

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

Dr. Ann Bersi, Chair
Nevada State Tax Commission

Mr. 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

Mr. Ken W. Green
Van Dinter & Associates

Dr. Linda L. Hawk
Cal State San Marcos

Mr. Brandon Losey
Student Member

Dr. Colleen Moss
Cal State San Marcos

Dr. Graham Oberem
Cal State San Marcos

Mr. Russell Powell
Community Member

Ms. Susan Schnepf
Attorney at Law

Dr. Camille P. Schuster
Faculty Member

Dr. Ernest E. Zomalt, Vice Chair
Community Member

Regular Meeting of the Board of Directors

May 23, 2013 - 4:00 p.m. – 5:30 p.m.

Center for Children and Families Classroom

AGENDA

- I. **Convening of the Regular Board Meeting**
 - A. Consideration of Minutes February 28, 2013 Regular Meeting (**Attachment A**)
 - B. Consideration of Minutes March 21, 2013 Special Meeting (**Attachment B**)

- II. **University Update and Reports**
 - A. Finance & Operations Committee (*Bersi*)
 - B. Sponsored Projects Committee (*Bersi*)
 - C. Administration Update (*Knoblock*)
 - i. Fuel Cell Project
 - ii. Chancellor's Office Audit
 - iii. Organizational Transition
 - D. University Update (*Ceppi*)

- III. **Action Items**
 - A. Quarterly Financial Report 03/31/13 (*Svatora*) (**Attachment C**)
 - B. 13/14 UARSC Operating Budget (*Svatora*) (**Attachment D**)
 - C. University Funding Request (*Knoblock*)

- IV. **Adjournment of Regular Meeting**

Next Meeting: September 5, 2013, 4:00 p.m.
Location: Center for Children and Families Classroom

ATTACHMENT A

Minutes of February 28, 2013 Regular Meeting



Regular Meeting of the Board of Directors
February 28, 2013
Center for Children and Families Classroom

Attendees:

Members: Ann Bersi (Chair), Matthew J. Ceppi, David Chang, Ken Green, Linda Hawk, Colleen Moss, Graham Oberem, Russell Powell, Susan Schnepf, Camille Schuster, Ernest Zomalt (Vice Chair)

Absent: Tres Conrique, Brandon Losey

Staff: Deborah Davis, Sarah Derho, Michelle Hinojosa, Grant Hubbard, Dora Knoblock, Tipper Phillips, Greg Svatora

Convening of the Regular Meeting

A quorum being present, Chair Bersi called the meeting to order at 4:05 p.m. She welcomed new designated Board Member Interim Provost Graham Oberem.

Minutes of the November 15, 2012 Regular Meeting

A motion was made and seconded (Zomalt/Hawk) to approve the November 15, 2012 regular meeting minutes. Motion carried.

University Update and Committee Reports

Finance and Operations Committee

Bersi reported. The Finance and Operations Committee met on February 18th and received a report on the fuel cell license and power purchase agreement project and considered the Financial Report and Signature Authority update which will come as action later in the meeting. *Schuster arrived 4:07 p.m.*

Joint Audit Committee

Green reported. The Joint Audit Committee (JAC) met on February 18th to review the Form 990 Tax Returns FY 11/12 for the four CSUSM Auxiliaries. McGladrey & Pullen attended. Significant changes over last year's return were reported to include the transfer of the Center for Children and Families from San Marcos University Corporation to UARSC. UARSC had no material weaknesses and received an unqualified clean opinion. Green informed the Board of three significant deficiencies. The JAC was informed of the action plan staff was taking and two of the deficiencies have already been remedied. Green reported that there are plans in motion to disband the JAC in favor of each auxiliary forming its own audit committee. More information will be provided at the May Board meeting. The UARSC Form 990 Tax Return FY 11/12 will come as action later in the meeting.

