

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

Dr. Ann Bersi, Chair  
Nevada State Tax Commission

Mr. Tres Conrique  
Rancho Santa Fe Technology

Dr. Emily Cutrer  
Cal State San Marcos

Mr. Ken W. Green  
Van Dinter & Associates

Dr. Linda L. Hawk  
Cal State San Marcos

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

Mr. Brandon Losey  
Student Member

Dr. Colleen Moss  
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

**Annual and Regular Meeting  
of the Board of Directors  
September 6, 2012 - 4:00 p.m. – 5:30 p.m.  
Center for Children and Families Classroom**

**AGENDA**

- I. **Convening of the Annual Meeting**
- II. **Action Items**
  - A. Board Member Nominations (*Knoblock*) (to be handed out)
  - B. Board Officer Nominations 12/13 (*Knoblock*) (to be handed out)
  - C. Proposed Committee Membership 12/13 (*Knoblock*) (to be handed out)
- III. **Adjournment of Annual Meeting**
- IV. **Convening of the Regular Board Meeting**
  - A. Consideration of Minutes May 24, 2012 Regular Meeting (Attachment A)
  - B. Consideration of Minutes June 22, 2012 Special Meeting (Attachment B)
- V. **University Update and Reports**
  - A. Finance & Operations Committee (*Svatora for Bersi*)
  - B. Joint Audit Committee (*Zomalt*)
  - C. Administration Update (*Knoblock*)
    - i. Conflict of Interest Acknowledgments (Attachment C)
    - ii. Dining Services Transition
  - D. University Update (*Ceppi*)
- VI. **Action Items**
  - A. Quarterly Financial Reports 06/30/12 (*Svatora*) (Attachment D)
  - B. Proposed 12/13 Compensation Administration Guidelines (*Hinojosa*) (Attachment E)
  - C. Proposed 12/13 Meeting Calendar (*Knoblock*) (Attachment F)
- VII. **Adjournment of Regular Meeting**

Next Meeting: November 15, 2012, 4:00 p.m.  
Location: Center for Children and Families Classroom

## **ATTACHMENT A**

Minutes of May 24, 2012 Regular Meeting



**DRAFT**

**Regular Meeting of the Board of Directors  
May 24, 2012  
Center for Children and Families Classroom**

**Attendees:**

- Members: Ann Bersi (Chair), Tres Conrique, Provost Cutrer, Ken Green, VP Hawk, Brandon Losey, Russell Powell, Susan Schnepf, Camille Schuster, Ernest Zomalt (Vice Chair)
- Absent: John Hawthorne, President Haynes, Colleen Moss
- Staff: Deborah Davis, Sarah Derho, Michelle Hinojosa, Grant Hubbard, Dora Knoblock, Tipper Phillips, Greg Svatora
- Guests: Jody Taylor, CCF and Sandy Fox, IITS

**Convening of the Board Meeting**

A quorum being present, Chair Bersi called the meeting to order at 4:06 p.m.

**Minutes of the February 23, 2012 Regular Meeting**

*A motion was made and seconded (Schuster/Zomalt) to approve the February 23, 2012 regular meeting minutes. Motion carried.*

**University Update and Committee Reports**

**Finance and Operations Committee**

Bersi reported that the Committee met on May 15, 2012 and discussed the financial reports, operating budget, potential outsourcing of dining services and an update to the Records Retention Policy. These items will come before the Board as action later in the meeting.

**Joint Audit Committee**

Zomalt reported that the Committee met by teleconference with an auditor from McGladrey & Pullen on April 6, 2012 to consider the tax Form 990s for the four auxiliaries. The tax forms were filed by the due date and also sent to the California Registry of Charitable Trusts. The Joint Audit Committee made a motion to recommend that the Board ratify the Committee's adoption of UARSC's tax form 990 ended fiscal year 06/30/11 as presented. This item will come as action later in the meeting. The Committee will meet again in July prior to the beginning of the next financial audit.

Sponsored Projects Committee

Bersi reported that the U. S Department of Health and Human Services (DHHS), Public Health Service (PHS) and the National Institutes of Health (NIH) have reissued their regulations for Conflict of Interest. The new regulations are only applicable to the PHS and NIH grants and contracts. The National Science Foundation (NSF) and Department of Education (DoE) are not changing their requirements. All PHS and NIH Principal Investigators and key project personnel must adhere to the new regulations.

The major changes are: Reporting thresholds decreased: payments received from \$10,000 down to \$5,000; investment in public company, \$10,000 down to \$5,000; equity in non-public company 5% down to 0%. Reimbursed travel is now reportable. Conflict of Interest training is required.

All PHS and NIH grants are expected to comply by August 24, 2012, including completing training, or the grant projects must be suspended. The new regulations are an explicit "Term and Condition" of each PHS and NIH award. By adding this as a supplemental policy applicable to PHS and NIH only, less than a fourth of the Faculty that participate in grants; will have their time impacted by the required training. As an explicit "Term and Condition" of our existing PHS and NIH grants, adding this as a supplemental policy seems appropriate and in the view of the UARSC Leadership Team, should not require Board approval. Bersi reported that the Sponsored Projects Committee unanimously supported this view.

