



Dr. Sharon Whitehurst-Payne, Chair
Cal State San Marcos

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

Mr. David Chang
Community Member
Hampton Inn San Diego/
San Marcos

Mr. Tres Conrique
Community Member
Rancho Santa Fe Technology

Dr. Chuck De Leone
Faculty Member
Cal State San Marcos

Dr. Linda L. Hawk
Designated Member
Cal State San Marcos

Mr. Brandon Losey
Alumni Member
Dowling & Yahnke Wealth
Management

Mr. Dimitris Magemeneas
Community Member
Edward Jones

Ms. DawnMarie Myers
Student Member
Cal State San Marcos

Dr. Graham Oberem
Designated Member
Cal State San Marcos

Dr. Ernest E. Zomalt, Vice Chair
Community Member

Annual and Regular Meeting of the Board of Directors

September 3, 2015 - 4:00 p.m. – 5:30 p.m.

Center for Children and Families Classroom

AGENDA

- I. **Convening of Annual Meeting (Whitehurst-Payne)**
- II. **Membership Update (Whitehurst-Payne)**
- III. **Consent Agenda (Whitehurst-Payne)**
 - A. Board Member Nominations 15/16 (**Attachment A**)
 - B. Board Officer Nominations 15/16 (**Attachment B**)
 - C. Committee Membership for 15/16 (**Attachment C**)
- IV. **Adjournment of Annual Meeting**
- V. **Convening of Regular Board Meeting (Whitehurst-Payne)**
 - A. Consideration of Minutes May 28, 2015 Regular Meeting (**Attachment D**)
- VI. **Campus Partner Presentation – Sodexo**
- VII. **University Update and Reports**
 - A. Finance & Operations Committee (*Whitehurst-Payne*)
 - B. Joint Audit Committee (*Chang*)
 - C. Sponsored Projects Committee (*Oberem*)
 - D. Administration
 - i. Administration Update (*Newberg*)
 - ii. UARSC Audits Update (*Roberts*)
 - E. University Update (*Ceppi*)
- VIII. **Consent Agenda**
 - A. Quarterly Financial Report 06/30/15 (**Attachment E**)
 - B. Revised FY 15/16 Operating Budget (**Attachment F**)
 - C. Bonus Pay Policy (**Attachment G**)
 - D. Benefits for Cash Policy (**Attachment H**)
- IX. **Closed Session**
- X. **Adjournment of Regular Meeting**

Next Meeting: November 12, 2015, 4:00 p.m., Center for Children & Families Classroom

ATTACHMENT A

Board Member Nominations

Board Member Nominations 15/16

Bios for New Appointment Nominations will be provided separately



Proposed BOARD MEMBER NOMINATIONS 2015/2016

David Chang	Reappointment Community Member (3 year term – 9/18)
Brandon Losey	Reappointment Alumni Member (1 year term – 9/17)
DawnMarie Myers	Reappointment Student Member (1 year term – 9/16)
Jason Schreiber	New Appointment Board Member (3 year term – 9/18)
Regina Eisenbach	New Appointment Board Member (3 year term – 9/18)



BOARD TERMS 2015/2016

Terms expiring September 2016

Community Member(s)

Sharon Whitehurst-Payne
Dimitris Magemeneas

Alumni Member

Brandon Losey

Student Member

DawnMarie Myers

Faculty Member

Chuck De Leone

Terms expiring September 2018

Community Member

David Chang

Board Member

Jason Schreiber

Board Member

Regina Eisenbach

Designated Members (voting)

University President or Designee,
Vice President for Academic Affairs,
Vice President for Finance & Administrative
Services

ATTACHMENT B

Proposed Board Officer Nominations 15/16



Proposed BOARD OFFICERS 2015/2016

Chair	Sharon Whitehurst-Payne
Vice Chair	Linda Hawk
Secretary	Bella Newberg
Treasurer	Cynthia Fenimore

