

CSUSM
Corporation

CSUSM CORPORATION | JUNE 2019

BOARD OF DIRECTORS REPORT

WWW.CSUSM.EDU/CORP

CSUSM
Corporation

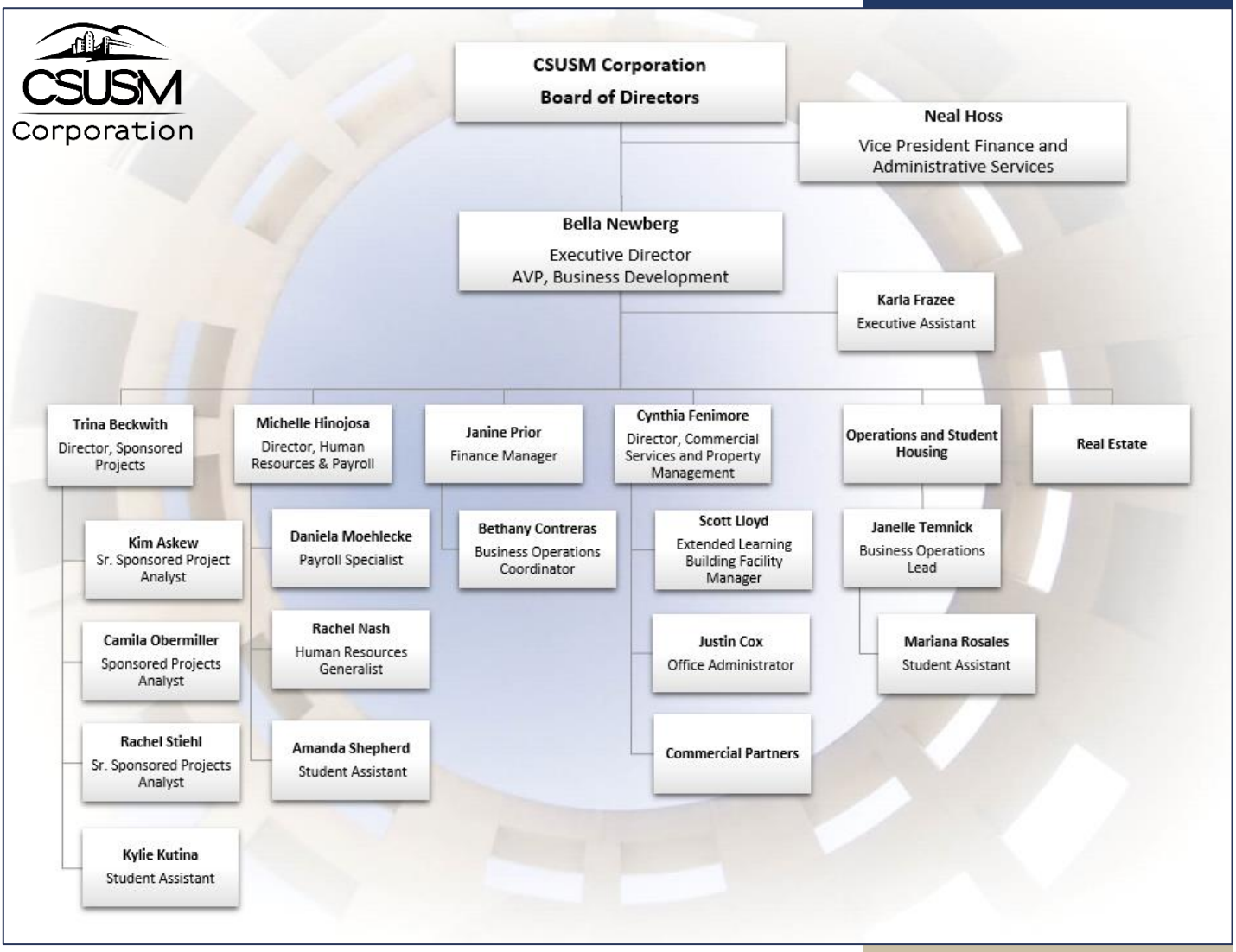
Introduction

Who we are

CSUSM Corporation Inc. is a non-profit auxiliary organization that exists to support the evolving needs of CSUSM by providing programs and services that support, strengthen and enhance the university mission and goals. CSUSM Corporation operations include administration of sponsored programs, human resource and payroll services, management of commercial enterprises, childcare services, campus dining, catering, university store operations, student housing, summer conferencing, real estate development, property management and entrepreneurial operations.

CSUSM Corporation Team

CSUSM Corporation Team is made of 14 full-time staff, 1 part-time staff and 3 student assistants.



Timeline

1990 – CSUSM Foundation Incorporated

2008 – University Auxiliary Research Services Corporation (UARSC)

July 2017 – Merger of UARSC and University Corporation

July 2017 – CSUSM Corporation

Feb 2018 – Corporation moved to Craven Hall

Aug 2019 – Corporation will move to Extended Learning Building







- IMPROVED CUSTOMER SERVICE IN FY 2018-19 BY LEVERAGING TECHNOLOGY TO SHARE INFORMATION THROUGH THE MONTHLY NEWSLETTER, EMAIL, AND WEBSITE
- CSUSM CORPORATION NET ASSETS CONTINUE TO INCREASE YEAR OVER YEAR

BUSINESS SVCS & FINANCE STAFF
1 FINANCE MANAGER
3 STAFF
1 STUDENT ASSISTANT

Business Svcs & *Finance*

WWW.CSUSM.EDU/CORP/BUSINESSSERVICESANDFINANCE

Business Services & Finance – is responsible for managing the business and fiscal operations for the CSUSM Corporation with a focus on compliance, accountability, strategic solutions and customer service. Business Services and Finance ensures the long term fiscal integrity of the Corporation through professional management and stewardship of resources.