Fuel Cell License and Power Purchase Agreement

Knoblock gave an introduction to the Board on the new fuel cell license and power purchase agreement project. The Finance and Operations Committee also received a report at its meeting last week and UARSC legal counsel attended. Knoblock introduced Gary Cinnamon, AVP Facilities and Development Management and Ed Johnson, Director of Sustainability and Utility Services. *Schnepf arrived 4:17 p.m.* Cinnamon and Johnson provided background information on fuel cells, regulatory mandates and how it will be in the best interest of CSUSM and UARSC to participate in a fuel cell program. They reviewed the process of a Power Purchase Agreement. The Chancellor's Office has approved moving forward with the project and believes that setting up the program through UARSC will help provide flexibility, speed up the process and meet the tight deadlines. The fuel cell is planned to be installed on campus by a company called BioFuels. UARSC would then purchase energy from BioFuels and invoice the campus for reimbursement. The fuel cell would provide a significant energy savings to the campus, estimated at \$1.7 million in avoided costs over the course of the 15-year contract. Knoblock reported on the three necessary agreements that are in the process of being reviewed by UARSC legal counsel before they are finalized: 1) a land lease between campus and UARSC, 2) an agreement between campus and UARSC for reimbursement of energy invoices, and 3) an agreement between UARSC and BioFuels. An extensive question and answer session followed regarding fuel cell technology and safety, other businesses and universities that currently use this technology, the necessary agreements to move forward, the proposed timeline, and the potential risks/liabilities to the campus and UARSC. The fuel cell would provide 25% of the power needed for campus operations and would not provide an excess amount due to additional requirements for exporting energy. All maintenance responsibility would fall to the vendor and CSUSM can opt to purchase the fuel cell at the end of the contract or remove it. The campus hopes to receive the funding by spring and begin construction this summer.

Administration Update

Knoblock reported. She updated the Board on additional staff changes in UARSC. The campus made a decision to consolidate all of its auxiliary financial operations under one unit so that the campus can provide more oversight to auxiliary accounting and financial activities. Svatora has officially transitioned to Stateside as University Controller and Auxiliary CFO. Davis also transitioned to Stateside as Manager of Auxiliary Operations for the four CSUSM auxiliaries. Three additional UARSC Accounting Department staff members also transitioned with Deborah early this month. The campus has been providing accounting services for two other auxiliaries through PeopleSoft, the CSU's Common Financial System. The two auxiliaries left to transition to PeopleSoft are the CSUSM Foundation and UARSC. The process to transfer these remaining two auxiliaries to the Common Financial System has begun and should be completed prior to FY 14/15. The transition will provide a stronger accounting and financial infrastructure for the auxiliaries as they continue to grow in scope and complexity. Knoblock shared survey

information on UARSC's sister auxiliaries and their organizational and operating structures. The reorganization has given UARSC Central an opportunity to re-assess its current practices. UARSC has reaffirmed its commitment to continue to provide stellar customer services through our Human Resources and Payroll Services, and to our existing grants and contracts community and Commercial Services Campus Partners. UARSC continues to employ the largest number of student employees.

She reported on the status of the Sodexo agreement. Negotiations have been ongoing between UARSC, the campus, and the Sodexo legal and financial teams. Some of the negotiated items include the new coffee shop and planned food concepts, the convenience store and ownership of the USU kitchen. Catering got off to a bumpy start due to many staffing changes and Knoblock shared the progress that has recently been made in this area due to the continuing cooperation and conversations between UARSC and Sodexo. In addition mandatory meal plans has been a huge topic of discussion. Contract negotiations are getting closer to resolution. Moss stated that she has heard numerous positive comments around campus regarding improved food quality.

Knoblock reported on the successes of UARSC's other campus partners, FedEx Kinkos', the Center for Children and Families, Campus Coffee, Follett and PepsiCo. Knoblock stated that PepsiCo will be invited to report to the Board at a future meeting.

University Update

Ceppi provided the University Report. He reported that he and the President are leaving for D.C. tomorrow to deliver a message for continued support for research and grants and institutional aid. The 9th annual President's Report to the Community on February 7, 2013 was very successful (newsletter handed out). Ceppi reported on positive reports from the new administration at the Chancellor's Office on how enrollment will be managed. Campus is working on scheduling a time for the new Chancellor to visit CSUSM. Ceppi reported that the campus continues to proceed with the alternative consultation process for the proposed Academic Excellence and Student Success fee. Forums are being held to explain how the fee would be used. The Student Union is on target to open in 2014. The new health center construction will begin shortly. He reported on Athletics successes, with special note on the Men's basketball championships in West Virginia. The campus is looking at ways to recruit athletes to CSUSM. An expansion to the Clarke Field House (CFH) is being considered to accommodate various Athletics needs and to keep more games on campus. The funds for the expansion must be collected through donors, student support and the existing reserves for the Clarke. The campus is optimistic that the CFH expansion project could break ground in 2014. Ceppi announced a "Save the Date" for the Annual Gala to be held on June 8, 2013; invitations will be mailed in April. Ceppi stated that the campus is very pleased that Dr. Graham Oberem agreed to serve as Interim Provost. He reported that Dr. Lorena Meza has also agreed to serve as interim Vice President of Student Affairs.

