

SECTION 1 - INTRODUCTION

Policy Sequence 1-000

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Mission Statement

Policy 1-000.1

California State University, Long Beach Foundation serves the mission of the University by supporting and engaging in research, entrepreneurship, community service, sponsored programs, and the acquisition of private resources.

Introduction

Policy 1-005.1

The California State University, Long Beach Foundation, founded in 1956, is a nonprofit [501 (c) (3) IRC], tax-exempt corporation organized to administer sponsored programs for research and other activities related to the University's mission. The Foundation also accepts donations, gifts, and bequests for University-related use and provides tax-deductible advantage to the donor. The Foundation is classified as an organization described under the Internal Revenue Code, Sec. 170 (b) (1) (A) (vi).

The sponsored program activities in which the Foundation participates have a direct relationship to the academic programs of the University. They provide opportunities for interaction between faculty and students and offer the community opportunities to participate in University activities.

Public funds provide instructional and instructional-related activities and facilities support, but much more can be accomplished with private contributions. This kind of support provides scholarships, research, and special creative programs. Donations, gifts, and bequests provide significant additions to the University's accomplishments as they can be allocated with greater flexibility. These funds make it possible for the Foundation to respond to the changing needs of the University and community, and enable students and faculty to extend their efforts beyond the traditional instructional supported areas and into innovative projects.

Facilities which are not provided through public funding depend upon outside contributions. The beautiful Louise Carlson Memorial Tower, the Isabel Patterson Child Development Center, and the Earl Burns Miller Japanese Garden are outstanding examples of such support.

Organizational Structure

Policy # 1-010.1

Foundation Board of Directors

The Foundation, as a nonprofit corporation, is governed by a Board of Directors in accordance with its Articles of Incorporation and Bylaws, appropriate State of California codes, and policy directives of the CSU Board of Trustees and campus administration. The principal function of the Board is to establish policies and guide the corporation in achieving its objectives. According to the bylaws, the authorized number of Board of Directors is not to exceed nine nor be less than one. The Directors shall be from the seven categories as follows:

- The President of the University (Chair of the Board);
- The Vice President for University Relations and Development at the University (Vice Chair of the Board);
- The Provost and Senior Vice President for Academic Affairs at the University (Secretary);
- The Vice President for Administration and Finance at the University (Treasurer);

- Two (2) persons from the public with expertise in business, finance, law, and/or public service who are selected by the President of the University upon the recommendation of the Corporation's Board of Governors as then constituted, and who also serve on the Board of Governors;
- A former voting member of the Executive Committee of the Academic Senate at the University who is selected by the President of the University;
- The President of the Associated Students at the University;
- Principal Investigator (PI)

Selection of PI as a Member of the Board of Directors

A member is selected from among Principal Investigators (PIs), having a currently funded project managed through the CSULB Foundation. This Board member is appointed by the President according to the following process:

Step I A general call for nominations is made in a memorandum to the campus community six months before the end of the previous PI Board Member's term under the signature of the Foundation Board President. This call allows nominations by the PIs of themselves or other PIs. The nomination form and invitation include information about the range of responsibilities undertaken by a member of the Board of Directors, and the role that the PI Board Member is expected to assume as a Director. Nominees are requested to submit a one-page statement of qualifications regarding the candidate's experience as a PI, including the types of grant and contract awards received, the volume of activity over the last ten years, the knowledge and extent of the PI's interface with the CSULB Foundation, and the PI's skills and abilities in managing grant/contract activities. Nomination forms are submitted to the President of the Foundation Board.

Step II All of the applications for nomination of a PI Board Member which are submitted to the President of the Foundation Board by the published closing date are provided to the Secretary of the Board of Directors. The Secretary of the Board arranges a consultation meeting with the Academic Affairs' Council of Deans and the Executive Committee of the Academic Senate. No screening of the applications is done before reviewing the nominations at this consultation.

Step III A full set of nomination packets, including the nomination forms and qualification statements, is given to both the Council of Deans and the Executive Committee of the Academic Senate for separate review. The two bodies evaluate the candidates independently using their own discretion. The evaluations are conducted using the guideline of recommending the nominees based on the relevant experience of each candidate.

Step IV The Council of Deans and the Executive Committee of the Academic Senate each submit a list of recommended nominees for the position of PI Board Member to the Secretary of the Board of Directors. The Secretary reviews the lists and submits a consolidated list of all nominees to the President of the Foundation Board.

