

ASI

FISCAL POLICY

Revised 2/26/24



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Fiscal Policy Manual Definitions

Accrue - As referred to in these policies, the process required by the State Board of Equalization to assess and remit use taxes on qualified purchases when not collected by vendors.

Arm's Length Transaction - A commonly used business term in which neither party will reap benefits from the transaction because they have a personal relationship, unfair knowledge, etc., with the other party to the transaction (i.e., a family member, friend, etc.) or obtaining a contract simply because they have a personal relationship with the ASI employee requesting the goods or services.

ASI and University Union Programs - Approved by the Board of Directors and the University Union Advisory Board, these programs are coordinated activities and events designed to complement and enrich the students' college experience. These programs are supervised and managed by ASI staff.

California Department of Tax and Fee Administration (CDTFA) - The State of California agency responsible for administering the State Sales and Use Tax laws and authorizing limited transaction exemptions or exclusions for certain non-profit entities.

Capital Equipment – Moveable articles of non-expendable property which have all of the following characteristics:

1. A normal useful life of three years or more.
2. An identity which does not change with use.
3. A nature that makes formal property accountability practical.
4. An approximate unit cost of \$5,000 or greater.

Capital Equipment Repair and Replacement - For capital equipment to be considered a replacement item, the piece of equipment must be an identical piece of equipment or perform an identical function to the existing equipment. A request for capital funding is appropriate when repairing an existing piece of equipment will extend the life of the existing item by at least one year.

Capital Expenditure Reserve - A reserve designated to fund the purchase and replacement of capital equipment and facilities.

Capital Renovations and Improvements – A project that extends the useful life of an existing capital asset. A renovation or improvement typically occurs to part of a facility, but there are instances where capital equipment is renovated or improved. Typically, if a renovation or improvement will extend the useful life of the asset for one year or more, the expense will be capitalized. The cost for a project that is intended to provide a short-term repair (less than one year) will be expensed from an operating account line item.

Contingencies – All financial needs for the current fiscal year that may not have been identified during the annual ASI and UU budget development process. If the current year operating surplus is not available to meet unanticipated needs, general reserves may be accessed according to the General Reserve Policy.

Contingency Funds – Contingency allocations within the ASI and UU budgets are made on an annual basis to provide for expenditures that were unexpected and/or unanticipated during the annual budget development process.

Depreciation – The systematic allocation of the cost of a fixed asset over its useful life, which is reflected in the operating statements.

Designated Reserves – Reserves that are set aside to provide funds for a specific program or purpose when the annual allocation from the operating budget is not adequate to cover operations. Designated reserves must be used for the intended purpose unless specifically reallocated by a vote of the Board of Directors for a different purpose.

Financial Crisis - An event that could cause cessation of, or severe cutbacks in, ASI or UU programming and services, or cause the complete shutdown of ASI or UU operations.

General Reserves – Provides a cushion of short-term operating cash. General Reserves protect current operations in the event of unforeseen contingencies.

Indemnification - Provides financial support in matters of litigation facing directors, officers and employees as detailed in ASI Bylaws.

Insurance Deductibles - Initial amount paid by the insured before settlements are awarded by the insurance company.

Leasehold Improvements – Consists of all structures, additions to structures, replacement of fixtures permanently attached to structures and remodeling of structures. All such improvements, additions, or replacements with a cost of \$5,000 or more will be capitalized when placed into service and depreciated over a useful life period as determined by ASI Business Services staff.

Non-Capitalized Fixed Assets - Equipment with a useful life of more than one year and a unit cost of between \$1,500.00 and \$4,999.99.

Operating Budget –ASI and the University Union operating budgets are developed and approved annually. The budgets are allocated by cost center and provide funds for one year of operation.

Other Owned Property - This category of assets encompasses all other property that ASI may own that cannot be classified as either a capitalized or non-capitalized fixed asset. Assets costing less than the minimum threshold that are theft-sensitive or contain sensitive information are classified as **Accounting Tracked** and are added to the asset database. The remaining equipment items costing less than the minimum threshold are generally classified as **Department Tracked** and are not added to the asset database.

Purchases for Resale - Any item purchased by an ASI program for the sole purpose of resale to customers of the program; purchases for resale are not put to internal use in carrying out the activities and services of the program or organization which purchases the goods.

Unexpected Insurance Premiums - Insurance premiums that arise due to an approved and scheduled ASI-sponsored program, event, or activity which was not anticipated during the prior budgeting process.

Uninsured Claims - Claims requiring payment when there is no insurance policy in force or no other organization responsible for the claim.

Useful Life – The service life of an asset or a group of assets represents the period of usefulness to the owner. To provide a basis for depreciating the cost of fixed assets, estimates of useful lives are determined after considering the following factors:

Physical factors: Wear and tear, Deterioration and decay, Damage, or destruction

Functional factors: Inadequacy, Obsolescence

These factors relate to physical deterioration as well as to the suitability of the asset in functioning as an economically productive unit. Physical factors are generally more predictable than functional factors. Historical data and planned usage provide management guidance on the effect of the physical factors. Inadequacy and obsolescence, however, are generally not anticipated.

Annual Operating Budget (ASI & UU)

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 2/21/24

Effective Date: 2/21/24

BACKGROUND AND PURPOSE

This policy reflects CSU mandates for ASI/UU governing boards and the University President to review and approve Auxiliary Organizations' annual operating budgets.

POLICY

Operating budgets shall be created annually and will include funding for all mandated programs. The development and approval of the budgets will include input from ASI staff, ASI student government leaders and campus budget staff. The ASI Board of Directors and University Union Advisory Board will review and approve annual budgets. Once approved by the Board of Directors or University Union Advisory Board, the budgets will be forwarded to the University President for final approval.

For situations where approval agreement on the budget cannot be obtained in whole or in part, the portion in question will be handled in accordance with the Chancellor's E.O. 369. If budget approval remains at an impasse into the start of the new budget year, authorizations contained in the previous budget shall be used until the new budget is approved.

Capital Budget

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 2/21/24

Effective Date: 2/21/24

BACKGROUND AND PURPOSE

This policy describes the function, sources, and use of funds required to maintain and improve ASI and University Union facilities.

POLICY

ASI and University Union facilities are a critical element in the success of all programs and services. A significant amount of student fee revenue is invested in these facilities, and it is extremely important to protect the investment of capital. Maintaining and improving the quality of current facilities is a high priority for ASI; therefore, the systematic repair and renovation of current facilities will be given high priority in the annual budgeting process.

The capital budgeting process will occur independently of the annual *operating* budget process each fiscal year and includes:

- Repair and replacement of existing capital equipment
- Renovation and improvement of existing facilities
- Purchases of new capital equipment

The Executive Director will report capital expenditures on a biannual basis to the ASI Board of Directors and University Union Advisory Board (UUAB).