Action ItemsFinancial Report 07/01/12 to 12/31/12

Svatora reviewed the UARSC Financial Report for period 07/01/12 to 12/31/12. He noted that UARSC was still self-operating Dining Services in August, though this was not included in the budget. Administrative costs are over budget due to unplanned UARSC Central transition costs, ALCI transition costs, and additional audit fees. He provided information on grants activity and IDC. *A motion comes moved and seconded from the Finance & Operations Committee to approve the Financial Report for period 07/01/12 to 12/31/12 as presented.* Bersi called for questions. *Motion carried.*

Tax Form 990 Y 11/12

Svatora reviewed the Tax Form 990 FY 11/12 draft, a hard copy of which was provided to the Board at the meeting. He announced that any necessary changes can be submitted to him prior the filing of the return next week. *A motion comes moved and seconded for adoption from the Joint Audit Committee.* Bersi called for questions. *Motion carried.*

Delegation of Authority Policy – Signature Page Revision

Knoblock reported on the proposed revision to the Signature Authority page under the Delegation of Authority Policy. Due to the transitions of Svatora and Davis to the campus, it is proposed that Hinojosa be added with signature authority for negotiable instruments both under and over \$5,000. *A motion comes moved and seconded from the Finance & Operations Committee to approve the signature page revision to the Delegation of Authority Policy as presented.* *Motion carried.*

Meeting Calendar FY 13/14

Knoblock reported that the proposed Board meeting calendar for FY 13/14 was provided on the back of the Agenda. *A motion was made and second (Green/Powell) to approve the meeting calendar for FY 13/14 as presented.* *Motion carried.*

Bersi announced a break at 5:15 p.m. and called the meeting back to order at 5:20 p.m. Moss exited.

Special Guest PresentationFollett Higher Education Group

Stacy Zapko, Regional Manager of Follett Higher Education Group, Derek Dioses, University Store Manager and Tony Pierucci, University Store Assistant Manager provided a presentation on the bookstore/University Store operations.

Zapko presented on Follett Higher Education Group's new trends and evolving services for students and the benefits of having a bookstore on campus. She emphasized the partnerships made with faculty and vendors. Pierucci presented on the course materials environment and strategy. He emphasized how Follett benefits the students. Dioses presented on the University/UARSC/Follett partnership accomplishments in the past

year and a half. He reported on the new Windows system Course Tracks, fundraiser partnership with campus organizations, the all year long book buyback and rental check-in programs, and the partnership with the Athletics department and attendance at most of the CSUSM sporting events. Highlights included 44% rental eligible book offerings (a cost savings to students of \$720,000), the renovation of the merchandise store, and significantly improved processes decreasing the wait in line by 50% during the busiest time of the semester. Follett continues to work on timely adoptions from faculty, textbook prices for students, expanding branded items and operational enhancements. He provided a folder of handouts with useful information about the bookstore and the services it provides and briefly reported on current promotions, resources for faculty, software discounts, the custom gift program, the partnership with Jostens for commencement and UARSC's continued partnership with FedEx.

Zapko stated that Follett is pleased to be partners with the University/UARSC and continues to be open to all feedback opportunities.

Adjournment

Bersi announced the next meeting will be held on May 23, 2013, 4:00 p.m. at the Center for Children and Families classroom.

The meeting adjourned by acclamation at 5:38 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 May 23, 2013, at San Marcos, California.

Secretary

Date

ATTACHMENT B

Minutes of March 21, 2013 Special Meeting



**Special Meeting of the Board of Directors
March 21, 2013**

Via Teleconference; Physical Location UARSC Conference Room

Attendees:

- Members:** David Chang (via phone), Ken Green (via phone), Linda Hawk (via phone), Brandon Losey (via phone), Colleen Moss (via phone), Graham Oberem (via phone), Russell Powell (via phone), Camille Schuster (via phone), Ernest Zomalt (via phone) (Vice Chair)
- Absent:** Ann Bersi (Chair), Matthew J. Ceppi, Tres Conrique, Susan Schnepf
- Staff:** Deborah Davis (in person), Sarah Derho (in person), Michelle Hinojosa (in person), Grant Hubbard (in person), Dora Knoblock (in person)
- Guests:** Gary Cinnamon, AVP Facilities and Development Management (in person); Ed Johnson, Director of Sustainability and Utility Services (in person)

Convening of the Special Meeting

Derho took roll call. A quorum being present, Vice Chair Zomalt called the meeting to order at 4:03 p.m.