Current proposals are at \$23.5 million and it is projected that proposals will come in between \$26 million to \$30 million by the end of the fiscal year. Current awards are at \$6.3 million and it is projected that awards will come in between \$7.5 million to \$7.8 million by the end of the fiscal year, a .4% to 4% increase over last year. The Committee also discussed the 12/13 Federal budget. CSUSM/UARSC appear to be well positioned with the funding priority changes in the 12/13 budget.

University Update

VP Hawk presented the University Update. CSU Chancellor Reed announced his retirement after fourteen years in the position. He will continue in his current role while a search is initiated and until a successor is named. Hawk reported on the Governor's May revise of the State budget. If a tax measure on the November ballot does not pass, it will release a trigger cut, further reducing the current reduction to the CSU from \$200 million to \$250 million. The campus had a successful commencement weekend with 2,600 students walking and 19,000 family members in attendance during the four ceremonies held for the second year back on campus. Construction on the University Student Union is on target and the building is scheduled to open in January of 2014. Construction on the new campus-affiliated housing, the Quad, is almost completed. The Quad is at 80% occupancy with executed contracts. University Village Apartments (UVA) initially capped its contracts at 500 to give the Quad the opportunity to fill, so now that it is doing well with occupancy, UVA will open beds again. The new Student Health



Services facility is on target for construction and will be built right next to the parking structure. Hawk reported on campus sustainability projects and the drilling of a water well which has helped save a significant amount of water, especially on the athletic fields. Provost Cutrer reported that the new dean for CoBA, Sharon Lightner, will begin on July 1, 2012. Green stated that the Alumni Association held a fundraising and annual giving campaign and also increased membership by ten percent.

### **Action Items**

#### Quarterly Financial Report 03/31/12

Svatora reviewed the quarterly financials ended 03/31/12 and reported no major changes from the prior quarter. Total assets are at \$22.2 million with \$15 million in cash and short term investments, \$7.7 million of which is held for the CSUSM Foundation, and shown as a liability. Net assets remained flat for the quarter. He reviewed the operating reserves, \$1.6 million at the end of March. The audit disallowance reserve is up by \$130,000 and is funded by IDC money which is also shared with the University. The increase in the working capital reserve is due to the Follett payment of \$200,000 received this fiscal year, which is being used to pay off the old MBS system. The addition of the CCF building and fixtures increased net assets by \$6.1 million, with total unrestricted net assets of \$12,180,000 at end of March. Svatora reviewed the net operating summary. He noted that grants and contracts revenues are at \$308,000 FYTD vs. the \$407,000 budgeted, however, there is typically an increase in summer research projects that generates funds towards the end of the fiscal year. The bookstore revenues are down and UARSC received a 12.5% commission on net revenues of \$312,000. Follett believes that gross sales will probably decrease by two or three percent next fiscal year. Dining Services is projected to net about \$7,000 vs. the budgeted amount of \$112,000. The variance is primarily due to transition in staffin at the beginning of the year. The UARSC administrative budget is currently over by \$54,000, largely due to the bookstore transition and salaries that had been partially reimbursed by the bookstore being absorbed by UARSC administration. Currently, net operating revenues are at -\$135,000 versus the budgeted \$37,000. He called for questions. *A motion comes moved and seconded from the Finance & Operations Committee to approve the Quarterly Financial Report ended 03/31/12. Motion carried.*

#### Dining Services Review Recommendation

Knoblock reported. At the February meeting, the Board endorsed UARSC staff to move forward with an RFQ and RFP for dining services for the existing operations and future operations in the University Student Union (USU). The RFQ was released to six vendors, two of which were non-responsive and two which chose not to submit due to the operations being a financially challenging venture. The committee reviewed the two RFQ proposals, Chartwells and Sodexo. An RFP was issued and only Sodexo responded. Knoblock noted that our campus is not yet as desirable to vendors due to the small campus size and operations, lack of a mandatory meal plan and non-exclusivity in catering.

Knoblock shared the questions that the committee asked Sodexo during their presentation and provided highlights from the proposal. Sodexo's proposal includes a substantial capital investment in the new USU. Knoblock presented on behalf of the Dining Services Review Committee to the Finance & Operations Committee, its recommendation to outsource dining services to Sodexo. *A motion comes moved and seconded from the Finance & Operations Committee to approve the outsourcing of dining services to Sodexo, Inc. including both the current operations and the dining services operation in the future University Student Union. Bersi called for questions.* There were questions from the Provost regarding a meal plan and evening food service hours for those in the residence halls. Sodexo is suggesting a mandatory meal plan which will have to be negotiated. Conrique asked how the business plan aspect has been folded into all of this and whether Sodexo would provide a deliverable business plan. Svatora noted that UARSC has been looking at the new USU dining service opportunities and looking at how to improve this service for the students and increase revenues. UARSC staff plans to work with Sodexo on a business plan and the financial piece once approval to partner with them for dining services is in place. *Bersi called for more questions.* In response to a question from Conrique, staf shared that the new partnership will save UARSC money in terms of overhead, salaries, catering and buying power. The Board wanted additional information from staff before moving forward with a decision to outsource dining services to Sodexo and discussed giving authority for staff to negotiate with Sodexo and bringing this information back to the Board. Specifically, the terms and how it compares to how we have been doing the past five years. *Motion was opposed unanimously. A new motion was moved and seconded (Schuster/Zomalt) to give authority to the Executive Director to negotiate with Sodexo and bring back to the Board information that would demonstrate a comparison between Sodexo's proposal and our current dining services operations. Motion carried.* Due to timing sensitivity, a special telephonic Board meeting will be called in June.

