

SECTION 20 – RISK MANAGEMENT AND LEASES

Policy Sequence 20-000

LEASES

Policy # 20-000.1

PURPOSE

The Foundation enters into leases on behalf of Projects and Campus Program accounts. A Lease may be for property or equipment. In either case, the lease MUST be signed by the appropriate Foundation officer authorized to obligate the Foundation. Under normal circumstances, a lease will only be entered into for a term not to exceed the length of the funding for the leased item or premises.

REAL PROPERTY LEASES

The Foundation may lease facilities off campus for certain Projects of Campus Program accounts. Property leases must be approved and signed by an officer of the Foundation capable of signing for the Foundation and entering into the lease. No one other than the appropriate Foundation Officer can obligate the Foundation or sign a lease or rental agreement for real property.

The Foundation should be involved at an early stage in the search for the premises. The Foundation will aid in the negotiation of the lease as necessary and review all document prior to signing. It is highly recommended that the Foundation Property Manager be involved at the earliest stage of the search for property to lease.

All Foundation purchasing requirements must be adhered to during the leasing process. A completed purchase order must be obtained in advance of any monies being paid to a landlord, property management company or leasing agent.

EQUIPMENT LEASES

As in real property, equipment leases must be approved and signed by an officer of the Foundation capable of signing for the Foundation and entering into the lease. All Foundation purchasing requirements must be adhered to during the leasing process. A completed purchase order and signed lease agreement must be obtained in advance of allowing the delivery of any equipment to be leased or rented.

RISK MANAGEMENT

Policy # 20-010.1

PURPOSE

The activities of CSULB Research Foundation (Foundation) are susceptible to varying degrees of risks. To ensure that risks are managed, minimized and mitigated, Foundation has established a risk management program.

POLICY STATEMENT

It is Foundation's policy to conduct programs and activities in a manner that does not impose an unreasonable risk of loss or injury. Risk management guidance is designed to identify, characterize and evaluate risks to which the Foundation may be exposed, reducing or eliminating losses from injury to persons, damage to property and associated costs. It also includes the preservation of assets and protection against loss of earning power.

The Foundation purchases insurance coverage to establish a framework within which the risks of Foundation's services, programs and activities can be effectively managed and minimized. Insurance coverage includes but not limited to the following risk factors: 1) property (i.e., crime, earthquake, fire and flood) and 2) casualty, (i.e., Directors & Officers/professional, workers' compensation, general and excess liability).

PROCEDURE

The Foundation recognizes its role to protect its properties against risk of loss and provide safety for employees. This responsibility includes due concern for the safety of the public who make use of Foundation services, projects, or programs.

I. Management of Risks

The management of risks of loss to the Foundation under the above policy shall be the responsibility of the Director of Finance and Accounting. It is the duty of the Director of Finance and Accounting to identify risks, determine the means of eliminating, abating, transferring or accepting these risks and advises the Chief Operating Officer or designee on these considerations. It is expected that the Director of Finance and Accounting will evaluate recommendations of the Foundation's insurance broker and present them to the Chief Operating Officer or designee as needed.

When the Foundation cannot eliminate or economically withstand a risk of loss, insurance shall be purchased to cover the risk. The form and sufficiency of various policy limits for protection of the Foundation shall be determined by the Director of Finance and Accounting in concert with the Chief Operating Officer or designee.

II. Purchase of Property and Casualty Insurance

The Foundation practice is to invite qualified insurance companies via the RFP process. The Foundation is not obligated 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. The Foundation will continue to purchase insurance from insurers, which are financially sound with superior industry administrative ratings. Premium costs and deductibles are essential elements in the evaluation of any proposal for insurance coverage.

The Foundation Purchasing and Risk Manager shall be responsible for the negotiation and procurement of the following insurance coverage:

II.1 Business Property Insurance

This policy shall cover the contents of real properties owned and leased by Foundation listed in the attached schedule (Exhibit A). Limits shall be sufficient to provide for the replacement costs of property lost, damaged or stolen.

II.2 Comprehensive General Liability

This policy shall cover bodily injury, property damage, collision, medical payments, and uninsured motorist coverage.

II.3 Crime/Fiduciary/Errors and Omissions/Directors and Officers

This policy covers employee dishonesty, forgery and alteration, computer fraud, money and securities coverage, wrongful acts, and employment practice.

II.4 Auto Physical Damage Liability

This insurance includes comprehensive and collision coverage listed in the attached schedule (Exhibit B). Automobile liability is extended to Foundation-owned, leased and rented vehicles.

II.5 Workers' Compensation

This policy provides coverage for medical claims for Foundation employees injured on the job.

II.6 Participant Accident Insurance (PAI)

This policy covers medical expenses and accidental death and dismemberment arising from participation in camps conducted by Foundation.

II.7 Foreign Travel

Insurance coverage is provided for staff participating in Foundation-related activities in a foreign country. Staff is not allowed to travel to countries listed as a war risk or highly hazardous.

II.8 Other Coverage

The Director of Finance and Accounting determines the purchase of additional insurance policies as necessary.

III. Certificate of Insurance

Many government and private contracting agencies require that the Foundation provide a certificate of insurance to prove certain insurance coverage. There are instances when the contracting agencies require the Foundation to name them as “additional insured” or lists specific language. It is important to communicate these requirements to the Foundation office prior to signing the contract. This will ensure that the proper form of insurance is available at the time of contract commencement.

Certificates of Insurance (COI) are issued by the Foundation’s insurance broker. When a certificate of insurance is needed, the Foundation will contact the appropriate broker to have the certificate issued to prove certain types of insurance coverage. Generally, there is no cost for issuance of certificate of insurance.

IV. Cooperative Programs

The Foundation will remain alert to opportunities for cooperative action with other entities when such cooperation is mutually beneficial in treatment of risks requiring special consideration, cost and service. Any such cooperative activity shall be evaluated by the Director of Finance and Accounting and other Foundation staff as necessary. The final determination for the course of action shall be reviewed and approved by the Chief Operating Officer or designee.

V. Management Standard and Guidelines

The Risk Management program is implemented consistent with this policy statement. Written program guidelines include criteria to identify hazards and risks for analysis such as the following:

1. Annual review of scope of coverage and the limits of insurance policies in relation to activities and liability exposure;
2. Routine evaluation of risk exposure and conduct safe practice/risk avoidance training including analysis of new activities;
3. Quantification of activities, services, and support activities in which the Foundation is involved including new activities based on contractual agreements;
4. Minimum insurance coverage and limits by types of authorized activities;

5. Activity relationships in which there is or may be joint or shared responsibility and liability with respect to contracts, employment, occupancy of premises, or oversight of facilities, programs or services between the Foundation and or other entity;
6. The exclusion of risks or activities which the Foundation is clearly unwilling to undertake under any and all conditions, including those which 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 Foundation;
7. Routine inspections and inventory of physical assets; and
8. Prepare a disaster recovery plan.

VI. Insurance Claims

All incidents involving loss or damage to property must be reported to the Risk supervisor as soon as practical after the loss is discovered or suspected. Injuries must be reported immediately. The reporting of loss includes a written statement and a police report. The Foundation will package the loss report and forward it to the insurance company. To complete the claim for monetary reimbursement of the loss, documents proving the purchase of the equipment by Foundation are required. Equipment transferred to the University by Foundation is not covered by Foundation's insurance.