Sources of Funding for Capital Equipment, Improvements and Renovations

Annual Operating Budget – A specific allocation may be made during the operating budget process for new capital expenditures.

Local Reserves – ASI has a Capital Expenditure Reserve Account (see Capital Expenditure Reserve section). The accounts are funded from depreciation allocations and special allocations made to the reserve accounts by the Board of Directors. The funds in these reserve accounts are available for capital equipment and projects. Designated Reserve Accounts have been set-up for specific program needs. The funds in the Designated Reserve Accounts may be accessed for capital purchases and projects as well.

University Union Reserves – As part of the University Union bond covenants, an account has been established by the campus for renovation and improvement of existing Union Fee funded facilities (UU, Rec Center, and Sports Complex). The funds may be accessed for facility-based capital projects and expenditures. All campus reserve funding requests require UUAB approval.

Unanticipated or Emergency Repair and Replacement Needs

Repair and replacement items not identified during the initial capital request process may be identified throughout the year. This would include situations where an emergency purchase, repair, or replacement is required. The Executive Director may approve additional requests in circumstances where current operations are hindered or where failure to purchase, repair, or replace equipment creates unacceptable exposure for the Corporation.

New Capital Equipment and Projects

Approval for the purchase of new capital equipment (as defined above) is based on a two-tier review system. (See Expenditure Authority Policy)

Purchasing Procedures – For detailed purchasing procedures including competitive bidding requirements refer to ASI Policy Statements on purchasing.

ASI Support of Cal Poly's Recognized Student Organizations (RSOs), Departments, and Instructionally Related Activities (IRAs) through Use of Mandatory Student Fees

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 04/07/21

Effective Date: 04/07/21

BACKGROUND AND PURPOSE

This policy establishes guidelines to clarify authority over and allocation of mandatory student fees to support currently chartered Recognized Student Organizations (RSOs), Cal Poly departments, and Cal Poly Instructionally Related Activities (IRAs). See Viewpoint Neutrality Policy for additional requirements.

POLICY

All mandatory student fees collected by ASI are managed and distributed under the authority of the ASI Board of Directors.

Funding will be distributed specifically and exclusively in support of mandated¹ student programs.

ASI allocates funding in support of student referendum mandates in the following ways:

- a) Funds will be allocated at the discretion of the ASI Board of Directors.
- b) Funds may only be distributed directly to the on-campus account for currently chartered Cal Poly Recognized Student Organizations (RSOs), Cal Poly departments, and Cal Poly Instructionally Related Activities (IRAs), based on the recipient's eligibility and the funding program's terms.
- c) Funds are disbursed as reimbursements for actual documented expenditures unless ASI maintains the recipient's account. Non-campus and non-chartered RSOs are not eligible for ASI funding.
- d) Funds are available for support of specific program and/or event as defined by the ASI funding procedures. Funds may not be allocated to support administrative costs such as club or program staff, long term depreciable assets, capital office equipment, or expenses such as alcohol, door prizes, awards, or gifts (including gift cards/certificates).
- e) Funds may not be used to directly support or oppose any candidate for political office or ballot measure proposed to the people of California or the United States, per California Education Code Title 5, Section 42403.
- f) Funds may not be used for charitable contributions or to support philanthropic foundations or organizations. Funds may however, sponsor events that raise money for charitable and philanthropic efforts.

¹ Mandated student programs are those created directly from student fee referendum. They include: ASI Events, Student Government, Poly Escapes, Club Services, Club Funding, ASI Administration, Children's Programs, Athletic Scholarships, and Student Community Services. Athletic Scholarships and Student Community Services funds are collected by ASI as a result of referendum but are not managed by ASI.

Viewpoint Neutral Funding

NEW/REVISED POLICY: January 6, 2021

APPROVED BY BOARD: January 6, 2021

Effective Date: January 6, 2021

BACKGROUND AND PURPOSE

ASI supports and serves the University's educational purposes by (i) providing opportunities for students to enjoy the educational benefits and social enrichment gained from participation in extracurricular programs and activities, and (ii) stimulating discussion and debate on a wide range of issues from a variety of viewpoints. This policy establishes guidelines to ensure funding is appropriately allocated based upon viewpoint neutrality.

DEFINITIONS

Viewpoint Neutral Funding: A process in which all funding or allocation decisions are made pursuant to narrow, objective, and definite standards, and which does not involve the exercise of judgment or formation of an opinion concerning the content of the event or is otherwise affected in any way by the viewpoint of a student organization or the proposed event.

RSO: Recognized student organizations [RSO] are organizations that are currently properly registered and in good standing with the University.

POLICY

All funding decisions will be made without regard to the viewpoint being expressed by an RSO. An RSO cannot be granted or denied funding on the basis of its viewpoint or because it advocates a particular opinion or view. Funding decisions will be based on procedures and criteria that are not tied to the viewpoint expressed by the RSO or the approval, disapproval, acceptance, or rejection of that viewpoint.

All individuals making funding decisions on behalf of ASI must agree and warrant that they will comply with and abide by the requirement that decisions will be made in a viewpoint neutral manner. With respect to any funding decision, all of the individuals making the funding decision are responsible for ensuring compliance with the requirement of viewpoint neutrality. Individuals who knowingly and intentionally violate the viewpoint neutrality requirement are subject to any otherwise available and appropriate corrective measures, including removal or suspension from their ASI office(s) or position(s), or disqualification from any future funding decisions. Any funding decision made in violation of the viewpoint neutrality requirement is null and void.

Viewpoint neutral criteria and processes will be utilized during the decision-making process for any and all ASI funding policies and procedures involving expressive activities. If there is a conflict between the ASI Viewpoint Neutrality Policy, general procedures, and/or other ASI funding guideline(s), the viewpoint neutral guidelines control.

Specific and separate procedures have been adopted to guide decisions made under this policy, including the right to appeal any adverse decisions regarding applications for funding. Adverse decisions, if any, are appealable to an appropriate campus official as provided in the specific ASI RSO and club sports funding procedures.

Risk Management and Insurance

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy establishes parameters to reduce or eliminate risks and losses to which ASI may be exposed, while preserving its assets and earning power in order to fulfill its mission to the university.

POLICY

The ASI Board of Directors recognizes its role of stewardship over ASI liability, both general liability and property. It interprets its responsibility in this area as requiring due concern for safety of employees, faculty, staff and students involved with projects or programs with ASI sponsorship or participation, combined with a need to ensure that maximum protection be accorded ASI resources.

Limited Loss Retention

ASI recognizes its ability to budget and self-fund limited and predictable risks of financial loss. It shall not be ASI's practice to attempt to insure such foreseeable and bearable expenses if alternatives can be achieved with due regard to sound business practices. Self-insuring certain risk and/or purchase of property and casualty insurance with appropriate deductibles shall be determined by the Executive Director.