Step V The President chooses a representative PI from the submitted list of nominees and appoints the selected individual to the Board for the next two-year term.

Foundation Executive Director

The Foundation is headed by an Executive Director who oversees the daily operations of the agency. The Executive Director reports to the Provost, Vice President for Administration and Finance and the Vice President for University Relations and Development. The organizational arrangement within the Foundation is divided into seven (7) departments-- Executive Management, Grants/Contracts and Foundation Programs, Charitable Gifts/Programs and Investments, Accounting and Finance, Human Resources, Property Management, and Information Systems and Technology.

Overview of Services

Policy # 1-020.1

The Foundation, as a nonprofit and self-financed corporation, serves the University in the following major areas:

- Administration of grants and contracts for faculty and staff research and educational projects;
- Administration of funds for special programs. University policy and state law specifically prohibit the establishment of separate bank accounts for any program or project activity;
- Financial administration of gifts and donations;
- Investment of endowments, trusts, and other funds;
- Financial administration of funds used for student scholarships and loans;
- Management of a real property program whereby the Foundation provides space for its many activities and leases property to the University and other campus organizations;
- Administration of other activities as requested by the University.

Sponsored Research and Educational Projects

Policy # 1-030.1

Approximately one-half of the Foundation's annual revenue is received in the form of grants and contracts awarded for the conduct of research and educational projects. Through the efforts of the University faculty, approximately \$30 million in grants and contracts is received annually. This represents over 250 active grant and/or contract projects.

Foundation Programs

Policy # 1-040.1

The Foundation provides fiscal and other management services for a broad range of University-related activities. These "special programs" augment the educational program of the University. Funding is provided primarily through gifts and donations to the University, or by fees charged for services.

Foundation programs include activities relating to the University faculty and staff and official on-campus organizations. Examples of these programs include research bureaus and institutes, development accounts, student scholarships, capital improvement accounts, and program/clinic accounts.

Various programs have substantial interaction with individuals, corporations, and organizations in the local community. Examples of these programs are the 49'er Athletic Organization and University College and Extension Services.

The Foundation also administers over Endowment accounts and various Life Income Trust accounts.

Over the years, the number of accounts for special programs have increased to approximately 700 active accounts.

Notary Services

Policy # 1-050.1

Notary services are provided at no cost to University and Foundation personnel for any document related to campus activities or functions. Personal items to be notarized are normally charged the fee established by the state of California for the various Notary acts.

A person wishing to have a document notarized should call the Notary first to determine whether the Notary is available to provide services at the desired time. If the Notary has a business conflict which takes precedence, an alternate time for the notarization must be agreed on. At the time the appointment is made, the Notary asks if the document is related in any way to campus business, whether for the University or the Foundation. If the item is entirely personal or disconnected from campus activities, an appointment is set up for lunchtime, after hours, or weekend assistance, and the caller is advised that a fee, set by the state of California, will apply.

Notarial Fees

As of January 1, 1994, the following fees are set by law:

- | | |
|---|--------------------|
| • Acknowledgment (attesting to identity of signatory): | \$10 per signature |
| • Jurat (Affirmation of an oath that facts are correct): | \$10 per person |
| • Depositions:
(\$5 fee for oath and \$5 fee for certificate are additional) | \$20 |
| • Protest of Non-Payment: | \$10 |
| • Notice of Protest: | \$5 |
| • Recording a Protest: | \$5 |
| • Photocopy of a Journal Entry: | \$.30 per entry |

Travel fees may be charged if agreed on in advance between the Notary and the party being served. The signer must understand that a travel fee is neither required nor specified in the law and is separate from the notarial fees described above.

No fee is charged for notarization of any document related to the Campus or Foundation.

A Notary is forbidden by law to charge for notarizing a circulator's affidavit, a nomination document, an absentee ballot identification envelope or other voting materials, or any paper related to an initiative or referendum.

Procedure

A person coming to have a document notarized must:

- A. has a picture id card (Driver's License or California I.D. card issued by DMV);
- B. be personally known to the Notary; or
- C. be identified by another party present who satisfies criteria a or b.

If a person cannot come to the Notary, the Notary will normally make arrangements to visit the person need the notarization. If this is not possible, e.g., the person is in a nursing home in a distant part of the state, the document can be signed by the person who is absent and brought to the Notary by a person who saw the signing and who is willing to fill out a Subscribing Witness Certificate (Witness Jurat). Such witness must satisfy the criteria in A, B or C immediately above.

