 768,312 | 627,404 | 140,908 |
| Other Receivables | 268,715 | 278,563 | (9,848) |
| Notes Receivables | 250,000 | 250,000 | - |
| Other Assets | 139,664 | 202,355 | (62,691) |
| CCF-Bldg & Fixtures (Net) | 5,375,199 | 5,466,240 | (91,041) |
| Property & Equipment (Net) | 197,960 | 210,619 | (12,659) |
| **Total Assets** | **$ 20,532,970** | **$ 20,425,553** | **$ 107,417** |
| | | | |
| **Liabilities & Net Assets** | | | |
| | | | |
| **Liabilities:** | | | |
| Accounts Payable and Accrued Expenses | $ 1,861,845 | $ 1,749,779 | $ 112,066 |
| Due to CSUSMF - Cash and Short-Term Invest's | 8,059,886 | 7,814,146 | 245,740 |
| Deferred Revenue | 572,727 | 463,009 | 109,718 |
| Post-Retiree Health Benefit Accrual | 1,582,905 | 1,555,885 | 27,020 |
| **Total Liabilities** | **$ 12,077,364** | **$ 11,582,819** | **$ 494,545** |
| | | | |
| **Net Assets:** | | | |
| Unrestricted: | | | |
| Operating Reserves | $ 898,312 | $ 941,564 | $ (43,252) |
| Designated Programs | 565,392 | 648,218 | (82,826) |
| Campus Programs | 1,465,460 | 1,452,004 | 13,455 |
| Current Year Net Asset Activity | (46,717) | 124,089 | (170,806) |
| CCF-Bldg & Fixtures | 5,375,199 | 5,466,240 | (91,041) |
| Equipment | 197,960 | 210,619 | (12,659) |
| **Total Unrestricted Net Assets** | **$ 8,455,607** | **$ 8,842,734** | **$ (387,128)** |
| | | | |
| Temporarily Restricted | - | - | - |
| Permanently Restricted | - | - | - |
| | | | |
| **Total Net Assets** | **$ 8,455,607** | **$ 8,842,734** | **$ (387,128)** |
| | | | |
| **Total Liabilities & Net Assets** | **$ 20,532,970** | **$ 20,425,553** | **$ 107,417** |

2/11/2014

# UARSC
## Net Asset Summary Detail
### December 31, 2013

| Unrestricted Net Assets | Balance 12/31/2013 | Balance 9/30/2013 | Quarter Increase/ (Decrease) |
|---|---|---|---|
| **Operating Reserves** | | | |
| Audit Disallowance | $ 350,000 | $ 350,000 | $ - |
| Commercial Operations | 200,000 | 200,000 | - |
| Working Capital | 15,895 | 59,147 | (43,252) |
| Capital Development | 332,417 | 332,417 | (0) |
| **Total Operating Reserves** | $ 898,312 | $ 941,564 | $ (43,252) |
| **Designated Programs** | | | |
| Inventories-Food Service | - | - | - |
| Other DesignatedPrograms | 565,392 | 648,218 | (82,826) |
| **Total Designated Programs** | $ 565,392 | $ 648,218 | $ (82,826) |
| **Campus Programs** | 1,465,460 | 1,452,004 | 13,456 |
| **CCF Bldg & Fixtures** | 5,375,199 | 5,466,240 | (91,041) |
| **Equipment** | 197,960 | 210,619 | (12,659) |
| **Current Year Net Asset Activity** | (46,717) | 124,089 | (170,806) |
| **Total Other Net Assets** | $ 6,991,903 | $ 7,252,952 | $ (261,049) |
| **TOTAL UNRESTRICTED NET ASSETS** | $ 8,455,607 | $ 8,842,734 | $ (387,127) |

2/11/2014

# UARSC
## Program Revenue Activity Summary
### 7/1/13 to 12/31/13

| Program Activity | Annual Budget FY 13/14 | Quarter 2 10/1/13 - 12/31/13 Budget | Actual | Variance | Fiscal Year To Date 7/1/13 - 12/31/13 Budget | Actual | Variance | Comparison of Prior FYTD Actual to Current FYTD Actual — Prior FYTD 12/31/2012 | Current FYTD 12/31/2013 | % Inc. (Dec.) | % of Prior Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Grants/Contracts* | | | | | | | | | | | |
| Federal | $ 6,034,000 | $ 1,508,500 | $ 1,083,254 | $ (425,246) | $ 3,017,000 | $ 2,926,868 | $ (90,132) | $ 2,999,110 | $ 2,926,868 | -2% | 98% |
| State/Private/Other | 1,130,000 | 282,500 | 395,309 | 112,809 | 565,000 | 466,113 | (98,887) | 583,049 | 466,113 | -20% | 80% |
| **Total Grants/Contracts** | $ 7,164,000 | $ 1,791,000 | $ 1,478,563 | $ (312,437) | $ 3,582,000 | $ 3,392,981 | $ (189,019) | $ 3,582,159 | $ 3,392,981 | -5% | 95% |
| *Campus/Designated Programs* | $ 2,415,000 | $ 603,750 | $ 534,311 | $ (69,439) | $ 1,207,500 | $ 913,407 | $ (294,093) | $ 2,119,436 | $ 913,407 | -57% | 43% |
| **Total Program Revenues** | $ 9,579,000 | $ 2,394,750 | $ 2,012,874 | $ (381,876) | $ 4,789,500 | $ 4,306,388 | $ (483,112) | $ 5,701,595 | $ 4,306,388 | -24% | 76% |

