

POLICY ON REVENUES

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DEFINITIONS

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Approved operating budget	The consolidated operating budget of ASI and formally adopted by the Senate and subsequently revised through approved board action.
Income from operations	Proceeds earned as a result of the operating activities of ASI programs and services.
Revenue	Gross proceeds received from fees, sales of products and services donations, grants, services in kind and other liquid assets.
Surplus Income	Income received in excess of the amount originally anticipated as reflected in the approved operating budget
Mandatory Student Fees	The Associated Students fee and the University Student Union fee
Title V	Title V of the California Code of Regulations

GENERAL REVENUE ADMINISTRATION

BACKGROUND AND PURPOSE

The Associated Students, Incorporated (ASI) derives income from a variety of sources, including mandatory student fees, sales of goods and services, contributions, donations, grants and contracts, investments, and participant fees. The purpose of ASI's Policy on Revenue is to provide guidance on the estimation and administration of revenues that are subject to ASI control, and to ensure that the funds are held in proper accounts and are administered in accordance with applicable laws and regulations, including California State University policies.

POLICY STATEMENT

Any program that is supported, either directly or indirectly, by the general funds of the ASI shall be considered an ASI program. It is the policy of the ASI that any revenue generated from the operation of an ASI program be:

- Estimated annually by an objective and analytical process that reflects reasonable expectations
- Recognized when earned (accrued), in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board (FASB).
- Collected and deposited as quickly as possible following the underlying event
- Accounted for and maintained by the ASI Business Office in the accounting and budgetary records of the ASI

1.0 REVENUE DIVERSIFICATION

ASI shall attempt to achieve an effective mix of revenues, and shall continually seek new sources of revenue to broaden its revenue base and manage its dependence on mandatory student fees. ASI shall continually search for new revenue, both financial and non-financial, as a way of diversifying its revenue base, of sheltering it from short-term fluctuations in any one revenue source, and of helping to ensure a balanced budget.

1.1 USER FEES AND CHARGES

As part of the annual budget preparation process, ASI budget area administrators will review each service they provide to determine if a user fee or service charge should be assessed for the service. The key element in this determination shall be whether the recipient of the service receives a direct benefit independent of the general student population.

Wherever possible, those receiving the direct benefit of an ASI service will pay for the full cost of what they receive, including allocable indirect costs. This includes ASI's own departments who are service "users." Services shall be subsidized only under the following conditions:

- There are significant secondary benefits to the student body resulting from the provision of the service, and/or
- The provision of the benefit is clearly consistent with the mission and purposes of ASI, but the cost of the benefit greatly exceeds the ability of the average student to pay

For each service associated with a user fee, a set percentage of costs will be recovered by fees. Fees and charges will be set to ensure that the specified level of coverage is met. The full costs of user-fee supported activities shall be

recalculated each year to determine the impact of inflation and other cost increases. User fees and charges should be revised each year to adjust for cost. Any proposed increases shall be approved by the board of directors.

2.0 REVENUE FORECASTING

Management will estimate ASI's annual revenues by an objective and analytical process. Revenue estimates will be based on reasonable expectations and be as conservative as possible. However, if fund balances become insufficient to absorb occasional shortfalls, more conservative estimates shall be used. Each existing and potential revenue source will be re-examined annually with the respective budget area administrator to determine its accuracy.

2.1 INCOME FROM MANDATORY STUDENT FEES

ASI shall base fee income budget projections on verifiable enrollment figures from the previous year, adjusted for increases or decreases authorized by the University President.

2.2 INCOME FROM OPERATIONS

Revenue estimates based on income from operations shall be conservative and grounded in the prior year's performance.

2.3 MONITORING

Revenues will be monitored regularly and compared to budget to ensure collections are consistent with the forecast. The Business and Finance Committee shall require regular reports from income producing departments comparing actual to budgeted revenues, explaining any variances, and describing the corrective actions necessary to ensure income attainment. These monitoring practices occur at least quarterly.