Persons notarizing any documents related to Deeds, Quitclaim Deeds, or Deeds of Trust must provide a right thumbprint for the Notary's official journal. If the right thumb is not available, the left thumb may be used. If neither thumb is present, the print of any of the remaining digits may be used. When a digit other than the right thumb is used for the print, the digit used must be identified in the journal, with explanation. If a print is smudged, faint, too dark, or impaired in some other fashion, the person notarizing the document must provide an additional print until a clear print is achieved.

A document must not be notarized without an entry into the Notary's journal. The Notary's journal contains information on the date of the notarization, the type of notarial act, the type and date of the document notarized, the person being notarized (name, address, signature, method of identification), fee (if any), thumbprint (if required), and any other relevant information (such as more than one identical copy of the same document being notarized at the same time).

The Notary's journal must be retained by the Notary until the commission expires, at which time all journals and any other records related to the acts of the Notary must be turned into the government offices of the county from which the Notary is officially operating.

A California Notary is commissioned to perform notarial acts in any county of California, regardless of the official county which retains information on the commission.

If a form is not provided with the document to be notarized, the Notary will provide the appropriate notarial form. The Notary may choose to replace the attached notary form with another form if the Notary feels the provided form is compromised in some fashion.

A Notary may not notarize a blank form. All items to be filled out must be completed before the notarization can be completed.

A Notary may not give legal advice about the form being notarized, the blanks to be filled in, or anything related to immigration unless the Notary is also licensed to practice law in the state of California.

Many additional state rules and regulations apply to the actions of a Notary. In addition, the laws governing the actions of a Notary are subject to revision each year by the state legislature. It is the responsibility of the Notary to keep abreast of all pertinent laws and any additions or revisions made to those laws.

Guidelines on Educational Business Activities of Colleges and Universities

Policy # 1-060.1

Education-Related Activities

The primary mission of California State University, Long Beach Foundation is the creation and dissemination of knowledge. To carry out this mission, it is often desirable for the Foundation and its affiliated units to charge fees for providing goods and services that enhance, promote, or support its instructional, research, public service, and all other educational and support functions in order to meet the needs of the students, faculty, staff and members of the public participating in institutional events.

Educational business activities shall be established and carried on only when pursuant to, and in accordance with, an authorization and statement of purpose approved by the institution's governing board and/or chief executive officer.

Each educational business activity shall meet the following three conditions:

- The activity is deemed to be an integral part in the fulfillment of the Foundation's educational, research, public service, and campus support functions, and other educational and support activities, without regard to profit.
- The activity is needed to provide an integral good or service at a reasonable price, on reasonable terms, and at a convenient location and time.
- The activity is carried out for the primary benefit of the campus community but with sensitivity to the total community.

Unrelated Activities

The Foundation should comply with applicable laws and regulations pertaining to such activities, and educational business activities not falling within the guidelines established above; unrelated business income activities.

Foundation Policy for Review and Approval of Foundation Loans and Lines of Credit

Policy # 1-070.1

This policy was adopted by the Board of Directors at the August 27, 1998 Board Meeting.

From time to time, additional funds are needed to further the activities of the University and Foundation Projects. To aid in this process the Foundation has established this policy to provide for loans or lines of credit. Procedural details are as follows:

I. General

Loan/Line of Credit requests (section I Appendix A) shall be reviewed with the Executive Director of the Foundation or his/her designee to ensure that the request meets the requirements of this policy.

When such review is complete, an agreement shall be drafted with terms describing the purpose of the requested loan or line of credit, the parties involved, interest rate, payment process, late charges, collateral, guarantee, action to be taken in the event of default and any other relevant terms and conditions.

Normally, the rate of interest will be fixed based on the current prime rate as reported in the Wall Street Journal at the time the loan/line of credit is extended. The actual interest rate may vary above or below the prime rate depending on certain risk factors as determined by the Investment Committee or Board of Directors. Risk factors include items such as term of loan, administration complexity, quality of collateral and loan guarantees.

The Dean of the relevant College and/or the Vice President of the Division shall be signatories to the agreement indicating approval of the agreement and concurrence with its terms. To limit risk of default, the standard form of the agreement shall include language stating that College or Division is guaranteeing repayment of the loan from all available funds.