# UARSC
# Net Operating Revenue Summary
## 7/1/13 to 12/31/13

| Revenue | Annual Budget FY 13/14 | Quarter 2 10/1/13 - 12/31/13 Budget | Actual | Variance | Fiscal Year To Date 7/1/13 - 12/31/13 Budget | Actual | Variance | Comparison of Prior FYTD Actual to Current FYTD Actual Prior FYTD 12/31/12 | Current FYTD 12/31/13 | % Change | % of Prior Yr Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Grant/Contract Admin Fees | $ 1,160,000 | $ 290,000 | $ 217,024 | $ (72,976) | $ 580,000 | $ 542,031 | $ (37,969) | $ 539,380 | $ 542,031 | 0% | 100% |
| Less: Unallowance Reserve | - | - | - | - | - | - | - | | - | 0% | 0% |
| Less: University Sharing | (402,000) | (100,500) | (100,500) | 0 | (201,000) | (201,000) | 0 | - | (201,000) | 0% | 0% |
| Net Grant/Contract Admin Fees | $ 758,000 | $ 189,500 | $ 116,524 | $ (72,976) | $ 379,000 | $ 341,031 | $ (37,969) | $ 539,380 | $ 341,031 | -37% | 63% |
| Admin Fees - Campus Programs | 120,000 | 30,000 | 37,991 | 7,991 | 60,000 | 76,107 | 16,107 | 111,910 | 76,107 | -32% | 68% |
| Business Service Revenue | 150,000 | 37,500 | 37,500 | - | 75,000 | 75,000 | - | 39,609 | 75,000 | 89% | 189% |
| Bookstore Net Revenue | 409,000 | 20,450 | 22,677 | 2,227 | 204,500 | 205,646 | 1,146 | 192,405 | 205,646 | 7% | 107% |
| Food Service - Net Oper Revenue/Commissions | (39,000) | (9,750) | (7,153) | 2,597 | (19,500) | (16,537) | 2,963 | (58,407) | (16,537) | -72% | 28% |
| Food Service - Net Contract Revenue | 80,000 | 20,000 | 20,336 | 336 | 40,000 | 56,222 | 16,222 | 23,227 | 56,222 | 0% | 0% |
| Investment Income | 41,000 | 10,250 | (542) | (10,792) | 20,500 | 12,002 | (8,498) | 29,470 | 12,002 | -59% | 41% |
| Leases/Mgmt Fees/Support | 48,000 | 12,000 | (345) | (12,345) | 24,000 | 20,847 | (3,153) | 23,500 | 20,847 | -11% | 89% |
| Total Revenue | $ 1,567,000 | $ 309,950 | $ 226,987 | $ (82,963) | $ 783,500 | $ 770,317 | $ (13,183) | $ 901,094 | $ 770,317 | -15% | 85% |
| Expenses: UARSC Operations | $ 1,546,000 | $ 386,500 | $ 397,792 | $ (11,292) | $ 773,000 | $ 817,033 | $ (44,033) | $ 904,637 | $ 817,033 | -10% | 90% |
| Net Operating Revenues | $ 21,000 | $ (76,550) | $ (170,806) | $ (94,256) | $ 10,500 | $ (46,717) | $ (57,217) | $ (3,543) | $ (46,717) | 1219% | 1319% |

2/11/2014

# ATTACHMENT C

Revision to Property Control Policy

**UNIVERSITY**

**AUXILIARY AND RESEARCH SERVICES**

**CORPORATION**

at California State University San Marcos

## PROPERTY CONTROL POLICY AND PROCEDURE

### Purpose

University Auxiliary and Research Services Corporation (UARSC) has established guidelines for property purchases and donations and defined the responsibilities and obligations of UARSC and its Project Directors in regard to the custody and control of property.  This includes a biennial property verification program, the maintenance of accurate records, property identification (tagging) and guidelines for proper handling of property and related record keeping.

The Property Control Policy described below establishes a system used to identify and track property owned by or donated to UARSC including but not limited to gifts of art/real estate, equipment used on research grants, computer/office equipment and furniture.