#### FY 12/13 Operating Budget

Svatora reviewed the draft FY 12/13 Operating Budget. He reported on FYTD actuals and projections through the end of fiscal year with projected net revenues a of -\$80,000 versus \$93,000 for a variance of -\$173,000. He reported a major reason for the decline related to food services. The draft budget assumes that dining services will be outsourced in the coming year. The outsource proposal includes a \$1.4 million investment from Sodexo and low or no commissions in the early years. If there is no outsourcing contract for the next fiscal year, the budget will need to be revised from \$12,000 in revenues to none. Svatora reviewed the UARSC administrative budget and the adjustments to the expenses which are set at \$1,643,000. Expenses were pared down in the consulting, travel, supplies and legal line items. Last year, there were consulting fees budgeted for pouring rights and food services. The draft budget includes 14.6 FTE positions versus 12.49 last year due to previously partially reimbursed positions in the bookstore being absorbed by UARSC administration. This is also primarily the reason that UARSC administrative expenses are over budget this year. UARSC management will be conducting a review of all staffing levels and job positions in July.

With the former partially reimbursed positions from the bookstore being absorbed back into UARSC administration, UARSC has been developing other tasks, expanding functions it was behind on and strengthening the accounting and HR areas. Another area that has been a focus this year was risk management, which needed attention since the departure of the Associate Executive Director. If food service is outsourced, all positions will once again be reevaluated and readjusted as necessary. Grants and contracts revenues assume an average IDC rate of 16.25% on \$7.7 million, an increase of 2.5% over the prior year with the annual share back amount to campus at \$396,000. The unallowable cost reserve is now fully funded, with the goal set at 5% of the annual grant and contract expenditures, so the 12/13 budget does not allocate to this reserve next year. UARSC management worked with Follett staff to prepare projections for the second year of operations in the bookstore. The 12/13 bookstore budget at \$344,000 assumes a net gross sales decline of 2%. Overall, the UARSC administrative budget was reduced by \$22,000, but staff continues to look at other areas where UARSC can save. *A motion comes moved and seconded from the Finance & Operations Committee to approve the FY12/13 operating budget as presented. Motion carried.*

#### Tax Form 990 Ratification

Svatora stated that this item was reviewed during the earlier Joint Audit Committee Report. He responded to questions from the Board. *The recommendation that the Board ratify the adoption of the UARSC Tax Form 990 ended fiscal year 06/30/11 as presented comes moved and seconded for approval from the Joint Audit Committee. Motion carried.*

#### Signature Authority Revision – Delegation of Authority Policy

Davis reported that staff is seeking approval to update the signature authority page of the Delegation of Authority Policy in order to provide authorization for Selma McDermid, an employee working with UARSC for the past year, to approve expenditures under \$500. *It was moved and seconded (Schnepf/Zomalt) to approve the revision of the Signature Authority Page of the Delegation of Authority Policy as presented. Motion carried.*

#### Records Retention Policy

Davis reported that UARSC's internal records retention policy has been revised and is being implemented as a formal policy to comply with SB8. Davis stated that UARSC Directors will be asked to review the policy quarterly and determine which items in their areas need to be destroyed. The Finance and Operations Committee brought up questions at its last meeting which were discussed with UARSC's attorney and the policy was further revised. UARSC staff is recommending its adoption. *It was moved and seconded (Powell/Schuster) to approve the adoption of the Records Retention Policy as presented. Motion carried.*

**Adjournment**

Bersi announced the next meeting will be held on September 6, 2012 at the McMahan House. *The meeting adjourned by acclamation at 5:53 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 September 6, 2012, at San Marcos, California.*

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date



## **ATTACHMENT B**

Minutes of June 22, 2012 Special Meeting

DRAFT

**Special Meeting of the Board of Directors  
June 22, 2012**

Via Teleconference; Physical Location: UARSC Office

**Attendees:**

**Members:** Ann Bersi (*Chair*) (via phone), Tres Conrique (via phone), VP Hawk (via phone), Brandon Losey (via phone), Colleen Moss (in person), Russell Powell (via phone), Susan Schnepf (via phone), Camille Schuster (via phone)

**Absent:** Provost Cutrer, Ken Green, John Hawthorne, President Haynes, Ernest Zomalt (*Vice Chair*)

**Staff:** Deborah Davis (in person), Sarah Derho (in person), Michelle Hinojosa (in person), Grant Hubbard (via phone), Dora Knoblock (in person), Greg Svatora (in person)

**Convening of the Board Meeting**

A quorum being present, Chair Bersi called the meeting to order at 1:30 p.m. Derho took roll call.

