



*Cal Poly Pomona  
Foundation, Inc.  
“Quality Service  
Supporting  
Quality Education”*

# *Corporate Business Plan*

**2014**

**2015**

*No Surprises*

*No Waste*

*No Confusion*

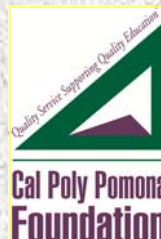
*No Illusions*

*No Secrets*

*No Distractions*

*No Politics*

*The Cal Poly Pomona Foundation is a “Learning-Center Organization” that has the capacity and ability to learn, is constantly learning to do things better, and within the Foundation learning is shared throughout the organization.*



*The Foundation has developed a system and a climate of continuous improvement throughout the organization. Continuous improvement is nurtured and sustained so that management and staff are always alert to the possibilities for better ways to serve all stakeholders.*

**Cal Poly Pomona Foundation, Inc.**  
**Fiscal 2014-2015 Business Plan and Budgets**

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# **EXECUTIVE OVERVIEW**

# The 2014-2015 Foundation Consolidated Business Plan/Budget Process

Foundation Management began using a particular style and method of business planning in 1995 that was initiated following an intensive training program by the Management Action Program (MAP). This training provided a standardized method for Foundation management to set goals, determine action steps and monitor progress by reviewing various vital factors. Again, we decided it would be more efficient for each unit to develop their budgets at the same time they developed their business plans based on the concepts of MAP. The Foundation appreciates the contributions of everyone that participated in the planning process.

## Overview

### ***Short-term Planning***

*\*30-Day Goals and Performance Plans*

*\*Administrative Work Plans*

*\*Business Plans*

*\*Annual Budgets*

### ***Long-term Planning***

*\*Multi-year Strategic Planning*

*\*Multi-year Cash Flow Planning*

## 30-Day Goals

The 30-day goals system is used as a Foundation management tool throughout the year to review the status of various action steps and projects of individual supervisors, managers and directors. 30-day goals are to be consistent with the due dates of business plan action steps and may also include other action steps deemed necessary during the year to meet goals. Each month, the status of the past 30-day period is reviewed and new 30-day goals are submitted for the upcoming month.

## Performance Plans

Individual staff employees establish a personal performance plan with their supervisors. This is based on their job descriptions and performance factors related to how they contribute towards the success of their unit. Performance reviews objectively consider the extent to which their contributions have met with expectations. The Foundation's Annual Performance Review process establishes how an employee's performance rating relates to a position classification, grade level and possible merit increase on an annual basis. Merit increases can be paid only when a "merit pool" has been approved for a given budget year by the Foundation Board of Director's.

## Administrative Work Plans

The Executive Director asks Directors to submit Administrative Work Plans and report on the status of objectives and performance indicators in those plans. The Foundation incorporates this process with the business planning process. Directors are asked to design their Administrative Work Plan objectives and performance indicators around the most critical goals in their business plans. Objectives and proposed actions are to have positive effects on their business plan goals. Performance indicators are to be measurable in terms of vital factors or other measurable process variables. Individual performance evaluations consider the extent of accomplishments in both Administrative Work Plans and 30-day goals.

## **Unit Business Plans**

The major operating and supporting units of the Foundation prepare annual business plans containing mission statements, assessments of strengths and challenges, survey results, keys to success, assessments of culture, major unit projects, business controls and vital factors, executive summaries, action steps, budgets and organizational charts. The purpose of the annual unit business plan is to have a detailed assessment and work plan for the fiscal year. The planning goal is to address the key Foundation operating issues and coordinate the planning process. The unit business plans address what actions are planned in order to meet or exceed the programming plans, projects, approved budgets and the measurement of progress. The unit business plans are one-year plans developed at the unit level involving appropriate staff, supervisors, managers and customer input from surveys. The unit business plans are working documents and action steps are monitored throughout the year. The unit business plans form the basis for the Foundation Consolidated Business Plan.

## **Annual Budgets**

The budgets are based on certain assumptions including expected inflation, trends and enrollment levels. Foundation operating and support units prepare detailed annual budgets that incorporate approved business and strategic plan goals and concepts. The Foundation's Board of Directors formally approves the budgets annually. Foundation management reviews and monitors fiscal performance on a monthly basis.

## **Foundation Consolidated Business Plan**

The Consolidated Business Plan is an executive summary of how the Foundation expects to perform and coordinate its activities. During the first quarter of the fiscal year, key Foundation directors will meet to review and discuss the Foundation's Consolidated Business Plan. At this meeting, each director will review his/her unit's business plan with the management team. Directors are held accountable for their business plans. The Foundation Consolidated Business Plan is also designed as a working document. Each director who participates in the Foundation Consolidated Business Plan meeting receives a copy of the plan.

## **Strategic Plan**

Unit strategic plans are long-range plans and address multi-year planning issues. Strategic planning takes the business planning process one step further and includes information on industry trends, campus demographics, how needs of the University are addressed, changing technology, operational forecasts and anticipated capital needs up to 10 years out. The goal of strategic planning is to provide vision, direction and coordination of Foundation programs and assets. Strategic plans are typically updated every two or three years and are developed utilizing focus groups, research data, surveys and consultants. It is the intent of the Foundation to pursue the development of strategic planning for all major units of the Foundation.

**2014 – 2015**  
**BUDGET REVIEW**  
***POWERPOINT PRESENTATION***



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# CAL POLY POMONA FOUNDATION

## 2014-15

Board of Directors Meeting  
Budget Review  
May 22, 2014

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# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### **POLICY NO. 118- Foundation Budget Process**

**Annual operating and capital budget for all activities include:**

- Proposed Revenues and Expenses
- Requests for Designated Gifts
- Requests for Capital Improvements
- Requests for New Staff Positions
- Debt Service Coverage
- Contributions to Reserves and Withdrawals from Reserves
- Forecast of Current Year Revenues and Expenditures



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### **General Activities**

- Administration
- Employment Services
- Marketing
- Accounting, Finance and Investments
- Management Information Systems
- Real Estate Development and Management

### **Enterprises**

- Bookstores
- Kellogg West Conference Center
- Dining Services
- Foundation Housing Service

### **Designated Gifts**

### **Supplemental Programs**

- Research and Sponsored Programs
- Agriculture Aid-to-Instruction
- Non-credit Continuing Education
- Unrestricted Foundation Programs

### **Restricted**

- Endowment/Investments
- Restricted Foundation Programs

### **Reserves**

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

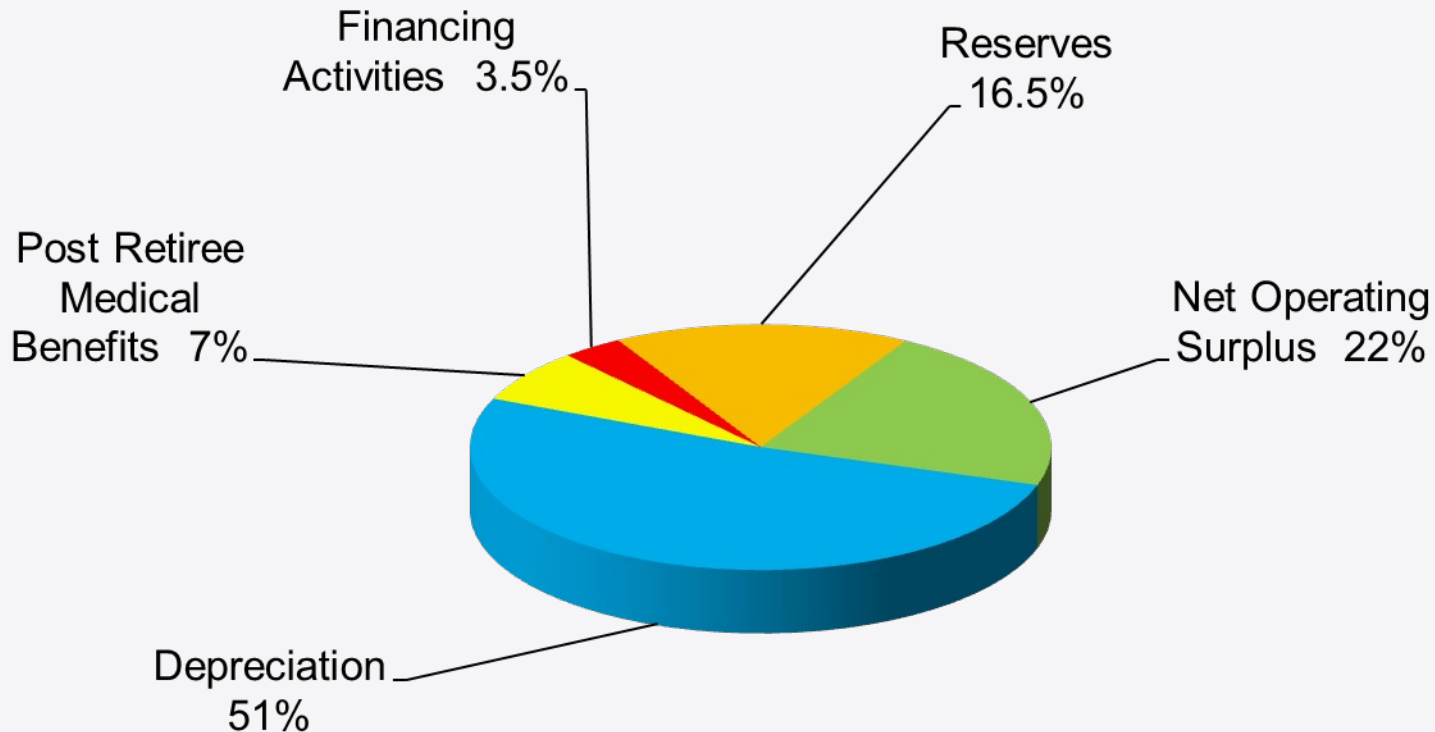
	2013-2014 BUDGET	2013-2014 FORECAST	2014-2015 BUDGET
<b>SOURCES OF CASH</b>			
SURPLUS (DEFICIT)			
TOTAL OPERATING SURPLUS (DEFICIT)	3,020,442	3,841,454	3,684,509
Designated Gifts	(1,667,190)	(1,632,677)	(1,777,109)
NET OPERATING SURPLUS (DEFICIT)	1,353,252	2,208,777	1,907,400
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,996,802	4,184,366	4,528,476
Post Retiree Medical Benefits	1,025,290	672,582	614,273
TOTAL CASH GENERATED BY OPERATIONS	6,375,344	7,065,725	7,050,149
FINANCING			
Repayment of Principal for Loan to ENV for Model Studio	27,964	191,412	-
Alternative Investments-Innovation Village Infrastructure Ph 1	300,000	300,000	300,000
TOTAL SOURCES OF FINANCING	327,964	491,412	300,000
RESERVES			
Capital Reserve	1,309,000	1,309,000	1,356,000
Residential Board Meal Program Surplus Reserve	229,000	229,000	96,900
TOTAL SOURCES FROM RESERVES	1,538,000	1,538,000	1,452,900
<b>TOTAL SOURCES OF CASH</b>	<b>8,241,308</b>	<b>9,095,137</b>	<b>* 8,803,049</b>

\* Cash generated by Operations, Financing<sup>8</sup> and Reserves \$8.8 Million