CSUSM CORPORATION GIVES BACK (2018-19)



As of June 1, 2019, CSUSM Corporation has contributed $780,392 to enhance the student educational experience and further the mission at CSUSM. This is a 19.8% increase over FY 2017-18 when $651,198 was given by June 1, 2018.

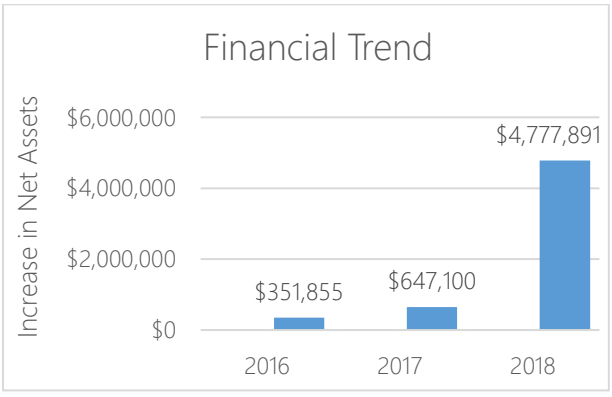
- CSUSM Corporation has given $743,513 to support students, staff, and the CSUSM mission.
- CSUSM Corporation awarded 13, $800 scholarships to students in the form of a University Store gift card. These scholarships were to be used for books, supplies, and CSUSM merchandise.
- CSUSM Corporation partners have supported student activities and events on campus with a total of $26,479 in donations.

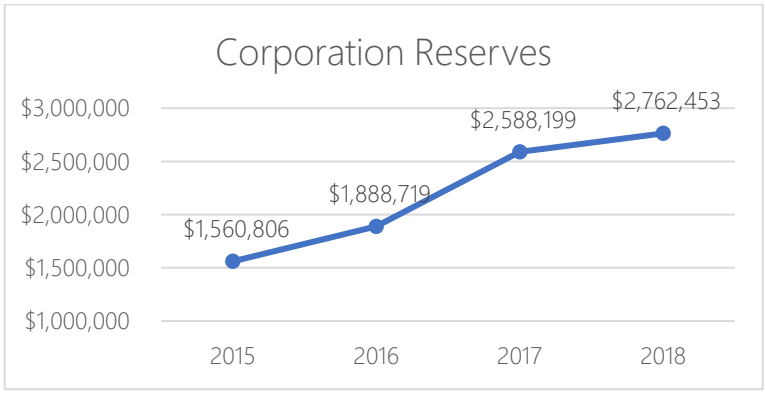
SERVICES

The primary functions of Business Service and Finance include:

- Develop and Maintain Policies and Procedures
- Fiscal Management and Forecasting
- Develop and Manage Business Processes (Procurement, contracting, travel, ProCard)
- Monthly and Quarterly Reporting
- Coordinate Year-End Fiscal Statements and Tax Returns with Accounting and External Auditor
- Maintain Fixed Assets
- Website Development and Update
- Campus Program Administration
- Customer Service and Training

TRENDS AND STATISTICS





Administration - High-Level Summary	FY19-20 Budget		FY18-19 Projected		FY17-18 Actual		FY16-17 Actual	
Total Revenues	$ 2,976,323	100.0%	$ 2,889,733	100.0%	$ 2,910,208	100.0%	$ 2,743,492	100.0%
Total Expenses	2,665,833	89.6%	2,506,117	86.7%	2,312,773	79.5%	1,902,320	69.3%
Net Income/(Net Loss) Before Post Retirement Expense	$ 310,490		$ 383,616		$ 597,435		$ 841,172	
Post Retirement Expense	2,500	0.1%	15,230	0.5%	81,341	2.8%	161,242	5.9%
Net Income/(Net Loss) After Post Retirement Expense	$ 307,990	10.3%	$ 368,386	12.7%	$ 516,094	17.7%	$ 679,930	24.8%

Recent Accomplishments

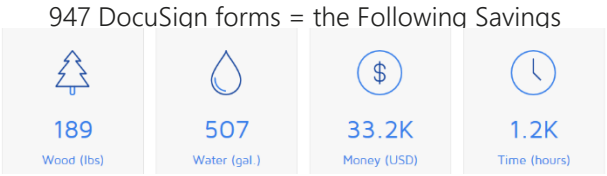
Audits

CSUSM Corporation had 0 findings for the FY 2017-18 Financials Audit conducted by Aldrich CPAs + Advisors LLP. Additionally, CSUSM Corporation conducted internal audits on the Purchasing Card (ProCard) program and Gift Cards purchasing processes resulting in a change in policies and procedures.

Streamlining Processes

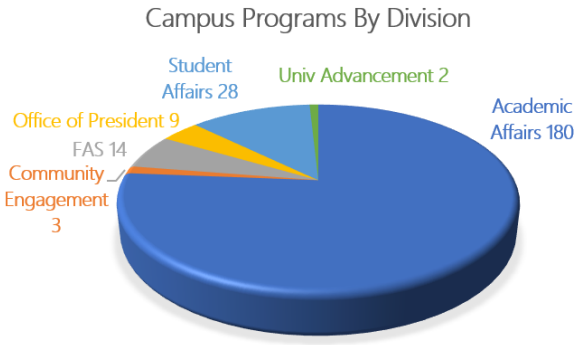
Since May 2018. CSUSM Corporation has updated 7 existing policies and created 1 new policy.

Over the past year, CSUSM Corporation has transitioned 20 forms to an electronic format such as WuFoo, PDF Fillable form, or DocuSign. Since CSUSM Corporation started using DocuSign in September 2018, 947 forms have been submitted which have improved processing time, efficiencies, and takes CSUSM Corporation one step closer to the campus sustainability goals.