### Property Control Policy

Property with an expected useful life of one or more years with an acquisition cost or donated value of ~~$1,500~~ $2,500 or greater is tagged and tracked through the property control system. Property~~Items~~ of $5,000 or more that benefit or provide services of one year or more will be capitalized, which, effective July 1, 2014, will also include property or equipment purchased with sponsored projects or campus program funds in addition to commercial operations property.

~~Property that is considered "theft sensitive" but valued at less than $1,500 will also be tagged and tracked through the property control system.  Theft sensitive is defined as items which can easily be picked up and taken from their location with the high probability of non-detection. Examples of theft sensitive items that may be under $1,500 could be small appliances, laptops, digital cameras or other consumer electronics.~~

~~Property that does not meet the requirements above to be tagged and tracked and is valued at $100 or more will be tagged with a general identification tag.  Examples of items receiving a general identification tag are individual office chairs or office equipment valued at $100 or more.~~

Project Directors are responsible for all property purchased for their project(s) and must report the location, transfer, trade-in, loss (theft), or non-use/obsolescence of the property to UARSC's

Property Coordinator.  Project Directors will be required to follow the property control procedure below which includes affixing property control tags and reporting.

Project Directors shall make adequate provision for the physical security of all property in his/her their custody.  Areas where property is located shall be kept locked after business hours or other times when not in use.  Special precautions shall be taken in the case of any high-value, portable property.

**Tagging and Tracking Procedures**

- The Property Coordinator is supplied with copies of procurement documents (purchase order, check request, etc.) that identify property that may need tagging and database entry.  Whether an item is tagged or not will be determined by the Property Coordinator utilizing UARSC's criteria for Inventory Control. These criteria include, but are not limited to product description, total amount of the item, and expenditure code.  UARSC may agree to utilize the campus Materials Management department for property control services related to receiving, tagging, and inventory service needs.

- For property valued at $1,500 $2,500 or more or for "theft sensitive" items, the Property Coordinator enters the following information into the database:

  - Tag number
  - Purchase order number or other procurement information
  - Date of purchase order or procurement documentation
  - Fiscal Year
  - Number of property pieces included in Tag Number
  - Location of property
  - Project Director or Equipment Assignee
  - Vendor name
  - Amount of purchase
  - Description of property

- The Property Coordinator will issue the full tagging labels and Property Tag Receipt Forms to the Project Director who is then responsible for physically tagging the property.

- The Property Tag Receipt must be returned to UARSC within ten (10) days of receipt.

- For computer purchases which are to be picked up by IITS prior to installation; these will be tagged at the UARSC office prior to pickup by IITS. Because computers require annual maintenance agreements with University IITS for campus network connection and support, computer purchases of $2,500 or greater will be tagged as University property upon delivery to University receiving.

- ~~For property that is valued at less than~~ ~~$1,500~~ ~~but greater than~~ ~~$100 (and not identified~~ ~~as "theft sensitive"), the Property Coordinator will issue a general identification tag to~~ ~~the Project Director but will not enter the property into the tracking database.  The~~ ~~Project Director should physically tag the property immediately.~~The Project Director is responsible for the security and control of any property or equipment less than $2,500 (including theft sensitive items) in regard to recordkeeping, inventory, and safekeeping Property and equipment with a cost of $2,500 or less will not be tagged.

- All tags should be adhered to the property within easy viewing/access.

- Donated property will be listed as "donated" in the property control database along with an estimated value.

- Any changes to the database information above must be reported to the Property Coordinator, using the Property Status Change Form as soon as possible.

**Biennial Property Verification Program**

As a part of the Biennial (every two years) Property Verification Program, the Property Coordinator and Project Directors will do a physical count of all property tagged and tracked in the property control system.  A Property Report will be issued to the appropriate Project Directors requiring them to review the report and submit any corrections to the Property Coordinator within 30 days of receipt.  This verification program will take place in March or April of every other year.

**Sales/Dispositions/Transfers/Stolen Property**

- Authorization must be given to the Project Director by UARSC to sell, dispose or transfer any property.

- Project Directors must notify UARSC of any transfers or disposals of property by using the Property Status Change Form. The form should be completed and have the bar coded property tag affixed before submittal to UARSC for review and approval.

- Lost, stolen or destroyed property must be reported to the UARSC Property Coordinator immediately.