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### SOURCES OF CASH



# CAL POLY POMONA FOUNDATION

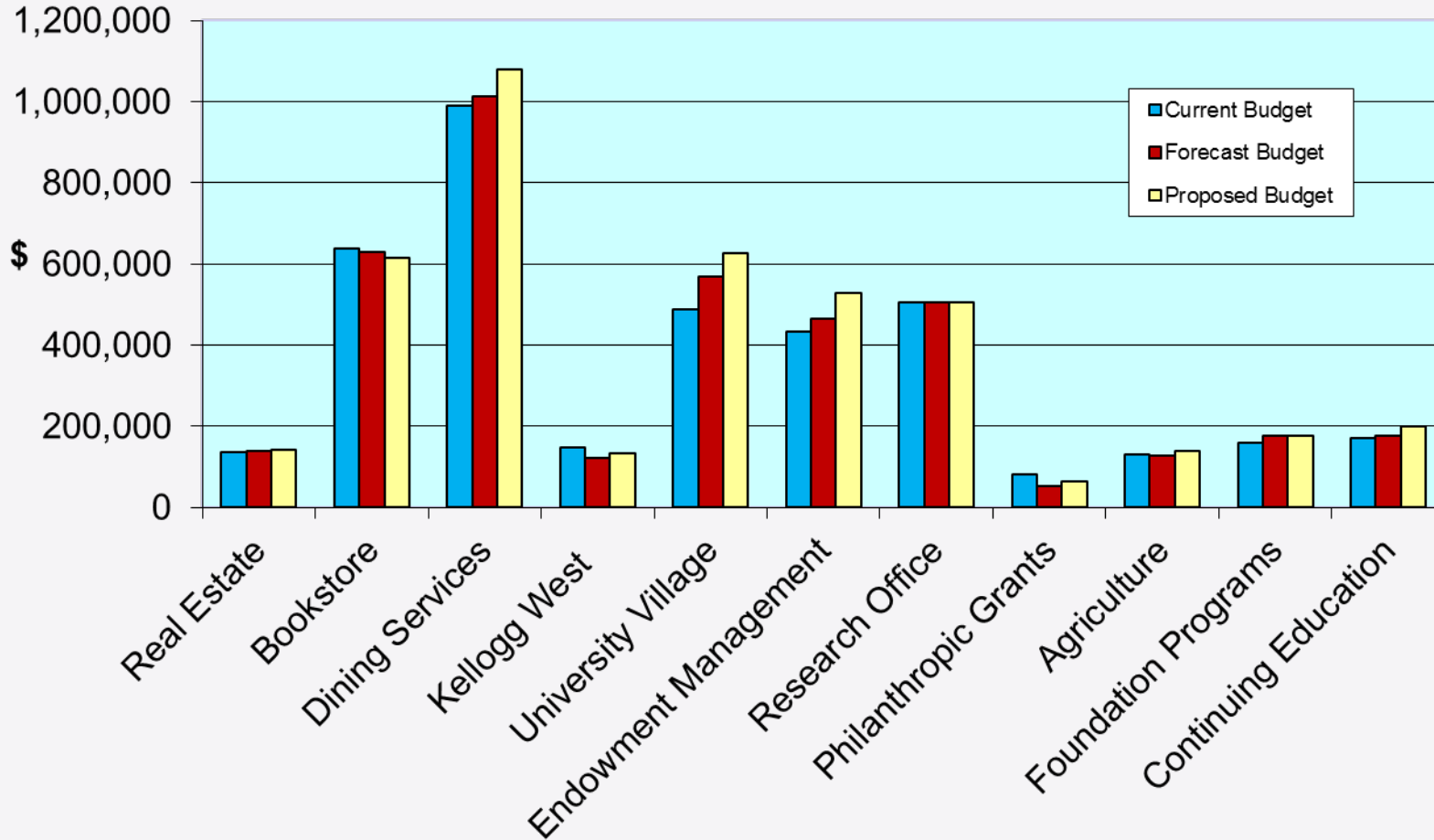
## Budget Presentation 2014-2015

<b>ADMINISTRATION</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>3,905,179</b>	<b>100%</b>	<b>3,991,775</b>	<b>100%</b>	<b>4,218,404</b>	<b>100%</b>
Expenditures Controllable	894,675	23%	791,940	20%	877,060	21%
Expenditures Non-Controllable	254,163	7%	193,036	5%	269,932	6%
Total Labor	3,767,406	96%	3,781,643	95%	3,881,882	92%
<b>Total Expenses</b>	<b>4,916,244</b>	<b>125.9%</b>	<b>4,766,619</b>	<b>119%</b>	<b>5,028,874</b>	<b>119%</b>
<b>Net Income</b>	<b>(1,011,065)</b>	<b>-25.9%</b>	<b>(774,844)</b>	<b>-19%</b>	<b>(810,470)</b>	<b>-19.2%</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### Administration Fee Revenues



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>REAL ESTATE</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>3,025,784</b>	<b>100%</b>	<b>2,737,863</b>	<b>100%</b>	<b>2,807,587</b>	<b>100%</b>
Cost of Goods Sold	49,980	2%	30,000	1%	10,000	0%
<b>Gross Margin</b>	<b>2,975,804</b>	<b>98%</b>	<b>2,707,863</b>	<b>99%</b>	<b>2,797,587</b>	<b>100%</b>
Expenditures Controllable	952,108	31%	848,605	31%	910,619	32%
Expenditures Non-Controllable	1,422,387	47%	1,372,222	50%	1,313,793	47%
Total Labor	210,096	7%	169,092	6%	169,788	6%
<b>Total Expenses</b>	<b>2,584,591</b>	<b>85%</b>	<b>2,389,919</b>	<b>87%</b>	<b>2,394,200</b>	<b>85%</b>
<b>Net Income</b>	<b>391,213</b>	<b>13%</b>	<b>317,944</b>	<b>12%</b>	<b>403,387</b>	<b>14%</b>



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>REAL ESTATE</b> SURPLUS/(DEFICIT) <b>DESCRIPTION</b>	2013-14 Approved Budget	2013-14 Forecast Budget	2014-15 Proposed Budget
<b><u>REAL ESTATE DEVELOPMENT</u></b>			
Center for Training Technology & Incubation	(112,799)	(188,284)	(121,170)
Innovation Village	454,215	388,246	442,702
Spadra Solar Farm	-	-	(15,300)
<b>Total Real Estate Development</b>	<b>341,416</b>	<b>199,962</b>	<b>306,232</b>
<b><u>RENTAL Buildings</u></b>			
Building # 66 - Classrooms & Offices	108,356	107,804	97,368
Building # 97 - Offices	121,002	127,718	127,986
CTTi Building # 220A - Vacant	(102,476)	(109,510)	(117,676)
<b>Total Rental Buildings</b>	<b>126,882</b>	<b>126,012</b>	<b>107,678</b>
<b><u>FACULTY HOUSING</u></b>			
Faculty Housing	(77,085)	(8,030)	(10,523)
<b>Total Faculty Housing</b>	<b>(77,085)</b>	<b>(8,030)</b>	<b>(10,523)</b>
<b>GRAND TOTAL REAL ESTATE</b>	<b>391,213</b>	<b>317,944</b>	<b>403,387</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>INVESTMENTS - GENERAL</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>						
Investment Earnings	502,900	100%	1,824,101	100%	1,226,246	100%
<b>Expenses</b>						
Investment Advisor Fees	49,519	10%	58,790	3%	78,555	6%
<b>Total Expenses</b>	49,519	10%	58,790	3%	78,555	6%
<b>Net Income</b>	<b>453,381</b>	<b>90.2%</b>	<b>1,765,311</b>	<b>97%</b>	<b>1,147,691</b>	<b>93.6%</b>



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>INVESTMENTS - ENDOWMENTS</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>						
Investment Earnings	5,087,569	37%	7,398,140	44%	5,355,493	37%
Donations	8,660,000	63%	9,390,988	56%	9,000,000	63%
Total Revenue	13,747,569	100%	16,789,128	100%	14,355,493	100%
Endowment Distributions	3,534,499	26%	3,387,912	20%	4,112,462	29%
<b>Expenditures Non-Controllable</b>						
Administrative Fees	431,430	3%	463,577	3%	528,269	4%
Investment Advisor Fees	296,988	2%	168,216	1%	343,035	2%
Total Expenses Non-Controllable	728,418	5%	631,793	4%	871,304	6%
<b>Total Expenses</b>	<b>4,262,917</b>	<b>31.0%</b>	<b>4,019,705</b>	<b>24%</b>	<b>4,983,766</b>	<b>35%</b>
<b>Net Income</b>	<b>9,484,652</b>	<b>69.0%</b>	<b>12,769,423</b>	<b>76%</b>	<b>9,371,727</b>	<b>65.3%</b>


# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>ENTERPRISES</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>36,669,787</b>	<b>100%</b>	<b>36,400,607</b>	<b>100%</b>	<b>38,097,120</b>	<b>100%</b>
Cost of Goods Sold	13,448,875	37%	12,854,823	35%	12,981,270	34%
<b>Gross Margin</b>	<b>23,220,912</b>	<b>63%</b>	<b>23,545,784</b>	<b>65%</b>	<b>25,115,850</b>	<b>66%</b>
Expenditures Controllable	4,641,831	13%	4,696,634	13%	4,800,665	13%
Expenditures Non-Controllable	7,841,498	21%	8,255,586	23%	8,624,451	23%
Total Labor	8,585,574	23%	8,710,649	24%	9,332,384	24%
<b>Total Expenses</b>	<b>21,068,903</b>	<b>57%</b>	<b>21,662,869</b>	<b>60%</b>	<b>22,757,500</b>	<b>60%</b>
<b>Net Income</b>	<b>2,152,009</b>	<b>6%</b>	<b>1,882,915</b>	<b>5%</b>	<b>2,358,350</b>	<b>6%</b>


# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

 BRONCO BOOKSTORE	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>10,395,560</b>	<b>100%</b>	<b>9,926,778</b>	<b>100%</b>	<b>9,488,000</b>	<b>100%</b>
Cost of Goods Sold	7,601,273	73%	7,157,641	72%	6,716,177	71%
<b>Gross Margin</b>	<b>2,794,287</b>	<b>27%</b>	<b>2,769,137</b>	<b>28%</b>	<b>2,771,823</b>	<b>29%</b>
Expenditures Controllable	262,704	3%	262,714	3%	261,996	3%
Expenditures Non-Controllable	971,340	9%	956,524	10%	942,555	10%
Total Labor	1,248,027	12%	1,252,221	13%	1,281,391	14%
<b>Total Expenses</b>	<b>2,482,071</b>	<b>24%</b>	<b>2,471,459</b>	<b>25%</b>	<b>2,485,942</b>	<b>26%</b>
<b>Net Income</b>	<b>312,216</b>	<b>3%</b>	<b>297,678</b>	<b>3%</b>	<b>285,881</b>	<b>3%</b>


# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>16,127,493</b>	<b>100%</b>	<b>16,359,277</b>	<b>100%</b>	<b>17,553,290</b>	<b>100%</b>
Cost of Goods Sold	5,847,603	36%	5,697,232	35%	6,265,099	36%
<b>Gross Margin</b>	<b>10,279,890</b>	<b>64%</b>	<b>10,662,045</b>	<b>65%</b>	<b>11,288,191</b>	<b>64%</b>
Expenditures Controllable	2,119,331	13%	2,230,161	14%	2,234,263	13%
Expenditures Non-Controllable	2,658,940	16%	2,687,379	16%	2,902,434	17%
Total Labor	5,078,839	31%	5,116,719	31%	5,684,574	32%
<b>Total Expenses</b>	<b>9,857,110</b>	<b>61%</b>	<b>10,034,259</b>	<b>61%</b>	<b>10,821,271</b>	<b>62%</b>
<b>Net Income</b>	<b>422,780</b>	<b>3%</b>	<b>627,786</b>	<b>4%</b>	<b>466,920</b>	<b>3%</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>1,547,482</b>	<b>100%</b>	<b>1,347,818</b>	<b>100%</b>	<b>1,452,619</b>	<b>100%</b>
Expenditures Controllable	627,634	41%	602,627	45%	642,176	44%
Expenditures Non-Controllable	232,559	15%	180,325	13%	190,291	13%
Total Labor	683,191	44%	606,124	45%	596,203	41%
<b>Total Expenses</b>	<b>1,543,384</b>	<b>100%</b>	<b>1,389,076</b>	<b>103%</b>	<b>1,428,670</b>	<b>98%</b>
<b>Net Income</b>	<b>4,098</b>	<b>0%</b>	<b>(41,258)</b>	<b>-3%</b>	<b>23,949</b>	<b>2%</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

