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## **POLICY STATEMENT: CSU CHICO ADMINISTRATION OF STUDENT ORGANIZATION FUNDS**

### **Policy Objective**

It is the policy of the California State University (CSU) to provide direction in the administration of student organizations' monies. This policy pertains to student organizations formally recognized by the campus as defined in Executive Order (EO) 1068 – Student Activities, section titled “Formal Chartering and Recognition Policies.”

The campus Chief Financial Officer (CFO) or designee and the Vice President for Student Affairs (VPSA) or designee, must jointly establish written policies and prepare supporting procedures governing the administration of student organization funds.

### **Policy Statement**

#### **100 Overview**

Student organizations are established in accordance with CSU EO 1068. Student organizations generate funds through a variety of methods including (but not limited to) dues, prizes/awards from competitions, and fund raising. Monies collected in the name of the student organization for its activities must be used exclusively for the purpose of furthering the student organization's goals and objectives. ICSUAM 3141.01 is the CSU policy that governs the administration of student organization funds.

#### **200 Authority**

Per EO 731 – Designation of Chief Financial Officer, the campus CFO is responsible for the business and financial affairs of the institution. Per EO 1068, it is the Vice President of Student Affairs' (VPSA's) responsibility to oversee the chartering and recognition of student organizations.

#### **300 Funds Administration**

- a. Campus procedures for student organizations may be different as they are not considered State funds.
- b. Monies collected in the name of student organization must be maintained in a bank account of the university. At no time shall student organization deposit funds into an unauthorized bank account. Any exceptions to this requirement [e.g., nationally affiliated organizations or local organizations with a separate 501(c)(3) status] must be approved by the campus CFO.
- c. Student organization accounts cannot be used to hold funds on behalf of other student organizations. Funds may be held by a student organization on behalf of another external organization only on a temporary basis in conjunction with a fundraising event where a check for the proceeds will be issued to the outside organization. For example, a student organization has a fundraiser for the American Red Cross where funds will temporarily remain in the Student organization's account until the net proceeds from the event are reconciled and a check request is submitted to remit the funds to the Red Cross.
- d. Funds held on behalf of student organizations will be recorded on the balance sheets of the university according to accounting principles as regulated by the CSU accounting standards. Revenue and expenses are to be recognized in the financial records of the university.
- e. All recognized student organization funds must be collected and used in relation to programs and services that are connected to the mission of the student organization, as well as the mission, vision, and values of CSU, Chico.

- f. Funds officially collected in the name of a recognized student organization may include but are not limited to:
  - i. Membership dues and fees
  - ii. Prizes or event winnings
  - iii. Fundraising, including money raised by direct donations to the student organization, contributions from university departments and auxiliaries (as permitted by campus and auxiliary policies), and events where funds are raised through item sales, ticket sales, or similar means
  - iv. Rent and other living facility related expenses assessed to residents of fraternity/sorority houses
- g. Prohibited use of funds include any alcohol, tobacco, other drugs and anything not allowed in the charter or constitution of the student organization.
- h. Campus hospitality procedures do not apply to student organization accounts as they are not connected to the CSU Operating Fund.

#### **400 Cash Handling**

Campus policies and procedures related to handling and processing cash and cash equivalents should be followed, as practicable, considering relative risk (i.e. value, repetitiveness of transactions, etc.) to ensure assets are protected and accurately safeguarded. Deposits shall be made on a timely basis. (Procedures for proper management of cash and cash equivalencies are described on page 2 of the Financial Handbook.)

#### **500 Responsibilities**

Officers of a student organization are responsible for the financial solvency of their organization, including fiscal or financial liabilities arising from the organization's private programs or events that are not officially registered with and sanctioned by the university.

#### **600 Student Organization Funds Administration Agreement**

Each student organization establishing a banking relationship with the university must have a current Student Organization Funds Administration Agreement on file with the campus. Elements that should be included in the agreement are:

- Source and purpose of funds collected and expended;
- Approval of expenditures;
- Types of expenditures per organization charter or constitution ;
- Documentation requirements;
- Types of fund raising activities appropriate for the generation of revenue;
- Guidelines for philanthropic activities;
- Interest to be earned;
- Sanctions to be imposed for cash handling policy violations in accordance with campus policy;
- Training of officers in fiscal responsibility;
- Disposition of funds in the case where the club is disbanded; and
- Other, as determined by the campus

#### **700 Donor Funds**

The University Foundation according to the university gift policy will receipt donations so the donor can receive an acknowledgement for their gift of funds. The funds can then be transferred to the student organization's university account for their use per Section 300.