ATTACHMENT C

Proposed Committee Membership for 15/16



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

PROPOSED BOARD COMMITTEES 2015/2016

<p><u>NOMINATING AND GOVERNANCE COMMITTEE</u> <i>Sharon D. Whitehurst-Payne, Chair</i> <i>Linda Hawk, Vice-Chair</i> <i>Graham Oberem</i></p> <p>Staff (non-voting): <i>Bella Newberg</i> <i>Cynthia Fenimore</i></p> <p><u>SPONSORED PROJECTS COMMITTEE</u> <i>Sharon Whitehurst-Payne, Chair</i> <i>Graham Oberem</i> <i>Matt Ceppi</i> <i>Chuck De Leone</i> <i>Dimitris Magemeneas</i></p> <p><i>P. Wesley Schultz, Vice Chair (Interim Dean, Office of Graduate Studies & Research)</i> <i>Katherine A. Kantardjieff (Dean, College of Math and Science)</i> <i>Deborah Kristan (Associate Professor, Biology)</i> <i>Bella Newberg (Interim Executive Director, UARSC)</i></p> <p>Staff (non-voting): <i>Cynthia Fenimore</i> <i>Michelle Meeks</i> <i>Michelle Hinojosa</i></p>	<p><u>FINANCE AND OPERATIONS COMMITTEE</u> <i>Sharon D. Whitehurst-Payne, Chair</i> <i>DawnMarie Myers, Vice Chair</i> <i>Linda Hawk</i> <i>Jason Schreiber</i> <i>Regina Eisenbach</i></p> <p>Staff (non-voting): <i>Bella Newberg</i> <i>Cynthia Fenimore</i> <i>Clint Roberts</i> <i>Michelle Hinojosa</i></p> <p><u>JOINT AUDIT COMMITTEE:</u> UARSC, CSUSM Foundation & Associated Students Inc.</p> <p><i>UARSC Board Members (voting)</i> <i>David Chang, UARSC (Chair)</i> <i>Brandon Losey, UARSC</i></p> <p><i>Non-UARSC Board Members (voting):</i> <i>Helen Adams, CSUSM Foundation</i> <i>Bianca Garcia, ASI</i> <i>Tiffaney Boyd, ASI</i></p> <p>Staff (non-voting): <i>Bella Newberg</i> <i>Cynthia Fenimore</i> <i>Clint Roberts</i></p>
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ATTACHMENT D

Minutes of May 28, 2015 Regular Meeting



Minutes of the Regular Meeting of the Board of Directors

May 28, 2015

Center for Children and Families Classroom

Attendees:

Members: Sharon Whitehurst-Payne (Chair), Ernest Zomalt (Vice Chair), Chuck De Leone, Linda Hawk, Dimitris Magemeneas, DawnMarie Myers, David Chang, Graham Oberem, Matthew J. Ceppi

Absent: Tres Conrique, Brandon Losey

Staff: Bella Newberg, Greg Svatora, Michelle Hinojosa, Theresa Ruffolo, Rosanne Martin, Roman Lazcano, Selma McDermid

Convening of the Regular Meeting

A quorum being present, Chair Whitehurst-Payne called the meeting to order at 4:03 p.m.

Minutes of the February 26, 2015 Regular Meeting

A motion was made and seconded (Magemeneas/De Leone) to approve the February 26, 2015 regular meeting minutes. Motion carried.

Committee Reports

Finance and Operations Committee

Whitehurst-Payne reported that the Finance & Operations Committee met on 5/18/15 in which a full quorum was present. Newberg presented a report of UARSC operations and updates will be provided during her report to the Board. HR Director Michelle Hinojosa provided an update on various benefit rulings as they relate to part-time student employees. She also presented the Compensation Guidelines for Sponsored Projects employees which will be presented to the Board later in the Agenda as an action item. University Controller Clint Roberts updated the committee on the selection of the new audit firm for the CSUSM auxiliaries, AKT, who is replacing McGladrey after their tenure of providing auxiliary audit services for 5 years. The three action items presented to the Finance Ops committee were the Quarterly 3/31/15 Financial Report, the proposed FY 15/16 Operating Budget, and the Compensation Guidelines for Sponsored Projects. These 3 items will be presented to the Board as action items later in the Agenda.

Joint Audit Committee

Chang reported that the Joint Audit Committee met on 4/16/15 via teleconference in which a full quorum was present. The purpose of the meeting was to review the drafts of the Form 990 Information Returns for UARSC, CSUSM Foundation, and ASI. The other auxiliary, UCorp, has their own Audit Committee and did not have their 990 return reviewed at the JAC. The McGladrey Tax Services Manager, Luis Rosete, reviewed each of the 3 auxiliary's Form 990

returns with the JAC members. Overall, there were no significant changes in reporting formats, or items that were disclosed, as compared to the Form 990's from the previous year. The JAC approved sending the 990's to their respective auxiliary boards for ratification. Each of the auxiliary 990's were completed and e-filed to the IRS and CA Franchise Tax Board by the May 15, 2015 deadline. UARSC's Form 990 will be presented to the Board later in the Agenda as an action item for ratification

Sponsored Projects Committee

Oberem reported that Melissa Teetzel, grant writer, was recently hired. Jan Cushman is well settled back on campus and Teri Woods is the emergency temp hire for office support. Office of Graduate Studies and Research will take a pro-active approach to help faculty achieve grant writing success by reaching out, both broadly and personally, and by providing grant writing support. Increased efforts are being made to interface with Institutional Planning & Analysis (IPNA) and University Advancement. De Leone mentioned that Dr. Maureen Fitzpatrick, Department of Psychology and University Liaison to the Center for Children and Families, is trying to secure scholarships for needy students. Newberg indicated that Uniform Guidance will replace A-133 audit. We are building a solid infrastructure to sustain us for the future. Hinojosa shared updates on UARSC employee categories and other benefit items which will have an impact on our grants and other department and program budgets. This item will be presented to the Board as an action item later in the Agenda.