Campus Program Support

CSUSM Corporation supports 236 campus programs for CSUSM and 65% of all campus programs do not pay CSUSM Corporation the 8% administration fee for programmatic support.



Enhanced Customer Service

CSUSM Corporation has enhanced customer service through monthly communications to all campus program administrators and CSUSM Corporation staff. The Business Services and Finance team has also updated 6 CSUSM Corporation procedures including the ProCard Manual, Travel Guidelines, Gift Card Purchasing procedure, Procurement and Contracts procedure, and the Independent Contractor packet. Additionally, since Fall 2017, staff have renovated the CSUSM Corporation website and continue regular updates to the corporation web pages.

Goals

- Continue to Strengthen CSUSM Corporation's financial position through increased programs and revenues
- Strengthen and streamline Corporation Operations
- Evaluate OneCard Program opportunities, systems and resources
- Prepare for facilities and administration negotiations
- Develop and update policies and procedures
- Develop financial plan for CSUSM Corporation Innovation Hub
- Develop sustainable financial model
- Develop comprehensive quarterly reports







- Revenue growth to CSUSM Corporation for four consecutive years
- In FY 2018-19 Commercial Services went through an RFP process for Catering Services.

COMMERCIAL SERVICES STAFF
1 DIRECTOR
1 STAFF

Commercial Services

WWW.CSUSM.EDU/CORP/COMMSERVICES

Commercial Services is responsible for the management of 26 commercial partner contracts. Our goal is to connect partners with the campus community, ensure compliance with contract requirements, deliver quality products and services, and identify new opportunities.

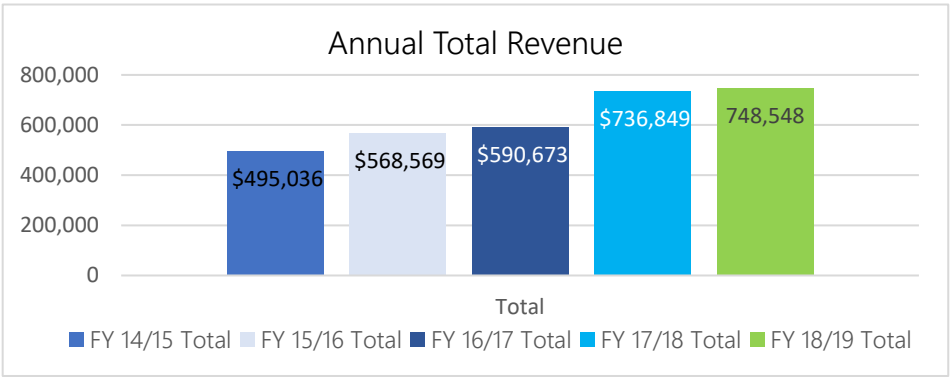


Commercial Partners

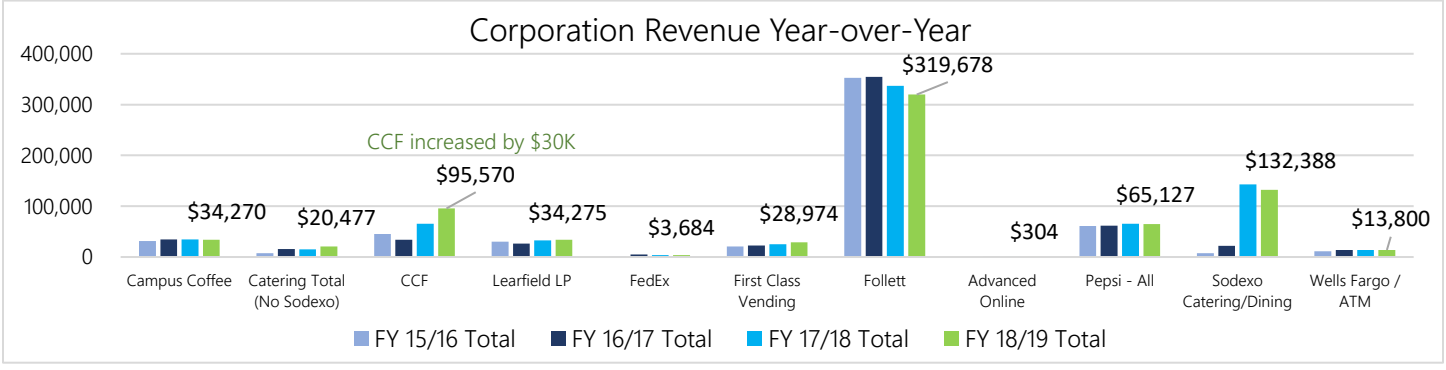
- Dining Services
- Catering
- Pouring Rights
- University Store
- Child Care Services
- Trademark & Licensing
- ATM
- Vending Machines

Trends and Statistics

Commercial Services manages partnerships.







Recent Accomplishments



Sustainability - Commercial Partners are ACTIVE on Campus!

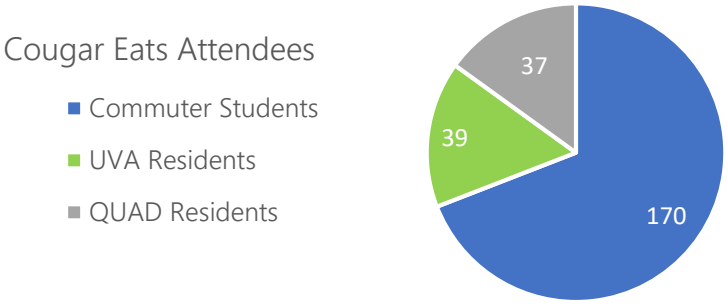
- NO MORE plastic bags, Styrofoam, or plastic straws on campus.
- Sodexo
  - Food Pantry $1k grant
  - PB&J Food Drive – 1,000 PB&J's
  - 5,400lbs cooking oil saved thru recycling
- Follett
  - Promoting reusable totes
  - Expanded "sustainable products" offering
  - Updated POS system to eliminate or shorten receipts
  - Donated $18k of returned books through Better World Books



Cougar Eats – Feeding and Educating Students

Cougar Eats offers students an opportunity to learn, prepare, and enjoy healthy meals through cooking demonstration led by the Sodexo General Manager.