Insurance Acquisition

ASI is not obliged by operation of any statute or regulation to award contracts for insurance to any insurance underwriter, broker, agent, risk retention group or other similar group or organization. (With the exception of property insurance, which is purchased for the UU, Recreation Center, and Sports Complex by the Campus.)

ASI will continue to purchase insurance from insurers that are financially sound, with proven administrative ratings.

When an uninsured or high-risk activity is identified, every effort should be made to obtain insurance and reduce risk.

Management of Risks

The management of risks of loss to ASI under the above policy shall be the responsibility of the Executive Director or designee. It is the Executive Director's duty to identify risks and determine the means of eliminating, abating, transferring, or retaining these risks after consultation with appropriate staff, counsel, and university personnel.

When ASI cannot eliminate or economically retain a risk of loss, it shall be transferred by purchase of insurance when available. The form and sufficiency of various policy limits for protection of ASI shall be determined by the Executive Director or designee.

Management Standards/Guidelines

The Executive Director is authorized to implement a comprehensive risk management and insurance program consistent with this policy statement. Written program guidelines may include criteria to identify hazards and risks for analysis:

- Quantification of activities, services and support in which ASI is involved.
- Minimum insurance coverage and limits by type of authorized activities.

- Activity relationships in which there is/may be shared responsibility and liability with respect to contracts, employment, occupancy of premises or oversight of facilities, programs or services between ASI and the university or other entity.
- The exclusion of risks or activities that ASI is clearly unwilling to undertake, under any and all conditions, including those that may be prohibited or pose such a high degree of risk as to jeopardize the feasibility of the activity, or constitute a threat to the Corporation.

The guidelines shall also formalize ASI's Risk Management and Property/Casualty Insurance Coverage Program by integrating the following program elements into the organization's operations:

- Reviewing the scope of coverage and the limits of insurance policies in relation to activities and liability exposure.
- Evaluating the ability to partially or entirely self-fund risk.
- Evaluating the adequacy of ASI's self-insurance retention.
- Monitoring insurance coverage and claims.
- Conducting routine inspections of property.
- Observing safe practices in all areas.

Program Practices

The Executive Director or designee shall establish and maintain documented risk management practices as an essential part of the program, including:

- Assessment of new activities (especially assumption of contractual liability) in terms of risks.
- An inventory of risks, exposures, activities, and properties.
- A formal review process for assessing risk exposures on premises, in operations, through contracts and with avoidance/prevention efforts.
- An accident/loss monitoring process that identifies where accidents and/or losses are occurring or will likely occur.
- A systematic claims assessment process to ensure that claims are being properly administered and that the activity sponsor is fully aware of the types of risks being assumed.
- A practice of including risk management as a component of management performance evaluations.
- Development of preparedness plans for disasters.

Program Organization

The Executive Director, through management guidelines, shall clearly identify how the Risk Management Program is to be organized, including:

- Delegated authority.
- Performance of program duties and task assignments.
- Role and relationship of Claims Management Firm and agents.
- Relationships of risk management program/staff to safety, security, legal and employee relation functions.

Program Review

The ASI Board of Directors will provide periodic review of all insurance coverage as needed.

Indemnity Bonds

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy reflects the requirement to provide indemnity bonds to protect ASI from potential loss due to dishonest employees.

POLICY

Auxiliary organizations are required by Title 5 to provide indemnity bonds for all officers and employees handling funds of the auxiliary organizations. This requirement will provide a bond to cover potential losses for possible types of employee dishonesty.

Guidelines to establish coverage for "indemnity bonds" carried by the Associated Students, Inc. will be as follows:

- ASI will establish an amount of coverage to protect the Corporation from the potential loss and expenses relating to specific determination of the loss amount (audit fees, etc.).
- Determination of which employees should be covered.
- Coverage provided by the indemnity bonds will be reviewed annually by the Board of Directors.

In lieu of indemnity bonds, ASI may elect to purchase employee dishonesty insurance from insurers that are financially sound and with proven administrative ratings.

ASI General Reserves

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 2/21/24

Effective Date: 2/21/24

BACKGROUND AND PURPOSE

This policy establishes the requirement to implement financial standards to assure the auxiliary organization's fiscal viability and long-term preservation.

DEFINITIONS

Working Capital: The difference between current assets and current liabilities as reported in the previous year's audited financial statements.

POLICY

Reserve Transactions

ASI reserves are set aside to provide funds when annual funding and/or operating income do not provide adequate resources for day-to-day operation or for specific purchases not identified in the annual operating budget.

General reserve accounts for ASI operations are established through this policy statement. General reserves are an integral part of the annual budget development and will be utilized as fiscal protection when unanticipated fiscal emergencies arise. Emergency funds might be needed for:

- Working capital
- Contingencies for current operations
- Legal and financial obligations
- Major repair and replacement of ASI property

General reserves shall be comprised of prior year savings and general reserves carried from previous years from the operation of all ASI programs and services. The general reserves will be classified as general fund accounts and will be displayed accordingly on ASI financial statements.

Designated reserves may not be accessed for the purpose of funding needs covered by the general reserves.

Evaluation of Need for Reserves

In evaluation of the need and level of reserves, ASI management will analyze the working capital balance of the organization to determine if the amount of cash on hand is sufficient to cover operating expenses during those times when expenditures may precede revenue. The balance in the Rose Float designated reserve shall be excluded in this analysis; any amounts in this reserve account have accumulated from prior year state funding.

- The ASI budget will maintain sufficient cash on hand. This is defined as a working capital balance within the ASI budget of not less than 15% of the current year's budgeted expenses or more than 35% of the same amount with a desired goal of over 20%.
- When the working capital balance falls below 15% of total budgeted expenses, the ASI Board of Directors shall reallocate funds during the annual budget process so that the working capital balance is at least 15% for the next fiscal year.
- When the working capital balance exceeds 35% of total budgeted expenses, the ASI Board of Directors will initiate a process to distribute and/or designate the excess working capital balance. The Executive Director will develop and recommend a strategy to the Board of Directors for management and/or use of the working capital surplus.

- If, in the judgment of the ASI Board of Directors, it is necessary to access the general reserves to satisfy pressing capital asset needs, the funds must be accessed in accordance with the Capital Expenditure Reserve policies and procedures.
- In the event of an unexpected insurance rate increase when current-year operating funds are not available, the designated Insurance Retention Reserve (refer to respective policy) will be put to use before the general reserves are accessed.
- In the event that the Insurance Retention Reserve balance falls below the policy minimum, general reserves can be accessed to replenish the reserve balance to the required amount.

Transfer to General Reserves

Unless a designated reserve exists for a specific program or purpose, unused operating funds are transferred to the appropriate general reserve at year-end.