Administration Update

Newberg reported that Follett's move is scheduled to be completed by the end of May. It will take three days to move all the books and product. They will open in the new location by the start of the Summer Session with a Grand Opening in the Fall, 2015. Improvement costs totaled \$900K. A \$250K loan was approved for the modernization of Starbucks. Project bids came in about \$22,000 less than projected. The project will begin on June 1st and be completed by July 31st, 2015. We are working with SODEXO to clean up the convenience store and get it opened by the Fall, 2015. Campus is paying to replace the patio furniture outside the bookstore. Look for the CSUSM name on the back of Pepsi Trucks in San Diego. The sign says Pepsi - "Official Soft Drink of the San Marcos Cougars". We have been working on updating the Child Care Center (CCLC) model based upon the needs of the campus which are primarily academic in nature. Over 400 students visit the Center per semester for observations or classes. We are presently working on revisions to the agreement with efforts to negotiate the share-back to UARSC. Currently the center is about 86% full with a waitlist of 56 children (infants and toddlers). We have worked with the University to establish a capital reserve of \$400,000 that will be funded through the student fee. SODEXO has been invited to present at our September 3, 2015 Board Meeting. They have been open in the Student Union for one year and we are looking to the future. Residential Life is moving in-house under Student Affairs and that will present greater opportunities to offer meal plans. Focus groups will be meeting during the summer to look at alternatives. Sodexo has hired a dedicated North County Manager, David Aylmer, who will attend the September Board meeting. The Catering RFP has been drafted and will be issued mid to late summer with a completion date of the December, 2015. A notice to proceed will be issued for the Fuel Cell Project at the beginning of June, 2015.

The original intent of the UARSC name change was to help provide a clearer identify of UARSC. The Board approved a sub-committee to review the possibility of establishing a DBA in order to minimize cost and time. The fees would be less than \$300 to make the filings and would involve minimal staff time. The Fictitious Business Name would only take 5 weeks to finalize. The Service Mark application would take place once the fictitious name has been in use and would only take a week or less for approval. The name change sub-committee (Linda, Matt, Greg, Ernie, Dawnmarie and Bella) met and came up with 3 potential names that we would like the Board to vote on at our September meeting: CSUSM Auxiliary Services, Cougar Auxiliary Business Corporation and Cougar Corporation.

University Update

Ceppi reported that 2,650 students were scheduled to walk across the stage at Commencement, 2015, including our very first cohort of business administration graduates from Cal State San Marcos at Temecula. Several videos have been posted including a highlight video on the outstanding graduate award recipients. After a nationwide search, Dr. Jim Hamerly was selected as dean of the College of Business Administration. Dr. Hamerly was serving as the interim dean and has a long history with CSUSM. Jim served in the C-suite at several companies, including AOL Time Warner, Netscape and Pages Software and founded several other companies. Also after a nationwide search, Mr. Kevin Morningstar has been appointed as our new Chief Information Officer. Mr. Morningstar comes to us from Cal State Polytechnic Pomona and will start in July. Construction is well underway on the new SportsCenter. It will be ready for play in late Summer, 2016, so next year. We have completed our first year of NCAA candidacy period. Two more to go, but we're well on our way. The department is already operating like an NCAA institution. We had a very successful year for Athletics: several of our athletes were named NAIA All Americans; several of our athletes were named national Scholar Athletes; and we had a national title in Track and Field. Just about all of our sports went to the national championships and several were ranked in the top 25. Men's basketball finished with an overall record of 30-4 and ranked no 5 in the NAIA. CSUSM was one of only 14 institutions to receive a Governor's Innovation Award. The \$2.5 million recognizes the University's efforts to serve first-year undergraduate students, particularly the most at-risk, on their pathway to a college degree. It is a culmination of the focused efforts on student success and support that began in 2007. CSUSM is looking forward to celebrating its 25th anniversary at the Silver and Blue Gala on June 20th. We are up to 500 attendees. Tickets were still available but going fast.

Action Items

Quarterly Financial Report & Summary 03/31/15

Svatora reviewed the quarterly financial report ended 03/31/15 with details outlined in the summary provided in the packet. Cash and investments decreased by the \$7.8 million transferred to the Foundation. UARSC was acting as agent on their behalf. Efforts are underway to increase Indirect Cost Recovery.

A motion comes moved and seconded from the Finance & Operations Committee to approve the Quarterly Financial Report ended 03/31/15 as presented. Motion carried.