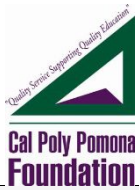


	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>8,599,252</b>	<b>100%</b>	<b>8,766,734</b>	<b>100%</b>	<b>9,603,211</b>	<b>100%</b>
Expenditures Controllable	1,931,833	22%	1,924,782	22%	1,961,866	20%
Expenditures Non-Controllable	3,972,719	46%	4,425,158	50%	4,583,231	48%
Total Labor	1,281,785	15%	1,418,085	16%	1,476,514	15%
<b>Total Expenses</b>	<b>7,186,337</b>	<b>84%</b>	<b>7,768,025</b>	<b>89%</b>	<b>8,021,611</b>	<b>84%</b>
<b>Net Income</b>	<b>1,412,915</b>	<b>16%</b>	<b>998,709</b>	<b>11%</b>	<b>1,581,600</b>	<b>16%</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>Continuing Education</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>3,767,358</b>	<b>100%</b>	<b>3,937,001</b>	<b>100%</b>	<b>4,389,641</b>	<b>100%</b>
Expenditures Controllable	868,124	23%	1,247,983	32%	1,260,789	29%
Expenditures Non-Controllable	300,433	8%	267,265	7%	311,148	7%
Total Labor	1,685,041	45%	1,958,161	50%	2,339,149	53%
<b>Total Expenses</b>	<b>2,853,598</b>	<b>76%</b>	<b>3,473,409</b>	<b>88%</b>	<b>3,911,086</b>	<b>89%</b>
<b>Net Income</b>	<b>913,760</b>	<b>24%</b>	<b>463,592</b>	<b>12%</b>	<b>478,555</b>	<b>11%</b>



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>CONTINUING EDUCATION PROGRAMS</b>	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast Budget</b>	<b>2014-15 Proposed Budget</b>
<b>College of the Extended University - Programs</b>			
Administration	327,553	120,093	225,790
Six Sigma Program	35,886	(179)	5,161
Professional Project Management Program	10,836	10,776	9,916
On Site Training Programs	8,480	5,331	2,016
Technical Programs	9,228	23,971	22,760
Test Prep Programs	3,646	21,572	13,680
Summer Support @ CEU	-	(2,514)	(525)
Business Comm & Grant Writing	286	-	-
Accounting & Finance	223	-	555
Math & Science	1,685	(2,976)	2,444
Hospitality & Service Industry	2,480	9,513	6,211
Supply Chain Management	612	1,197	10,900
Human Resources Management	3,540	(4,834)	1,800
Building & Construction Management	9,216	(1,522)	17,152
Ed 2 Go	(90,440)	(244,108)	(245,808)
Art, Media & Design	2,236	-	-
Global Ed Programs Standard	11,783	(54,460)	13,898
CPELI Camps	119,503	84,798	81,931
CPELI Standard	436,292	487,834	303,815
<b>Total College of Extended Univ Programs</b>	<b>893,045</b>	<b>454,492</b>	<b>471,696</b>



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### CONTINUING EDUCATION PROGRAMS

	2013-14 Approved Budget	2013-14 Forecast Budget	2014-15 Proposed Budget
<b><u>COLLEGE OF ENGINEERING</u></b>			
Non-Credit Learning Admin	48	30	30
Civil Engineering Review	4,333	4,446	4,446
<b>Total College of Engineering</b>	<b>4,381</b>	<b>4,476</b>	<b>4,476</b>
<b><u>COLLEGE OF SCIENCE</u></b>			
Chemistry Agilent Project	16,333	4,624	2,383
<b>Total College of Science</b>	<b>16,333</b>	<b>4,624</b>	<b>2,383</b>
<b>TOTAL CONTINUING EDUCATION PROGRAMS</b>	<b>913,759</b>	<b>463,592</b>	<b>478,555</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>AGRICULTURE</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>3,276,681</b>	<b>100%</b>	<b>3,190,659</b>	<b>100%</b>	<b>3,470,211</b>	<b>100%</b>
Cost of Goods Sold	827,241	25%	654,364	21%	827,841	24%
<b>Gross Margin</b>	<b>2,449,440</b>	<b>75%</b>	<b>2,536,295</b>	<b>79%</b>	<b>2,642,370</b>	<b>76%</b>
Expenditures Controllable	1,350,568	41%	1,365,703	43%	1,392,047	40%
Expenditures Non-Controllable	245,454	7%	227,323	7%	259,529	7%
Total Labor	777,870	24%	802,335	25%	928,802	27%
<b>Total Expenses</b>	<b>2,373,892</b>	<b>72%</b>	<b>2,395,361</b>	<b>75%</b>	<b>2,580,378</b>	<b>74%</b>
<b>Net Income</b>	<b>75,548</b>	<b>2%</b>	<b>140,934</b>	<b>4%</b>	<b>61,992</b>	<b>2%</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### AGRICULTURE AID TO INSTRUCTION PROGRAMS

Surplus/(Deficit) Budget Comparison Summary

DESCRIPTION	2013-14 Approved Budget	2013-14 Forecast Budget	2014-15 Proposed Budget
Agronomy Farms	27,706	70,148	16,038
Arabian Horse Unit	7,742	(2,930)	(3,538)
Beef Unit	6,692	13,155	10,095
Fruit Industry	1,800	1,244	3,284
Meat Lab	2,722	(500)	9,305
Ornamental Horticulture	2,212	3,406	2,274
Pine Tree Ranch	19,214	33,504	1,996
Sheep Unit	(3,024)	8,598	8,005
Swine Unit	(5,324)	(4,185)	5,089
Vet Clinic	727	7,068	4,249
Farm Store at Kellogg Ranch	15,081	11,426	5,195
<b>Total</b>	<b>75,548</b>	<b>140,934</b>	<b>61,992</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

<b>RESEARCH OFFICE</b>	2013-14 Approved Budget	% of Revenue	2013-14 Forecast Budget	% of Revenue	2014-15 Proposed Budget	% of Revenue
<b>Revenues</b>	<b>1,360,178</b>	<b>100%</b>	<b>1,276,500</b>	<b>100%</b>	<b>1,288,575</b>	<b>100%</b>
Expenditures Controllable	553,730	41%	486,605	38%	540,290	42%
Expenditures Non-Controllable	505,725	37%	504,825	40%	504,925	39%
Total Labor	255,127	19%	239,468	19%	198,356	15%
<b>Total Expenses</b>	<b>1,314,582</b>	<b>97%</b>	<b>1,230,898</b>	<b>96%</b>	<b>1,243,571</b>	<b>97%</b>
<b>Net Income</b>	<b>45,596</b>	<b>3%</b>	<b>45,602</b>	<b>4%</b>	<b>45,004</b>	<b>3%</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### DESIGNATED GIFTS

Per Policy No. 118, the Foundation has included in this year's budget a contribution in support of the University of \$1,777,109. The contribution is funded from the prior year's surplus after requirements for capital spending, reserves and debt service have been considered and includes the following:

	2013-2014	2014-2015
	<u>Forecast</u>	<u>Proposed</u>
• President's Request	\$ 640,000	\$ 895,550
• University Advancement Request	678,100	690,900
• Research and Graduate Studies Request	110,000	110,000
• Admin. Operating Endowment Request	52,000	65,000
• Faculty Staff Café deficit	12,051	15,659
• Rose Float	40,526	0
• 75 <sup>th</sup> Anniversary Request	<u>100,000</u>	<u>0</u>
<b>Total Requested</b>	<b><u>\$1,632,677</u></b>	<b><u>\$1,777,109</u></b>

**\*Over the past five years the Foundation Board has designated over \$6.1 million in cash for the benefit of the University.**



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### USES OF CASH

#### CAPITAL EXPENDITURES

	<b>2013-2014 BUDGET</b>	<b>2013-2014 FORECAST</b>	<b>2014-2015 BUDGET</b>
Dining Services	1,138,500	880,537	889,900
Kellogg West	1,000,000	1,000,000	1,000,000
Bookstore	40,000	40,000	110,000
University Village	696,000	685,000	565,000
Administration	304,200	251,700	239,500
Real Estate	623,000	598,675	253,000
Agriculture	726,000	250,000	240,000
CEU	370,000	50,000	-
PY Carryover	-	-	1,066,636
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>4,897,700</b>	<b>3,755,912</b>	<b>(1) 4,364,036</b>

#### FINANCING

University Village Bond payment - 2005A & B	595,000	595,000	625,000
CTTi Bond payment - 2007	185,000	185,000	195,000
<b>TOTAL USES OF FINANCING</b>	<b>780,000</b>	<b>780,000</b>	<b>820,000</b>

#### RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	31,545	60,752	33,098
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	771,814	786,939	813,948
Innovation Village Demo Reserve	8,130	7,376	8,221
Insurance Reserve	109,109	60,934	39,796
Residential Board Meal Program Surplus Reserve excess 7%	110,653	423,247	135,188
Pine Tree Ranch Reserve @ 50% net Annual Surplus	9,607	16,752	998
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	441,037	449,679	465,113
<b>TOTAL RESERVE CONTRIBUTIONS</b>	<b>2,501,895</b>	<b>2,825,679</b>	<b>2,516,362</b>

#### TOTAL USES OF CASH

<b>TOTAL USES OF CASH</b>	<b>8,179,595</b>	<b>7,361,591</b>	<b>7,700,398</b>
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Note 1 - the 2014-15 budget includes funding \$1 million to a VEBA Trust & the OPEB obligation is not considered a Use of Cash