**Action Items**

Outsource Dining Services to Sodexo

Davis reported. At the May meeting, the Board asked UARSC management to provide additional information regarding the potential outsourcing of dining services to Sodexo. Davis provided an overview of the self operating model and reviewed prior year financial activity from 2008 to 2012 (Exhibit 1 of Attachment A). She reviewed the comparison of continuing to self-operate versus the outsource model for the next five years (Exhibit 2 of Attachment A). To continue self-operating, UARSC would need to provide a significant investment in start-up costs and build-outs of approximately \$370,000. In addition, an increase in C-store staff for the new location and staffing for the USU coffee shop would be required. With the pending right of first refusal for catering, an increase in catering staff would be required to capture a portion of the approximate \$162,000 of catering dollars on campus that flow to outside approved vendors. The right of first refusal in catering would contribute to a smaller increase in net revenues for UARSC (estimated at 10% per year) than for Sodexo due to the limitations on resources. Davis reviewed the proposed capital investment by Sodexo. Phase I would include a \$220,000 investment in the current operations. Phase II would

include a \$1.4 million build-out of four food concepts plus the coffee shop. Sodexo would also contribute to the campus by supporting the annual Gala and the student scholarships. From both a historical perspective and looking forward to the future USU, the self-operation model cannot continue to sustain itself. Svatora stated that in Exhibit 2 under the self-operating model, the net revenues included net depreciation for the kitchen remodel and the Starbucks build-out in 2002 and 2003. They were set to depreciate over ten years. The kitchen will be at 10 years this year and Starbucks next year. He reported that the net revenues amounts should be increased by \$50,000 for the coming fiscal year and \$100,000 the subsequent years. He stated that even with that adjustment to Exhibit 2, the self-operating model would be in the negative and result in a significant difference in net revenues. Davis stated that UARSC management met with Sodexo. The first year would operate at a loss of approximately \$11,000 when staffing and overhead costs are calculated. The outsource model with Sodexo would include a commission of 2% for the current operations and would move to 5% once the USU opens. The catering commission would be set at 5% for everything over \$300,000 per year starting immediately. Panda Express would be excluded from commissions for the first five years due to an initial investment of \$400,000 (out of the \$1.4 million). Sodexo assisted in all the revenue projections based on their prior experience with other campuses with a similar head count and believe their objectives are achievable. Schuster inquired about branded concepts other than Panda Express. Sodexo is willing to work with the campus if branded concepts are desired and would manage them if selected as dining services operator. If UARSC continued to self-operate, it would manage the four separate branded concept operations plus the coffee shop. Davis addressed the questions that Powell had submitted prior to the meeting. Powell's inquiries centered around the large difference in anticipated results between the self-operation and outsourcing models. If UARSC continues to self-operate, it would be unable to grow as fast as Sodexo. It would also be difficult to capture all the catering business after the right of first refusal is instituted with our current resources and infrastructure. UARSC would not be able to institute a meal plan or extend hours. Sodexo is experienced at all these functions and has the resources to grow faster in sales. Bersi stated that the Board is being asked to consider for approval the outsourcing of dining services to Sodexo. *A motion was made and seconded (Schnepf/Losey) to approve the outsourcing of dining services to Sodexo, Inc. including both the current operations and the dining services operations in the future University Student Union. Bersi called for more discussion. Motion unanimously carried. Losey exited.*

#### Revision of Policy on Indirect Cost Recovery and Allocation

Svatora reported on the reasons for the proposed revisions to the current Policy on Indirect Cost Recovery and Allocation and reviewed the summary of changes (Attachment B). One major revision is to remove the set 13% of total IDC that UARSC shares back with the campus annually. The percentage was originally set as an amount estimated to cover UARSC costs to manage grants and contracts. As the cost to manage grants and contracts fluctuates each year, the revision would allow UARSC to recover its

costs and then share the rest back with campus. It would remove the restrictions on managing grants with IDC rates of less than 13% and the limitation on 0% IDC awards. Annually, UARSC would analyze the grants and contract operating costs (Exhibit A of Attachment B) and present this calculation to the Finance and Operations Committee for approval. The amount remaining after UARSC has recovered its costs and the disallowance reserve has been funded will be presented to the Provost. UARSC will forward all share-back funds to the Provost who will decide on their allocation to the campus. The policy revision would allow for allocations to the disallowance reserve to be decreased or forgone in any year when the disallowance reserve is fully funded and UARSC would be able to contribute the excess to the campus. The title of the policy would change to the Policy on the Allocation of Facilities and Administrative Costs (Indirect Costs). The policy revision is designed to be easier to manage and transparent. Svatora called for questions. Bersi stated that the Board is being asked to consider for approval the revision as presented. *A motion was made and seconded (Moss/Conrique) to approve the revisions to the Policy on Indirect Costs Recovery and Allocation as presented. Motion unanimously carried.*

**Adjournment**

Bersi announced the next meeting will be held on September 6, 2012 at the McMahan House. *The meeting adjourned by acclamation at 2:01 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 September 6, 2012, at San Marcos, California.*

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date




## **ATTACHMENT C**

### **Conflict of Interest Acknowledgments**

**MEMORANDUM**

DATE: August 30, 2012

TO: UARSC Board of Directors

FROM: Dora Knoblock   
Executive Director  
University Auxiliary and Research Services Corporation

SUBJECT: Conflict of Interest Acknowledgement

As you may know, the California Education Code addresses the monitoring of potential conflicts of interest between UARSC and its Board of Directors. As a result, UARSC has adopted the practice of annually updating its files with regard to this matter.