FY 15/16 Operating Budget & Resolution

Svatora reviewed the FY 15/16 Operating Budget & Resolution. IDC (Indirect Cost Recovery) has run \$1.2 M last few years. Actual of \$972K is lower than \$1.2M projected but we are back on track in the last few months. Personnel changes caused a decrease in UARSC Admin projections. Commission projections are based on FY 14_15 with some adjustment for trends. No major changes in other Operating Expenses. There is a significant difference in Shareback Revenue for FY 14_15 of \$350K versus \$186K for FY 15_16. Projected balance of \$96,281 is positive. Showing Sponsored Projects separately with estimates based on number of employees and number of transactions. This methodology provides better basis for calculations.

A motion comes moved and seconded from the Finance & Operations Committee to approve the FY 15/16 Operating Budget & Resolution as presented. Motion carried.

FY 13/14 Form 990 Tax Return

Svatora stated that this item was reviewed during the earlier Joint Audit Committee Report. Svatora asked for any questions from the Board.

The recommendation that the Board ratify the adoption of the 3 UARSC Tax Form 990's ended fiscal year 6/30/14 as presented comes moved and seconded for approval from the Joint Audit Committee. Motion carried.

FY 15/16 Compensation Administration Guidelines – Sponsored Projects

Hinojosa reported that Student Assistants will be eligible to keep their FICA exempt status (4% benefit rate) during the summer as long as they are enrolled in at least part-time status at CSUSM during the summer and/or fall semesters. This will be a benefit to both the Student Assistants and the projects/programs' budgets. Previously, those who were not enrolled during the summer, had to be re-classified to a part-time/temporary employee (12% benefit rate). This re-classification will only occur for those Student Assistants who are not enrolled in the minimum # of units for either the summer or the fall at CSUSM. Hinojosa reported at the Sponsored Projects Meeting that due to the Affordable Care Act, Student Assistants would not be able to work full-time as they have been able to do so in the past without having to be offered full-time benefits. After the meeting it was later determined through consultation with the Wells Fargo Insurance Services legal expert, that since the Student Assistants' increase in work schedules to full-time is only for a brief period (summer, winter and spring breaks) and they are limited to working up to 20 hours per week all other periods, their average weekly hours in a one year look-back period would still be under the 30 hours per week for full-time benefit eligibility under the Affordable Care Act. And, therefore, we are able to continue to offer increased hours to our Student Assistants during the non-academic time (up to 40 hours per week). Part-time/temporary (non-student) employees who work 1,000 hours or more during the fiscal year (July – June) and are still actively employed with UARSC as of June 30th, will be eligible for the 8% employer contribution to the Defined Contribution Retirement Plan through TIAA-CREF. This is 8% of the employee's total gross wages during this period (July – June) and this amount will be charged to the employee's project or other project as determined by the employee's manager.

A motion comes moved and seconded from the Finance & Operations Committee to approve the FY 15/16 Compensation Administration Guidelines – Sponsored Projects as presented. Motion carried.

UARSC Name Change

Newberg stated that this item was reviewed during the earlier Administration Report. Newberg asked for any questions from the Board. By popular vote, Cougar Corporation was selected over the other 2 options.

A motion was made and seconded (Hawk/Myers) to move forward to the President for review and approval the creation of a DBA, Cougar Corporation, in lieu of a formal name change.

Special Recognition of Greg Svatora, Director of Business Development & Finance

Whitehurst-Payne awarded Svatora with a plaque in recognition for his years of service to UARSC and highlighted his contributions over the past 18 years. She offered congratulations on his retirement.

Closed Session

At 5:35 p.m., all UARSC staff members in attendance were excused by Chair Whitehurst-Payne. The Board Members moved to a Closed Session. The purpose of the closed session was to discuss a personnel matter.

Adjournment

The next Annual and Regular Board meeting is scheduled for September 3, 2015 at 4:00 p.m., Center for Children and Families.

The meeting adjourned by acclamation at 5:45 p.m.

*Respectfully submitted,
Theresa Ruffolo*

I, Bella Newberg, 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 September 3, 2015 at San Marcos, California.

Secretary

Date

ATTACHMENT E

Quarterly Financial Report and Summary 06/30/15

University Auxiliary and Research Services Corporation
Statement of Financial Position
June 30, 2015

Assets	Balance 06/30/15	Balance 03/31/15	Quarter Increase/ (Decrease)
Cash and Short-Term Investments	\$ 4,001,897	\$ 4,570,188	\$ (568,291)
Accts Receivable-Sponsored Programs	246,939	492,896	(245,957)
Other Receivable	952,282	1,069,395	(117,113)
Other Assets	95,964	112,362	(16,398)
CCF-Bldg & Fixtures (Net)	4,908,119	4,919,994	(11,875)
Property & Equipment (Net)	2,521,147	1,660,925	860,222
Total Assets	\$ 12,726,348	\$ 12,825,760	\$ (99,412)
Liabilities & Net Assets			
Liabilities:			
Accounts Payable and Accrued Expenses	\$ 1,347,901	\$ 1,350,740	\$ (2,839)
Deferred Revenue	2,453,280	1,711,100	742,180
Notes Payable - CSUSM	250,000	250,000	-
Post-Retiree Health Benefit Accrual	1,773,703	1,872,750	(99,047)
Total Liabilities	\$ 5,824,884	\$ 5,184,590	\$ 640,294
Net Assets:			
Unrestricted:			
Operating Reserves	\$ 641,150	\$ 549,385	\$ 91,765
Campus/Designated Programs	1,051,093	1,790,713	(739,621)
Administrative Current Year Net Activity	74,348	11,778	62,570
CCF-Bldg & Fixtures	4,908,119	4,919,994	(11,875)
Property & Equipment	226,754	369,300	(142,546)
Total Net Assets	\$ 6,901,464	\$ 7,641,170	\$ (739,707)
Total Liabilities & Net Assets	\$ 12,726,348	\$ 12,825,760	\$ (99,412)