- Partnership between Sodexo, Cougar Food Pantry, and the University Student Union
- 6 Cougar Eats programs offered during 2018-2019 academic year
- 258 students participated



Goals

- Expand internal and external commercial partnership opportunities
- Execute Capital Improvement plans
- Increase existing Commercial Partner revenue
- Continue to strengthen partner relationships with the campus community
- Evaluate "food on campus" opportunities



- HUMAN RESOURCES PROVIDED OVER 215 NEW HIRE ORIENTATIONS IN 2018



- PAYROLL SERVICES SUCCESSFULLY COMPLETED THE TRANSITION OF ALL EMPLOYEES TO ONLINE TIMESHEETS THROUGH ADP.



HUMAN RESOURCES & PAYROLL STAFF
1 DIRECTOR
2 STAFF
1 STUDENT ASSISTANT

Human Resources & Payroll Services

WWW.CSUSM.EDU/CORP/HR

The CSUSM Corporation Human Resources and Payroll Services provides quality customer service in the areas of compensation, benefits administration, training, and employee relations. Human Resources ensures the adherence to all employment laws, legislative issues and regulations. We provide guidance to CSUSM Corporation Project Managers, Principal Investigators, employees and the campus community. We are committed to ensuring the safety of all our employees and to executing our assigned duties with the highest degree of ethical standards.



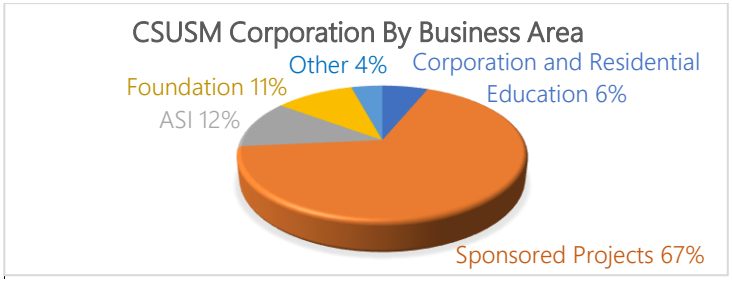
EMPLOYMENT ACTIVITY (2018 CALENDAR YEAR)

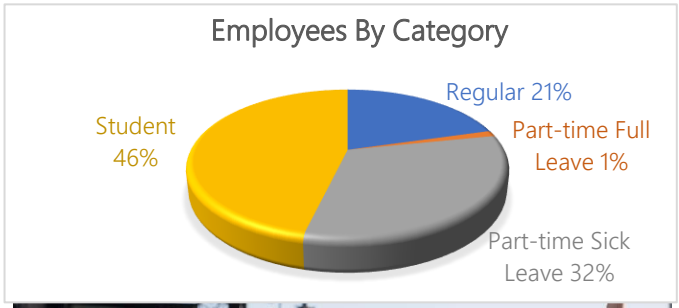
- Processed 246 New Hires
- Processed 331 Separations
- Produced on average 630 paychecks each month (7,560 annually)
- Processed 918 Employment Authorization Forms

EMPLOYEES

CSUSM Corporation currently has 404 employees.

- 83 are Regular Full-Time Employees with full benefits
- 5 are Part-Time Employees with paid leave benefits
- 129 are Part-Time Employees with sick leave benefits only
- 187 are Part-Time Student Employees

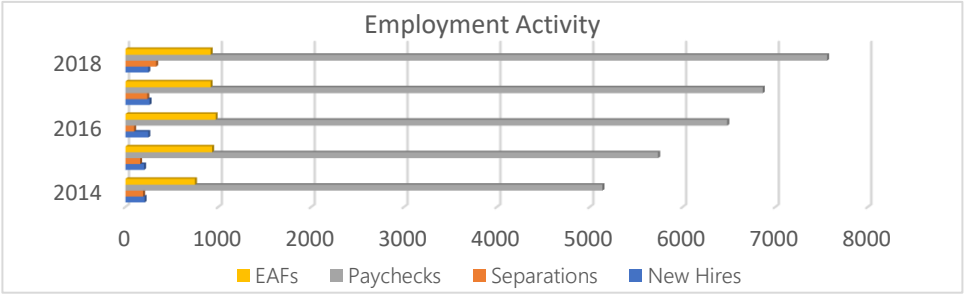






TRENDS AND STATISTICS

CSUSM Corporation's Human Resources and Payroll currently supports employees from 24 programs.



Recent Accomplishments



Employee Benefits

In 2018, Human Resources transitioned to the CSURMA/AORMA pooled program. This larger pooled benefits program will provide stronger buying power, which means more stability with regards to annual insurance premium increases and other changes.

Student Assistant Opportunities

In 2018, student assistants made up 46% of total employees at CSUSM Corporation. Many positions provide students with relevant work experiences related to educational and career goals.

New Hire Orientation Materials

Developed and provided more electronic new hire documents saving paper and other valuable resources.