In accordance with the conflict of interest provisions set forth in Education Code Sections 89906-89909, the only relationships that are specifically deemed **not** permissible are as follows:

- (a) Any contract, other than an employment contract, directly between the UARSC and a UARSC Director.
- (b) Any contracts between UARSC and a partnership or unincorporated association in which a UARSC Director is a partner, or owner, or holder, directly or indirectly, of a proprietorship interest.
- (c) Any contract between UARSC and a for-profit corporation in which a UARSC Director is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.

Therefore, I would appreciate it if you would review the above and if appropriate, sign and date the acknowledgement below. Statements may be turned in at the first Board meeting of the fiscal year or returned to my office.

*I am not now financially interested in any contract or other transaction entered into by the Board of Directors of the University Auxiliary and Research Services Corporation.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

## **CALIFORNIA EDUCATION CODE 89906-89909**

**89906. FINANCIAL INTEREST PROHIBITION.** No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he is a member, and any contract or transaction entered into in violation of this section is void.

**89907. EXCEPTION.** No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provisions of Section 89906, nor shall any member of such board be disqualified or deemed guilty of misconduct in office under said provisions, if the circumstances specified in the following subdivisions exist:

- (a) The fact of such financial interest is disclosed or known to the governing board and noted in the minutes, and the governing board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members, and
- (b) The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

**89908. OTHER PROHIBITED FINANCIAL INTERESTS.** The provisions of Section 89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

- (a) The contract or transaction is between an auxiliary organization and a member of the governing board of that auxiliary organization.
- (b) The contract or transaction is between an auxiliary organization and a partnership or unincorporated association of which any member of the governing board of that auxiliary organization is a partner or in which he is the owner or holder, directly or indirectly, of a proprietorship interest.
- (c) The contract or transaction is between an auxiliary organization and a corporation in which any member of the governing board of that auxiliary organization is the owner or holder, directly or indirectly, of five (5) percent or more of the outstanding common stock.
- (d) A member of the governing board of an auxiliary organization is interested in a contract or transaction within the meaning of Section 89906, and without first disclosing such interest to the governing board at a public meeting of the board, influences or attempts to influence another member or members of the board to enter into the contract or transaction.

**89909. UNLAWFUL TO UTILIZE NON-PUBLIC INFORMATION FOR PERSONAL PECUNIARY GAIN.** It is unlawful for any person to utilize any information, not a matter of public record, which is received by him by reason of his membership on the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he is or is not a member of the governing board at the time such gain is realized.

## **ATTACHMENT D**

Quarterly Financial Reports 06/30/12



UARSC

Statement of Financial Position

June 30, 2012

	Balance 06/30/12	Balance 03/31/12	Quarter Increase/ (Decrease)	Fiscal Year Increase/ (Decrease)
<b>Assets</b>				
Cash and Short-Term Investments-(UARSC)	\$ 6,557,698	\$ 7,264,861	-\$ 707,163	\$ 922,642
Cash and Short-Term Investments-(CSUSMF)	8,176,643	7,726,166	450,478	1,635,068
Accts Receivable-Sponsored Programs	989,979	621,791	368,188	348,716
Other Receivables	42,514	46,932	(4,418)	(921,567)
Inventory - Bookstore	-	-	-	(169,869)
Inventory - Food Service	29,326	26,485	2,841	2,841
Other Assets	101,231	121,782	(20,552)	40,150
CCF-Bldg & Fixtures (Net)	5,921,445	6,146,485	(225,040)	5,921,445
Property & Equipment (Net)	322,894	335,647	(12,753)	(177,465)
<b>Total Assets</b>	<b>\$ 22,141,729</b>	<b>\$ 22,290,149</b>	<b>-\$ 148,419</b>	<b>\$ 7,601,961</b>
<b>Liabilities &amp; Net Assets</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Expenses	\$ 1,305,763	\$ 838,609	\$ 467,154	\$ (450,272)
Due to CSUSMF - Cash and Short-Term Invest's	8,176,643	7,726,166	450,478	1,635,068
Deferred Revenue	790,371	384,310	406,061	(108,233)
Post-Retiree Health Benefit Accrual	1,205,268	1,160,948	44,320	177,281
<b>Total Liabilities</b>	<b>\$ 11,478,044</b>	<b>\$ 10,110,032</b>	<b>\$ 1,368,012</b>	<b>\$ 1,253,843</b>
<b>Net Assets:</b>				
<b>Unrestricted:</b>				
Operating Reserves	1,558,967	1,634,337	(75,370)	205,826
Designated Programs	628,708	627,788	920	174,421
Campus Programs	2,347,729	3,571,420	(1,223,691)	339,949
Current Year Net Asset Activity	(116,059)	(135,560)	19,501	(116,059)
CCF-Bldg & Fixtures	5,921,445	6,146,485	(225,040)	5,921,445
Equipment	322,894	335,647	(12,753)	(177,465)
<b>Total Unrestricted Net Assets</b>	<b>\$ 10,663,684</b>	<b>\$ 12,180,117</b>	<b>-\$ 1,516,433</b>	<b>\$ 6,348,117</b>
Temporarily Restricted	-	-	-	-
Permanently Restricted	-	-	-	-
<b>Total Net Assets</b>	<b>\$ 10,663,684</b>	<b>\$ 12,180,117</b>	<b>\$ (1,516,431)</b>	<b>\$ 6,348,117</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 22,141,729</b>	<b>\$ 22,290,149</b>	<b>\$ (148,419)</b>	<b>\$ 7,601,961</b>