University Auxiliary and Research Services Corporation
Administrative Operating Summary
7/1/14 to 6/30/15

	Annual Budget FY 14/15	Quarter 4 4/1/15 to 6/30/15			Fiscal Year To Date 7/1/14 to 6/30/15			Comparison of Prior FYTD Actual to Current FYTD Actual		
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 6/30/14	Current FYTD 6/30/15	% Inc. (Dec.)
Revenue										
Grant/Contract Admin Fees	\$ 1,174,000	\$ 293,500	\$ 334,745	\$ 41,245	\$ 1,174,000	\$ 1,081,872	\$ (92,128)	\$ 889,796	\$ 1,081,872	22%
Less: University Sharing	(374,787)	-	-	-	(374,787)	(374,787)	-	(301,500)	(374,787)	24%
Net Grant/Contract Admin Fees	\$ 799,213	\$ 293,500	\$ 334,745	\$ 41,245	\$ 799,213	\$ 707,085	\$ (92,128)	\$ 588,296	\$ 707,085	20%
Admin Fees - Campus Programs	227,563	56,891	57,683	792	227,563	191,061	(36,502)	114,985	191,061	66%
Bookstore Net Revenue	383,717	38,372	34,591	(3,780)	383,717	352,671	(31,046)	347,000	352,671	2%
Other Commercial Services Revenues	119,218	29,805	42,087	12,282	119,218	134,788	15,570	119,814	134,788	12%
Investment Income	20,425	5,106	4,094	(1,013)	20,425	16,476	(3,949)	31,054	16,476	-47%
Leases/Mgmt Fees/Support	44,262	11,066	11,247	182	44,262	44,625	363	43,686	44,625	2%
Total Revenue	\$ 1,594,398	\$ 434,739	\$ 484,447	\$ 49,708	\$ 1,594,398	\$ 1,446,706	\$ (147,692)	\$ 1,244,835	\$ 1,446,706	16%
Expenses: Food Service	30,000	7,500	12,261	(4,761)	30,000	24,852	5,148	24,437	24,852	2%
Expenses: UARSC Operations	1,412,100	353,025	409,614	(56,589)	1,412,100	1,347,505	64,595	1,203,876	1,347,505	12%
Net Operating Revenues	\$ 152,298	\$ 74,214	\$ 62,571	\$ (11,642)	\$ 152,298	\$ 74,348	\$ (77,950)	\$ 16,522	\$ 74,348	350%

**University Auxiliary and Research Services Corporation
Program Revenue Activity Summary
7/1/14 to 6/30/15**

Program Activity	Annual Budget FY 14/15	Quarter 4 4/1/15 - 6/30/15			Fiscal Year To Date 7/1/14 to 6/30/15			Comparison of Prior FYTD Actual to Current FYTD Actual		
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 6/30/2014	Current FYTD 6/30/2015	% Inc. (Dec.)
Grants/Contracts										
Federal	\$ 6,285,000	\$ 1,571,250	\$ 2,000,038	\$ 428,788	\$ 6,285,000	\$ 6,553,513	\$ 268,513	\$ 6,090,738	\$ 6,553,513	8%
State/Private/Other	1,054,000	263,500	317,335	53,835	1,054,000	889,477	(164,523)	1,351,769	889,477	-34%
Total Grants/Contracts	\$ 7,339,000	\$ 1,834,750	\$ 2,317,372	\$ 482,622	\$ 7,339,000	\$ 7,442,989	\$ 103,989	\$ 7,442,507	\$ 7,442,989	0%
Campus/Designated Programs	\$ 2,463,000	\$ 615,750	\$ 721,270	\$ 105,520	\$ 2,463,000	\$ 2,845,666	\$ 382,666	\$ 2,268,071	\$ 2,845,666	25%
Total Program Revenues	\$ 9,802,000	\$ 2,450,500	\$ 3,038,642	\$ 588,142	\$ 9,802,000	\$ 10,288,655	\$ 486,655	\$ 9,710,578	\$ 10,288,655	6%

University Auxiliary and Research Services Corporation

Summary of 6/30/15 Financial Statements

Statement of Financial Position (pg1)

Assets: Total assets as of June 30, 2015 were \$12,726,348 which represents a small decline from asset balances at the beginning of the period. This quarter saw a substantial increase in Property & Equipment of \$860k. This increase is associated with new leasehold improvements for the university store which was funded by the store management company Follett. The property increase was offset by \$568k decline in Cash and Short-term Investments and \$363k reduction in receivables.