~~Special Circumstances~~

- ~~For the annual orders of lap top computers in the Evers Endowed Scholarship program,~~ ~~by Board resolution title passes directly to the University and is not property of UARSC.~~

Revision Dates:  06/07; 11/1/07; name change only 2009; 02/27/14
Issue Date: 03/28/02
*This policy was originally part of the "Fixed Asset and Property Control Policy."  That policy was separated into two policies.*

# UNIVERSITY
## AUXILIARY AND RESEARCH SERVICES
## CORPORATION
### at California State University San Marcos

(DRAFT – Clean Version)

# PROPERTY CONTROL POLICY AND PROCEDURE

## Purpose

University Auxiliary and Research Services Corporation (UARSC) has established guidelines for property purchases and donations and defined the responsibilities and obligations of UARSC and its Project Directors in regard to the custody and control of property. This includes a biennial property verification program, the maintenance of accurate records, property identification (tagging) and guidelines for proper handling of property and related record keeping.

The Property Control Policy described below establishes a system used to identify and track property owned by or donated to UARSC including but not limited to gifts of art/real estate, equipment used on research grants, computer/office equipment and furniture.

## Property Control Policy

Property with an expected useful life of one or more years with an acquisition cost or donated value of $2,500 or greater is tagged and tracked through the property control system. Property of $5,000 or more that benefit or provide services of one year or more will be capitalized, which, effective July 1, 2014, will also include property or equipment purchased with sponsored projects or campus program funds in addition to commercial operations property.

Project Directors are responsible for all property purchased for their project(s) and must report the location, transfer, trade-in, loss (theft), or non-use/obsolescence of the property to UARSC's Property Coordinator. Project Directors will be required to follow the property control procedure below which includes affixing property control tags and reporting.

Project Directors shall make adequate provision for the physical security of all property in their custody. Areas where property is located shall be kept locked after business hours or other times when not in use. Special precautions shall be taken in the case of any high-value, portable property.

## Tagging and Tracking Procedures

- The Property Coordinator is supplied with copies of procurement documents (purchase order, check request, etc.) that identify property that may need tagging and database entry. Whether an item is tagged or not will be determined by the Property Coordinator

utilizing UARSC's criteria for Inventory Control. These criteria include, but are not limited to product description, total amount of the item, and expenditure code.  UARSC may agree to utilize the campus Materials Management department for property control services related to receiving, tagging, and inventory service needs.

- For property valued at $2,500 or more the Property Coordinator enters the following information into the database:

    o Tag number
    o Purchase order number or other procurement information
    o Date of purchase order or procurement documentation
    o Fiscal Year
    o Number of property pieces included in Tag Number
    o Location of property
    o Project Director or Equipment Assignee
    o Vendor name
    o Amount of purchase
    o Description of property

- The Property Coordinator will issue the full tagging labels and Property Tag Receipt Forms to the Project Director who is then responsible for physically tagging the property.

- The Property Tag Receipt must be returned to UARSC within ten (10) days of receipt.

- Because computers require annual maintenance agreements with University IITS for campus network connection and support, computer purchases of $2,500 or greater will be tagged as University property upon delivery to University receiving.

- The Project Director is responsible for the security and control of any property or equipment less than $2,500 (including theft sensitive items) in regard to recordkeeping, inventory, and safekeeping Property and equipment with a cost of $2,500 or less will not be tagged.

- All tags should be adhered to the property within easy viewing/access.

- Donated property will be listed as "donated" in the property control database along with an estimated value.

- Any changes to the database information above must be reported to the Property Coordinator, using the Property Status Change Form as soon as possible.

**Biennial Property Verification Program**

As a part of the Biennial (every two years) Property Verification Program, the Property Coordinator and Project Directors will do a physical count of all property tagged and tracked in the property control system. A Property Report will be issued to the appropriate Project Directors requiring them to review the report and submit any corrections to the Property Coordinator within 30 days of receipt. This verification program will take place in March or April of every other year.

**Sales/Dispositions/Transfers/Stolen Property**

- Authorization must be given to the Project Director by UARSC to sell, dispose or transfer any property.

- Project Directors must notify UARSC of any transfers or disposals of property by using the Property Status Change Form. The form should be completed and have the bar coded property tag affixed before submittal to UARSC for review and approval.

- Lost, stolen or destroyed property must be reported to the UARSC Property Coordinator immediately.

Revision Dates: 06/07; 11/1/07; name change only 2009; 02/27/14 pending
Issue Date: 03/28/02
*This policy was originally part of the "Fixed Asset and Property Control Policy." That policy was separated into two policies.*

Property Control Policy and Procedure                                    Page 3 of 3

# ATTACHMENT D

Proposed FY 14/15 Meeting Calendar

# UNIVERSITY
## AUXILIARY AND RESEARCH SERVICES
## CORPORATION
at California State University San Marcos

**BOARD OF DIRECTORS**
**PROPOSED FY 14/15 Meeting Calendar**

**Location:** Center for Children and Families Classroom
**Meeting Time:** 4:00 p.m. – 5:30 p.m.

September 4, 2014 (Annual Meeting)

November 13, 2014

February 26, 2015

May 28, 2015