Action Item

Fuel Cell License and Power Purchase Agreement Project

Zomalt turned the meeting over to Knoblock. Knoblock provided a brief refresh of the campus project. UARSC's roles and responsibilities are to serve as a conduit to sign the agreements, to help facilitate meeting the timelines required for grant funding through the California Public Utilities Commission Self-generation Incentive Program applied for by the University, and to serve as a point of contact and assist in the administration of the agreements from construction through the duration of the project. Project funding will come from the grant funding (\$1.8 million), Bio Fuels Energy LLC (\$4.7 million), and the University (\$300,000). UARSC will not participate in funding this project, but will oversee the three necessary agreements: the Power Purchase Agreement with Bio Fuels Energy LLC; the Ground Lease with the CSU; and an MOU with the University. Knoblock provided details for each agreement, outlined the roles that the University will play in the management of the fuel cell, and shared an anticipated signing date for all three agreements of April 1, 2013. Upon execution of the agreements, the University will pay UARSC a lump sum administrative fee of \$21,000 and administrative fees will be renegotiated after three years. Knoblock reiterated that green power integration is part of the CSU's ongoing sustainability plans. UARSC will help the University fulfill its mission to achieve energy independence and to meet AB32 regulations and Chancellor's

Office Executive Order 987. Knoblock is requesting from the Board, the authorization to move forward to negotiate the three fuel cell project agreements.

Zomalt called for questions. Powell shared his additional fuel cell safety research which supports moving forward with a fuel cell on campus. There was discussion regarding the other CSUs and local companies that currently utilize fuel cell technology. The administrative fees were discussed and what compensation UARSC could expect after three years. Cinnamon shared the expectation that the fee will continue for five 3-year intervals and with inflation, work out to approximately \$7,000 annually. Johnson added that the lump sum fee is a one-time payment from the new student union to support the infrastructure of the central plant. Schuster asked about attorney review. Knoblock reported that UARSC's legal counsel received the final drafts yesterday and the Chancellor's Office attorneys have also had an opportunity to review them. Zomalt added that the Procurement Department on campus has also reviewed them as well. Chang requested that Cinnamon and Johnson continue to provide updates to the Board as the project progresses.

A motion was made and seconded (Hawk/Powell) to authorize the UARSC Executive Director and UARSC administration to move forward with negotiating and executing the three agreements associated with the fuel cell license project: The Power Purchase Agreement with Bio Fuels Energy LLC, the Ground Lease with the CSU Trustees, and the MOU between the University and UARSC. None opposed. No abstentions.

Adjournment

Zomalt announced the next meeting will be held on May 23, 2013, 4:00 p.m. at the Center for Children and Families classroom.

The meeting adjourned by acclamation at 4:20 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 May 23, 2013, at San Marcos, California.

Secretary

Date

ATTACHMENT C

Quarterly Financial Report 03/31/13

University Auxiliary and Research Services Corporation

Summary of 3/31/13 Financial Statements

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

- **Assets:** Total assets at 3/31/13 were \$21,756,112, about break-even from the 12/31/12 balance of \$21,481,277. Total cash and investments remained steady at \$14.6 vs \$14.2 million from the prior quarter. The amount of cash held on behalf of the Foundation decreased to \$7.3 million vs \$8.5 million from the prior quarter primarily due to \$900k that was transferred to the campus from the Foundation in support of activities supporting the campus mission.
- **Liabilities:** Total liabilities increased by about \$1.2 million from the amount of \$10.8 million at 12/31/12 to \$12.1 million at 3/31/13. The \$7.3 million of Foundation cash mentioned above accounted for the major portion of the liability. Accounts payable increased about \$2.4 from the prior quarter primarily due to the accrued \$900k payment to the campus mentioned above and an accrued \$865 payment to the campus representing a transfer of ALCI funds held by UARSC.
- **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 Operating Reserves section shows the separate reserve balances after the re-allocation that was approved at the November, 2012 board meeting. Campus Programs net assets decreased \$757k primarily due to the \$865 ALCI funds transfer to campus. Current year-to-date net operating revenues are (\$266,069) and are described below under Net Operating Revenue Summary.

Program Revenue Activity Summary (pg 3)

- **Total Grants and Contracts** activity of \$5.6 mill from Jul 2012 to Mar 2013, is about 3.6% below budget of \$5.8 mill.
- **Campus and Designated Programs** gross revenue activity at Mar 2013 is at budget level of \$2.6 mill.
- **The Bookstore and Food Service Operations:** Follett Higher Education Group, the bookstore operator, is about to complete their second year of operating the bookstore. A schedule of the monthly sales and the amount of commissions paid to UARSC is included at the end of the financial statements. Fiscal year-to-date sales through March are 11% higher than last year, as well as commission payments.