3.0 REVENUE COLLECTION AND DEPOSIT

3.1 INCOME FROM MANDATORY STUDENT FEES

3.1.1 ASSOCIATED STUDENTS (AS) FEES

AS fees are collected by the university at the time of registration. Revenues collected shall be deposited to a university trust account and invested by the chief financial officer of the campus in accordance with Section 89301 of the California Education Code. These fees shall be remitted to the ASI Business Office upon submission of a request for reimbursement, signed by the ASI Director of Finance and approved by the Associate Vice President for Financial Management. These funds will then be available for investment by the Associated Students until needed for expenditure.

3.1.1.1 SURPLUS AS FEE INCOME

In the event that the actual amount of AS Fee income received exceeds the amount originally budgeted, the surplus income shall be recorded to the "Transfer to Reserves" account.

3.1.2 UNIVERSITY STUDENT UNION (USU) FEES

USU fees are collected by the university at the time of registration. Revenues collected shall be deposited to a university trust account and invested by the chief financial officer of the campus in accordance with Section 89304 of the California Education Code. Funds not otherwise needed for the payment of interest and principal on outstanding bonds, the payment of CSU office overhead charges, and the maintenance of appropriate balances in the Revenue Fund, Interest and Redemption Fund, and Reserve Fund shall be remitted to the University Student Union to support current year operations. These funds will be deposited with the ASI Business Office and invested until needed for expenditures in support of USU operations.

3.2 INCOME FROM OPERATIONS

If a department's budget provides for operating income, said income generated must be deposited to the appropriate revenue account(s) with the ASI Business Office. The deposit shall be verified by the Business Office and a cash receipt issued to the depositor. Once deposited, these funds shall be available for expenditure only in a manner consistent with the intent of the department's approved operating budget.

3.2.1 REVENUE RECONCILIATION

All revenues received by ASI, including but not limited to mandatory student fees, sales of goods and services, participant fees, grants, donations, and other operating income, shall be reconciled to supporting source documentation on a monthly basis.

The reconciliation process shall compare revenue recorded in the general ledger to applicable source documents, including but not limited to cash receipts, deposit records, point-of-sale reports, registration reports, invoices, contracts, bank records, and other documentation supporting the receipt of funds. Any discrepancies identified during the reconciliation process shall be investigated and resolved in a timely manner.

The ASI Business Office shall be responsible for preparing monthly revenue reconciliations. Reconciliations shall be completed no later than thirty (30) days following the end of each month or accounting period. Completed reconciliations shall include sufficient documentation to support the accuracy and completeness of recorded revenues and shall be retained in accordance with ASI record retention requirements.

To ensure appropriate internal controls and segregation of duties, each reconciliation shall be reviewed by an individual independent of the preparation process. The reviewer shall verify the reconciliation, evaluate any identified variances, and document approval through a signature, initials, or electronic sign-off indicating the review has been completed.

Management shall take appropriate corrective action to address unresolved discrepancies, recurring variances, or identified control deficiencies.

3.2.2 SURPLUS OPERATING INCOME

If a deposit of operating income extends a department's total revenues to exceed the amount, the unspent surplus may be placed into reserves to support new or expanding programs, operations, or to pay down long-term debt. Refer to the Policy on Reserves.

4.0 NONRECURRING REVENUES

Nonrecurring revenues and other financing resources will not be sought or used to finance continuing operations. Long-term financial commitments will be avoided unless sustained revenue growth to support the program or activity is assured.

5.0 STUDENT ORGANIZATION REVENUES

ASI does not allow student organizations to budget for anticipated income. Accordingly, any such revenues generated may not be deposited into a student organization's grant account(s). Instead, all such revenue must be deposited into an Agency Account. The deposit must take place within reasonable time following the activity at which revenues were collected.

After being deposited, revenues shall be available for expenditure by the organization in a manner consistent with the organization creating the account and with ASI's Policy on Agency Accounts.

In accordance with CSU system-wide policy, all revenues generated independently of ASI support by the student organizations must be deposited and administered on campus in either an ASI agency account or a CSULB Foundation account (refer to Policy on Agency Accounts).