**(1) Capital Expenditures of \$3.3 million and carryover of \$1.07 million for a total of \$4.36 million**

**(2) Principal Debt Payment of \$820,000**

**(3) Contribution to Reserves \$2.52 million**

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

CAL POLY POMONA FOUNDATION, INC. PROPOSED CAPITAL BUDGET					
		Prior Years Remaining	Proposed Detail 2014-15	Proposed Total 2014-15	
<b>Reserves</b>	<b>Enterprise Activities</b>				
	<b>Foundation Housing</b>				
	University Village	-	565,000		Painting/refurbishment - Phase 1 (\$230,000), Bathroom vanities - Phases 1 & 2 (\$110,000), Water saving toilet replacement - Phase 1 & 2 (\$40,000), Carpet-various apts (\$30,000), Water heaters (\$25,000), Group meeting/study room-Community center (\$10,000), Media-Smart room in Recreation center (\$20,000), Computer replacement (\$30,000), Deck repair in all phases (\$70,000)
	<b>Total Foundation Housing</b>			<b>565,000</b>	
	<b>Bronco Bookstore</b>				
	Bookstore	-	110,000	<b>110,000</b>	Customer service refresh (\$10,000), Elevator replacement (\$75,000), PCI compliance hardware and license (\$25,000)
	<b>Dining Services</b>				
	Dining	76,000	82,000		POS upgrade (\$15,000), COGNOS project (\$20,000), Meal plan project - consultant fees (\$10,000), Cameras in CCMP, CLA, ENV, CTTI (\$30,000), Bldg 97 - Paint floors (\$7,000)
	Engineering Coffee Concept	-	25,000		Infrastructure, utilities, data, POS, tables, umbrellas, equipment, cart (\$25,000)
	Pony Express at CCMP	-	80,000		Pastry case for International Grounds (\$6,500), Counter tops refurbished for International Grounds (\$10,000), Refurbish service counter in Pony Express (\$25,000), Food warmers (\$5,000), New service area for c-store (\$33,500)
	ENV Café	5,000	-		Tables and chairs for patio with umbrellas
96,900	Los Olivos	-	96,900		Replace interior doors (\$21,000), Repair exit doors - dining room (\$11,000), Add fryer to Mexican station (\$12,000), Replace convention oven (\$26,000), Replace fryer bank at grill and makeup table (\$7,900), Purchase frozen yogurt machine (\$19,000)
51,000	Kellogg West Dining	13,000	58,000		Small van (\$20,000), Paint main kitchen (\$6,000), Sheer curtain for ballroom (\$10,000), Update kitchen bathrooms (\$5,000), Update lockers for KW staff (\$4,000), Replace wing doors (\$5,000), Ballroom sound system (\$8,000)
	Jamba Juice at BRIC	-	343,000		Jamba build out (\$325,000), Jamba smallwares, POS, signage (\$18,000)
	Round Table Pizza/ Taco Bell	7,136	-		Install booths/Brand refresh- license fees, prepare for new contract
305,000	Innovation Brew Works	100,000	205,000		Upgrades to Café kitchen for Pub menu (\$180,000), Pub tables, shuffleboard, misc furniture & décor, TVs (\$25,000)
	<b>Total Dining Services</b>			<b>889,900</b>	
	<b>Kellogg West Conference Center &amp; Lodge</b>				
1,000,000	Kellogg West Rooms & Conference		1,000,000		Replacement of Main Conference Center & Hillside A/C units (\$450,000), Main Conference Center Bldg #76, Hillside Bldg #78, Woodvue Bldg #78-B exterior updates (\$500,000), Conference chairs (\$50,000)
	<b>Total Kellogg West</b>			<b>1,000,000</b>	
	<b>Facilities</b>				
	Facilities	-	-		No capital budget requested
	<b>Total Facilities</b>			<b>-</b>	
	<b>Real Estate Activities</b>				
	CTTI Buildings	-	168,000		HVAC EMS System Building C (\$68,000), HVAC Modification Building #C (\$75,000), Potential tenant improvements (\$25,000)
	Bldg 66	17,000	35,000		Lighting retrofit - first floor and atrium (\$15,000), Atrium paint (\$20,000)
	Spadra	15,000	50,000		EIR and ALTA survey
	<b>Total Real Estate Activities</b>			<b>253,000</b>	

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

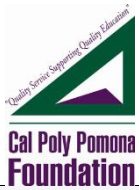
**CAL POLY POMONA FOUNDATION, INC.  
PROPOSED CAPITAL BUDGET**

**(CONTINUED)**

<b>Reserves</b>	<b>College of Ag</b>	<b>Prior Years Remaining</b>	<b>Proposed Detail 2014-15</b>	<b>Proposed Total 2014-15</b>	
	Spadra/Westwind Ranch	29,000	165,000		Paint building #28 (\$90,000 Fruit & Crops Unit), Replacement of irrigation mainlines with Yellow-mine PVC pipe at Westwind and Spadra Ranches (\$75,000)
	Pine Tree Ranch	137,000	75,000		Rehabilitation of small well
	Farmstore	310,000	-		Multi deck merchandiser - deli (\$25,000), Re-location of Farm Store entrance (\$285,000)
	<b>Total College of Ag</b>			<b>240,000</b>	
	<b>College of Science</b>				
	Chemistry Agilent Project	10,000	-		Computer Equipment
	<b>College of Extended Univ</b>				
	CPELI Standard	310,000	-		48'x60' modular building (\$165,000), Concrete slab (\$75,000), Signage for building and CPELI complex area (\$50,000), Electrical, plumbing, and utility set up (\$20,000)
	<b>Administration</b>				
	Human Resources		30,000		Kronos - Payroll consultant
	Human Resources		25,000		Employee communication system
	Human Resources		7,500		Check folding machine
	Admin		10,000		Document library
	Management Info Systems	10,000			SAN storage expansion- to ensure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services
	Management Info Systems	12,500			Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
	Management Info Systems		30,000		VDI hardware/software purchases - To expand virtual desktops to Foundation staff to reduce desktop hardware costs
	Management Info Systems		50,000		OneSolution/Endowment software upgrade and budget development - To provide for budget software development, more efficient workflow processing, and Cognos reporting of financials
	Management Info Systems	15,000			Security log monitoring software - To improve risk response in security logging and monitoring software and to keep pace with growing security compliances
	Management Info Systems		20,000		Big Data Licensing and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
	Management Info Systems		15,000		Windows 8 pilot testing - Preproduction testing of environment begin rollout of new operating system to enterprise units. Windows 8 has greater speed, automation, and security improvements
	Management Info Systems		25,000		VM hardware refresh - To update core aging VM systems with new host servers and resources
	Management Info Systems		12,000		E-cart purchase - For Foundation IT to move computer equipment efficiently around campus without using personal or Foundation gas powered vehicles
	Management Info Systems		15,000		Network switch upgrades - To replace old 10/100 switches with 1G for improved efficiency and VOIP implementation
<b>1,452,900</b>	<b>Total Administration</b>			<b>239,500</b>	
<b>PY and Proposed Capital Budget</b>		<b>1,066,636</b>		<b>3,297,400</b>	
<b>Total Prior Years and Proposed Capital Budget</b>				<b>4,364,036</b>	
<b>Capital Funding from Reserves</b>				<b>(1,452,900)</b>	
<b>Capital Funding from Operations</b>				<b>2,911,136</b>	

**Note - The proposed capital budget assumes funding of \$1,356,000 from the Capital Reserve, \$96,900 from the Residential Board Meal Program Surplus Reserve and \$2,911,136 from the operations of the units.**





# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### USES OF CASH

#### CAPITAL EXPENDITURES

	<b>2013-2014 BUDGET</b>	<b>2013-2014 FORECAST</b>	<b>2014-2015 BUDGET</b>
Dining Services	1,138,500	880,537	889,900
Kellogg West	1,000,000	1,000,000	1,000,000
Bookstore	40,000	40,000	110,000
University Village	696,000	685,000	565,000
Administration	304,200	251,700	239,500
Real Estate	623,000	598,675	253,000
Agriculture	726,000	250,000	240,000
CEU	370,000	50,000	-
PY Carryover	-	-	1,066,636
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>4,897,700</b>	<b>3,755,912</b>	<b>4,364,036</b>

#### FINANCING

University Village Bond payment - 2005A & B	595,000	595,000	625,000
CTTi Bond payment - 2007	185,000	185,000	195,000
<b>TOTAL USES OF FINANCING</b>	<b>780,000</b>	<b>780,000</b>	<b>(2) 820,000</b>

#### RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	31,545	60,752	33,098
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	771,814	786,939	813,948
Innovation Village Demo Reserve	8,130	7,376	8,221
Insurance Reserve	109,109	60,934	39,796
Residential Board Meal Program Surplus Reserve excess 7%	110,653	423,247	135,188
Pine Tree Ranch Reserve @ 50% net Annual Surplus	9,607	16,752	998
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	441,037	449,679	465,113
<b>TOTAL RESERVE CONTRIBUTIONS</b>	<b>2,501,895</b>	<b>2,825,679</b>	<b>2,516,362</b>

### TOTAL USES OF CASH

<b>TOTAL USES OF CASH</b>	<b>8,179,595</b>	<b>7,361,591</b>	<b>7,700,398</b>
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Note 1 - the 2014-15 budget includes funding \$1 million to a VEBA Trust & the OPEB obligation is not considered a Use of Cash

(1) Capital Expenditures of \$3.3 million and carryover of \$1.07 million for a total of \$4.36 million

(2) *Principal Debt Payment of \$820,000*

(3) Contribution to Reserves \$2.52 million

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

Description	Debt Service Coverage (Fiscal Year Ended June 30)		
	Budget 2013-14	Forecast 2013-14	Proposed Budget 2014-15
Change in unrestricted net assets	1,353,252	2,208,777	1,907,400
Add Back: University Designated Expenses	1,667,190	1,632,677	1,777,109
Surplus (Deficit) before Designated Expenses - see Note	\$ 3,020,442	\$ 3,841,454	\$ 3,684,509
Add Back: Depreciation and amortization	3,996,802	4,184,366	4,528,476
Interest (see detail below)	1,353,452	1,309,240	1,198,712
Available for Debt Service	<b>8,370,696</b>	<b>9,335,060</b>	<b>9,411,697</b>
Maximum Annual Debt Service *			
2005 Series Bonds	1,829,625	1,829,625	1,829,625
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	<b>2,162,375</b>	<b>2,162,375</b>	<b>2,162,375</b>
Total Debt Service before Designated Expenses - <b>see Note</b>	<b>3.87</b>	<b>4.32</b>	<b>4.35</b>
<b>Total Debt Service after Designated Expenses</b>	<b>3.10</b>	<b>3.56</b>	<b>3.53</b>
<b>Note:</b> * Bond covenants require the Foundation to not incur a deficit in any two consecutive years after adding back the designated gifts and a debt coverage ratio of at least 1.25. * Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds			
Interest Detail			
2005 Series Bonds - Interest	1,227,600	1,183,390	1,080,528
2007 Series Bonds - Interest	125,852	125,850	118,184
<b>Total Interest Expense</b>	<b>\$1,353,452</b>	<b>\$1,309,240</b>	<b>\$1,198,712</b>

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

The Foundation's Reserves and OPEB are comprised of the following:

	<u>Contributions</u>	<u>Requests</u>	<u>Balance June 2015</u>
* <b><u>Policy No. 103</u></b>			
Indirect Cost (Disallowance) Reserve	-	-	346,406
* <b><u>Policy No. 170</u></b>			
Agriculture Program Reserve	33,098	-	168,850
Pine Tree Ranch Reserve	998	-	158,636
* <b><u>Policy No. 171</u></b>			
Res Board Meal Program Surplus Reserve	135,188	96,900	1,586,537
Cafeteria State Share Reserve	-	-	182,062
* <b><u>Policy No. 172</u></b>			
Operating Reserve	-	-	6,351,166
Capital Equipment Reserve	813,948	1,356,000	2,727,910
Venture Capital/Real Estate Reserve	465,113	-	1,835,866
* <b><u>Policy No. 173</u></b>			
Funded portion of Retiree Medical Benefits	1,000,000	-	6,100,000
* <b><u>Policy No. 174</u></b>			
Insurance Reserve	39,796	-	261,940
* <b><u>Policy No. 175</u></b>			
Research & Sponsored Programs Reserve	20,000	-	130,369
Innovation Village Demo Reserve	8,221	-	62,084
* <b><u>Policy No. 134</u></b>			
Emergency Reserve	-	-	120,152



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### USES OF CASH

#### CAPITAL EXPENDITURES

	<b>2013-2014 BUDGET</b>	<b>2013-2014 FORECAST</b>	<b>2014-2015 BUDGET</b>
Dining Services	1,138,500	880,537	889,900
Kellogg West	1,000,000	1,000,000	1,000,000
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<b>TOTAL CAPITAL EXPENDITURES</b>	<b>4,897,700</b>	<b>3,755,912</b>	<b>4,364,036</b>
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#### FINANCING