Sodexo, the food service operator, began operating the food services in mid August of 2012 under an interim operating agreement until negotiations on the service contract were finalized. The contract has now been finalized and commissions to UARSC will not begin until FY19/20 in order for Sodexo to recoup their investment of approx. \$1.4 million of tenant improvement costs in the new Student Union building.

Net Operating Revenue Summary (pg 4)

- Total administrative fee recovery from Grants and Contracts is below budget as of Mar 2013 by approx. \$140k. The annual sharing of admin fee recovery back to the campus was \$450k vs a budgeted amount of \$396k. The increase of campus share-back was due to a one time offer from UARSC to the Provost to cover one half of the indirect cost loss on Student Support Grants at \$48K. With the update of the admin fee share (indirect recovery) policy approved last year.
- Except for food services, the other service activities providing administrative fee revenues are at or above budget. As mentioned above, the bookstore is doing well and is expected to generate commission payments to UARSC at \$382k for the fiscal year vs. the budgeted amount of \$344k.
- Food Service – Net Operating Revenue. The net revenue of \$(110)k as of Mar 2013 is the result of not receiving commissions as initially planned of approx. \$33k, a Starbucks equipment upgrade of \$30k, and utilities and other transition costs of approx.\$40k. Going forward, UARSC will be obligated to cover utilities and a portion of equipment maintenance costs that is being estimated at \$39k annually.
- Food Service – Net Contract Revenue represent revenues from our other food service partners, notably Campus Coffee and Pepsi. The revenues from this area are on target to meet the budgeted annual amount of \$80k.
- UARSC Operations As of Mar 2013, UARSC is showing total administrative expenses of \$1,324k, about \$97k over budget. Business insurance is over budget by approx. \$30k due to added coverage for the child care center operations. Additional audit fees and transition costs of UARSC operations to campus were \$59k.
- Net Operating Revenues for the above during the period Jul 2012 to Mar 2013, were (\$266k) vs a budgeted amount of (\$93k) and is shown on the Statement of Financial Position and Net Asset Summary. Projections for net operating revenues at the end of the fiscal year 6/30/13 are (\$192k) vs a budgeted amount of \$8k.

UARSC
Statement of Financial Position
March 31, 2013

	Balance 3/31/13	Balance 12/31/12	Quarter Increase/ (Decrease)	Fiscal Year Increase/ (Decrease)
Assets				
Cash and Short-Term Investments-(UARSC)	\$ 7,285,674	\$ 5,654,365	\$ 1,631,309	\$ 914,977
Cash and Short-Term Investments-(CSUSMF)	7,289,111	8,518,895	(1,229,784)	(1,084,883)
Accts Receivable-Sponsored Programs	1,055,230	907,368	147,862	382,324
Other Receivables	95,482	242,313	(146,831)	(289,434)
Inventory - Bookstore	-	-	-	-
Inventory - Food Service	-	-	-	(29,326)
Other Assets	123,423	166,358	(42,935)	62,342
CCF-Bldg & Fixtures (Net)	5,648,322	5,739,363	(91,041)	(273,123)
Property & Equipment (Net)	258,869	252,615	6,254	(70,279)
Total Assets	\$ 21,756,112	\$ 21,481,277	\$ 274,834	\$ (387,403)
Liabilities & Net Assets				
Liabilities:				
Accounts Payable and Accrued Expenses	\$ 3,018,093	\$ 566,683	\$ 2,451,410	\$ 1,484,386
Due to CSUSMF - Cash and Short-Term Invest's	7,289,111	8,518,895	(1,229,784)	(1,084,883)
Deferred Revenue	417,614	450,261	(32,647)	(484,702)
Post-Retiree Health Benefit Accrual	1,413,752	1,344,258	69,495	208,484
Total Liabilities	\$ 12,138,571	\$ 10,880,097	\$ 1,258,474	\$ 123,286
Net Assets:				
Unrestricted:				
Operating Reserves	\$ 1,475,890	\$ 1,475,858	\$ 32	\$ 10,032
Designated Programs	789,210	668,472	120,738	160,503
Campus Programs	1,711,318	2,468,414	(757,096)	(71,752)
Current Year Net Asset Activity	(266,069)	(3,543)	(262,526)	(266,069)
CCF-Bldg & Fixtures	5,648,322	5,739,363	(91,041)	(273,123)
Equipment	258,869	252,615	6,254	(64,025)
Total Unrestricted Net Assets	\$ 9,617,541	\$ 10,601,179	\$ (983,638)	\$ (504,433)
Temporarily Restricted	-	-	-	-
Permanently Restricted	-	-	-	-
Total Net Assets	\$ 9,617,541	\$ 10,601,179	\$ (983,638)	\$ (504,433)
Total Liabilities & Net Assets	\$ 21,756,112	\$ 21,481,277	\$ 274,835	\$ (381,147)