Transfer from General Reserves

Total transfers of \$10,000 or less can be made with the approval of the Executive Director. Transfers greater than \$10,000 must be approved by majority vote of the ASI Board of Directors. The use of the general reserves may be recommended through the annual budget process (deficit spending) provided a plan is in place to ensure reserve levels do not fall below minimum reserve requirements as defined in this policy.

Establishment of Designated Reserves

The ASI Board of Directors must approve the establishment of all designated reserve accounts based on the criteria provided in this section related to general reserve accounts. Designated reserve accounts can be established for specific funds within an operating account or for general purposes.

Transfer to Designated Reserves

Upon establishment of a designated reserve account, any unused operating funds (subsidy or non-subsidy) from an associated operating account will automatically be transferred to the designated reserve at year-end. If a designated reserve account has been established for a specific purpose, only qualified funds will be transferred to the account.

Transfer from Designated Reserves

Transfers of \$10,000 or less from designated reserves can be made with the approval of the Executive Director. Transfers of over \$10,000 require approval of the ASI Board of Directors, by simple majority vote.

The Executive Director will report all reserve transfers to the ASI Board of Directors.

ASI Designated Reserve Account Establishment

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy establishes the requirement to implement financial standards to assure the auxiliary organization's fiscal viability and long-term preservation.

POLICY

This policy shall be utilized for the purpose of establishing program, event or organization designated reserve accounts. The funds allocated to these reserve accounts must be designated for specific programming or repair/replacement of equipment that is critical to the ongoing operation of the organization or program.

Examples of uses for designated reserves may include but are not limited to:

1. Designated funding for repair and/or replacement of program specific capital equipment that is critical to the ongoing operation of the program.
2. Designated funding for year-to-year operation of specific program.

Sources of funding designated reserves may include but are not limited to:

1. Income from an activity sponsored by an organization or program which exceeds the budgeted income for the activity.
2. Income from donations in which the donor specifies that the funds be dedicated to the operation of a specific organization, or program.
3. Specific requests/allocations for transfer to reserve made during the budget process.

Designated reserves may only be established for ASI administrative components or programs.

1. The reserve account will appear as designated reserves on the ASI balance sheet.
2. The establishment of a designated reserve account shall be approved by a majority of the ASI Board of Directors.
3. Once established, funds may be transferred from a designated reserve account to an operating account for amounts up to \$10,000 as approved by the Executive Director. The balance in the designated reserve account must be maintained at the minimum level as determined by periodic review by the ASI Board of Directors. Transfer of amounts greater than \$10,000 must be approved by a majority of the ASI Board of Directors.
4. Transfers from an operating account to a designated reserve account will only be made in fiscal years when there are funds in excess of the amount allocated through the budget process. Under no circumstance will allocations be made to a designated reserve account in a year where there is a budget deficit.
5. All purchases with funds transferred from the designated reserve account are subject to the ASI Purchasing Policy.
6. If the balance in a designated reserve account becomes excessive, as determined by the ASI Board of Directors, the Board may transfer a portion of the designated reserve balance to the ASI General Reserve. Such a transfer requires a majority vote by the Board of Directors. The amount transferred will not decrease the designated reserve account balance below the minimum (if applicable) established when the designated reserve account was reviewed.
7. If a program ends a fiscal year with a deficit balance in their operating account, the amount necessary to cover the deficit will automatically be transferred from the appropriate designated reserve account to the operating account to cover the deficit.

8. If a designated reserve becomes unnecessary, as determined by the ASI Board of Directors, the Board may vote to eliminate a designated reserve account with all funds being returned to the General Reserve.
9. Any exception to this policy must be approved by a majority vote of the ASI Board of Directors.

ASI Capital Expenditure Reserve

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 2/21/24

Effective Date: 2/21/24

BACKGROUND AND PURPOSE

This policy establishes the requirement to implement financial standards to assure the auxiliary organization's fiscal viability and long-term preservation. ASI makes significant investments in capital equipment. This equipment is crucial to providing activities and services to the campus community. Physical deterioration and obsolescence of the equipment often creates a need to repair and/or replace the equipment. To fund the replacement of equipment at the end of its useful life, ASI annually allocates a portion of the annual depreciation expense to the Capital Expenditure Reserve. The intent of funding the depreciation expense is to ensure that funds are available for repair and/or replacement of capital equipment as necessary.

POLICY

The Capital Expenditure Reserve has been established as an integral part of the ASI budget and shall be utilized solely for the purpose of purchasing, repairing, and replacing capital equipment and facilities.

The Capital Expenditure Reserve is established and revised by a majority vote of the ASI Board of Directors recommending a maintenance level deemed appropriate by the Board of Directors.

Transfer to Capital Expenditure Reserve

At the end of each fiscal year 10% of the annual depreciation expense is automatically transferred to the appropriate Capital Expenditure Reserve. However, if the final year end excess of revenue over expenses is less than two times the calculated value of 10% of annual depreciation, no transfer to Capital Expenditure Reserve will be made. The ASI Board of Directors or Executive Director, in consultation with the University President or designee, may also choose to make additional allocations to Capital Expenditure Reserves if surplus operation or reserve funds are available.

Approval of transfers greater than \$10,000 from the Capital Expenditure Reserve to an operating account requires a simple majority vote of the ASI Board of Directors.

ASI Insurance Retention Reserve / Risk Management

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy establishes the requirement to implement financial standards to assure the auxiliary organization's fiscal viability and long-term preservation.

POLICY

Expenditures for uninsured claims, insurance deductibles, indemnification requests, and the unforeseen need for special insurance coverage could deplete operating year budgets. The nature, timing, and size of these expenditures are often beyond ASI's control and must be planned for accordingly.

Unexpected Insurance Rate Increase

An insurance retention reserve shall be classified as a designated reserve account in the ASI Budget and shall appear as such in financial statements.

1. The minimum balance of the Insurance Retention Reserves shall be set at \$60,000.
2. If the balance in the Insurance Retention Reserves drops below \$60,000, the ASI Executive Director or designee will examine the financial position of the Corporation and recommend a plan to fund the reserves until they meet the minimum balance requirements. Sources of funding may include but are not limited to: ASI surplus in legal fees and/or insurance line items identified at the end of the fiscal year.

Due to the volatile nature of the insurance industry, unexpected insurance rate increases may occur after approval of an operating budget. Funding of insurance rate increases from the Insurance Retention Reserve should occur only when current year operating funds are unavailable.

Reserve funds can be used to pay claims under the following conditions, or as a partial payment of a larger structured settlement:

1. The amount of the claim does not exceed the deductible of the applicable ASI insurance policy.
2. To pay deductibles when current year general funds are unavailable to make the payments.
3. There is not an insurance policy in force to pay the claim.
4. There is no identifiable organization or budget responsible for claim.

ASI Club Co-Sponsorship Designated Reserve

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy describes the function and appropriate level for the Club Co-Sponsorship Designated Reserve.