MANDATORY STUDENT FEES

BACKGROUND AND PURPOSE

A significant portion of ASI revenues is derived from mandatory student fees. Pursuant to Education Code Section 89300 and 89304, all students pay these fees, regardless of the number of units taken and irrespective of whether an individual student benefits from ASI programs or services. The involuntary nature of this arrangement places a special obligation on the ASI to observe numerous laws, statutes, and regulations imposed by federal, state and campus authorities.

ASI recognizes that it has a compelling obligation to support the role of higher education in promoting discussion and debate of controversial ideas and topics. Provided that such discussion and debate is of interest to the educational mission of the university, the ASI endeavors to impose no restriction on the use of mandatory student fees which unduly constrains freedom of expression in funded programs and services.

The purpose of the Mandatory Student Fee Policy is to establish a clear understanding between the ASI Incorporated and budget area representatives of the policies and objectives governing the use of revenues derived from mandatory student fees.

POLICY STATEMENT

It is the policy of the ASI to observe lawful restrictions on the use of mandatory student fees through means that do not inhibit discussion and debate germane to the educational mission of the university. This policy shall apply to all mandatory student fees over which the ASI has budgetary and programmatic authority.

6.0 APPROVED USES OF MANDATORY STUDENT FEES

The principle underlying the allocation and subsequent expenditure of ASI funds collected through mandatory fees is that such expenditures shall be made in programs that reflect the broadest variety of student interests and that

are open to all students who wish to participate. Pursuant to Title 5, Section 42659 of the California Code of Regulations, funds obtained from mandatory fees may be expended for the following programs:

- Programs of cultural and educational enrichment and community service
- Recreational and social activities
- Support of the University Student Union and Student Recreation and Wellness Center
- Scholarships, stipends, and grants-in-aid for only currently enrolled students in accordance with provisions of Section 42500, subdivision (d) of Title V
- Tutorial programs
- Athletic programs, both intramural and intercollegiate
- Student media
- Assistance to recognized student organizations
- Support for student conducted research
- Student travel insurance
- Administration of student fee program
- Student government-scholarship stipends, grants-in-aid, and reimbursements to student officers for service to student government
- Student employment to provide payment for services in connection with the general administration of student fees
- Transportation services
- Child day care centers for children of students, employees, alumni, and community members associated with the campus

7.0 ASSISTANCE TO STUDENT ORGANIZATIONS

ASI shall not provide financial support to organizations external to the organization. ASI shall, however, provide grants of money to support programs and activities produced by student organizations for the benefit of the student body. ASI shall not consider these grants to be a form of financial support. Grants shall be restrictively administered by ASI and provide recipient organizations with only limited discretion in purchasing and expenditure decisions.

7.1 OFF-CAMPUS EVENTS

Student organization programs funded by ASI must be conducted under the supervision of campus personnel who have been delegated authority and responsibility for student affairs by the campus President. This authority is most effectively exercised when programs and activities take place on campus grounds. Therefore, mandatory student fees shall not be used for student organization programs or activities occurring off-campus. Exceptions to this policy are rare and shall be made on a case-by-case basis. A principal factor in making these decisions is the degree to which the proposed activity contributes to the educational and leadership development objectives of the university.

8.0 SUPPORT OF UNIVERSITY PROGRAMS

The following guidelines have been established to assist the ASI in the consideration of funding requests from divisions and units of California State University, Long Beach. Only those programs which meet the following six criteria will be eligible for consideration.

1. The ASI will consider requests for funding University-sponsored programs only if they are administered through the Division of Student Affairs.
2. Unless the ASI is granted the authority for exercising administrative control, no ASI fees will be allocated for administrative expense.
3. To be eligible for funding, a University-sponsored program must provide a direct benefit to CSULB students consistent with the mission of the ASI and within the parameters of viewpoint/content neutrality.
4. Access to and eligibility for participation in the proposed program must be consistent with Title V, Division 5, Chapter 1, Subchapter 4, Article 4 "Nondiscrimination in Student Organizations".
5. The programs for which funds will be used must be consistent with Title V, Section 42500 "Functions of Auxiliary Organizations".
6. The proposed expenditures of the University-sponsored program must be consistent with Title V, Section 42659 "Approved Uses of Student Body Organization Funds".

FORMS

There are no forms used in the administration of this policy.