UARSC
Net Asset Summary Detail
March 31, 2013

Unrestricted Net Assets	Balance 3/31/13	Balance 12/31/12	Quarter Increase/ (Decrease)	Fiscal Year Increase/ (Decrease)
Operating Reserves				
Audit Disallowance	\$ 350,000	\$ 350,000	\$ -	\$ (159,168)
Commercial Operations	200,000	200,000	-	3,968
Capital Equipment Replacement	-	-	-	(75,001)
Lease/Loan Contingency	-	-	-	(45,001)
Working Capital	510,031	509,999	32	179,596
Capital Development	415,859	415,859	-	105,636
Total Operating Reserves	\$ 1,475,890	\$ 1,475,858	\$ 33	\$ 10,032
Designated Programs				
Inventories-Food Service	-	-	-	(29,326)
Other Designated Programs	789,210	668,472	120,738	189,829
Total Designated Programs	\$ 789,210	\$ 668,472	\$ 120,738	\$ 160,503
Campus Programs	1,711,318	2,468,414	(757,096)	(71,752)
CCF Bldg & Fixtures	5,648,322	5,739,363	(91,041)	(273,123)
Equipment	258,869	252,615	6,254	(64,025)
Current Year Net Asset Activity	(266,069)	(3,543)	(262,526)	(266,069)
Total Other Net Assets	\$ 7,352,441	\$ 8,456,849	\$ (1,104,408)	\$ (674,968)
TOTAL UNRESTRICTED NET ASSETS	\$ 9,617,541	\$ 10,601,179	\$ (983,637)	\$ (504,433)

UARSC
Program Revenue Activity Summary
7/1/12 to 3/31/13

Program Activity	Annual Budget FY 12/13	Quarter 3 1/1/13 - 3/31/13			Fiscal Year To Date 7/1/12 - 3/31/13			Comparison of Prior FYTD Actual to Current FYTD Actual				
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 3/31/2012	Current FYTD 3/31/2013	% Inc. (Dec.)	% of Prior Year	
Grants/Contracts												
Federal	\$ 5,570,640	\$ 1,392,660	\$ 1,538,488	\$ 145,828	\$ 4,177,980	\$ 4,537,598	\$ 359,618	\$ 4,736,918	\$ 4,537,598	-4%	96%	
State/Private/Other	2,166,360	541,590	475,342	(66,248)	1,624,770	1,058,391	(566,379)	801,732	1,058,391	32%	132%	
Total Grants/Contracts	\$ 7,737,000	\$ 1,934,250	\$ 2,013,830	\$ 79,580	\$ 5,802,750	\$ 5,595,989	\$ (206,761)	\$ 5,538,650	\$ 5,595,989	1%	101%	
Campus/Designated Programs	\$ 3,500,000	\$ 875,000	\$ 548,360	\$ (326,640)	\$ 2,625,000	\$ 2,667,796	\$ 42,796	\$ 2,904,936	\$ 2,667,796	-8%	92%	
Total Program Revenues	\$ 11,237,000	\$ 2,809,250	\$ 2,562,190	\$ (247,060)	\$ 8,427,750	\$ 8,263,785	\$ (163,965)	\$ 8,443,586	\$ 8,263,785	-2%	98%	