POLICY

The reserve shall be utilized for the purpose of special circumstances related to ASI Club Funding. Special circumstances include but are not limited to:

- The reactivation of an inactive club which has:
 1. Successfully chartered with Cal Poly, and
 2. Successfully petitioned the Board of Directors for re-establishment of their club account balance that existed immediately prior to being deemed inactive by the Cal Poly Dean of Students Office.
- Additional amounts approved by the Board of Directors for current year ASI Club Funding.

Transfer to Club Co-Sponsorship Designated Reserve

At the end of each fiscal year all unreconciled ASI Club Funding and ASI Club Sports Funding will be transferred to the Club Co-Sponsorship Designated Reserve.

Transfer of Excess Reserves to Student Government Club Co-Sponsorship

In order to maintain the proper level of reserves as determined by the Board of Directors, any amount in excess of \$20,000.00 at the end of the fiscal year will be transferred to the Student Government Club Co-Sponsorship line item. The transfer is to occur on the first day of the following fiscal year.

University Union General and Designated Reserves

NEW/REVISED POLICY: NEW

APPROVED BY BOARD: 02/21/24

Effective Date: 02/21/24

BACKGROUND AND PURPOSE

University Union (UU) reserves are set aside to provide funds when annual funding and/or operating income do not provide adequate resources for day-to-day operation or for specific purposes not identified in the annual operating budget.

The objectives of this policy are to ensure that the UU has sufficient levels of designated balances and reserves to:

1. Sustain year-to-year consistency in all elements of the UU operations,
2. Build capacity for strategic program and capital investments, and
3. Cover unanticipated expenditures and limit the negative impact of cyclical recessions.

DEFINITIONS

Working Capital: The difference between current assets and current liabilities as reported in the previous year's audited financial statements.

POLICY

Reserve Accounts Held by the University

University Union reserves are primarily held at the campus level. Reserve balances held by the University shall be evaluated annually at the close of each fiscal year. The available funds will be designated based on a tiered approach and maintained in accordance with CSU policy recommendations. The minimum balance held shall strive to meet the following guidelines based on the priority below:

- Reserve for Economic Uncertainty: Used to designate funds for economic uncertainty due to short-term recessionary cycles or budget fluctuations. The minimum balance should be 25% of the annual operating budget. In no event shall the balance in this reserve exceed 50% of the annual operating budget.
- Designated for Future Debt Service: Used to designate funds for future debt service payments. The minimum balance should be equal to payment of the following year's debt service based on the current debt service schedule.
- Designated for Capital Improvements: Used to designate funds for future capital needs, including new construction or improvements to existing facilities. The minimum balance should be equal to the Maintenance & Repair (M&R) capital commitment for the upcoming fiscal year.
- Designated for Maintenance and Repair: Used to designate funds for future facility and infrastructure maintenance and repair costs based on long-term maintenance schedules. The minimum balance should be equal to the Maintenance & Repair (M&R) maintenance commitment for the upcoming fiscal year.
- Designated for Outstanding Commitments: Used to designate funds for commitments that are not obligated by a purchase order, service agreement, or other contractual agreement.
- Designated for Encumbrances: Used to designate funds for commitments obligated by a purchase order, service agreement, or other contractual agreement.

Any available remaining funds will be allocated between the Reserve for Economic Uncertainty and Capital Improvements Reserve.

All reserve requests for campus held reserves require approval from the University Union Advisory Board (UUAB). Final approval is required by the University President or President's designee.

Reserve Accounts Held by ASI

Primary reserves for the University Union are held at the campus level. However, general reserves held by ASI are accumulated as a result of prior year savings from the operation of University Union programs and services.

Any deficits resulting from the operation of University Union programs and services during the course of a fiscal year will first be pulled from the ASI-held University Union reserves. If ASI-held reserve balances are not sufficient to cover the deficit balance, the remainder will be requested from the University Union reserve accounts held by the University.

The balance in the ASI-held reserves shall be evaluated annually at the close of the fiscal year through an analysis of University Union working capital. Should the working capital balance exceed \$1,000,000, the excess amount will be transferred to the University-held University Union reserves.

Total transfers from the ASI-held reserve account of \$10,000 or less can be made with the approval of the Executive Director.

All reserve requests for ASI-held reserves greater than \$10,000 require approval from the University Union Advisory Board (UUAB). Final approval is required by the Executive Director in consultation with the University President or President's designee.

Fixed Assets

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 02/01/23

Effective Date: 02/01/23

BACKGROUND AND PURPOSE

This policy defines the basic structure used for tracking fixed assets, determining the period of useful life and depreciation, repairing, or replacing equipment, and asset retirement and disposal.

POLICY

Tracking of Capital Equipment and Non-capitalized Fixed Assets

ASI invests significant resources in capital equipment and non-capitalized fixed assets, both of which require proper safeguarding and tracking. Accounting Services establishes and maintains the tracking system for all capital equipment and non-capitalized fixed assets meeting the cost thresholds as defined in the ASI Standards and Procedures. Individual departments track non-capitalized fixed assets which cost less than the minimum threshold. ASI does not track furniture with a unit cost of less than \$5,000 per item. Theft-sensitive items are tracked regardless of cost.

Useful Life and Depreciation

Because it is sometimes challenging to estimate service life, it shall be the policy of ASI to take a conservative approach in estimating the service life of fixed assets.

ASI uses the straight-line method of expensing depreciation over the useful life of capital equipment.

Equipment Repair and Replacement

The ASI Executive Director has the authority to authorize the repair and replacement of existing capital equipment. Any transfer greater than \$10,000.00 from the capital expenditure reserve to an operating account must also be approved by a simple majority vote of the ASI Board of Directors. (See the Capital Expenditure Reserve Policy.)

A request for capital funding to repair an existing piece of equipment must extend the life of the existing item by at least one year.

For capital equipment to be considered a replacement item, the piece of equipment must be an identical piece of equipment or perform an identical function to the existing equipment.

Asset Retirement and Disposal

ASI purchases equipment, furniture, fixtures, and other various types of fixed assets. These assets typically have a limited life, and the benefit of the asset is realized over that period. When the useful life has expired or if the asset has become obsolete, the organization must make decisions regarding disposal of these assets. When ASI management has determined that a particular asset is no longer of value to the organization, it shall be disposed of according to the procedures outlined in the ASI Standards and Procedures.

All vehicles will be disposed of by donation to the university and will be subject to the State vehicle disposal policies and procedures.

Investments

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy outlines investment possibilities and restrictions for student body organization funds.

POLICY

The Board of Trustees has urged that auxiliary organizations who make corporate investments issue statements of social responsibility and follow those procedural directives in examining past and future investment policies.

Auxiliary organizations may maintain and conduct investment programs involving a wide range of investment types. These include certificates of deposit, debt instruments, equity securities, real estate or other forms of investment which benefit the investment programs of the organization and the educational mission of the university.