All loans/lines of credit shall be reported to the Board of Directors at its quarterly meeting. The report will include outstanding loans receivable, showing the recipient of the loan, the interest rate on the loan, and the loan balance remaining. The report will highlight the loans and lines of credit which were not reported the previous quarter.

II. Loans/Lines of Credit Less than \$25,000

If the amount requested is under \$25,000, the person or organization shall discuss and review the request with the Executive Director of the Foundation or designee. The Executive Director will present the request to the Treasurer of the Foundation for approval.

III. Loans/Lines of Credit for \$25,000 to \$100,000

If the amount requested is at least \$25,000, but no more than \$100,000, the person or organization shall discuss and review the request with the Executive Director of the Foundation or designee. The Executive Director will present the request to the Investment Committee at the next regularly scheduled meeting or, if an emergency request, at a special meeting of the Investment Committee.

- a. The person representing the college, division or organization requesting the loan or line of credit shall appear before the Investment Committee to describe its purpose and discuss the terms.
- b. The Executive Director shall advise the Investment Committee concerning the financial ability of the Foundation to provide the requested funds.
- c. Investment Committee decision to fund the loan/line of credit shall be final.

IV. Loans/Lines of Credit more than \$100,000

1. If the amount requested is more than \$100,000, the person or organization shall discuss and review the request with the Executive Director of the Foundation or designee. The Executive Director will present the request to the Investment Committee at the next regularly scheduled meeting or, if an emergency request, at a special meeting. If approved by the Investment Committee, the Executive Director will present the request to the Board of Directors at the next regularly scheduled meeting.

- a. The person representing the college, division or organization requesting the loan shall appear before the Investment Committee to describe its purpose and discuss the terms.
- b. The Executive Director will advise the Board of Directors and the Investment Committee concerning the financial ability of the Foundation to provide the requested funds.
- c. The Board of Directors decision to fund the loan/line of credit shall be final.

Appendix A

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REQUEST FOR LOAN/LINE OF CREDIT

CSULB Foundation

6300 State University Drive, Suite 332, Long Beach CA 90815 (562) 985-5537

From time to time, additional funds may be needed to further the activities of the University and/or Foundation Projects. Before a loan is extended or line of credit is established, the representative requesting the loan or line of credit must complete this form on behalf of the relevant college, division or organization. The requester is responsible for obtaining the appropriate signatures from the Dean of the College, Vice President of the Division, and/or head of the organization and providing all pertinent information.

The individual requesting the loan shall meet with the Executive Director of the Foundation or designee to review this application. For loans/lines of credit of \$25,000 and above, the requester will also be required to appear before the Foundation Investment Committee to discuss the purpose, terms, and conditions of the loan/line of credit request. Loans/lines of credit over \$100,000 require approval of the Foundation Board of Directors.

Interest rates on loans are generally at prime plus adjusting factors (see instructions). Loans for five years or more are considered long term. Attach additional sheets if more space is required to complete the information requested. Attach financial statements, projections, business plan or other supporting documentation to this form when meeting with Executive Director and Investment Committee.

_____ Dept. Ref # _____
Name of College, Division or Organization

Purpose of Loan/Line of Credit Requested: _____

Requested Start Date: _____ Loan or Line of Credit: Loan Line of Credit

Change in Amount Requested: Yes No Increase/Decrease: Increase Decrease

Loan/Line of Credit Amount: \$ _____

Increase/Decrease Amount: \$ _____

New Total Loan/Line of Credit: \$ _____

Frequency of Payment Requested: Monthly Quarterly Semi-Annual Annual

Parties Involved: _____

Collateral: _____

I approve this request with the understanding that, in the event no other funds are available for repayment of the loan or line of credit, payment is guaranteed by the college/division.