Goals

- Staffing plan to meet programmatic growth of the Corporation
- Update Employee Handbook
- Implement on-line training for employees, Principal Investigators and student assistants







- OVERSEE 80-90 ACTIVE SPONSORED PROJECTS FROM FEDERAL, STATE, AND PRIVATE SPONSORS
- OVER $13M DOLLARS IN EXPENDITURES ANNUALLY

SPONSORED PROJECTS STAFF
1 DIRECTOR
2.5 SPONSORED PROJECT ANALYSTS
1 STUDENT ASSISTANT

Office of Sponsored Projects

WWW.CSUSM.EDU/CORP/OSP

The OSP team supports CSUSM faculty, staff, and student research efforts, as well as teaching and service activities through the administration of grants and contracts funded by the federal and state government as well as private foundations and other organizations. The team serves as a liaison with funding agencies and various university offices. Support services include project management, institutional endorsement (signature authority), budget management, audit oversight, regulatory fiscal compliance, and California State University requirements.

SPONSORED PROJECTS ADMINISTRATION

- Increases impact of research activities that creates new knowledge
- Encourages creative activity that produces and shares culture
- Promotes teacher professional development that enables excellent educational practices
- Host monthly open forums in FY 2018-19 for Principal Investigators on various topics
- Recognizes CSUSM's contributions in research, creativity, and service to the community
- Supports business development that strengthens the economy
- Inspires students to reach their goals
- Engages project leaders in personal and professional growth

SERVICES

The OSP team provides post-award administrative support to faculty and staff to ensure proper stewardship of funds and assisting with the following: budgeting, account set up and closeout, and financial reporting. The team works closely with Principal Investigators/Project Directors to prepare, review, and submit non-financial post-award changes (e.g., No-cost extensions, Rebudgeting, Change of PI, Award transfer, etc.). OSP is also responsible for cash management, award compliance, audits, policy development, and training.

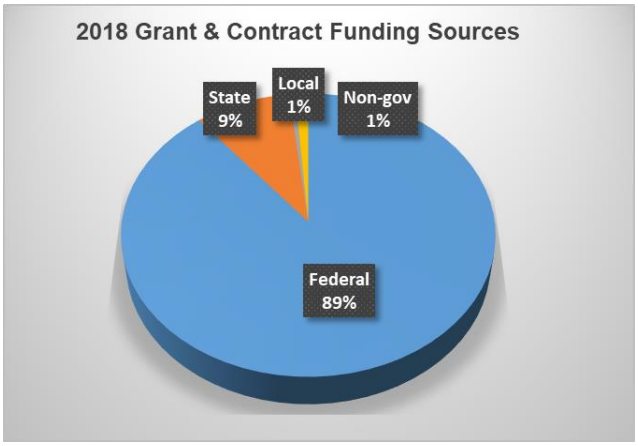




Award Management	Financial Management	Compliance
•Contract negotiation & execution •Project set up •Subaward preparation •Budget and program revisions •Report submissions •Individualized support to principal investigators/project directors •Policy development •Project closeout	•Review/Approve expenditures •Financial reporting •ProCard audits •Cost share •Billing	•Uniform Guidance •Conflict of interest •Responsible conduct of research •Subrecipient monitoring •Cost sharing •Effort/Payroll certification •Post-award project changes •Annual single audit

Trends and Statistics





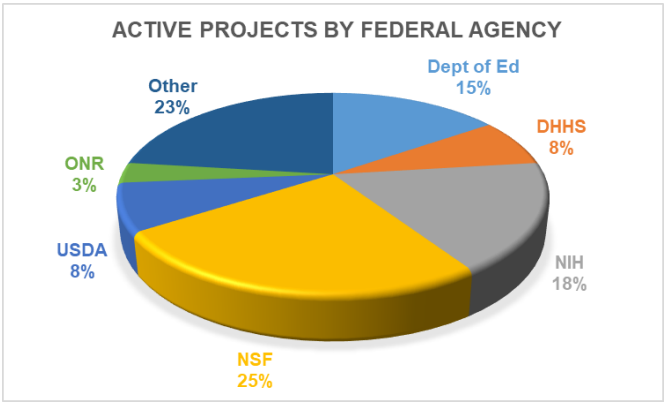
Recent Accomplishments

Paperless

OSP went 100% paperless by the end of 2017. Electronic filing system standards were developed allowing all project files to be stored on a network shared drive. The team also created electronic signatures which significantly improved the efficiency in expenditure reviews.

Project Lifecycle Approach

Sponsored Projects Analysts are assigned a portfolio of awards and are responsible for all post-award activities from project set up to close out, including invoicing, reporting, and expenditure approvals.



Open Forums

OSP began hosting a series of open forums at the end of 2018. The forums are open to faculty and administrators. The forums are designed to create a bridge between the administrative offices and the CSUSM research community. These sessions cover special topics of interest while also providing an open channel for the exchange of information, solutions, contacts and information targeted to the needs of CSUSM sponsored programs. OSP also solicits feedback and communicates updates and new initiatives and plans going forward.

Goals

- Efficient and effective business processes to minimize administrative burden on faculty and researchers
- Strengthen internal controls and improve on regulatory compliance
- Provide expertise and training by increasing staff knowledge and professional development
- Develop tools and resources for faculty and administrators





In FY 2018-19 CSUSM Corporation successfully renegotiated the affiliation agreement with the QUAD ownership group.



In Fall 2018, COCM transitioned their leasing and facility management software to Property Boss.



Student Housing & Summer Conferences

WWW.CSUSM.EDU/HOUSING & WWW.CSUSM.EDU/SUMMERCONFERENCES

CSUSM Corporation owns the University Village Apartments (UVA) property which opened in 2003. UVA is one of two student housing options dedicated to first-year, continuing, transfer and international students with 126 units and 681 beds. The QUAD is second of two student housing options, and is affiliated student housing. The QUAD was constructed in three phases from 2012 to 2014 and has 173 units and 866 beds.