UARSC
Net Operating Revenue Summary - Quarter 3
1/1/13 - 3/31/13

Revenue	Annual Budget FY 12/13	Quarter 3 1/1/13 - 3/31/13			Fiscal Year To Date 7/1/12 to 3/31/13			Comparison of Prior FYTD Actual to Current FYTD Actual			
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 3/31/12	Current FYTD 3/31/13	% Change	% of Prior Yr Balance
Grant/Contract Admin Fees	\$ 1,257,000	\$ 314,250	\$ 317,022	\$ 2,772	\$ 942,750	\$ 856,402	\$ (86,348)	\$ 820,858	\$ 856,402	4%	104%
Less: Unallowance Reserve	-	-	-	-	-	-	-	(128,223)	-	0%	0%
Less: University Sharing	(396,000)	(396,000)	(449,923)	(53,923)	(396,000)	(449,923)	(53,923)	(384,316)	(449,923)	0%	0%
Net Grant/Contract Admin Fees	\$ 861,000	\$ (81,750)	\$ (132,901)	\$ (51,151)	\$ 546,750	\$ 406,479	\$ (140,271)	\$ 308,319	\$ 406,479	32%	132%
Admin Fees - Campus Programs	175,000	43,750	28,058	(15,692)	131,250	212,968	81,718	186,193	212,968	-25%	75%
Admin Fees - Endowments	80,000	20,000	19,855	(145)	60,000	59,464	(536)	51,196	59,464	16%	116%
Bookstore Net Revenue	344,000	86,000	158,039	72,039	258,000	350,444	92,444	312,278	350,444	12%	112%
Food Service - Net Oper Revenue/Commissions	12,000	3,000	(51,528)	(54,528)	9,000	(109,935)	(118,935)	6,777	(109,935)	-1722%	-1622%
Food Service - Net Contract Revenue	80,000	20,000	37,232	17,232	60,000	67,612	7,612	-	67,612	0%	0%
Investment Income	45,000	11,250	1,734	(9,516)	33,750	32,365	(1,385)	49,683	32,365	-37%	63%
Leases/Mgmt Fees/Support	47,000	11,750	15,182	3,432	35,250	38,682	3,432	34,566	38,682	12%	112%
Total Revenue	\$ 1,644,000	\$ 114,000	\$ 75,670	\$ (38,330)	\$ 1,134,000	\$ 1,058,078	\$ (75,922)	\$ 949,012	\$ 1,058,078	3%	103%
Expenses: UARSC Operations	\$ 1,636,000	\$ 409,000	\$ 419,510	\$ (10,510)	\$ 1,227,000	\$ 1,324,147	\$ (97,147)	\$ 1,133,396	\$ 1,324,147	17%	117%
Net Operating Revenues	\$ 8,000	\$ (295,000)	\$ (343,840)	\$ (48,840)	\$ (93,000)	\$ (266,069)	\$ (173,069)	\$ (184,384)	\$ (266,069)	-88%	188%

ATTACHMENT D

13/14 UARSC Operating Budget

University Auxiliary and Research Services Corporation
FY 12/13 Projected and FY 13/14 Draft Budget (version 5/9/13)

	Budget 12/13	Actual Jul 2012 to Mar 2013	Projected Apr 2013 to Jun 2013	Projected Total FY 12/13	FY 12/13 Variance	Draft Budget 13/14	
<u>NET REVENUES</u>							
Admin Fees - Grants/Contracts - Gross	1,257	856	300	1,156	(101)	1,160	A
Less: University Sharing	(396)	(450)	-	(450)	(54)	(402)	B
Less: Unallowable Costs Reserve			-	-	-	-	
Net Admin Fees - Grants/Contracts	861	406	300	706	(155)	758	
Admin Fees - Campus Programs	175	213	54	267	92	190	C
Admin Fees - Endowments	80	59	22	81	1	80	D
Bookstore Net Revenue	344	350	32	382	38	409	E
Food Service - Net Oper Revenue/Commissions	12	(110)	(14)	(124)	(136)	(39)	F
Food Service - Contract Revenue	80	68	13	81	1	80	G
Investment Income - Unrestricted	45	32	12	44	(1)	41	H
Space Lease Income - Carmel St.	47	39	11	50	3	48	I
Total Net Revenues	\$ 1,644	\$ 1,057	\$ 430	\$ 1,487	\$ (157)	\$ 1,567	
<u>EXPENDITURES</u>							
UARSC Administrative Expenses	1,636	1,324	355	1,679	(43)	1,546	
Net Revenue Avail for Appropriation	\$ 8	\$ (266)	\$ 75	\$ (192)	\$ (200)	\$ 21	

Assumptions - Budget FY 13/14

- A** Equivalent to FY12/13 total projected indirect revenue
- B** Univ sharing calculated at excess indirect revenues collected over sponsored project admin costs of \$758k
- C** Avg rate of 5% of Campus Program expenditures of \$3.3 million
- D** Endowment average balance of \$16 million at 0.5%
- E** Out-sourced bookstore commission of 12.5% on \$3,270,000 gross sales
- F** Outsourced foodservice commission at 0% for FY 13/14. Portion of operating costs covered by UARSC
- G** Foodservice contract commissions (Pepsi, Coffee Cart, ATM, AT&T)
- H** Total investible cash balances of \$3.3 million at 1.25%
- I** Univ to continue Carmel St. 1st floor storage area sublease with UARSC through FY 13/14