Liabilities: Total liabilities increased by \$640,294 over the quarter to end at \$5,824,884 as of June 30, 2015. The decrease was driven mainly by deferred revenues from Follett recorded in association with the university store leasehold improvements mentioned above. The increase in deferred revenue was offset by \$99k decrease in the Post-Retiree Health liability due to a reduction in benefit expense resulting from plan adjustments made in the current year.

Net Assets: Total Net Assets decreased by \$740k for the quarter. Campus/Designated Programs net assets declined by \$740k as a result of quarterly spending higher than current period receipts. There was also a decline in net assets for Property & Equipment of \$143k due to quarterly depreciation and a loss on disposition of old bookstore improvements. Operating Reserves increased by \$92k for the quarter mainly due to the reduction in post-retirement benefit expense mentioned above.

Administrative Operating Summary (pg2)

- **Net administrative fee recovery from Grants and Contracts** generated indirect recovery revenues of \$335k for the final quarter which is above budget by \$41k. Total Net Grant/Contract Admin Fees amounted to \$707,085 for the fiscal year which represents a 20% increase from the prior year.
- **Campus Program Admin Fee Revenues:** Campus Program admin fee revenue was \$57,683 for the quarter which is in-line with budget. The total admin fees for the year amounted to \$191,061 which represents a 66% increase from the prior year.
- **Bookstore Net Revenue:** Annual commissions of bookstore net revenues were \$353k which is below budget by \$31k yet slightly higher than revenues earned for the prior year. The decline is partly due to a decreased commission rate in conjunction with the expansion/renovation of the bookstore space.
- **UARSC Operating Expenses** Total expense for the year amounted to \$1,347,505 which is favorable to budget by \$65k.

- **Net Operating Revenues** for the year ending 6/30/15 amounted to \$74,348 which is below budget by \$78k. This shortfall mainly relates to lower than expected Grant/Contract Admin Fee revenue due in part to declines in overall admin fee rates charged.

Program Revenue Activity Summary (pg3)

Total Grants and Contracts program revenue for the year was approximately \$7.4 million, which is favorable to budget by \$104k.

Campus and Designated Programs gross annual revenue was approximately \$2.8 million, or \$383k favorable to budget.

