

Office Memorandum



DATE: September 21, 2015

TO: Cal State L.A. Student Organization Officers

FROM: Lisa Chavez *[Signature]*
VP for Administration and CFO
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SUBJECT: CSU Administration of Student Organization Funds Policy

In accordance with CSU Policy ICSUAM 1401.00, which becomes effective July 1, 2016, officially recognized campus student organizations will be required to conduct their banking and finance activities through a bank account maintained by Cal State L.A. Associated Students, Inc. (A.S.I.). As a result, student organizations with existing off-campus bank accounts will need to close/transfer their funds to the designated A.S.I. bank account by July 1, 2016.

Any exceptions to this requirement (e.g., nationally affiliated organizations or local organizations with a separate 501 (c) (3) status) must be approved by the campus CFO or designee. Going forward, student organizations may not deposit funds into unauthorized bank accounts.

Additional information will be provided by A.S.I. to assist with this transition and implementation of the new CSU policy. In the meantime, if you have questions, please contact Intef Weser, Executive Director, A.S.I. at extension 3-4780.

1401.00 | Administration of Student Organization Funds

Effective Date: 7/1/2015

POLICY OBJECTIVE

It is the policy of the California State University (CSU) to provide direction in the administration of student organizations' monies. This policy pertains to student organizations formally recognized by the campus as defined in Executive Order (EO) 1068 – Student Activities, section titled "Formal Chartering and Recognition Policies."

The campus Chief Financial Officer (CFO) or designee and the Vice President for Student Affairs (VPSA) or designee, must jointly establish written policies and prepare supporting procedures governing the administration of student organization funds. Campuses will consider fiscal procedures applicable to student organization activities.

POLICY STATEMENT

100 Overview

Student Organizations are established in accordance with procedures published by individual CSU campuses per EO 1068. Student Organizations generate funds through a variety of methods including, but not limited to, dues, prizes/awards from competitions, and fund raising. Monies collected in the name of the student organization for its activities must be used exclusively for the purpose of furthering the Student Organization's goals and objectives.

This policy shall be fully implemented by CSU locations by July 1, 2016.

200 Authority

Per EO 731 – Designation of Chief Financial Officer, the campus CFO is responsible for the business and financial affairs of the institution. Per EO 1068, it is the responsibility of the VPSA to oversee the chartering and recognition of student organizations.

300 Funds Administration

Monies collected in the name of the Student Organization must be maintained in a bank account of the University or an Auxiliary (with Presidential approval in accordance with campus policy) as determined by the campus CFO in consultation with the VPSA. Auxiliary organizations may accept or administer university funds as an agent of the University when specifically authorized in writing by the campus President or his/her designee per EO 1059 - Utilization of Campus Auxiliary Organizations.

Any exceptions to this requirement [e.g., nationally affiliated organizations or local organizations with a separate 501(c)(3) status] must be approved by the campus CFO or designee. At no time shall a Student Organization deposit funds into an unauthorized bank account.

Student Organization bank accounts cannot be used to hold funds on behalf of other Student Organizations. Funds may be held by a Student Organization on behalf of another external organization only on a temporary basis in conjunction with a fundraising event where a check for the proceeds will be issued to the outside organization. For example, a Student Organization has a fundraiser for the American Red Cross where funds will temporarily remain in the Student Organization's bank account until the net proceeds from the event are reconciled and a check request is submitted to remit the funds to the Red Cross.

Revenue and expenses are to be recorded by the entity that holds the monies on behalf of the Student Organization. The campus records in the legal books and the auxiliary records in the Auxiliary financial records.

400 Cash Handling

Student Organizations collect cash and cash equivalents in association with their activities, which require a strong system of internal controls over that revenue.

Campus policies and procedures related to the handling and processing of cash and cash equivalents should be followed, considering relative risk (i.e. value, repetitiveness of transactions, etc.), to ensure assets are protected, accurately processed, and properly reported.

500 Responsibilities

The campus CFO is responsible for the proper recording of Student Organizations' financial information in the campus accounting records.

A Student Organization's officers are responsible for maintaining the financial solvency of the organization in accordance with the individual campus' Student Organizations Handbook.

600 Student Organization Funds Administration Agreement

Each Student Organization establishing a banking relationship with the University or an Auxiliary must have a current Student Organization Funds Administration Agreement on file with both the campus Student Affairs department and campus tax coordinator or the Auxiliary coordinator, respectively.

Elements that must be included in the agreement are:

- Source and purpose of funds collected and expended;
- Approval of expenditures;
- Types of expenditures not deemed appropriate;
- Documentation requirements;
- Types of fund raising activities appropriate for the generation of revenue;
- Guidelines for philanthropic activities;
- Fees to be charged for use of cash handling services;
- Interest to be earned;
- Sanctions to be imposed for cash handling policy violations in accordance with campus policy;
- Training of officers in fiscal responsibility;
- Disposition of funds in the case where the club is disbanded; and
- Other, as determined by the campus.

700 Tax Implications

The campus CFO is responsible for ensuring all IRS guidelines are followed for funds deposited in either a university or auxiliary bank account. Refer to Campus gift policy regarding the receipt of donor funds.

Office of the Executive Vice Chancellor

Business and Finance

Approved: May 18, 2015