**UARSC**  
**Net Asset Summary Detail**  
**June 30, 2012**

<b>Unrestricted Net Assets</b>	<b>Balance 6/30/12</b>	<b>Balance 3/31/12</b>	<b>Quarter Increase/ (Decrease)</b>	<b>Fiscal Year Increase/ (Decrease)</b>
<b>Operating Reserves</b>				
Audit Disallowance	\$ 509,167	\$ 509,167	\$ -	\$ 130,020
Commercial Operations	196,032	196,032	-	-
Capital Equipment Replacement	75,001	75,001	-	-
Lease/Loan Contingency	45,001	45,001	-	-
Working Capital	423,544	498,914	(75,370)	75,806
Capital Development	310,223	310,223	-	-
<b>Total Operating Reserves</b>	<b>\$ 1,558,967</b>	<b>\$ 1,634,337</b>	<b>\$ (75,370)</b>	<b>\$ 205,826</b>
<b>Designated Programs</b>				
Inventories-Bookstore/Food Service	29,326	26,485	2,841	(167,028)
Other Designated Programs	599,382	601,303	(1,921)	341,449
<b>Total Designated Programs</b>	<b>\$ 628,708</b>	<b>\$ 627,788</b>	<b>\$ 920</b>	<b>\$ 174,421</b>
<b>Campus Programs</b>	2,347,729	3,571,419	(1,223,690)	339,949
<b>CCF Bldg &amp; Fixtures</b>	5,921,445	6,146,485	(225,040)	5,921,445
<b>Equipment</b>	322,894	335,647	(12,753)	(177,465)
<b>Current Year Net Asset Activity</b>	(116,059)	(135,560)	19,501	(116,059)
<b>Total Other Net Assets</b>	<b>\$ 8,476,009</b>	<b>\$ 9,917,991</b>	<b>\$ (1,441,982)</b>	<b>\$ 5,967,869</b>
<b>TOTAL UNRESTRICTED NET ASSETS</b>	<b>\$ 10,663,684</b>	<b>\$ 12,180,116</b>	<b>\$ (1,516,431)</b>	<b>\$ 6,348,117</b>

**UARSC  
Program Revenue Activity Summary  
Quarter Ending 6/30/12**

Program Activity	Annual Budget FY 11/12	Quarter 4 4/1/12 - 6/30/12			Fiscal Year To Date 7/1/11 - 6/30/12			Comparison of Prior FYTD Actual to Current FYTD Actual				
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 6/30/2011	Current FYTD 6/30/2012	% Inc. (Dec.)	% of Prior Year	
<b>Grants/Contracts</b>												
Federal	\$ 5,469,000	\$ 1,367,250	\$ 1,527,480	\$ 160,230	\$ 5,469,000	\$ 6,264,398	\$ 795,398	\$ 6,599,451	\$ 6,264,398	-5%	95%	
State/Private/Other	2,080,000	520,000	522,548	2,548	2,080,000	1,324,280	(755,720)	2,746,689	1,324,280	-52%	48%	
<b>Total Grants/Contracts</b>	<b>7,549,000</b>	<b>1,887,250</b>	<b>2,050,028</b>	<b>162,778</b>	<b>7,549,000</b>	<b>7,588,678</b>	<b>39,678</b>	<b>9,346,140</b>	<b>7,588,678</b>	<b>-19%</b>	<b>81%</b>	
<b>Campus/Designated Programs</b>	<b>\$ 2,500,000</b>	<b>\$ 625,000</b>	<b>\$ 965,660</b>	<b>\$ 340,660</b>	<b>\$ 2,500,000</b>	<b>\$ 3,870,596</b>	<b>\$ 1,370,596</b>	<b>\$ 4,157,692</b>	<b>\$ 3,870,596</b>	<b>-7%</b>	<b>93%</b>	
<b>Food Service/Bookstore</b>												
Food Service	1,412,000	359,557	407,421	47,864	1,412,000	1,510,368	98,368	1,530,055	1,510,368	-1%	99%	
Bookstore	3,000,000	150,000	285,064	135,064	3,000,000	2,816,597	(183,403)	3,176,696	2,816,597	-11%	89%	
<b>Total Food Service/Bookstore</b>	<b>\$ 4,412,000</b>	<b>\$ 509,557</b>	<b>\$ 692,485</b>	<b>\$ 182,928</b>	<b>\$ 4,412,000</b>	<b>\$ 4,326,965</b>	<b>\$ (85,035)</b>	<b>\$ 4,706,751</b>	<b>\$ 4,326,965</b>	<b>-8%</b>	<b>92%</b>	
<b>Total Program Revenues</b>	<b>\$ 14,461,000</b>	<b>\$ 3,021,807</b>	<b>\$ 3,708,173</b>	<b>\$ 686,366</b>	<b>\$ 14,461,000</b>	<b>\$ 15,786,239</b>	<b>\$ 1,325,239</b>	<b>\$ 18,210,583</b>	<b>\$ 15,786,239</b>	<b>-13%</b>	<b>87%</b>	