Signature of Requestor

Name of Requestor (Print or Type)

Title of Requestor

Name of College, Division or Organization

Date

Signature of Additional Approving Party

Title of Additional Approving Party

Name of College, Division or Organization

Date

Signature of Dean of College

Title of Approving Party

Name of College of Division

Date

Signature of Vice President of Division

Date

Signature of Provost and Senior Vice President of Academic Affairs

Date

For Foundation Use Only:

Meeting held with Executive Director or Designee on: _____
Date

Approved by the Investment Committee at meeting: _____
Date

Approved by the Board of Directors at meeting: _____
Date

Resolution #: _____

Interest Rate Assigned: _____

Payment Amount: _____

Term/Due Date: _____

INSTRUCTIONS FOR REQUEST FOR LOAN/LINE OF CREDIT

1. **Name of College, Division or Organization:** Name of entity asking for the loan or line of credit is entered on this line.
2. **Dept. Ref. #:** If desired, the entity requesting the loan or line of credit can enter their department's reference number on this line. If the loan or line of credit is extended, the accounting entry identifying the extension of the funds will include this department reference number to assist the department in tracking the funds.
3. **Purpose of Loan/Line of Credit Requested:** This space is used to summarize the activity which will benefit from the loan or line of credit and identify the uses for the funds.
4. **Requested Start Date:** Date on which the funds are required by the requester.
5. **Loan or Line of Credit check off boxes:** Check the appropriate box.
6. **Change in Amount Requested check off box:** Check this box if the request is for a change to an existing request for a loan or line of credit.
7. **Increase or Decrease check off boxes:** If this request is for a change to an existing loan or line of credit, check the appropriate box to indicate if the loan is an increase or a decrease to the existing funding request.
8. **Loan/Line of Credit Amount:** If this is a new request, enter the amount of funding requested on this line. If this is an amendment to a prior request, enter the amount of funding previously requested on this line.
9. **Increase/Decrease Amount and New Total Loan/Line of Credit:** If this is an amendment to a prior request, enter the amount to be added or subtracted from the previous request on the second line; enter the adjusted amount on the New Total line.
10. **Frequency of payment requested (Month, Quarter, Semi-annual, Annual check off boxes):** Check the appropriate box to indicate how frequently payments will be made to pay down the loan/line of credit.
11. **Parties involved:** Names and titles of all those requesting the funding request and collateralizing the loan/line of credit.
12. **Collateral:** List the real estate, building properties, furnishings, equipment, receivables, indirect returns and/or any other sources of backing for the funding request. Attach additional pages if required, including financial statements, business plan, revenue projections, and other documentation which can be used to verify collateral. If additional documents are attached, use this space to list the documents which are attached.
13. **Signature of Requester:** Signature of representative of College, Division or Organization asking for funding.
14. **Name of Requester:** Printed or typed name of representative of College, Division or Organization asking for funding.
15. **Title of Requester:** Title of representative of College, Division or Organization.
16. **Name of College, Division or Organization:** Entity requesting the funding.
17. **Date:** Date form is signed.
18. **Signature of Dean of College or Vice President of Division:** Signature of appropriate approving party above requester. Signature guarantees repayment of funding from allowable funds of the College or Division in the event no other funds are available for repayment of the loan or line of credit.
19. **Title of Approving Party:** Printed or typed name of party giving approval to seek funding.
20. **Name of College or Division:** Name of College or Division guaranteeing the loan.
21. **Date:** Date approval is given for requester to seek funding.
22. **Signature of Additional Approving Party:** Should additional signature approvals be necessary, this space is used for additional party approving the request to seek funding.
23. **Title of Additional Approving Party:** Printed or typed name of additional party giving approval to request funding.
24. **Name of College, Division or Organization:** Name of College, Division or Organization giving additional approval to seek funding.
25. **Date:** Date second approval is given for requester to seek funding.
26. **Signature of Provost and Senior Vice President of Academic Affairs:** When loans or lines of credit are extended to College activities or Deans, the Provost and Senior Vice President of Academic Affairs must approve the request for funding.
27. **Date:** Date Provost approved request to seek funding.

When this application is completed with the information indicated above and the appropriate supporting documentation is assembled and attached, the requester shall call the Foundation office at (562) 985-5537 and arrange a time to meet with the Executive Director or designee.

Requests for loans/lines of credit under \$25,000 may be approved administratively by the Executive Director and the Foundation Treasurer.

If \$25,000 or more is requested, the Foundation shall arrange a meeting of the Investment Committee to discuss the funding request. The requester shall be required to appear at the meeting of the Investment Committee to discuss the purpose, terms and conditions of the funding request.

If more than \$100,000 is requested, the Foundation shall add the request to the agenda of the next Board of Directors meeting. The Board of Directors must approve funding for loans/lines of credit greater than \$100,000. The Foundation Board of Directors typically meet in late August/early September; late November/early December; late January/February; and early May.