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<b>TOTAL USES OF FINANCING</b>	<b>780,000</b>	<b>780,000</b>	<b>820,000</b>
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<b>TOTAL RESERVE CONTRIBUTIONS</b>	<b>2,501,895</b>	<b>2,825,679</b>	<b>(3) 2,516,362</b>
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#### TOTAL USES OF CASH

<b>8,179,595</b>	<b>7,361,591</b>	<b>7,700,398</b>
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Note 1 - the 2014-15 budget includes funding \$1 million to a VEBA Trust & the OPEB obligation is not considered a Use of Cash

(1) Capital Expenditures of \$3.3 million and carryover of \$1.07 million for a total of \$4.36 million

(2) Principal Debt Payment of \$820,000

**(3) Contribution to Reserves \$2.52 million**

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### SUMMARY OF SOURCES AND USES OF CASH & WORKING CAPITAL RESERVE 2014-2015 PROPOSED BUDGET

	<b>2013-2014 REVISED BUDGET</b>	<b>2013-2014 FORECAST BUDGET</b>	<b>2014-2015 PROPOSED BUDGET</b>
<b>Total Sources of Cash</b>	8,241,308	9,095,137	8,803,049
<b>Total Uses of Cash</b>	8,179,595	7,361,591	7,700,398
<b>NET SOURCES (USES) OF CASH - Note 1</b>	<b>61,713</b>	<b>1,733,546</b>	<b>1,102,651</b>
<b>Beginning of the Year Working Capital Less Contingency</b>		6,473,213	8,206,759
<b>Net Working Capital Available End of Year - Note 2</b>		<b>8,206,759</b>	<b>9,309,410</b>
<b>Minimal Two Months Working Capital Reserve Required</b>		<b>6,073,898</b>	<b>6,351,166</b>

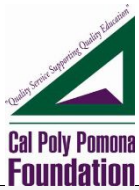
Note 1 - Post Retirement Medical Benefit - the actual funding of \$1.0 million each year is considered a use of cash;

Note 2 - Net Working Capital does not include cash advances for Sponsored Programs per policy # 172

## **POLICY NO. 172 -Long-Range Cash Forecast (Fiscal Viability) & Reserves**

**Long-Range Cash Forecast includes ten year forecaster of:**

- Surplus (Deficit)
- Non cash Transactions
- Financing Activities
- Capital Improvements
- Designated Gifts
- Reserve draws / Contributions
- Net cash available



# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

Cal Poly Pomona Foundation, Inc.

Long Term Cash Plan/Reserve

Amounts in Thousands

	Actual	Forecast	Budget	5 Years	10 Years	Reserve	
						Balances 2025	Reserve Goal
2013	2014	2015	2016-2020	2021-2025			
<b>SOURCES OF CASH</b>							
Excess of Revenue over Expenses							
Total Surplus (Deficit) - Operations	3,355	3,842	3,686	18,358	46,479		
<b>Non-cash transactions</b>							
Depreciation	3,780	4,184	4,529	22,645	45,290		
GASB 45 - Post Retiree Medical Benefits	743	673	614	1,974	2,645	10,500	10,500
<b>Total Non-cash transactions</b>	<b>4,523</b>	<b>4,857</b>	<b>5,143</b>	<b>24,619</b>	<b>47,935</b>		
<b>TOTAL CASH GENERATED FROM OPERATIONS</b>	<b>7,878</b>	<b>8,699</b>	<b>8,829</b>	<b>42,977</b>	<b>94,414</b>		
Total Financing Activities	327	491	300	1,524	1,989		
Total Reserve Activities	273	1,538	1,453	4,451	9,612		
<b>TOTAL SOURCES OF CASH</b>	<b>8,478</b>	<b>10,728</b>	<b>10,582</b>	<b>48,952</b>	<b>106,015</b>		
<b>USES OF CASH</b>							
Capital Project Requirements	3,845	3,757	4,364	16,834	25,423		
Financing Activities	1,050	1,080	1,120	6,129	12,509		
Designated Gifts	1,008	1,633	1,777	10,658	23,468		
Transfer Fixed Assets to University	-	-	-	-	-		
Other Changes- see note	-	-	-	-	-		
Reserve Contributions	2,469	2,826	2,516	8,368	13,708	7,876	12,421
<b>TOTAL USES OF CASH</b>	<b>8,372</b>	<b>9,296</b>	<b>9,777</b>	<b>41,642</b>	<b>75,108</b>		
<b>Net Change in Cash</b>	<b>106</b>	<b>1,432</b>	<b>805</b>	<b>7,310</b>	<b>30,907</b>		
<b>Cash Available</b>	<b>6,977</b>	<b>8,409</b>	<b>9,214</b>	<b>16,524</b>	<b>40,121</b>		

Min. Two Month Working Capital Reserve Required

6,074      6,351

# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

### General, Enterprise, and Reserve Budgets for Fiscal Year 2014-15 Resolution

- **WHEREAS**, Pursuant to the provisions of the *Compliance Guide for California State University Auxiliary Organizations Section 11.7*, the Cal Poly Pomona Foundation's proposed operating budgets and forecast include: General Activities (Administration; Real Estate & Investments) Enterprise Activities (Bookstore/Dining Services/Kellogg West/Foundation Housing); Supplemental Programs (Research Office, Agriculture Units, Continuing Education, Restricted and Unrestricted Foundation Programs); Designated Gifts; Reserves and Capital Budgets; along with the Summary of Sources and Uses and Working Capital; Statement of Activities; Debt Service Coverage; and Long Term Cash Plan/Reserves. The Foundation's governing Board accomplishes these activities by reviewing and approving the annual operating and capital budgets before the start of each fiscal year. Necessary changes to the approved budgets may be made by the governing Board as the fiscal year progresses, and
- **WHEREAS**, the Foundation Budget Process Policy No. 118, provides that Foundation Administration will present annually the operating and capital proposed budgets, forecasts and supporting detailed schedules and information to the Board of Directors; and





# CAL POLY POMONA FOUNDATION

## Budget Presentation 2014-2015

(Continuation)

- **WHEREAS**, the budget includes contributing a blended rate of 9.2% to the three pension Plans with CALPERS for a total of approximately \$886,000 and changes to salary grade ranges (previously approved in November 2013) and a 3% or approximately \$200,000 wage adjustment for eligible employees ("Eligible employees" are regular benefited employees paid from non-grant funds, who were hired prior to the beginning of this 2013-14 fiscal year and who have not had any pay adjustments due to promotions or job restructures during the 2013-14 fiscal year, and among the other employees includes the two Officers of Foundation); and contribute \$1.0 million to the VEBA Trust and assume 7.5% or \$614,273 as the benefit cost for the postretirement health care plan as per actuarial studies.
- **WHEREAS**, the Foundation management has prepared and presents these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve, and
- **WHEREAS**, the Board of Directors has reviewed and discussed these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve pursuant to Foundation Budget Process Policy No. 118, and
- **NOW, THEREFORE**, the Board of Directors approves the Proposed Operating and Capital Budgets for fiscal year 2014-15 and forecasts for fiscal year 2013-14 for General Activities, Enterprise Activities, Supplemental Programs, Designated Gifts, Reserves and the long-range cash plan/reserve.

Passed and adopted this 22nd day of MAY 2014.

By: *Rachel Dominguez*

**Rachel Dominguez, Secretary**

**Cal Poly Pomona Foundation Board of Directors**

# **SUMMARY**

## **CAL POLY POMONA FOUNDATION, INC. PROPOSED 2014-15 BUDGET HIGHLIGHTS**

The operating and capital budgets will provide the University with convenient and appropriate goods and services at reasonable prices along with the development of additional assets and resources for the University.

The budgets are subject to assumptions, estimates, forecasts and judgment by the management and directors of the Foundation which cannot predict all the actions or inactions, risks and uncertainties over which there may not be control that could cause actual results to differ materially. Some factors that may cause such a difference include:

- The state budget
- Decline in enrollment
- Unfavorable economic conditions
- Increased operating costs
- Shortages of qualified personnel and strikes
- Costly compliance to new regulations
- Risks associated with providing services to international markets
- Risks associated with expansion and renovations
- Competition (on and off-campus)
- Use of campus facilities
- Unpredictability of completion of construction projects
- Employment and liability claims against the Foundation
- Proposals which are not awarded for grants and contracts
- Environmental liability and regulations

As a result, the Foundation's operating and capital budgets are based on assumptions, historical performances and the judgment of management on how the Foundation will financially perform over the next fiscal year. The Foundation has used sound business principles and practices to develop a budget that reflects the needs and obligations of the Foundation.

The proposed restricted and unrestricted budget is projected to generate a surplus of \$13.7 million based upon budgeted revenues of \$79.4 million and budgeted expenditures of \$65.7 million.

The proposed unrestricted operating revenues of \$56.3 million offset by the expenditures of \$54.4 million generate a net surplus of \$1,907,400. The proposed operating budgeted revenues are projected to increase \$2,139,278 or 3.9% over the current year forecast mainly due to Dining Services and University Village offset by Investments and Bookstore. In arriving at this surplus, management recommends the following:

- Allow for a 5.00% increase in the meal plans and assume the same number of residents on the meal plans;
- Allow for a 5% increase in license fee rates at University Village and assume academic year and summer occupancy of 95% and 30% respectively;

- Foundation has three different pension formulas (or “Plan”) for its employees including the 2%@55 Plan, 2%@60 Plan, and the 2%@62 Plan. The employee’s hire date determines which Plan is applicable for an employee along with their status as a “benefited employee”. Foundation and its benefited employees both contribute to their respective pension Plan. The rates paid by employees are 5%, 7%, and 6.25% respectively, and the weighted average rate for all three Plans paid by Foundation is 9.2% of total payroll for benefited employees. All three pension Plans are in their respective Risk Pool with CalPERS.
- Changes to salary grades were approved in November with an effective date of July 1, 2014 and a 3% or approximately \$200,000 wage adjustment; and
- Contribute \$1.0 million to the VEBA Trust and assume 7.5% or \$614,273 as the benefit cost for the postretirement health care plan per actuarial studies

The proposed debt service coverage beginning with the net surplus and adding back the designated gifts, depreciation and interest generates a proposed coverage of 4.35 and forecasted coverage of 4.32. The proposed budget and forecast meets the CSU requirements for additional bond issuance of 1.25 though the Foundation’s currently does not have any proposed capital projects that require additional bond financing.

The proposed unrestricted operating, non-cash transactions including depreciation, financing and uses of reserves as reported in the Summary of Sources of Cash, generates \$8.8 million from the following activities:

• Operating surplus	\$ 3,684,509
• Designated Gifts to the University	(1,777,109)
• Non-cash depreciation and amortization	4,528,476
• Non-cash retirement medical	614,273
• Financing	300,000
• Reserves	<u>1,452,900</u>
• Total cash generated	\$ <u>8,803,049</u>

The proposed unrestricted uses of cash of \$7.7 million are for the following activities:

• Capital improvement requests	\$ 3,297,400
• Capital improvement carry forward	1,066,636
• Principle bond payments	820,000
• Contributions to reserves	<u>2,516,362</u>
• Total cash used	\$ <u>7,700,398</u>

The proposed capital budget request of \$3.3 million is for Kellogg West Conference Center, Dining Services, Village Housing, Real Estate, Agriculture-Aid-To-Instruction, Administration and Bookstore.

