

Humboldt State University

University Funds Overview

(Definitions Updated June 2018)

All members of the campus community who have been delegated the responsibility to approve expenditures have the responsibility to ensure funds for their area of responsibility are used appropriately and legally, and not over-committed regardless of source. They must become familiar with spending guidelines and restrictions for the various funds; and must certify that they have read the Funds Overview, especially as it pertains to expenditures from funds that they have been authorized to approve.

Humboldt State University funds come from a variety of sources and are accounted for separately. Among the major sources are: state funds, student fees, trust and self-supporting funds (College of Extended Education and Global Engagement, Parking Services, Student Housing, Student Health and Psychology Services, etc.), gifts, grants and contracts, commercial operations, Associated Students, and state and non-state capital outlay funds.

In general, funds from gifts are deposited in the Advancement Corporation; funds from commercial operations are deposited in the University Center Corporation; most grants and contracts are deposited with the Sponsored Programs Foundation; and Associated Student Body fees are deposited in the Associated Students Corporation. As official Auxiliary Organizations they each have their own financial and business operations, with policies and procedures that control the expenditure of funds for which they are responsible. At HSU, Advancement and Sponsored Programs each contract with the State entity to process transactions for each of their business operations. The State provides guidance for business practices and follows those procedures unless one of the foundations has policies or procedures that direct differently. In addition, there are two ancillary operations which are partially state funded: KHSU radio station and the Children's Center. Gift funds to either KHSU or the Children's Center are deposited to the Advancement Corporation; and, in general, grant funds to either KHSU or the Children's Center are deposited to the Sponsored Programs Foundation.

To be responsible fiscal stewards of these public funds, care must be taken to ensure that they can be fully accounted for under any inquiry. Departments may be asked to document the purpose of a particular purchase or expense for approval, public records requests and/or audit purposes. Departments are also responsible for following Federal, State, CSU and University policy (e.g. Hospitality Expense) when spending public funds. Inappropriate expenses will be disallowed and the department will have to identify other appropriate funding.

University monies fall into three major categories: operating funds, financial aid funds and construction, maintenance and repair funds. Operating funds are used for the day-to-day expenditures of the university. Financial aid funds are used to help students address their financial need. Lastly, construction, maintenance and repair funds are used for major projects,

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such as construction and infrastructure improvements, and for minor projects involving maintenance and repairs.

Although the following fund classifications and guidelines include current University fund coding, these codes are subject to change due to updates in laws, policies and instructions from the Chancellor's Office. For the most up-to-date listing of our university fund codes, contact Financial Services-Accounting. Listed below are the primary funds most commonly used by departmental users while conducting University business.

OPERATING FUNDS

State Operating Fund

This fund is a combination of State General Fund appropriations and student tuition fees (Category I/II/III/IV fees). The State General Fund is an appropriation from the State of California which is allocated to the campus through the California State University (CSU) Board of Trustees. The student tuition fees are payments for mandatory tuition and campus fees, non-resident tuition, application fees, and professional program fees (Category I fees). The State Operating Fund has an annual budget which is allocated and serves as the main source of funds that supports the campus' day-to-day operations. The use of this fund is governed by state law, administrative code, and Trustee and campus policy; it is to support basic instruction and other mandatory university costs.

Spending Restrictions:

Think like stewards of State taxpayers' money. Use State funds responsibly. Expenses must be directly related to, or associated with, the active conduct of official CSU business. They must be cost effective, in accordance with the best use of public funds, and conform to IRS regulations.

Some of the things that State Operating funds may be used for: (see ICSUAM 1301.00)

- When an employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear CSU business purpose, with no personal benefit derived by the official host or other employees. Expenditures should be cost-effective and in accordance with the best use of public funds.
- Expenses related to memorial services, celebrations of retirement, and farewell gatherings for employees separating with at least 5 years of service are permissible. (see ICSUAM 1301.00, section 601)
- Promotional item expenditures when the recipients of the promotional item are NOT university employees
- Participation of employees or official guests at CSU fundraising events to the extent that such expenditures do not exceed the projected net revenue of the activity – For example, if a fundraising event is expected to net \$1,000 in revenue, one should not plan to spend State funds of more than \$1,000 on employee or guest expenses.

