

CALIFORNIA STATE UNIVERSITY SAN MARCOS FOUNDATION

Subject	Administrative Costs Recovery Policy	Ref. No.	A-001	Eff. Date	January 1, 1996
Issue Date	November 9, 1995	Last Revision Date	June 19, 2002		

Objective:

An administrative costs recovery fee will be charged to Foundation accounts according to the type of account. Administrative costs are recovered for providing the following services:

- Accounts Payable Processing
- Accounts Receivable Processing
- Annual Audit
- Annual State and Federal Filing Fees for Non-Profit Organization
- Automated Accounting
- Billing and Collection Services
- Cashiering
- Check Preparation
- Contract Preparation and Review
- Expenditure Controls (Authorized Purchase through Purchase Order Control)
- Banking Services
- General Cash Administration
- Insurance Costs
- Legal Services
- Monthly Bank Reconciliations
- Payroll/Personnel Administration
- Project Management Reports
- Risk Management
- Staff Support for Accounting Related Matters
- Reporting to Regulatory Agencies (Chancellor's office, State of California, tax returns)
- Workers' Compensation Program Administration

Exclusions:

This policy does not apply to scholarships, grant and contract accounts, unrestricted gifts or internal transfers from accounts which have already met other administrative fee or overhead recovery requirements.

Campus Program Accounts

Campus program accounts are established for the support of a specific campus programs or a department. Some examples of campus program accounts are: "I'm Going to College" Fund, College of Arts and Sciences, Center for Books in Spanish, etc.

A \$25 fee will be charged to create a new campus program account in the Foundation.

An 8% fee is applied as funds are expended. Funds on deposit do not receive any interest income. A minimum of \$60 per account will be charged annually (in addition to the account origination fee).

Special Program and Equipment Accounts

Special programs accounts are campus program accounts established to facilitate short-term special programs or to purchase equipment only, and generally have few expenses. Some examples of special program accounts are: Elderhostel at Lawrence Welk Village, Pow Wow, etc.

Administrative fees will be determined by the Foundation Executive Director on a case-by-case basis for special program accounts within the range of 3% to 8%, to be assessed on expenses.

Affiliated Organization Accounts

Organizations which have been approved as an "affiliated organization" of California State University San Marcos have been recognized to support the values, vision and mission of the University and may engage in collecting membership dues, events, and/or fundraising activities.

Affiliated organizations typically rely on volunteer efforts and support for their activities. Funds collected by or donated to these organizations will be deposited into a Foundation account.

A \$25 fee will be charged to create an account in the Foundation.

A fee of 4% will be charged on expenditures for those accounts which have four or less events and 60 transactions or less per year, and have an average monthly balance of less than \$10,000. Transactions include: deposit of funds, monthly payroll posting, check request, petty cash reimbursement, and purchase order.

An annual review of the level of activity will be conducted. Should the account exceed the expected level of activity or account balance, the fee will be increased

not to exceed the 8% fee applied to other campus program accounts.

Endowment Accounts

Endowment accounts are those accounts whose funds are restricted for expenditure either internally or externally by contractual obligation and are administered pursuant to the Foundation's Endowment and Investment Policies.

Endowment funds are invested by the Foundation and earned income is distributed quarterly. The earned income will be reduced by one percent (1%) of the principal amount of each endowment, calculated (average of a three-month market value) and distributed on a quarterly basis. The one percent will be deducted before distribution of the earned income.

The one percent recovered from endowments will be shared as follows:

Less than \$5 million	Foundation 100%
Between \$5 -\$10 million	Foundation 75%; University Advancement 25%
Over \$10 million	Foundation 50%; University Advancement 50%

Trusts and Planned Gifts

Trustee's fees for the management of investment portfolios will be calculated on market value of the trust assets. An annual fee of one percent (1%) will be distributed on January 1, based on the market value of the trust as of that date.

When the Foundation, as trustee or executor of a trust or will, is required to perform extraordinary services upon the death of a trustor/trustee or beneficiary, an additional fee of one percent (1%) will be assessed on the market value of the trust assets to offset the cost of extra services.

Real Property Gifts

A fee is charged for acceptance, sale and/or management of real property. The amount and type of fee is based on the circumstances of each property gift. The fee structure is similar to those of banks and trust companies providing services for the general public.

Supplemental fees are applicable where the Foundation is involved in toxic waste matters, repair/improvement supervision, prolonged negotiations, litigation, condemnation proceedings and any other consulting services. Hourly rates for the Executive Director, Business Manager and all other Foundation employees will be applied at prevailing hourly rate.

Actual costs for required outside professional services are charged directly to the project based on actual services performed.

Capital Gifts

Direct costs for Foundation services will be included in the Capital Project.

Gifts--Other

Gifts other than cash or securities which require extraordinary services will be analyzed on a case-by-case basis and may be subject to supplemental fees in order to recover the cost of acceptance, sale, and/or management of such gifts. In such cases, the Executive Director will seek approval from the Finance/Operations Committee to assess supplemental fees.

Effective Date:

The revision to this policy was adopted by the Finance and Operations Committee on June 19, 2002 and ratified by the Board of Directors on August 22, 2002.

The Foundation will review the policy on an annual basis.