**General Activities** – include administration, real estate and investments are projected to generate a surplus of \$740,608 versus a forecasted surplus of \$1,308,411 mainly due to projected return on investments. **Administration** revenues are comprised of fees and are budgeted to increase 5.7% or \$226,629 mainly due to increased revenues from Dining Services and University Village. Administration is proposing to generate a deficit of (\$810,470) versus a forecasted deficit of (\$715,844) and includes the Foundation’s obligation for the

retirees medical benefit premiums of \$522,348, and \$497,472 in the proposed budget and forecast respectively.

Administration is requesting capital of \$239,500 for the following; KRONOS payroll consultant, employee communication system, check folding machine, document library, SAN storage expansion, mobile device lab, VDI hardware/software, OneSolution endowment/budget development, Big Data licensing and consulting services, Windows 8 pilot testing, VM hardware refresh, E-cart and network switch upgrades. Carryover funding from prior years is \$15,000 for security log monitoring software.

**Real Estate** includes development, building rental and faculty staff housing and is projecting to generate a surplus of \$403,387 versus the forecast of \$317,944. The Real Estate Division is requesting capital of \$253,000 for HVAC EMS system and tenant improvements in CTTi building # C. lighting retrofit and paint 1<sup>st</sup> floor and atrium in building 66 and an environmental impact report and ALTA survey for Spadra Farm.

**General Investments** are budgeted to generate a surplus of \$1,147,691 versus a forecasted surplus of \$1,765,311 assuming an annualized return of 4% and an additional \$2.0 million in contributions to the portfolio the value will be \$42.1 million by June 2015.

**Endowment Investments, Distribution and Donations** - Investments are budgeted to generate a surplus of \$4,534,197 versus a forecasted surplus of \$6,763,928. We assumed an annual return of 5.9% on equity and real assets. Dividends and interest are forecasted and proposed to return 1.3% and 3.6% respectively. Total investment fees are forecasted and proposed to be 0.38 basis points. We budgeted a 4.9% or \$4.1 million endowment earnings distribution in September 2014. Endowment donations are projected to be \$9.0 million and include the \$8.0 million from the Kellogg Foundation's pledge payment resulting in a projected endowment portfolio of \$93.3 million by June 2015.

**Bookstore** - The state of the economy and the competitive pressures on course materials will again affected Bronco Bookstore with a budgeted decrease in revenues of 4.4% or \$438,778 generating a proposed surplus of \$285,881 or 3.0%. The bronco bookstore is on target for and expects to meet the forecasted net revenue.

Sales in general merchandise categories continue slow steady growth with the exception of computer hardware. The 75th Anniversary provided additional demand for CPP clothing and opportunities for sales events.

Computer hardware dropped compared to the previous year by approximately 40% due to most institutional PC sales no longer coming through the Bookstore. The impact on the bottom line is minimized by traditionally small margins in this category.

Bookstore demand for course materials seems to have flattened out but overall revenue is down slightly for various reasons including: Lower overall prices, increased rentals, and a small increase in digital materials. Demand for digital materials has not yet reached a significant portion of overall course material sales. We do not expect and have not forecasted for any significant budget fluctuations for the 2014-2015 fiscal year. GM sales should continue to increase and the overall cost of course materials should continue to drop slightly. Increased margin and more competitive pricing should be possible with alternative sourcing for course materials.

Rearranging parts of the textbook sales area and moving additional technical supplies upstairs, as well as reconfiguring customer service area, may create additional sales floor space for new apparel/soft goods lines. Changes in Programs and Services for the proposed year will include the 1<sup>st</sup> full year of Verizon phone sales.

Bookstore capital request is \$110,000 for customer service refresh, elevator replacement, PCI compliance hardware and license.

**Dining Services** - With the following new features and venues we are projecting sales to come in at just over \$17.5 million, an increase of \$1.1 million or 7.3% over forecast and generate a surplus of \$466,920 or 2.6% with a 5% increase in Board rates proposed. The upcoming Fiscal year we will be challenged with managing our food and labor costs. With the California drought and significant minimum wage increases, managing the middle of the page will be critical, particularly with our retail saturation of the current market. On a positive note, forecasted enrollment increases will help our retail operations grow their sales.

Labor costs are budgeted to increase by 7.2% to forecast driven by the minimum wage increase, the implementation of a late night dining option at Los Olivos, and the proposed addition of 3 full-time benefitted positions as follows:

- Addition of Jamba Juice Manager

- Provisions for a Brewery-Cafe Manager (PM)

- Filling the vacated position of Associate Director of Dining Services with an Assistant Director position- University Housing Operations

We are budgeting conservatively at the new Jamba Juice operation at the BRIC with \$300k in revenue and zero net income. Shop24 at the University Village is not performing as expected. We believe a rework of the offering this March will enhance the revenue generated by this unit. We are projecting a 50% increase in revenue at CTTI from \$100k forecast to \$150k budgeted with the implementation of Innovation Brew Works at the existing cafe. Some modifications to the menu offering will be needed to better reflect this atmosphere.

Changes in Programs and Services will include the following:

Los Olivos: We are continuing with upgrades to Los Olivos, and have proposed a Late Night Dining option for this location. This would allow students to utilize the Los Olivos facility as a study hall or hang-out. Grill food and Pizza will be available.

Bronco Student Center: We will watch the effect of the new Jamba Juice smoothie program on our existing smoothie program at BSC (Freshen's). The conversion of the BSC's gym to a seating area may provide some opportunities. Kikka's and Panda's contracts are also up for renewal, as is Round Table Pizza

Center for Training Technology & Innovation: Innovation Brew Works- will need to adjust the current menu offering to reflect the new atmosphere.

Building 9 lobby (Engineering): development of a coffee Kiosk in the building 9 lobby (Engineering)

Dining Service's capital budget request of \$889,900 includes the following:

- \$82,000 – Dining - POS upgrade, COGNOS report project, meal plan consultant, cameras in CCMP, CLA, ENV & CTTi, paint floors in Bldg # 97;
- \$25,000 – Engineering coffee concept - infrastructure, utilities, data, POS, tables, umbrellas, equipment and cart;
- \$80,000 – Pony Express at CCMP – pastry case, counter tops refurbished at International Grounds and Pony Express, food warmers and new service area for C-store;
- \$96,900 – Los Olivos – replace interior and exterior doors, add fryer to Mexican station, replace convention oven and fryer bank at grill and make up table and frozen yogurt machine; (funded by Residential Board Meal Program Surplus Reserve)
- \$58,000 – Kellogg West Dining – small van, paint main kitchen, sheer curtain from ballroom, update kitchen bathrooms and lockers for staff, replace wing doors and ballroom sound system;
- \$343,000 – Jamba Juice in BRIC – build out, small wares, POS and signage; and
- \$205,000 – Innovation Brew Works – upgrades to Café kitchen for pub menu, tables, shuffleboard, furniture and decor.

**Kellogg West Conference Center & Lodge** - The proposed budgeted revenues are projected to increase by 7.8% or \$104,801 resulting in a surplus of \$23,949 versus a forecasted deficit of \$41,258. No significant changes in programs and services are proposed at this time. For 2014-15 there are no changes planned in Staffing.

Kellogg West meeting/conference demand and revenues will increase slightly in 2014-15 with a continued demand for more affordable facilities that offer the "service" meeting planners expect. As with the past several years, Kellogg West continues to see returning clients who are still faced with budget constraints and who are still seeking out affordable alternatives, such as Kellogg West, for small to medium size meetings.

Along those same lines Kellogg West is also seeing a much more competitive market place - especially from upper-end, up-scale properties who are still trying to "hold on to the business" or in many cases bring it back no matter what the costs.

SCE continues to book meetings at Kellogg West however, both, the number of meetings as well as the amount spent for those meetings has been significantly scaled back since they first came to campus. In addition to having scaled back, an increasing number of their meetings are now being held at other venues close to campus and in and around Pomona as well as a couple of other and nearby local areas.

Controllable Expenses as well as Labor Expenses for 2014-15 continue to be tightly controlled and the financial "bottom line" is still the focus.

Kellogg West has been forced to slightly increase some areas of pricing where costs have greatly increased however we remain committed to continue being "affordable" and competitive in a market that has a great deal of many and newer hospitality alternatives who (as stated above) have really cut-back on their meeting rates.

Kellogg West Conference Center and Lodge is requesting capital funds of \$1.0 million for Phase II replacement of Main Conference Center & Hillside HVAC units, exterior upgrades to Main Conference Center Bldg. # 76, Hillside, Bldg # 78, Woodvue Bldg # 78-B and Conference chairs.

**University Village** – The proposed revenues are projected to increase by 9.5% or \$836,477 resulting in a surplus of \$1,581,600 versus a forecasted surplus of \$998,709. We believe this is a "good" budget allowing for a necessary 5% increase in license fee rates in all Phases while preserving an economic "first rate" quality of life offered to our customers. Student occupancy "drives" the development of this budget. As a result of our overall success in employing a 95% academic year occupancy guide, we've decided to once again base our "bottom line" and revenue projections on this percentage. In light of the continued evolution" of the summer "mission" of the University, we've maintained our expectations of summer occupancy at 30% of available bed spaces with a proposed "special" reduced "summer rate" for students living in the open buildings. There are no additions to staffing however 3 positions will be advanced from 80% benefitted to 100% benefitted employees. We've also decided in 2014-2015 to continue to provide our students full use of an "open" laundry room by including a \$10 monthly fee as part of their license fees. We'll also still provide apt. cleaning, and on-going restoration and refurbishment of apartment furniture and fixtures while stressing economic efficiency and sustainability.

In 2014-2015 we plan on continuing to develop computer support services for all Village students through the enhancement of the Village help desk located in the Recreation Center. Staffed by the Technology Manager and trained assistants, the Tech CTR provides customer support with service issues, diagnostics, light repair, loading of antivirus and other software. Students will be able to print copies on a centralized commercial printer. The Help Desk (in partnership with MIS) will centrally manage all student and office related computer hardware, and software maintenance issues, outages etc. and will run skill building work shops for all members of the community. Additional services will be added (academic and computer related supplies). The new Community Dev. Program will have two full time professional staff members dedicated to the development of student leaders, student governance, programming, sustainability initiatives, campus involvement and student advocacy. The positions, CDS and Assist. Dir. for Leadership Development, are an expansion of existing positions. Additional student staff have also been added to this area focusing on Wellness programming, special interest housing and leadership development.

This fiscal year, we propose the closing of Phase I for the summer months to allow for painting, cleaning, and general repairs. In light of our occupancy, all buildings are closed for the summer except 105 (conferences), 115 and 125. We'll continue to enhance all existing and recently added services for our students including the Tech. Center, laundry room and a new food purchasing option called Shop 24, refurbishment of the pool, an academic theme building (105), another enlargement of the student study/computer center and a reemphasis on community sustainability. We've restored some funding for professional staff hiring, development and related travel. A consultant will be visiting the Foundation/Village to research and develop a summer housing/conferences plan.

Capital projects are projected to cost \$565,000 and reflect a focus on the "practical and necessary" in order to ensure essential services and customer appeal. We continue to maintain, upgrade and "extend the life" of our "aging" facilities.

1. Deck Repair in all Phases.
2. Painting/Refurbishing of Phase I.
3. Bathroom Vanity Replacement in Phases I and II.
4. Enlarge and Build Group Meeting Room Space/Study Room Space in the Community Center.



5. Computer Replacement in All Offices.
6. Media/Smart Technology Enhancement in Rec. Center
7. Toilet Replacement/Water Saving Units - Installation in Phases I and II.
8. Carpet Replacement in Various Apartments.
9. Replacement Water Heaters for Phases I and II.