**UARSC
Operating Budget FY 13/14 (version 5/8/12)**

	Draft FY 13/14 FTE	Draft FY 13/14 Budget	FY 12/13 FTE	FY 12/13 Budget	Budget FY 13/14 \$ Increase	Budget FY 13/14 % Increase	Actual FY 13/14 % Increase	Actual Jul 12-Mar 13	Projected Apr 13-Jun 13	Projected FY 12/13	FY 12/13 Variance
Salaries & Benefits											
Administration											
Executive Director	1.00		1.00								
Executive Assistant	0.75		0.85								
Marketing	1.00		1.00								
Finance											
CFO	0.50		1.00								
Director	0.80		1.00								
Accountant	1.00		1.00								
Accountant	1.00		1.00								
Accounting Specialist A/P	0.75		1.00								
Human Resources											
Human Resources Director	1.00		1.00								
Payroll Specialist	1.00		1.00								
HR Specialist	1.00		1.00								
Grants											
Director, Grants & Contracts	1.00		1.00								
Sponsored Projects Administrator	1.00		1.00								
Sponsored Projects Specialist	1.00		1.00								
Sponsored Projects Analyst (75%)	0.75		0.75								
Benefits - (39.5% Composite Rate)											
Total Salaries & Benefits	13.55	\$ 1,186,963	14.60	\$ 1,266,832	\$ (79,868)	-6.3%	-6.4%	\$ 986,598	\$ 282,080	\$ 1,268,678	\$ 1,846

Operating Expenses

ADP Payroll/Bank Fees	\$ 48,500	\$ 45,540	\$ 2,960	6.5%	-8.1%	\$ 46,584	\$ 6,180	\$ 52,764	\$ 7,224
Audit Fees	66,000	66,000	-	0.0%	-27.1%	74,000	16,500	90,500	24,500
Maint. agreements (IITS, copiers, Deltek)	62,500	68,482	(5,982)	-8.7%	-1.7%	48,890	14,674	63,564	(4,918)
Consulting-Special Projects	10,000	10,000	-	0.0%	61.9%	6,175	-	6,175	(3,825)
Univ Procurment Buyer Reimb	33,000	33,000	-	n/a	n/a	19,892	8,287	28,179	(4,821)
Meetings and Events	7,500	7,500	-	0.0%	-31.2%	10,404	500	10,904	3,404
Insurance - Prop, Liab, D & O	27,563	26,250	1,313	5.0%	-43.9%	45,615	3,558	49,173	22,923
Legal	5,000	5,000	-	0.0%	117.4%	300	2,000	2,300	(2,700)
Mail/Postage	4,500	5,929	(1,429)	-24.1%	-2.3%	3,406	1,200	4,606	(1,323)
Memberships & Subscriptions	500	2,000	(1,500)	-75.0%	-14.9%	488	100	588	(1,413)
Phone	8,500	12,732	(4,232)	-33.2%	-0.7%	6,562	2,000	8,562	(4,170)
Space Rent/Utilities	55,000	55,300	(300)	-0.5%	1.0%	39,859	14,600	54,459	(841)
Supplies and Services	25,000	25,000	-	0.0%	-24.2%	29,974	3,000	32,974	7,974
Travel and Professional Dev.	1,000	1,000	-	0.0%	-53.9%	2,167	-	2,167	1,167
Recruitment	1,500	2,000	(500)	-25.0%	-12.3%	1,510	200	1,710	(290)
Other Operating/Contingency	3,000	3,000	-	0.0%	35.0%	1,722	500	2,222	(778)
Total Operating Expenses	\$ 359,063	\$ 368,733	\$ (9,671)	-2.6%	-12.6%	\$ 337,548	\$ 73,299	\$ 410,847	\$ 42,114
TOTAL EXPENSES	\$ 1,546,026	\$ 1,635,565	\$ (89,539)	-5.5%	-7.9%	\$ 1,324,146	\$ 355,379	\$ 1,679,525	\$ 43,960



**OPERATING BUDGET
FISCAL YEAR 2013-2014**

The University Auxiliary and Research Services Corporation operates on a fiscal year beginning July 1 and ending June 30, and

The University Auxiliary and Research Services Corporation Board of Directors approves the operating budget for each fiscal year,

The Board of Directors of the University Auxiliary and Research Services Corporation approved the attached operating budget for the 2013-2014 fiscal year, effective July 1, 2013 and ending June 30, 2014, and

Through her signature below, University President, Karen S. Haynes, signifies her approval of said budget and authorizes University Auxiliary and Research Services Corporation management to proceed with implementation effective July 1, 2013.

Karen S. Haynes, Ph.D.
University President

Date

I hereby certify the attached operating budget for 2013-2014 was adopted by the Board of Directors of the University Auxiliary and Research Services Corporation at a regular meeting held on May 23, 2013, at San Marcos, California.

Dora Knoblock
Secretary

Date