ATTACHMENT F

Revised FY 15/16 Operating Budget

UARSC ADMIN BUDGET
Projected FY 2014-15 Actuals / FY 2015-16 Revised Budget

	FY 14/15 PROJECTED		FY 15/16 PROPOSED BUDGET				
	FY 2014-15 Budget - Board App'd 2/26/15	Total Projected FY 2014-15 Actuals	FY 2015-16 UARSC Admin Budget	FY 2015-16 Sponsored Proj Budget	FY 2015-16 UARSC Admin Combined Budget Board Approved May 2015	FY 2015-16 UARSC Admin Budget Adj	FY 2015-16 UARSC Admin Revised Budget
Revenues							
Investment Interest	20,425.00	16,475.69	20,500.00		20,500.00	2,000.00	22,500.00
Commissions Coffee Cart	32,000.00	33,919.91	35,000.00		35,000.00		35,000.00
Commissions ATM (WF & Allstate)	11,960.00	11,975.60	12,000.00		12,000.00		12,000.00
Commissions AT&T	6,620.00	6,641.52	6,650.00		6,650.00		6,650.00
Commissions Follett	383,717.00	352,671.29	355,500.00		355,500.00		355,500.00
Commissions Pepsi	51,138.00	64,424.89	64,500.00		64,500.00		64,500.00
Commissions First Class Vending	17,500.00	17,825.99	17,500.00		17,500.00		17,500.00
Commissions Catering			25,000.00		25,000.00	(5,000.00)	20,000.00
Revenue Other	44,262.00	96,636.96	77,096.00		77,096.00		77,096.00
Exchange of Value - Campus	134,746.00	251,572.00	202,533.00		202,533.00	124,996.00	327,529.00
Exchange of Value - Foundation						18,000.00	18,000.00
CCLC						50,000.00	50,000.00
Overhead Admin Fee - Campus Programs	227,563.00	191,060.87	168,000.00		168,000.00		168,000.00
Indirect Cost - Sponsored Projects	1,174,000.00	1,081,871.91	972,130.00		972,130.00	109,742.00	1,081,872.00
Indirect Allocation - Sponsored Projects	(374,787.00)	(374,787.00)		(186,888.00)	(186,888.00)	(46,597.00)	(233,485.00)
Total Revenues	1,729,144.00	1,750,289.63	1,956,409.00	(186,888.00)	1,769,521.00	253,141.00	2,022,662.00
Expenditures							
Salaries	572,543.00	563,645.19	243,670.00	346,762.00	590,432.00	28,179.00	618,611.00
Benefits	229,472.00	215,652.04	94,052.00	138,792.00	232,844.00	49,884.00	282,728.00
Telephone	7,500.00	6,140.54	5,940.00	1,560.00	7,500.00	1,120.00	8,620.00
Utilities	7,000.00	57,033.61				76,011.00	76,011.00
Travel & Meetings	10,000.00	12,913.97	5,500.00	6,150.00	11,650.00	3,500.00	15,150.00
Contractual Services	101,500.00	124,220.10	85,500.00	20,000.00	105,500.00	6,420.00	111,920.00
Membership Dues & Subscriptions	4,700.00	12,799.00	3,980.00	895.00	4,875.00	180.00	5,055.00
Postage & Freight	4,500.00	2,582.17	4,500.00		4,500.00		4,500.00
Printing	1,200.00	247.32	1,200.00		1,200.00		1,200.00
Loan Interest Charges	0.00	0.00	7,500.00		7,500.00		7,500.00
Bank Service Charges	22,250.00	17,028.15	22,250.00		22,250.00		22,250.00
Insurance Premium	41,363.00	41,137.00	53,834.00	4,000.00	57,834.00		57,834.00
Space Rental	45,000.00	88,995.00	40,500.00	4,500.00	45,000.00	(738.00)	44,262.00
Recruitment	2,000.00	2,672.92	3,000.00		3,000.00		3,000.00
Community Relations & Support	5,000.00	1,541.54	5,000.00		5,000.00	1,000.00	6,000.00
SupSvc Payroll Fees	34,050.00	21,183.48	9,893.00	29,680.00	39,573.00		39,573.00
Supplies & Services	34,300.00	42,487.46	22,050.00	9,700.00	31,750.00		31,750.00
Commercial Services Repair & Maint	30,000.00	24,852.02	29,000.00		29,000.00	868.00	29,868.00
Campus Support Operations	364,768.00	364,767.50	201,279.00	218,053.00	419,332.00		419,332.00
Computer Refresh	59,700.00	44,484.71	16,850.00	5,150.00	22,000.00		22,000.00
Campus Relations		31,557.19	32,500.00		32,500.00		32,500.00
Total Expenditures	1,576,846.00	1,675,940.91	887,998.00	785,242.00	1,673,240.00	166,424.00	1,839,664.00
Net Income (Loss)	152,298.00	74,348.72	1,068,411.00	(972,130.00)	96,281.00	86,717.00	182,998.00

ATTACHMENT G

New Bonus Pay Policy
effective 10/1/15



**University Auxiliary and Research Services Corporation (UARSC)
Bonus Policy Effective 10/1/15 - DRAFT**

PURPOSE: The purpose of this policy is to provide guidelines for bonus payments to UARSC staff at the request of their manager and/or supervisor. A bonus is a special one-time, lump-sum payment made to an eligible staff member to reward extraordinary performance. A bonus may be used to reward a staff member's special efforts and high performance on projects or special assignments. It may be used to recognize unexpected, self-starting, extraordinary individual accomplishments in support of organizational performance effectiveness occurring outside the boundaries of the expected performance of the staff member's job. Bonus payments should not be used to circumvent the UARSC annual wage increase guidelines.

ELIGIBILITY AND PARTICIPATION: To be considered for a bonus payment, the UARSC staff member must have been employed with UARSC for a minimum of one (1) year. All requests for bonuses will require supporting documentation in the form of a letter or memo. The Project Director/Principal Investigator is responsible for ensuring and verifying that any staff member recommended for a bonus has a current performance appraisal on file and/or a performance letter/memorandum on file. The performance appraisal and/or performance letter/memorandum must document the performance and contributions that warrant the bonus. The staff member must have an overall performance rating of "fully satisfactory and dependable level of performance" or higher (i.e., 3.0 or higher) on the most recent performance appraisal. Bonuses are not to exceed \$500.00 without UARSC Executive Director written approval.

FUNDING SOURCE: Funding for bonus payments are the responsibility of the project, program, department, or auxiliary and must be available as well as an allowable expense on the project being utilized. Bonuses for eligible employees funded by grants and contracts are expected to be funded from those sources, provided that such funds are allowable and available in the funding source.

APPROVALS: All bonus pay requests will come from the project to which the employee is assigned and must be pre-approved by the Project Director/Principal Investigator and the Dean or Vice President. The bonus pay request must also be approved by the auxiliary Executive Director associated with the project (if applicable) and all requests must be approved by the Executive Director of UARSC.