Generally, there is no authority to allow the investment of auxiliary organization funds in the State Pooled Money Investment Program, since the commingling of state money and auxiliary organization money blurs the distinction between the state and the auxiliary organization. However, for student body organization funds, there are applicable exceptions.

Section 89301 of the Education Code states that:

All unexpended funds and money collected on behalf of, or by, student body organizations, except funds and money collected from commercial services as provided in Section 89905 of the Education Code, shall, with the approval of an appropriate officer of the student body organization, be deposited in trust by the chief fiscal officer of the campus. The money shall, with the approval of the trustees, be deposited or invested in any one or more of the following ways:

- a) *Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive of the Government Code or in the California State University Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.*
- b) *Investment certificates or withdrawal shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by the insurance.*
- c) *Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the Treasurer in those securities.*
- d) *Participation in funds which are exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.*
- e) *Investment certificates or withdrawal shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.*

Payment Cards

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 04/07/21

Effective Date: 04/07/21

BACKGROUND AND PURPOSE

This policy details specific limitations on accepting payment card information.

POLICY

ASI will not process any customer's payment card transaction that is not completed either in person or securely over the internet. ASI does not accept any payment card information via the telephone or in cases where payment card numbers are manually written or typed.

Cash Handling

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 2/21/24

Effective Date: 2/21/24

BACKGROUND AND PURPOSE

This policy establishes expectations for properly securing cash and cash equivalents and documenting each area's internal controls over their change funds and the receipt of cash.

POLICY

Associated Students, Inc.'s operations include a wide range of transactions involving cash, checks and payment cards. To ensure the integrity of these transactions, the timely deposit of cash, the security of funds and the safety of staff handling cash, the following policy has been implemented:

Departments are to ensure the physical security of all cash and cash equivalents, maximize the use of funds, authorize employees to handle incoming cash and cash equivalents, accurately record receipts, and ensure the reliability of financial data, while establishing and maintaining adequate separation of duties, so that no one individual has exclusive control over a given process.

Each area must have a comprehensive set of cash handling procedures in place. These procedures must be well documented and approved by the Director - Finance. A current copy of each program's cash handling procedures shall be filed with the ASI Accounting Department. These procedures shall be reviewed annually and serve as the minimum standards for any ASI entity collecting cash.

Definitions

- a) Cash: Currency and coins are the most liquid of assets and must immediately be protected against loss.
- b) Cash Equivalents:
 - 1) Cashier's Check - Any check which is drawn on a depository institution, signed by an officer or employee of such depository institution; and is a direct obligation of the depository institution.
 - 2) Certified Check - Any check certified by a depository institution as to; the signature on the check being genuine; and the depository institution having set aside funds which are equal to the amount of the check; and will be used only to pay that check.
 - 3) Checks - Negotiable demand draft drawn on or payable through an office of a depository institution that is a qualified member of the Federal Reserve System.
 - 4) Money Order - Financial instruments issued by a bank or other financial institution allowing the individual named on the order to receive a specified amount of cash on demand.
 - 5) Traveler's Check - Preprinted, fixed-amount checks designed to allow the person signing to make an unconditional payment to someone else as a result of having paid the issuer (usually a bank) for that privilege.
- c) Excess Cash: Currency and coin in surplus of the authorized cash limit amount in the cash register or lockable receptacle/vault/safe.
- d) Cash Receipt: A written acknowledgment for a sum of cash equivalent has been received; the paper that provides the audit trail (e.g., canceled check, electronic receipt, or pre-numbered cash receipt).

Petty Cash

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy establishes the threshold for business related expenses paid for with cash.

POLICY

When necessary, small immediate purchases up to \$50 can be made utilizing petty cash disbursements. Typical petty cash purchases include postage services and supplies necessary to address emergency needs. Use of petty cash may be denied in favor of using standard ordering processes.

The ASI Executive Director will be responsible for approving the establishment of all petty cash funds.

Proper petty cash handling procedures shall be used and are defined in the ASI Standards and Procedures.

Expenditure Authority

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy provides guidelines for allocation of funds to capital expenditures, reserve transactions, operating and non-operating transactions and contingency funding. The policy delineates authority vested in program managers, the Executive Director, the ASI Board of Directors, the University Union Advisory Board, and the University President.

POLICY

Capital Equipment Transactions

New Capital Equipment – The Executive Director can approve the purchase of new capital equipment up to \$25,000. Purchases of new capital equipment over \$25,000 require ASI Board of Directors (BOD) approval for ASI funded purchases. The University Union Advisory Board (UUAB) will be notified and given the opportunity for input on purchases made with UU funds.

Repair & Replacement – The Executive Director is authorized to approve the repair and replacement of existing capital equipment (see “*Fixed Assets*” policy statement).

Operating Transactions

Operating transactions impact current year operating budgets that are reviewed by the ASI BOD and UUAB and approved by the University President through the budgeting process.

Budget Extensions – A budget extension is an increase of an ASI or UU budget during the fiscal year. If a budget increase to one program can be offset by a reduction to another program, the Executive Director can authorize the extension and report the action to the ASI BOD or the UUAB at a regularly scheduled meeting. Any budget extension that requires the use of general reserves must comply with the General Reserves Policy.

Line Item Transfers – The Executive Director holds ASI and UU program and service managers accountable to the bottom line of the approved operating budget. Reallocations of funds between the line items within an approved program budget are at the discretion of the program manager subject to Executive Director review/approval when necessary.

Non-Operating Transactions

Non-operating transactions must be approved by the Executive Director and reported to the ASI BOD at their next regularly scheduled meeting. This includes donations and other philanthropic support.

Contingency Funding

The Executive Director has authority to approve contingency expenditures from budgeted “*Contingency Expense*” line items for ASI and the UU.

Purchasing

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy sets the basis for appropriateness, fair competition, ethical standards, and pre-approval.

POLICY

The Associated Students, Inc. is committed to active competition in the purchase of equipment, materials, supplies, and services which will enhance, aid, and supplement the programs and services funded through ASI and University Union budgets.

Accordingly, the purchase of goods and services shall conform to the educational mission of the California State University as defined by appropriate statutes, the Board of Trustees and campus policy.

No member of the ASI Board of Directors, officers, staff or student employee, by virtue of their position, will personally derive any benefit, gain, or receive preferential treatment related to the purchase of equipment, supplies or services.

Sales to members of the ASI Board of Directors, staff, student employees, CSU employees or faculty shall be at no less than market value. Such sales should be conducted in a manner which would at all times constitute an "arm's length" transaction.

Documentation of all purchases shall be consistent with good business practices and be adequate to allow for an efficient annual audit.