Student Licensing

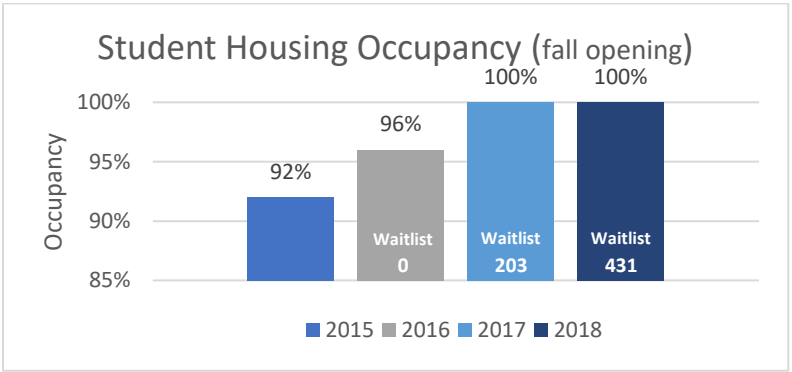
- Student Housing has two master leases. One with YMCA for 8 single spaces and one with CSUSM's Global Programs and Services for 40 double spaces.
- In Fall 2018, Student Housing had a 25% renewal rate which is a 1% increase over 2017.
- UVA has added 15 beds for Fall 2019 by converting deluxe double rooms into triple rooms.
- Licensing for Fall 2019 began on March 1, 2019.
- As of May 31, 2019, UVA was 80% full and the QUAD was 72% full for Fall 2019.
- Academic year costs for bed spaces range from $8,128 to $14,520
- For Fall 2019 Licensing, residents began using *MyCollegeRoomie* as the new roommate matching tool

Operations

Both properties have been managed by Capstone On-Campus Management (COCM) since 2015. CSUSM Corporation manages the Affiliation Agreement with The QUAD as well as the contract with COCM for property management services. COCM staff partners closely with CSUSM's Residential Education staff to support student development and programming.



Trends and Statistics





Property and Amenities

Housing Renovations

Recently, both student housing properties underwent renovations. Building B (2017) and Building C (2018) of UVA were renovated with new cabinetry, furniture, counter tops, appliances, flooring, and paint in all units. The QUAD (2017) renovation converted apartments to common areas for studying and programming.





Amenities

- The outdoor amenities at both communities include BBQ grills, pickle ball and bocce ball courts, a putting green, patio areas, and swimming pools.
- The indoor amenities include fitness rooms, free laundry facilities, a foosball table, air hockey table, pool table, and piano.
- Both properties also have classroom and study spaces for the residents to support their academic success.

Summer Conferences

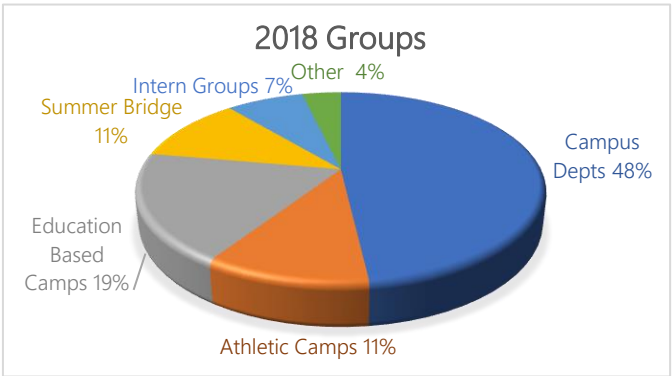
Summer Conferences supports the mission of the University to provide a safe and supportive environment which encourages exploration and development in the academic, athletic, leadership, and developmental fields which are vital to individual's learning, growth, and success. Summer Conferences will welcome its largest group ever to CSUSM in summer 2019!

2018 Summer Review

The Summer Conferences program experienced a variety of new challenges and opportunities this year. From newly formed processes with Sodexo, to forging new relationships with campus and community partners. We are building toward the future, as we work diligently to continue to provide the best experience California State University San Marcos has to offer.



2018 Summer Conferences generated $270,530 in gross revenue and a net income of $91,490 to CSUSM Corporation between the UVA and The QUAD. Summer Conferences streamlined multiple projects this summer: Summer Bridge Programs, Dining Hall, and Housing Staff. Summer Conferences started conversations with multiple departments throughout campus to create future CSUSM summer programs. We are working on confirming 2019 clients, and creating relationships with nearby businesses and organizations to create new, lasting conferences and intern housing.





New & Streamlined Programs

Summer Bridge Programs

Summer Conferences became the contact for all Summer Bridge programs. Therefore, streamlining staffing, communication to the departments and their students, and covering operating cost to host ACE Scholars, Equal Opportunity Program (EOP), and College Assistance Migrant Program (CAMP) summer bridge programs.

Dining Hall

Summer Conferences took the lead of coordinating dining hall, including groups who did not have an overnight component to their event. The intention for this was to improve available seating a the University Student Union, and have more customers going through the line contribute to the USU Facility cost and the summer conferences staff at dining hall.

Housing Staff

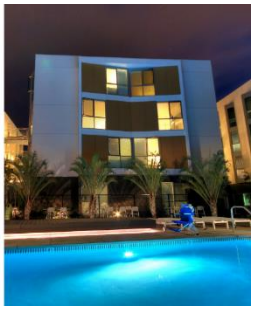
Housing consists of multiple areas which require student staff to be hired for the summer: Desk Assistants, Resident Advisors, and Summer Conferences (SC). This year, with the hopes to best utilize all the summer staff and provide a developmental position, Summer Conferences managed all student staff. By sharing roles we saved in overall Summer Conferences payroll costs compared to 2017.