**Continuing Education** - includes non-credit programs from the College of the Extended University, the College of Engineering and the College of Science and is projecting to generate a surplus of \$478,555 versus a forecasted surplus of \$463,592 on revenues of \$4.4 million, an increase of \$452,640 or 11.5% over forecasted revenues.

**College of the Extended University** – proposed budget consists of sixteen programs and an administrative project and is projecting to generate a surplus of \$471,696 versus a forecasted surplus of \$454,492 on revenues of \$4.3 million, an increase of \$452,640 or 12% over the current year forecasted revenues.

The 2014-15 budget reflects an anticipated resumption of growth based on conservative projections for potential new, expanded and revitalized programs and offerings. Net revenue will be impacted by the cost of developing new programs to replace many of CEU's existing programs with (declining) health and viability; completing implementation of the Jenzabar system; and continued investment in CPELI for additional staff and technology to catch up with the rapid growth experienced this year and last year.

Growth of CPELI is expected to continue, especially as we hope to augment growth in its standard programs with a new Academic Studies Program (ASP). ASP combines English language study in CPELI with academic classes offered through CEU's Open University program, thus providing individual international students with the opportunity to experience actual CPP courses and gain academic credit without requiring formal admission to the University. Partnerships with the College of Engineering and the College of Business Administration, and with the College of Letters, Arts and Social Sciences allow for student cohorts to gain credit for either specific general education sequences or for preparation for master's programs in business administration or engineering. We anticipate that ASP will be a very attractive offering in the international marketplace.

Additional positions are included in the proposed 2014-15 budget plan. One of these is for a much-needed Associate Director of CPELI, with both the need and the funding being generated by CPELI's unprecedented growth. A second position reflects a (hoped-for successful) transitioning of CEU's marketing supervisor position from the State to the Foundation side. Other positions are for adding four instructors to benefitted positions to meet the needs of our CPELI growth. Also, as profitability permits, new program developer/manager positions will be requested in conjunction with growth in the numbers and sizes of programs.

The CEU capital budget request is unknown at this time since the campus plan is still not finalized, and the amount will be determined by whether the new location will require moving existing buildings, new construction, or perhaps a combination of existing plus new.

**College of Engineering** – proposed budget consists of a Civil Engineering Review program and an Administrative project and is projecting to generate a surplus of \$4,476 versus a forecasted surplus of \$4,476 on revenues of \$28,140 for two civil engineering review courses in the fall and spring and funds will be expended in the proposed budget for equipment in

exchange for rent of the facility in the administrative project to support the College of Engineering.

**College of Science** – proposed budget consists of an Agilent software training program and is projecting to generate a surplus of \$2,382 versus a forecasted surplus of \$16,333 on revenues of \$14,602 versus forecasted revenues of \$29,204.

**Agricultural Programs** – proposed budget consists of eleven projects and is projecting to generate a surplus of \$61,992 versus a forecasted surplus of \$140,934 on revenues of \$3.5 million, an increase of \$279,552 or 8.76% over the current year forecasted revenues mainly due to the Farm Store and Arabian Horse Center. No major changes in staffing are anticipated throughout all of the Agricultural Programs assuming Academic Affairs approves a Meat Lab Manager on the University side.

#### Arabian Horse Center

The proposed budget includes an increase in the revenue from horse sales that generates a proposed deficit of \$3,538 versus a forecasted deficit of \$2,930. In addition, the savings noted in some expense accounts has also contributed positively to our budget for this fiscal year. Our expense projections were very much in line with the actual costs. Reimbursement revenues available were greater than anticipated and this has allowed us to meet our budgetary expectations.

During this budget year, we have added a student riding instructor. This has allowed us to enhance and expand our student riding activities and improve our safety supervision at Arabian Horse Center. This has resulted in a greatly enhanced student experience, and improvement in our Sunday shows, and an overall improvement in the quality of the student writing programs at the Center. In addition, the Center has hired a part-time person to assist in marketing the Centers many attributes to the public. This has allowed us to open a gift shop, increase the attendance at our Sunday shows and generally increase the overall awareness of the Arabian Horse Center in the public arena. The addition of this position has also allowed us to advance development of our New website and improve our marketing in the Arabian Horse Industry.

#### Animal Veterinary Science Farm

We project an overall positive balance over the five programs of \$36,743 versus a forecast of \$24,136. This will depend on approval of meat lab manager position and if foundation will be responsible for covering salary costs not previously responsible for. This factor alone may cause net income to decrease by upwards of \$20,000.

#### Plant Sciences

The estimate for 14/15 is very conservative considering the proposed additional \$200,000 in gross income that generates a proposed budget of \$28,787 versus a forecast of \$119,728. Listed below are potential concerns and impacts for the proposed year and the short term years to come:

- Upgrades to the Farm Store. A donor has given \$275,000 to make some minor upgrades and improvements to the store after the first 13 years of operations. Enough funding is there to improve traffic flow, point of sale, and provide a deli counter, but beyond that, major coolers, refrigeration units and freezers must be replaced in the years to come.
- Water. As of the date of this writing, we are facing a cut of over 60% in irrigation water in the short term on the Kellogg Ranch. This will begin to impact pastures for the animal units in 3-4

weeks, and ruin the aesthetics of the area. Future supplies taken by Forest Lawn will impact the way we operate in the future.

- Can the farm continue to supply all of the produce the Farm Store needs and desires? Currently, 5 full time staff positions can directly be tied to the operations of the Farm Store. Three of these positions plant, culture, care for, irrigate, harvest, and deliver fresh produce for the store and associated farmer's markets. Without fresh produce on a consistent, regular basis, the store may be doomed to failure.
- Additional manager for the Farm Store. We have been reluctant to hire an assistant manager for the Farm Store, due to our thin profit margin. • New thoughts, ideas, and merchandising for the store must come to the forefront, rather than the store becoming the "same old thing" for customers. A good customer survey may help in the future.
- Finalization of the agreement with the California Department of Corrections and Rehabilitation (CDCR) for Westwind Ranch. Currently this agreement rides on a handshake, which could be taken away at a moment's notice. This ranch is the key to profitability for the long run of this business plan. Without the cash it generates, our gross income would fall overnight by 45%.

Agricultural Aid-to-Instruction Capital Budget Request Include the following;

The Pine Tree Ranch request is \$75,000 for repairs to the small well; painting the interior and exterior of Building #28 Fruit and Crops Unit for \$90,000; and replacement of aluminum irrigation mainlines with Yellowmine PVC pipe for \$75,000.

**Research Office** – Research and Sponsored Programs consists of two projects. The Office of Research and Sponsored Programs proposed budget is projecting to generate a surplus of \$230,927 versus a forecasted surplus of \$192,836 that will be distributed to the Division of Academic Affairs through the Indirect Surplus project that is generating a corresponding proposed budgeted deficit of \$185,923 and forecasted deficit of \$147,234 to allow for a proposed budgeted surplus of \$45,004. This surplus is used to fund the patent reserve for \$20,000 and the balance of \$25,000 maybe used to fund the Indirect Cost Disallowance Reserve in future years.

2014-15 revenues are forecasted to continue to be at about the same or slightly below last year's level and continue to reflect overall flat to declining rates of expenditures on current awards. Revenues continue to be negatively impacted by national developments. New CPP proposals addressing these changes are being developed for upcoming 2014-15 competitions.

At the same time, major, prestigious proposals were successfully won by CPP: for example, NSF awarded a grant for nearly \$8 million --the largest ever received by campus -- to Cal Poly Pomona for improvement of teaching and learning of science, from kindergarten to graduate school. It was one of only four such grants made by NSF, nationwide.

ORSP is continuing to build a strong pre-award Team. For 2014-15, reimbursement to the University for all salary and fringe benefit costs to continue funding one Associate-level position ("Sponsored Contract Associate") is included. Costs for all prior full-time positions are increased 3%.

ORSP implemented a new form and process to strengthen development of collaborative grants involving "sub-recipients," where CPP is the prime grant applicant and works with partners who will receive sub-awards of funds from the main award. In addition, ORSP revised its proposal routing/approval form to highlight Intellectual Property (IP) opportunities under new grants/contracts and link Principal Investigators with the new Tech Transfer Office as soon as

possible. Finally, updates to IP clauses and forms were completed to strengthen/clarify IP terms and conditions for the University's sponsored programs.

**Board Designated Gifts** – for the benefit of the University is projected to increase 8.8% or \$144,432 to \$1.8 million for the President's public relations, University Advancement's outreach, communications and University-wide events to our alumni, friends and donors and Office of Research and Graduate Studies for a program designed to increase grant and contract activity to strengthen the training of teacher-scholars. This year's increase includes retirement events and welcome reception for new President, semester conversion retreats and meetings, innovation and entrepreneurship program, additional support for athletics, student outreach and donations, outreach, cultivation, development and stewardship initiatives along with internal and external communication for Advancement.

**Unrestricted Foundation Programs** – Revenues and expenditures of \$794,856 are projected to remain the same as the forecast and breakeven.

**Restricted Foundation Programs** - Revenues are budgeted to be \$8.8 million and expenditures \$6.3 million generating a surplus of \$2.5 million in line with forecast.