Employees (regular and students), and student government members are required to follow the Purchasing Policy and Procedures. Individuals failing to comply with these policies may be required to assume personal liability for payments to vendors for any non-approved purchases. Additionally, the individual may be subject to disciplinary action as detailed in the *ASI Employee Handbook*.

Refer to the ASI Standard and Procedures for purchasing procedures.

Income Tax: Unrelated Business

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 04/07/21

Effective Date: 04/07/21

BACKGROUND AND PURPOSE

This policy serves to protect ASI's tax exempt status.

POLICY

As a tax-exempt, not-for-profit 501(c)(3) corporation, the Associated Students, Inc. is limited in the scope and nature of services and programs it can provide. All services and programs must contribute to the mission and purpose of the non-profit auxiliary organization and the university to protect the tax-exempt status of the Corporation. Services and programs that do not meet appropriate criteria may jeopardize the tax-exempt status of the Corporation and expose the organization to liability for Unrelated Business Taxable Income (UBTI).

It is the intent of the Associated Students, Inc. to provide services and programs which meet the criteria and standards for tax exemption and to limit UBTI exposure.

Each year as part of the annual audit of financial statements, ASI staff will work with the external auditors to assess potential UBTI exposure and determine if corrective action is necessary.

Sales Tax Liability

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 04/07/21

Effective Date: 04/07/21

BACKGROUND AND PURPOSE

Associated Students, Inc. is a non-profit, tax-exempt 501(c)(3) corporation. All ASI programs are included under the ASI corporate umbrella. The Corporation is responsible for collecting and remitting sales tax to the California Department of Tax and Fee Administration (CDTFA) on all items that are sold during the course of business. ASI Accounting Services is responsible for ensuring that sales tax is remitted correctly and promptly.

Policy provides guidelines for reporting California sales and use tax and clarifies the role of the Corporation in accruing, reporting and charging sales tax to ensure compliance with the State Sales and Use Tax Law.

POLICY

Sales Tax Liability on Purchases for Resale

ASI has a resale certificate issued by the California Department of Tax and Fee Administration (CDTFA) which is used to purchase goods for resale which are exempt from sales tax. When the corresponding goods are resold by ASI, sales tax must be collected from the customer and remitted to the state by Accounting Services.

ASI and University Union programs are responsible for charging the customer sales tax at the point-of-sale. ASI Accounting Services staff is responsible for reconciling sales and remitting the tax.

If any merchandise purchased for resale using the ASI resale number is subsequently used for any other purpose other than resale, then these purchases become subject to sales (use) tax, which must be accrued and remitted to the state.

Sales Tax Liability on Reimbursement for Qualified Purchases

All ASI programs are required to pay state sales tax on **ALL** qualified purchases unless purchases are made by an ASI/UU program for resale.

Note: All PRF's and personal reimbursement requests for qualified purchases are taxable if the property is purchased for a purpose other than resale. Even if the purchase is made from a retailer without paying California tax, the purchase is subject to use tax. ASI is required by the State of California to accrue and remit the appropriate state sales (use) tax.

Audit – Engagement and Financial Process

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 10/25/17

Effective Date: 10/25/17

BACKGROUND AND PURPOSE

This policy reflects CSU mandates - from selecting the annual external auditor through distributing the final audited financial reports.

POLICY

Annual financial audits are performed in accordance with procedures prescribed by the Office of the Chancellor and the University Administration and Finance Division. The Chancellor's Office shall distribute the standard system-wide procedures. Guidelines are provided for dissemination of information included in the annual audit reports and to provide procedures for engaging and evaluating an external audit firm.

The governing body of each auxiliary organization is responsible for selecting and monitoring its independent auditor.

The Internal Review Committee shall participate in the audit engagement screening process. In addition to the Internal Review Committee members, the Screening Committee will include the Director- Business Services or the Director - Finance and a representative from the office of the Vice President for Administration and Finance.

A formal Request for Proposal (RFP) process shall be used to seek qualified accounting firms for independent audit services.

The RFP development, proposal review and engagement process shall be scheduled in a manner that will allow the Board of Directors to act on an engagement proposal, in a timely fashion, to facilitate audit services during the fiscal year for which the services are being sought.

Selection Criteria

The fundamental criteria to be used in selecting an independent audit firm should be reputation, capability, and service cost.

ICSUAM §13175.00 states that given the unique complexities of the CSU auxiliary organizations, it is necessary that the auxiliary organizations' external auditors possess the following minimum proficiencies and experience:

- Demonstrated experience in auditing 501(c)3 Not-for-Profit Organizations;
- Demonstrated proficiency in both the FASB and GASB accounting and reporting requirements related to both Not-for-Profit Organizations and Public Universities;
- Demonstrated experience and proficiency in performing OMB Circular A-133 Audits ("Single Audits"), including federal and state grants and contracts, if applicable to the auxiliary organization;
- Possess the qualifications and training to perform the auxiliary organization audits in accordance with Government Auditing Standards, issued by the Comptroller General of the United States; and
- Demonstrated track record of providing quality financial statement audits for not-for-profit organizations.

The audit firm selected should have demonstrated through the RFP evaluation process that the engagement proposal is complete, responsible and responsive to the audit specifications and request for proposals.

Engagement

The acceptance of an independent audit services proposal shall be by formal action of the Board of Directors and confirmed in writing to the accounting firm selected. The engagement relationship is such that the audit firm is hired by and works closely with ASI management to achieve desired improvements.

Monitoring

Following the report of independent audit results for each fiscal year, the Internal Review Committee will evaluate the performance of the audit firm. The chair of the Internal Review Committee shall make a report on the outcome of the evaluation at a Board of Directors meeting. Prior to reporting on the performance of the audit firm, a review of the evaluation between ASI and the audit firm will be coordinated by the Director – Finance, or Director - Business Services.

Continued Engagement

Based upon a favorable performance evaluation by the Internal Review Committee of the audit services rendered for each year, the Board of Directors may consider continued engagement of the accounting firm, within an engagement term, based upon a written offer submitted by the firm. The requirements of the RFP, as may be modified by the Board of Directors, shall be observed for such continued engagements.

Report Dissemination

Annual audit reports will be made available to all active members of ASI not later than 120 days following the close of the corporation's fiscal year. Such report shall contain, in appropriate detail, the following:

- Assets and liabilities, including trust funds, of the corporation as of the end of the fiscal year;
- Principal changes in assets and liabilities, including trust funds, during the fiscal year;
- Revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year; and
- Expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

The ASI Internal Review Committee, a subcommittee of the Board of Directors, in collaboration with the Executive Director or designee will review all materials as deemed necessary. The ASI Internal Review Committee will oversee management compliance with recommendations generated each fiscal year.

The Associated Students, Inc. shall widely disseminate the information contained in the annual audit reports for ASI and the University Union.