**UARSC**  
**Net Operating Revenue Summary - Quarter 4**  
**4/1/12 to 6/30/12**

	Annual Budget FY 11/12	Quarter 4 4/1/12 - 6/30/12			Fiscal Year To Date 7/1/11 - 6/30/12			Comparison of Prior FYTD Actual to Current FYTD Actual			
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 6/30/11	Current FYTD 6/31/2012	% change inc./-dec.	% of Prior Yr Balance
<b>Revenue</b>											
Grant/Contract Admin Fees	\$ 1,208,000	\$ 302,000	\$ 320,010	\$ 18,010	\$ 1,208,000	\$ 1,140,868	\$ (67,132)	\$ 1,164,272	\$ 1,140,868	-2%	98%
Less: Unallowance Reserve	(116,000)	-	310	310	(116,000)	(127,913)	(11,913)	(116,634)	(127,913)	0%	0%
Less: University Sharing	(383,000)	-	(787)	(787)	(383,000)	(385,103)	(2,103)	(347,707)	(385,103)	0%	0%
<b>Net Grant/Contract Admin Fees</b>	<b>\$ 709,000</b>	<b>\$ 302,000</b>	<b>\$ 319,533</b>	<b>\$ 17,533</b>	<b>\$ 709,000</b>	<b>\$ 627,852</b>	<b>\$ (81,148)</b>	<b>\$ 699,931</b>	<b>\$ 627,852</b>	<b>-10%</b>	<b>90%</b>
Campus Program Admin Fees	148,000	37,000	69,448	32,448	148,000	255,641	107,641	204,969	255,641	25%	125%
Endowment Admin Fees	80,000	20,000	18,822	(1,178)	80,000	70,018	(9,982)	75,809	70,018	-8%	92%
Bookstore	375,000	18,750	37,780	19,030	375,000	350,058	(24,942)	144,667	350,058	142%	242%
Food Service	127,000	14,495	(23,051)	(37,546)	127,000	(16,274)	(143,274)	127,697	(16,274)	-113%	-13%
Investment Income	45,000	11,250	(4,375)	(15,625)	45,000	45,308	308	55,602	45,308	-19%	81%
Leases/Mgmt Fees/Support	47,000	11,750	18,755	7,005	47,000	53,321	6,321	49,460	53,321	8%	108%
<b>Total Revenue</b>	<b>\$ 1,531,000</b>	<b>\$ 415,245</b>	<b>\$ 436,912</b>	<b>\$ 21,667</b>	<b>\$ 1,531,000</b>	<b>\$ 1,385,924</b>	<b>\$ (145,076)</b>	<b>\$ 1,358,135</b>	<b>\$ 1,385,924</b>	<b>2%</b>	<b>102%</b>
<b>Expenses: UARSC Operations</b>	<b>\$ 1,438,000</b>	<b>\$ 359,500</b>	<b>\$ 417,411</b>	<b>\$ (57,911)</b>	<b>\$ 1,438,000</b>	<b>\$ 1,550,807</b>	<b>\$ (112,807)</b>	<b>\$ 1,545,043</b>	<b>\$ 1,550,807</b>	<b>0%</b>	<b>100%</b>
<b>Net Operating Revenues</b>	<b>\$ 93,000</b>	<b>\$ 55,745</b>	<b>\$ 19,501</b>	<b>\$ (36,244)</b>	<b>\$ 93,000</b>	<b>\$ (164,883)</b>	<b>\$ (257,883)</b>	<b>\$ (186,908)</b>	<b>\$ (164,883)</b>	<b>12%</b>	<b>88%</b>
<b>Add: Follett Transition Cost Reimb</b>		\$ -	\$ -	\$ -	\$ -	\$ 48,824	\$ 48,824	\$ -	\$ 48,824	n/a	n/a
<b>Adjusted Net Operating Revenues</b>		<b>\$ 55,745</b>	<b>\$ 19,501</b>	<b>\$ (36,244)</b>	<b>\$ 93,000</b>	<b>\$ (116,059)</b>	<b>\$ (209,059)</b>	<b>\$ (186,908)</b>	<b>\$ (116,059)</b>	<b>38%</b>	<b>62%</b>