GOALS

- Develop a Housing Demand Study and Student Housing Master Plan
- Expand the Summer Conference Program
- Negotiate Lease at the QUAD for a dining facility
- Plan and Design a Dining Facility
- Develop a meal plan program
- Develop campus-wide Retail Dining Plan to support traditional Dining Program













- CCF has started work on a $200k renovation project which will be completed in FY 2019-20.
- UVA will complete an $800k renovation project in FY 2019-20 to update Lighting, HVAC, paint, improve signage and other items.

PROPERTY STAFF
1 STAFF

Corporation *Properties*

WWW.CSUSM.EDU/CORP/REALESTATEANDPROPERTY

CSUSM Corporation owns, and/or manages properties that serve the mission of California State University San Marcos.

University Village Apartments

University Village Apartments (UVA) is on-campus housing built in 2003 and is home to 681 residents. In summer 2018, the apartment renovation project was completed, which included new countertops, furniture, flooring and paint. The furnished apartments include full kitchens, a living room, and bathrooms. UVA offers triple, double, and single occupancy bed space options, along with single occupancy studios. This property is used during the summer to support Summer Conference and Summer Resident Programs.



- GSF/ASF – 189,000/ 122,850
- Number of Beds:
  - Single Occupancy Studio – 8 beds
  - Single Occupancy – 148 beds
  - Double Occupancy – 357 beds
  - Triple Occupancy – 150 beds
  - Staff Spaces (Resident Advisors, Peer Mentors, Resident Directors) – 17 beds
  - Emergency Relocation – 1 bed
- Operations:
  - Property Management & Licensing - Capstone On-Campus Management (COCM)
  - Residential Education – CSUSM; CSUSM Corporation employs the Associate Director of Residential Education (UVA and QUAD), as we all as all of the UVA Resident Advisors (12) and Resident Directors (2)
- Funding is through System-wide Revenue Bonds. Balance due $ 3,377,834

The QUAD

The QUAD is affiliated student housing located in the North City Development across the street from campus. Phase I and II opened in Fall 2012 and Phase III in Fall 2014. It is the home to 866 residents. The furnished apartments include full kitchens, a living room, and bathrooms. It offers quad (four-person occupancy), triple, double, deluxe double, and single bed space options. This property is used during the summer to support Summer Conference and Summer Resident Programs.



- GSF – 266,000
- Number of Beds:
  - Single Occupancy – 286 beds

- Double Occupancy – 511 beds
- Triple Occupancy – 12 beds
- Quad Occupancy – 32 beds
- Staff Spaces (Resident Advisors, Peer Mentors, Resident Directors) – 24 beds
- Emergency Relocation – 1 bed

- Operations:
  - Property Management & Licensing - Capstone On-Campus Management (COCM)
  - Residential Education – CSUSM; CSUSM Corporation employs the Associate Director of Residential Education (UVA and QUAD) as well as all of the QUAD Resident Advisors (16) and Resident Directors (2)
- Funding is through a Private Developer

Center for Children and Families (CCF)

The Center for Children and Families (CCF) opened in Fall 2007 as the on-campus childcare center and accommodates 171 children from ages zero through five. It provides convenient, quality childcare to the students, faculty, and staff of CSUSM, as well as families in the surrounding communities. CCF also acts as a resource to various academic programs on campus, including Psychology, Nursing, Education, and the recently launched CHAD Program, providing CSUSM students with one-way observation areas and cameras for distance observation and teaching.

- GSF/ASF – 20,000/13,130
- Operations:
  - Property Management
- Funding is through First Five Commission of California. Balance Due $0.00

Extended Learning Building (EL) and Parking Structure 2

The EL Building is a public-private partnership between CSUSM Corporation and North City University One (NCUO) and is located in the North City Development. The Project is scheduled to open Fall 2019. CSUSM Corporation will own an 89% condominium interest in the project and NCUO will own 11%.



The building will be home to CSUSM's Extended Learning program, and will include six labs, 14 conference/study spaces, community clinic education and research space, academic support centers, offices for CSUSM's Public Health, Social Work and Speech-Language Pathology programs, Institutional Planning and Analysis, and CSUSM Corporation, 14,000 square feet of the commercial space will be owned and operated by NCUO.

The project will add a two-acre footprint to the CSUSM campus, including a 709 space parking garage that will be shared between CSUSM and NCUO. A pedestrian bridge, owned by CSUSM, will connect the EL building to the main campus.



- GSF/ASF – 135,000/106,646
- Operations:
  - Covenants, Conditions and Restrictions (CCRs) for the Building and Parking Garage
  - Owners Association for Building and Parking Garage
  - Subject to local statues and regulations
- Funding:
  - Extended Learning ($5 million) and Parking Services ($6 million)
  - System-wide Revenue Bond. Financed: $63,543,000. Term: 30 year loan

Leased Space on Campus

University Student Union

- ASF – 10,458
- Operator - Sodexo
    - Use: Dining Services. 5 Retail Spaces, and 1 Market



Kellogg Library

- ASF – 1,000
- Operator – Sodexo
    - Use: Starbucks Retail

Commons

- ASF – 878
- Operator – Sodexo
    - Use: Dome Market

- ASF – 9,595
- Operator – Follett
    - Use: University Store – Textbooks & Retail Sales

Goals

- Complete Extended Learning Building and Parking Garage project, transfer ownership, procure equipment, and occupy building
- Complete Extended Learning and Parking operational plans, operating budget and Association By-laws
- Program, Design and Construct Innovation Hub
- Implement Capital Improvement Plans for Student Housing, Child Care Center, and leased properties
- Operationalize the Extended Learning Building and Parking Structure
- Execute Capital Improvement Plans



CSU Auxiliary Fact Sheet

CSU The California State University

AOA Auxiliary Organizations Association







AOA Mission Statement

The Auxiliary Organizations Association (AOA) is a consortium of diverse, entrepreneurial, service-oriented CSU auxiliary organizations whose purpose is to assist in exemplary services, programs, and facilities that further the educational mission of each campus.