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Some of the things that State Operating funds may not be used for: (see ICSUAM 1301.00)

- A “gift” from state funds -- a short list of expenditures that are not allowed includes t-shirts, coffee cups, gas cards, wine, gift cards for awards
- Use of a university employee or university resource to generate non-state revenue that does not reimburse a “State funded” activity
- Expenses such as alcoholic beverages, tobacco products, gifts, memberships in social organizations, entertainment services, or meals and light refreshments for meetings and events attended only by employees of the same work location
- Promotional item expenditures when the recipients of the promotional item are University employees
- Expenses related to employee birthdays, weddings, anniversaries, and baby showers
- Student awards/scholarships
- Capital projects – see Capital Spending
- For additional information, scroll to ICSUAM section 1301.00 [hot link]
<http://www.calstate.edu/icsuam/sections/1000/Section1000.pdf>

The CSU records these expenditures in CSU Fund Code 485

HSU records its State Operating expenditures in Fund codes that begin with HMxxx, i.e. HM500.

Miscellaneous Course Fees – (also HM500, but additional spending restrictions apply)

Miscellaneous course fees include campus mandatory fees that must be paid by students to enroll in and attend the university. Campus mandatory fees associated with the state operating budget include the Materials Services and Facilities Fee and Freshman Orientation program fees. The fees are Category II fees.

Spending Restrictions:

MSF funds are used to provide exceptional instructional materials, services, or provide access to an off-campus facility; and are to enhance the learning experience above and beyond the basic academic instructional program. Fees can be used to buy tangible and consumable supplies, or to provide services that are critical to the academic outcomes of the course.

Miscellaneous Course Fees are recorded in the HM500 fund and are further designated with a Program Code: Materials Services and Facilities Fees - RS064; Freshman Orientation program fee – RS007.

Other miscellaneous fees – Category III and Category IV Fees

Other fees associated with state-support courses include Category III course fees for field trips and Category IV administrative fees charged to students. Examples of Category IV fees include fees such as transcript fee, add/drop fee, check return fee,

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credential evaluation fee, diploma fee, ID Card fee, tuition installment fee, late registration fee, etc. These fees are recorded separately and are usually coded with an RSxxx program code.

Spending Restrictions:

The funds can only be used for the specific purpose identified when the fee was established. In addition, according to the EO 1054 CSU Fee Policy, the fee charged to students should be close to the actual costs of the activity, therefore the fees should be expended in the year in which they are collected.

These Category III and Category IV Fees are generally recorded in the HM500 fund, and are further designated with a Program Code that begins RSxxxx.

Financial Aid-Tuition Discounting

Funding for the Financial Aid-Tuition Discounting is provided through the CSU Budget Allocation process. Its purpose is to provide financial support to students based on financial need criteria.

Spending Restrictions:

Funds are designated solely for the use of tuition discounting for students who meet a financial need criteria.

Financial Aid-Tuition Discounting funds are recorded in the HM500 fund code, and are further designated with Department ID U90031.

STUDENT HEALTH SERVICES FEE AND STUDENT HEALTH FACILITIES FEE

These campus mandatory fees (Category II Fees) are paid by students each term to support the Health Services and Counseling and Psychological Services programs. The Health Services program and use of these fees is governed by CSU Executive Order 943.

Spending Restrictions:

These funds must be used for the Health Services program costs and cannot be used for other University operating costs.

These funds are recorded in:

CSU Fund Code 485 Student Health Services Fee, Augmented – HSU fund HM505, HM506

CSU Fund Code 485 University Health and Psychological Services – HSU fund HM507

LOTTERY FUND

The sale of State lottery tickets provides supplemental funding for California Public Education, which includes CSU campuses. Lottery funds must be used exclusively for the education of students and no funds shall be spent for acquisition of real property, construction of facilities,

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financing of research or any other non-instructional purpose. The CSU Board of Trustees allocates funds annually to the campuses. The expenditure guidelines for the use of Lottery funds are more restrictive than those of the State Operating Fund.