# **ATTACHMENT E**

## **Proposed 12/13 Compensation Administration Guidelines**



## **COMPENSATION ADMINISTRATION GUIDELINES**

### **Effective July 1, 2012 – June 30, 2013**

The UARSC Board approves the following wage increase guidelines for UARSC Regular Sponsored Project employees<sup>1</sup> subject to Principal Investigator approval and the availability of project funds (grant and contract funded employees only). UARSC Regular non-Sponsored Project employees are not eligible for increases in Fiscal Year 12/13. Salary adjustments are available for sponsored project employees but are subject to the following guidelines:

#### **Wage increase not to exceed 5.0 percent**

- a. All adjustments will be calculated as a percentage of current annual gross wages and must be submitted on an Employment Authorization Form (EAF).
- b. Increases will not be granted without the completion of an annual performance appraisal in the past year. Annual performance appraisals are completed either on a fiscal year basis, project year basis, or position anniversary date. The annual performance appraisal schedule will be decided by the Principal Investigator or Department Director and will communicate this schedule to the UARSC Director, Human Resources.
- c. Employees with a score of less than 3.00 (below expectations) on their annual performance appraisal will not be eligible for a performance based adjustment.
- d. Employees with less than 6 months of service during the performance appraisal period will not be eligible for a wage increase. This will only apply to annual performance appraisals completed on a fiscal year or project year basis.
- e. Any employee determined to be significantly above the market rate for their position (15% or greater), will be excluded from receiving a wage increase.

All forms are available on UARSC's website at [www.csusm.edu/uarsc](http://www.csusm.edu/uarsc).

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<sup>1</sup> The following categories are not covered by these guidelines: Student Assistant, Graduate Assistant, and University Faculty.

# **ATTACHMENT F**

Proposed 12/13 Meeting Calendar



**BOARD OF DIRECTORS**  
**2012-2013 Meeting Calendar**

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

September 6, 2012 (Annual Meeting)

November 15, 2012

February 28, 2013

May 23, 2013

**Items Handed Out at the  
09/06/12 Board Meeting**



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

**BOARD MEMBER NOMINATIONS 2012/2013**

<b>David Chang</b>	New Appointment Community Member – 3 year term
<b>Tres Conrique</b>	Reappointment Community Member - 3 year term
<b>Brandon Losey</b>	Reappointment Student Member – 1 year term
<b>Camille Schuster</b>	Reappointment Faculty Member – 2 year term
<b>Ernest Zomalt</b>	Reappointment Community Member – 3 year term

MEETING HANDOUT  
Date: 9/6/12  
Meeting: UNESC Board Meeting

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

**Proposed BOARD OFFICERS 2012/2013**

<b>Chair</b>	Ann Bersi
<b>Vice Chair</b>	Ernie Zomalt
<b>Secretary</b>	Dora Knoblock
<b>Treasurer</b>	Greg Svatora

Approved at the Annual Meeting of the  
Board of Directors on \_\_\_\_\_

MEETING HANDOUT  
Date: 9/6/12  
Meeting: LAASC Board Meeting

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

**Proposed BOARD COMMITTEES 2012/2013**

<p><b><u>Executive Compensation Committee</u></b>          Karen Haynes          Ann Bersi, <i>Chair</i></p> <p><b><u>Finance &amp; Operations Committee</u></b>          Ann Bersi, <i>Chair</i>          Tres Conrique, <i>Vice Chair</i>          Linda Hawk          Russell Powell</p> <p><b><i>UARSC Staff (non-voting):</i></b>          Dora Knoblock          Greg Svatora          Deborah Davis</p> <p><b><u>Sponsored Projects Committee</u></b>          Ann Bersi, <i>Chair</i>          Matt Ceppi          Camille Schuster</p> <p><b><i>Non-UARSC Board Members (voting):</i></b>          Chuck DeLeone (<i>Faculty Representative</i>)          Gerardo Gonzalez, <i>Vice Chair (AVP for Research)</i>          Dora Knoblock (<i>Executive Director, UARSC</i>)          Bianca Mothe (<i>Faculty Representative</i>)</p> <p><b><i>UARSC Staff (non-voting):</i></b>          Grant Hubbard</p>	<p><b><u>Joint Audit Committee</u></b>          UARSC, ASI, CSUSM Foundation, San Marcos          University Corporation</p> <p><i>Chair position - vacant</i></p> <p><b><i>UARSC Board Members (voting)</i></b>          Ken Green          Vacancy</p> <p><b><i>Non-UARSC Board Members (voting):</i></b>          Vacancy, <i>San Marcos University Corporation</i></p> <p>Mason Smith, <i>ASI</i></p> <p>Helen Adams, <i>CSUSM Foundation</i></p> <p><b><u>Nominating and Governance Committee</u></b>          Ann Bersi, <i>Chair</i>          Ernie Zomalt, <i>Vice Chair</i></p> <p><b><i>UARSC Staff (non-voting):</i></b>          Dora Knoblock</p>
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MEETING HANDOUT  
 Date: 9/6/12  
 Meeting: UARSC Board Meeting