A Brief History of Auxiliary Organizations

Auxiliary organizations in the California State University (CSU) have been in existence for many decades as a necessary supplement to state-supported instructional and administrative activities.

The first auxiliary organization, the Fresno State College Association, was established in 1922. Since that time, the growth of auxiliary organizations in CSU campuses has steadily increased, and today there are approximately 90 auxiliaries in the 23-campus CSU system, the largest single university system in the world.



What is an Auxiliary Organization?

Auxiliary organizations are non-profit, separately organized legal entities, created to support student success and the educational mission of the CSU by providing instructional and services support not normally furnished by the state budget. The CSU established auxiliaries to complement the core academic programs at each campus to provide a full range of educational experiences.

Auxiliary organizations perform essential functions associated with postsecondary educational institutions, which under California law are difficult, cumbersome, or legally restricted and not supported by state funding. Auxiliary organizations enhance budgetary flexibility, manage risk and exposure, shield against liability, and increase investment opportunities.

What are the Typical Functions of Auxiliaries?

Typical functions of auxiliaries include the following:

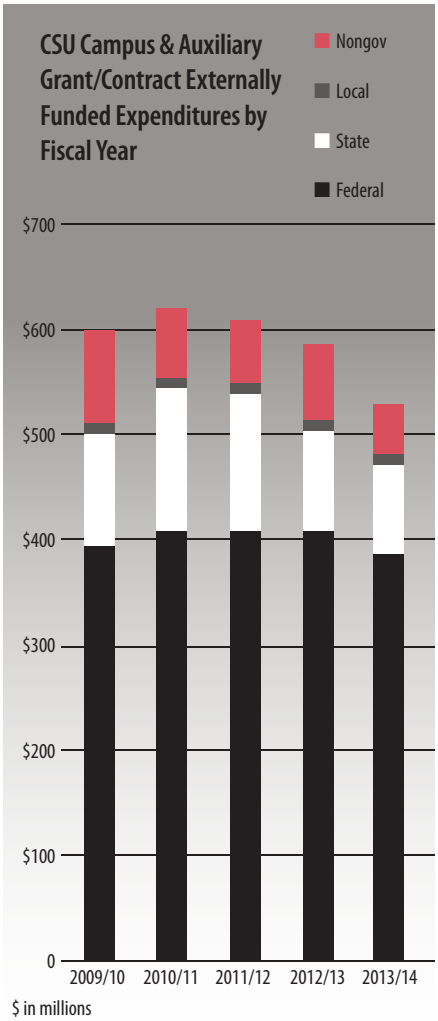
- Associated student body programs, student unions, and recreation centers
- Commercial services such as bookstores and dining services
- Programs that support externally funded grants and contracts, sponsored research, and special projects
- Philanthropic foundations that manage endowments, bequests, trusts, gifts, and fundraising
- Real estate transactions and public-private partnerships
- Childcare centers
- Aid to instruction such as programs that support academics, e.g., student enterprises, entrepreneurial ventures, commercial agriculture, and radio and TV stations

What is the Relationship between an Auxiliary and the University?

Auxiliaries are self supporting. They have an Operating Agreement with the CSU outlining their functions and responsibilities to the University, including a Memorandum of Understanding that establishes their scope and operations, and addresses other contractual issues. Their annual budgets and program offerings are approved by each university's president to ensure compliance with the Board of Trustees and campus policies.

Auxiliaries' activities and affairs are conducted under the direction of governing boards, and they work cooperatively with the Chancellor's Office to integrate their operations with the campus community. They are subject to California corporate law, the Education Code, and CSU policies.





How Do Auxiliaries Operate and What Are the Advantages?

Over the last decade, state financial support for the CSU has declined dramatically. As a result, auxiliaries are even more important as they fulfill their missions through funding. With the ability to act as business entities, auxiliaries can provide greater flexibility and partnership opportunities. For example, auxiliary partnerships with business and industry are critical in providing internships and other real-world learning experiences for students as well as research and service opportunities for faculty.

Auxiliaries operate with "private sector" efficiency, flexibility, and adaptability, making them attractive and valuable to their universities. As 501(c)(3) nonprofit public benefit corporations, they have their own governing boards, financial structures, and personnel. They can manage endowment funds outside of state investment restrictions, e.g., invest in equities to maximize returns, purchase and sell property, and provide seed money or loans for the development of university projects. Also, they can enter into public and private partnerships that support the university, which shifts project risk and enables financing flexibility.

Examples of Auxiliaries and their Impact

The following examples illustrate the vital role auxiliaries play in the CSU in supporting student success:

- The University Corporation at CSU Northridge launched one of the first investment funds to be managed by students in 1993 with a deposit of $500,000. This fund has achieved national recognition and has grown to more than $3 million while providing real-world experience to more than 1,200 honors finance students.
- Through the Cal Poly Pomona Foundation, the W. K. Kellogg Foundation gave the university a record $42 million cash gift in 2010—the largest donation received in the history of the CSU. This donation contributed to Campaign for Cal Poly Pomona, which was launched during a recession, but raised $160 million, surpassing its original goal. Gifts and donations such as these expand hands-on learning opportunities, prepare students for the workforce, and increase research and scholarship opportunities.
- In 2014, the Research Foundation at San Diego State University received more than 700 awards valued at $108 million for researchers who have discovered ways to make the world more sustainable, healthier, safer, and better educated, while providing invaluable opportunities for students.

Learn More

For more information, visit the AOA website at **www.csuaoa.org**.