Spending Restrictions for Lottery Funded Expenditures:

1. The activity funded must represent a bona fide educational and instructional experience that contributes to the education of a students, or results in the development of materials to be used with students, or leads to the development of a program or course.
2. As a general rule, lottery funding restrictions are even more limiting than the regular state operating funds.
3. Lottery funds may not be used to pay faculty salaries for classroom instruction.
4. Lottery funds may not be used to finance increases in the rate of compensation paid to existing staff; thus, stipends and honoraria are not permissible.
5. Lottery funds may not be used to purchase gift cards, gas, and wine.
6. Lottery funds may not be used to pay for faculty overloads performed during the academic instructional period. However, existing faculty may work a summer period under a personal services contract. Timely submission of payroll documents is required.
7. Special consultant contracts must be approved prior to the first day of work and must be signed by an individual from the campus' delegated authority list, to approve the contract. Timely submission of payroll documents is required.
8. Expenditure of any funds, including lottery funds, which are used for faculty development activities, must be in accordance with the collective bargaining agreement, which includes a specific list of development activities.
9. Lottery funds should be used to augment and supplement state-funded budget programs so that lottery revenue is not used to replace or supplant current or prospective state funding.
10. Lottery funds may be used to pay for part-time instructors when such instructors are hired as replacement faculty for faculty members working for a CSU lottery designated program. Timely submission of payroll documents is required.

Supplementary Guidelines for the Teacher Recruitment Project (TRP) Expenditure:

In general, these lottery funds must be used to focus on math and science teacher recruitment.

1. Expenditures should be used in support of locally developed activities to attract students from environments in which teaching has not been a common career goal.
2. Activity-related expenditures may include broad spectrum recruitment, admission, and completion of teaching preparation programs, within the scope of expenditure guidelines of the overall lottery spending restrictions.
3. Travel must be explicitly related to TRP goals.

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4. Supplies purchases must be directly related to participant services.
5. TRP lottery funds may not be used to fund conference related expenses, including travel.
6. TRP lottery funds may not be used to purchase equipment.

These funds are recorded in:

CSU Fund Code 481

HSU Lottery fund codes generally begin with TUxxx.

COLLEGE OF EXTENDED EDUCATION AND GLOBAL ENGAGEMENT, INTERNATIONAL PROGRAMS

These fees include fees charged for continuing education courses, special session programs, other extension programs (e.g. conferences and training services), and self-supporting international programs, including International English Language Institute (IELI).

Spending Restrictions:

Funds, as designated by the Education Code and CSU Executive Order 1099, are to be used to support Continuing Education program costs. Each expenditure must document the nexus between expenditures and the specific functions that benefit from the expenditure.

Category V Fees

CSU Fund Code 441 – is used to record College of Extended Education and Global Engagement, International Programs activity.

CSU Fund Code 444 – Campus Partners – is used to record revenues and expenditures for departments on campus who partner with the College of Extended Education and Global Engagement for various learning objectives. Two examples are Masters of Social Work program, concurrent enrollment with State offered classes.

College of Extended Education and Global Engagement / International Programs / Campus Partners fund codes generally begin with TLxxx.

HOUSING

Fees charged in association with Housing programs are Category V fees; these include rent payments, installment payment fee, campus collection fee, late payment fees, etc.

Spending Restrictions:

These funds must be used for Housing program costs and cannot be used for other University operating costs.

These funds are recorded in:

CSU Fund code 531

HSU Housing fund codes generally begin with HAxXX.

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PARKING

Revenue is received from parking permit sales, citation fines for parking violations, campus collection fees, and late payment fees. These are Category V Fees.

Spending Restrictions:

Parking permit sales funds can be used for general operations and maintenance of the parking facilities. Citation fines can only be used to support the administration of the citation program, and for alternative transportation projects such as the JackPass and ride-share programs.

These funds are recorded in:

CSU Fund code 471, 472

HSU Parking permit sales fund codes generally begin with TSxxx.

University Parking Fines and Forfeiture fund codes generally begin with TSxxx.

OTHER MANDATORY REGISTRATION FEES

Other mandatory registration fees are deposited into individual trust fund accounts. These Category II fees include the student body center, associated student body, student health facilities fee, and instructionally related activities.

Spending Restrictions:

Each fund can only be used for the specific purpose for which the fund was established.