Recognized Student Organizations (RSO) Account Balances (Inactive): Remaining and Delinquent

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 04/07/21

Effective Date: 04/07/21

BACKGROUND AND PURPOSE

This policy specifies how the accounts of inactive Recognized Student Organizations (RSOs) are closed.

POLICY

All Cal Poly RSOs are required by campus policy to deposit organization funds with the Associated Students, Inc. ASI holds these funds on the RSO's behalf in individual accounts established specifically for the club. When RSOs become inactive, there are three possibilities:

1. RSO account has a positive balance
2. RSO account has a zero balance
3. RSO account has a delinquent balance

Period of Inactivity

The office of the Dean of Students will declare an RSO inactive after 24 months of inactivity during which the RSO has neither renewed their charter nor had any financial activity in their club account.

If an inactive RSO is reactivated prior to the end of the 24-month period of inactivity, then the balance in the RSO's account (deficit or surplus) becomes the property/responsibility of the reinstated organization.

Close-Out Procedure

Each fiscal year prior to closing of the books on June 30, a list of inactive RSO accounts will be compiled.

The total of the inactive RSO accounts with remaining funds will be netted against the total of all inactive delinquent RSO accounts.

1. If the net amount provides a surplus, surplus funds will be transferred and added to the ASI Club Sponsorship/ASI Club Event Co-Sponsorship funds for the following fiscal year. Any funds transferred in this manner shall be considered the first funds each year to be accounted for during the reconciliation process for ASI Club Sponsorship/ASI Club Event Co-Sponsorship allocations.
2. If the net amount results in a deficit, the deficit amount will be written-off against the ASI Club Administration account.

Exceptions to the Policy

Individual groups may request an exception to this policy by appealing to the ASI Board of Directors. Approval of all exceptions to this policy requires a 2/3 majority vote of the ASI Board of Directors.

Authorized Signatures

NEW/REVISED POLICY: Revised

APPROVED BY BOARD: 2/21/24

Effective Date: 2/21/24

BACKGROUND AND PURPOSE

This policy ensures prudent control over authorizations to execute documents which obligate the Corporation, or which otherwise confirm transactions.

This policy lists the document types and corresponding signatures required to authorize the transaction associated with each type of document.

POLICY

Documents listed below require signatures from the following authorized personnel:

Payment Request Forms for ASI and UU Programs, Services, and Operations:

Document	1st Required Signature	2nd Required Signature	3rd Required Signature
PRF < \$3,000.00	Area Director OR Assistant Director	(Not Applicable)	(Not Applicable)
PRF \$3,000.00- \$4,999.99	Area Director OR Assistant Director	Executive Director	(Not Applicable)
PRF for ASI Events only: \$1,000.00- \$4,999.99	Director – Business Services	Executive Director	(Not Applicable)
PRF \$5,000.00 and greater	Area Director OR Assistant Director	Executive Director	Director-Business Services OR Director Finance OR Coordinator II - Accounting

Payment Request Forms for Student Government:

Document	1st Required Signature	2nd Required Signature	3rd Required Signature	4th Required Signature
PRF < \$1,000.00	ASI President OR Chair of UUAB OR Chair of the Board	ASI President OR Chair of UUAB OR Chair of the Board OR Executive Director OR Assistant Director – PR, Leadership & DEI (<i>not same as 1st signature</i>)	Executive Director (<i>for reimbursements to officers</i>)	(Not Applicable)
PRF \$1,000.00- \$4,999.99	ASI President OR Chair of UUAB OR Chair of the Board	ASI President OR Chair of UUAB OR Chair of the Board OR Assistant Director – PR, Leadership & DEI (<i>not same as 1st signature</i>)	Executive Director	(Not Applicable)
PRF \$5,000.00 and greater	ASI President OR Chair of UUAB OR Chair of the Board	ASI President OR Chair of UUAB OR Chair of the Board OR Director Business Services (<i>not same as 1st signature</i>)	Executive Director	Director- Business Services OR Director- Finance OR Coordinator II - Accounting

Petty Cash Disbursements

Document	1st Required Signature	2nd Required Signature
Petty Cash up to \$50.00 (maximum)	Immediate Supervisor	Area Director OR Assistant Director

Credit Card and P-Cards

Document	1st Required Signature	2nd Required Signature
US Bank Cardholder Activity Report (fully documented, coded, and reconciled by P-Card holder)	Credit Card / P-Card Holder	Area Director OR Assistant Director OR Executive Director
Increase Limit Change Request	Credit Card / P-Card Holder's Supervisor	Executive Director

Credit Card And P-Card Transactions by ASI Management

Document	1st Required Signature	2nd Required Signature
Purchases made by Executive Director	Executive Director	University CFO Designee

Other Documents

Document	1 st Required Signature	2 nd Required Signature	3 rd Required Signature
Contractual Documents (Not including Student Organizations)	Executive Director OR Director - Business Services	(Not Applicable)	(Not Applicable)
Commercial Bank Accounts (Checks written for over \$15,000.00)	Executive Director	Director- Finance OR Director- Business Services	(Not Applicable)
Inventories – Assets (for final reports tying to the General Ledger)	Month-End: Coordinator II – Accounting Year-End: Director - Finance	(Not Applicable)	(Not Applicable)
Inventories – Assets (for interim reports of unfound assets)	Designated Area Supervisor OR Area Director OR Assistant Director	(Not Applicable)	(Not Applicable)
Inventories – Resale (for final reports tying to the General Ledger)	Month-End: Coordinator II - Accounting Year-End: Director - Finance	(Not Applicable)	(Not Applicable)
Journal Entries (Paper)	Creator (Initials)	Depending on creator and type of JE: Assistant Coordinator-Club Services OR Coordinator II - Accounting OR Director - Finance	(Not Applicable)
Journal Entries (Electronic)	Creator (approves by submitting through electronic workflow to specific approver based on the Set ID naming convention used.)	Based on Set ID workflow: Assistant Coordinator-Club Services, Coordinator II - Accounting, Director - Finance	(Not Applicable)
Payroll Checks	Executive Director	(Not Applicable)	(Not Applicable)
Personnel Forms	Human Resources	Executive Director (<i>for Full-Time</i>) Area Director OR Assistant Director OR Director – Business Services (<i>for Students and Intermittent</i>)	(Not Applicable)
Tax Returns and Federal/State Corporate Filings	Executive Director OR Director - Finance	(Not Applicable)	(Not Applicable)
Time Cards	Employee	Full-Time Staff Supervisor OR Human Resources Designee	(Not Applicable)
Travel Authorization < \$1,000.00	Employee	Area Director OR Assistant Director OR Director – Business Services OR Executive Director	(Not Applicable)
Travel Authorization \$1,000.00 and greater	Employee	Area Director OR Assistant Director OR Director – Business Services	Executive Director
Travel: Use of Private Vehicle for business related purposes	Area Director OR Assistant Director OR Director – Business Services	(Not Applicable)	(Not Applicable)