Special Notes:

Students and CSUSM faculty and staff employed through UARSC as additional employment are not eligible for bonus payments. Bonuses should not be discussed with the intended recipients until all approvals have been obtained.

ATTACHMENT H

Revision to Benefits for Cash Policy
effective 1/1/16

UNIVERSITY
AUXILIARY AND RESEARCH SERVICES
CORPORATION
at California State University San Marcos
BENEFITS FOR CASH PLAN
Plan Year January through December

WHAT IS THE BENEFITS FOR CASH PLAN?

The Benefits for Cash Plan is an optional benefit plan that allows an employee to waive medical and/or dental insurance plan(s) in exchange for cash if the employee has other coverage. If the employee waives or cancels their medical and/or dental insurance plan(s), the employee will receive additional cash in their paycheck each month.

The Benefits for Cash Plan payment is treated as taxable income and will be subject to the same payroll taxes (federal, state, social security) as regular salary. The additional cash income will be reported as income on Form W-2 in the year it is received.

The employee needs to make sure their medical and/or dental needs are met before electing the Benefits for Cash Plan. If the employee decides to waive medical and/or dental coverage(s), the employee will be required to certify on the Benefits for Cash Plan Enrollment Form that they have alternative coverage(s) and those coverage(s) have been approved by UARSC. The alternative coverage can not be coverage through the Affordable Healthcare Act. This certification of alternative coverage will be confirmed each year at Open Enrollment.

WHO IS ELIGIBLE?

If the employee is a regular benefited employee and has certified their alternative coverage(s) and that coverage has been approved by UARSC, the employee is then eligible for the Benefits for Cash Plan.

HOW MUCH IS THE CASH PAYMENT?

If the employee elects to receive cash in lieu of medical and/or dental insurance coverage(s), the cash payments made to the employee will be \$128 per month gross pay (medical) and \$12 per month gross pay (dental) (not to exceed a total of \$140 per month). This amount will be reviewed annually and is subject to change in future plan years.

WHEN IS ENROLLMENT?

Current employees have two opportunities to enroll in the Benefits for Cash Plan: (1) during the regular Open Enrollment period for the respective benefit plans; Open Enrollment for medical benefits is normally during the months of September and October, with coverage effective January 1st of the following year or (2) upon return from an approved leave of absence where the employee missed the Open Enrollment period. There is no Open Enrollment for dental benefits. New employees are given the opportunity to enroll in the Benefits for Cash Plan during their new hire orientation and effective the first of the month following date of hire.

WHEN WILL COVERAGE BE EFFECTIVE?

The Benefits for Cash Plan will be in effect the first of the month following date of hire (new hires) and for the full plan year (January 1 through December 31). Employee enrollment in the Benefits for Cash Plan will continue from year to year until the employee changes or terminates enrollment during the subsequent Open Enrollment periods. At that time, the employee will have to complete a new Benefits for Cash Plan Authorization Form to change or cancel Benefits for Cash amount(s) in addition to the required medical and/or dental forms.



CAN I CHANGE MY ELECTION DURING A PLAN YEAR?

The employee may not start or stop the Benefits for Cash Plan election in the middle of a plan year. Changes to the Benefits for Cash Plan can only be made (1) during the regular Open Enrollment period for the respective benefit plans; Open Enrollment for medical benefits is normally during the months of September and October, with coverage effective January 1st of the following year or (2) upon return from an approved leave of absence where the employee missed the Open Enrollment period. There is no Open Enrollment for dental benefits.

WHAT IF I LOSE MY OTHER COVERAGE?

Should the employee lose other coverage through uncontrollable circumstances during the year and outside the Open Enrollment period, the employee must either wait until Open Enrollment, or submit an enrollment for self and/or all eligible family members along with evidence of loss of other coverage(s). If approved, the employee will then need to complete all necessary enrollment/change documents required by the medical and/or dental plans.

WHAT IF I TERMINATE MY EMPLOYMENT WHILE ENROLLED?

If the employee elects to participate in the Benefits for Cash Plan and waives coverage under the medical and/or dental plan(s), the employee may also waive any Consolidated Omnibus Reconciliation Act (COBRA) continuation rights the employee may have had under the medical and/or dental contract(s).

WHAT IF I DIE WHILE ENROLLED?

If the employee is married and waives medical and/or dental coverage(s) under the Benefits for Cash Plan and the employee subsequently dies without coverage, the employee's surviving spouse will not have medical and/or dental continuation rights.

This Benefits for Cash Plan is intended to qualify as a 'cafeteria plan' under Section 125 of the Internal Revenue Code of 1986, as amended, and is to be interpreted in a manner consistent with the requirements of Section 125. The UARSC Board of Directors reserves the right to amend, change or cancel this plan at any time.

This plan was revised on September 3, 2015 and approved by UARSC's Board of Directors. This plan revision is to be effective for the plan year beginning January 1, 2016.