These funds are recorded in:

CSU Fund Code 461, HSU fund TNxxx; Associated Student Body Fee

CSU Fund Code 463, HSU fund TOxxx; Instructionally Related Activity Fee

CSU Fund Code 452, HSU fund TMxxx; Student Health Facilities Fee

CSU Fund Code 534, HSU fund HCxxx; Campus Union Facilities Fee

MISCELLANEOUS STATE-SIDE TRUST FUNDS

Other miscellaneous state-side trust funds are used to conduct the business of the University and include internal and external funds to provide services to the campus community. These funds are deposited into individual self-supporting Trust Funds; the revenues are to be used for the specific purpose for which the fund was established. These funds should hold only minimal reserves for future large purchases (e.g. inventory or equipment).

These funds are recorded in:

CSU Fund Code 465, HSU Funds TPxxx; State-held Grants

CSU Fund Code 496, HSU Funds TVxxx or T7xxx; Miscellaneous State-side local trusts

SCHOLARSHIP FUNDS

Scholarships are funded primarily from outside donations, interest income, and transfers from the Advancement Foundation. These funds can only be used for scholarship awards.

These funds are recorded in:

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CSU Fund Codes 431, 435

Scholarship fund codes generally begin with SJxxx, SKxxx, or Tlxxx

ENDOWMENT FUNDS

In general, endowments are created primarily from outside donations and are intended to provide a perpetual and consistent level of financial support for the University. The Endowment corpus cannot be spent. Investment earnings generated from the endowment may be transferred to the University student scholarship program and allocated through the campus process. The State holds some of the older endowments, however the newer endowments are received and managed within the Advancement Foundation.

These funds are recorded in:

CSU Fund Code 466 State-held endowments

HSU State-held endowment fund codes generally begin with TQxxx

Advancement endowment fund codes generally begin with Axxxx

STUDENT GRANT, WORK STUDY, AND LOAN FUNDS

Grants, Work Study, and loans are funded by local, state and federal governments. Their purpose is to provide financial support to students based on the specific grant or loan requirement.

CSU Fund Codes are established for each specific grant or loan –

401,403,408,410,421,422,424,436

HSU Student Grant and Work Study fund codes generally begin with TAxxx; TBxxx; TCxxx; TDxxx; TExxx; THxxx

CSU Fund Code 433, HSU Fund TKxxx; Student Loan Funds

FINANCIAL SERVICES ADMINISTRATIVE FUNDS

Financial Services-Accounting sometimes administers funds and records balance sheet transactions where a department number is not used. These are “pass through” transactions that are held until the appropriate fund can be determined. (Examples include ZM002, G9999, A0008 Uncleared Collections) In addition, funds may be created for the purpose of holding collected fees or donations until they are redirected to the appropriate auxiliary on campus. (Examples include HA110, Housing Board & C-Card, which goes to UC; or A0006, UC Donations, which goes to UC). The fund numbers and descriptions are:

HMCMP

ZM002 – Uncleared Collections

TN001 – Associated Students

HA110 – Housing Board & C-Card

HMSPF

G9999 – Uncleared Collections

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HMADV

- A0001 – Administrative Fund
- A0004 – Research Donations
- A0005 – Scholarship Donations
- A0006 – University Center Donations
- A0007 – Associated Students Donations
- A0008 – Uncleared Collections
- A0009 – Capital Projects Donations

CONSTRUCTION AND MAINTENANCE AND REPAIR FUNDS

State Capital Outlay

Funding is provided by allocations from the State Legislature via revenue received from state taxes and bond sale proceeds (e.g. education bond issue). State Capital Outlay funds are used to build and renovate campus academic and administrative facilities. Expenditures for capital outlay fall into two groups:

- Major Capital Outlay – capital projects that cost over \$610,000 or state site acquisition projects.
- Minor Capital Outlay – construction projects whose estimated cost is \$610,000 or less

CSU Fund Codes are established for each project
HSU State Capital Outlay fund codes -- various

Non-State Capital Outlay Funds

The HSU self-supporting campus enterprise (Parking, Housing, Health Services, Continuing Education) or auxiliary organization (University Center, Associated Students) with debt from a construction project is required to set aside enough revenue each year to make the debt service payments on the bond debt. The enterprise or auxiliary is responsible for retiring the debt for its non-state capital outlay project. Non-state capital outlay projects must be approved by the CSU Board of Trustees as described in Executive Order 994.

CSU Fund Codes -- various
HSU Non-State Capital Outlay fund codes -- various