**CAL POLY POMONA FOUNDATION, INC.**  
**2014-15 PROPOSED BUDGET**  
**SUMMARY OF SOURCES AND USES OF FUNDS**

	Revised 2013-2014 BUDGET	2013-2014 FORECAST	2014-2015 PROPOSED BUDGET
<b>SOURCES OF CASH</b>			
SURPLUS (DEFICIT)			
Administration	(1,011,065)	(774,844)	(810,470)
Real Estate	391,213	317,944	403,387
Investments	453,381	1,765,311	1,147,691
Bookstores	312,216	297,678	285,881
Dining Services	422,780	627,786	466,920
Kellogg West Conference Center	4,098	(41,258)	23,949
University Village	1,412,915	998,709	1,581,600
Supplementary Programs	1,034,904	650,128	585,551
TOTAL OPERATING SURPLUS (DEFICIT)	<u>3,020,442</u>	<u>3,841,454</u>	<u>3,684,509</u>
Designated Gifts	(1,667,190)	(1,632,677)	(1,777,109)
NET OPERATING SURPLUS (DEFICIT)	<u>1,353,252</u>	<u>2,208,777</u>	<u>1,907,400</u>
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,996,802	4,184,366	4,528,476
Post Retiree Medical Benefits - See Note 1	1,025,290	672,582	614,273
TOTAL CASH GENERATED BY OPERATIONS	<u>6,375,344</u>	<u>7,065,725</u>	<u>7,050,149</u>
FINANCING			
Repayment of principal loan to ENV for Model Studio	27,964	191,412	-
Alternative Investments - Innovation Village Infrastructure Ph I	300,000	300,000	300,000
TOTAL SOURCES OF FINANCING	<u>327,964</u>	<u>491,412</u>	<u>300,000</u>
RESERVES			
Capital Reserve	1,309,000	1,309,000	1,356,000
Residential Board Meal Program Surplus Reserve	229,000	229,000	96,900
TOTAL SOURCES FROM RESERVES	<u>1,538,000</u>	<u>1,538,000</u>	<u>1,452,900</u>
<b>TOTAL SOURCES OF CASH</b>	<b><u>8,241,308</u></b>	<b><u>9,095,137</u></b>	<b><u>8,803,049</u></b>
<b>USES OF CASH</b>			
CAPITAL EXPENDITURES			
University Village	696,000	685,000	565,000
Bookstore	40,000	40,000	110,000
Dining Services	1,138,500	880,537	889,900
Kellogg West	1,000,000	1,000,000	1,000,000
Real Estate	623,000	598,675	253,000
Agricultural Units	726,000	250,000	240,000
Continuing Education	370,000	50,000	-
Administration	304,200	251,700	239,500
Prior Year Carryover	-	-	1,066,636
TOTAL CAPITAL EXPENDITURES	<u>4,897,700</u>	<u>3,755,912</u>	<u>4,364,036</u>
FINANCING			
University Village Bond payment - 2005A & B	595,000	595,000	625,000
CTTi Bond payment - 2007	185,000	185,000	195,000
TOTAL USES OF FINANCING	<u>780,000</u>	<u>780,000</u>	<u>820,000</u>
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus	31,545	60,752	33,098
Cafeteria State Share Reserve	-	-	-
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	771,814	786,939	813,948
Emergency Reserve	-	-	-
Indirect Cost Disallowance Reserve	-	-	-
Innovation Village Demo Reserve	8,130	7,376	8,221
Insurance Reserve	109,109	60,934	39,796
Pine Tree Ranch Reserve @ 50% net Annual Surplus	9,607	16,752	998
Post Retiree Medical Benefits Trust - see Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Residential Board Meal Program Surplus Reserve excess 7%	110,653	423,247	135,188
Venture Capital/Real Estate Reserve @ 1.0% of Gross Rev.	441,037	449,679	465,113
TOTAL RESERVE CONTRIBUTIONS	<u>2,501,895</u>	<u>2,825,679</u>	<u>2,516,362</u>
<b>TOTAL USES OF CASH</b>	<b><u>8,179,595</u></b>	<b><u>7,361,591</u></b>	<b><u>7,700,398</u></b>
<b>NET SOURCES &amp; (USES) OF CASH</b>	<b><u>61,713</u></b>	<b><u>1,733,546</u></b>	<b><u>1,102,651</u></b>
<b>BEGINNING OF THE YEAR WORKING CAPITAL LESS CONTINGENCY</b>		<b><u>6,473,213</u></b>	<b><u>8,206,759</u></b>
<b>NET WORKING CAPITAL AVAILABLE END OF YEAR - Note 2</b>		<b><u>8,206,759</u></b>	<b><u>9,309,410</u></b>
<b>Minimal Two Months Working Capital Reserve Required</b>		<b><u>6,073,898</u></b>	<b><u>6,351,166</u></b>

**CAL POLY POMONA FOUNDATION, INC.  
SOURCES/(USES) AND WORKING CAPITAL**

	Balance as of 6/30/2013	Forecast Fiscal 13/14	Proposed Budgeted 14/15	Net End of 6/30/2015	Goal
<b>Sources of Funds:</b>					
Fund Balance (Unrestricted)	39,153,897	2,208,777	1,907,400	43,270,074	
Current & Long term debt					
University Village Series 2005	24,985,000	(595,000)	(625,000)	23,765,000	
CTTI Bonds Series 2007	2,970,000	(185,000)	(195,000)	2,590,000	
Excess of Accounts Receivable over Accounts Payable	2,143,639			2,143,639	
Post Retiree Medical Benefits - Note 1	1,230,456	672,582	614,273	2,517,311	2,517,311
<b>Total Available</b>	<b>70,482,992</b>	<b>2,101,359</b>	<b>1,701,673</b>	<b>74,286,024</b>	
<b>Uses of Funds</b>					
Investment in fixed assets	96,451,752	3,755,912	4,364,036	104,571,700	
Depreciation	(41,792,891)	(4,184,366)	(4,528,476)	(50,505,733)	
Inventory	1,823,384			1,823,384	
<b>Reserves :</b>					
Board Designated Reserves					
Agriculture Program Reserve	75,000	60,752	33,098	168,850	75,000
Cafeteria State Share Reserve	182,062			182,062	
Capital Reserve	3,792,023	(522,061)	(542,052)	2,727,910	6,000,000
Emergency Reserve	120,152			120,152	
Indirect Cost Dissallowance Reserve	346,406			346,406	346,406
Innovation Village Demo Reserve	46,487	7,376	8,221	62,084	
Insurance Reserve	161,210	60,934	39,796	261,940	
Pine Tree Ranch Reserve	140,886	16,752	998	158,636	75,000
Auxiliaries Multiple Employer VEBA Trust - Note 1		1,000,000	1,000,000	2,000,000	
Research & Sponsored Programs	90,369	20,000	20,000	130,369	
Residential Board Meal Program Surplus Res	1,354,002	194,247	38,288	1,586,537	
Venture Capital/Real Estate Reserve	921,074	449,679	465,113	1,835,866	6,000,000
Other	106,451			106,451	
<b>LOANS:</b>					
Loan to College of ENV for modular building shop	191,412	(191,412)	0	0	
Alternative Investments - Innovation Village Infrastructure Ph I		(300,000)	(300,000)	(600,000)	
<b>Total Uses</b>	<b>64,009,779</b>	<b>367,813</b>	<b>599,022</b>	<b>64,976,614</b>	
<b>Available for Working Capital</b>	<b>6,473,213</b>	<b>1,733,546</b>	<b>1,102,651</b>	<b>9,309,410</b>	
<b>Net Working Capital - Note 2</b>	<b>6,473,213</b>	<b>8,206,759</b>	<b>9,309,410</b>	<b>9,309,410</b>	
<b>Minimal Two Months Working Capital Reserve Required</b>	<b>5,228,739</b>	<b>6,073,898</b>	<b>6,351,166</b>	<b>6,351,166</b>	

Note 1 - Forecast and Proposed Budget includes funding of \$1.0 million each year; the Post Retirement Med Benefit is not considered a Use of Cash

Note 2 - Net Working Capital does not include cash advances for Sponsored Programs per policy # 172

CAL POLY POMONA FOUNDATION, INC.  
 PROPOSED BUDGET  
 SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR	REVENUE			EXPENSES			NET SURPLUS/(DEFICIT)		
	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2013-2014	2013-2014	2014-2015	2013-2014	2013-2014	2014-2015	2013-2014	2013-2014	2014-2015
<b>GENERAL ACTIVITIES:</b>									
ADMINISTRATION	3,905,179	3,991,775	4,218,404	4,916,244	4,766,619	5,028,874	(1,011,065)	(774,844)	(810,470)
REAL ESTATE	3,025,784	2,737,863	2,807,587	2,634,571	2,419,919	2,404,200	391,213	317,944	403,387
INVESTMENTS	502,900	1,824,101	1,226,246	49,519	58,790	78,555	453,381	1,765,311	1,147,691
<b>TOTAL GENERAL ACTIVITIES</b>	<b>7,433,863</b>	<b>8,553,739</b>	<b>8,252,237</b>	<b>7,600,334</b>	<b>7,245,328</b>	<b>7,511,629</b>	<b>(166,471)</b>	<b>1,308,411</b>	<b>740,608</b>
<b>ENTERPRISE ACTIVITIES:</b>									
<b>Bookstore</b>									
BRONCO BOOKSTORE	10,395,560	9,926,778	9,488,000	10,083,344	9,629,100	9,202,119	312,216	297,678	285,881
<b>Total Bookstore</b>	<b>10,395,560</b>	<b>9,926,778</b>	<b>9,488,000</b>	<b>10,083,344</b>	<b>9,629,100</b>	<b>9,202,119</b>	<b>312,216</b>	<b>297,678</b>	<b>285,881</b>
<b>Dining Services</b>									
FOUNDATION MAINTENANCE	0	0	0	1	50	6	(1)	(50)	(6)
POLY TROLLEY	295,000	265,000	293,000	290,051	349,755	308,106	4,949	(84,755)	(15,106)
FRESH ESCAPES	94,454	95,000	94,454	84,077	85,428	85,214	10,377	9,572	9,240
CARL'S JR.	455,596	466,986	477,962	384,284	383,286	404,102	71,312	83,700	73,860
PONY EXPRESS - CCMP	568,625	594,086	633,075	455,821	455,377	515,758	112,804	138,709	117,317
PONY EXPRESS - CLA	195,725	197,700	200,425	180,396	175,352	176,728	15,329	22,348	23,697
CTTI CAFÉ	111,317	110,378	340,454	159,000	152,281	337,256	(47,683)	(41,903)	3,198
POLY FRESH	410,004	440,000	410,002	366,398	379,106	350,010	43,606	60,894	59,992
PONY EXPRESS - ENV	51,460	52,150	57,460	48,429	45,520	50,013	3,031	6,630	7,447
ENG COFFEE SHOP	0	0	74,859	0	0	75,008	0	0	(149)
STARBUCKS COFFEE	882,050	915,011	925,800	790,936	865,225	877,962	91,114	49,786	47,838
PANDA EXPRESS	127,700	111,000	114,999	13,008	8,088	7,848	114,692	102,912	107,151
KIKKA SUSHI	75,268	66,000	67,299	39,658	32,613	29,282	35,610	33,387	38,017
LOS OLIVOS	4,831,575	4,942,215	5,142,797	4,431,024	4,222,435	4,699,041	400,551	719,780	443,756
VISTA CAFÉ	1,268,483	1,416,930	1,423,767	1,237,586	1,350,663	1,354,897	30,897	66,267	68,870
DENNYS	821,835	858,674	884,255	823,842	896,170	855,903	(2,007)	(37,496)	28,352
VENDING	298,220	120,600	217,197	250,593	92,011	189,587	47,627	28,589	27,610
QDOBA	619,000	615,000	645,050	522,634	525,453	566,627	96,366	89,547	78,423
JAMBA JUICE	0	0	300,000	0	0	302,953	0	0	(2,953)
SUBWAY	831,860	875,000	870,000	720,328	750,507	758,702	111,532	124,493	111,298
ROUND TABLE	372,403	370,000	374,951	297,858	307,998	317,633	74,545	62,002	57,318
DINING ADMINISTRATION	0	0	0	999,122	1,040,758	1,033,169	(999,122)	(1,040,758)	(1,033,169)
EINSTEIN'S BAGELS	349,500	380,000	386,500	342,878	374,192	381,203	6,622	5,808	5,297
PONY EXPRESS AT CBA	1,012,144	980,000	980,000	777,166	728,729	764,021	234,978	251,271	215,979
FRESHENS/PURA VIDA	202,000	205,000	185,002	194,823	190,525	182,908	7,177	14,475	2,094
TACO BELL	261,648	248,566	260,000	217,520	217,597	231,575	44,128	30,969	28,425
BRONCO BUCKS CARD OFFICE	144,516	144,516	167,903	144,520	143,172	165,800	(4)	1,344	2,103
SCE LOBBY SHOP	84,755	79,781	84,085	74,957	68,261	73,025	9,798	11,520	11,060
KW - CATERING/CONF. FOODS	1,762,355	1,809,684	1,941,994	1,857,803	1,890,939	1,992,033	(95,448)	(81,255)	(50,039)
<b>Total Dining Services</b>	<b>16,127,493</b>	<b>16,359,277</b>	<b>17,553,290</b>	<b>15,704,713</b>	<b>15,731,491</b>	<b>17,086,370</b>	<b>422,780</b>	<b>627,786</b>	<b>466,920</b>
<b>K.W. Conference Ctr. &amp; Lodge</b>	<b>1,547,482</b>	<b>1,347,818</b>	<b>1,452,619</b>	<b>1,543,384</b>	<b>1,389,076</b>	<b>1,428,670</b>	<b>4,098</b>	<b>(41,258)</b>	<b>23,949</b>
<b>University Village</b>	<b>8,599,252</b>	<b>8,766,734</b>	<b>9,603,211</b>	<b>7,186,337</b>	<b>7,768,025</b>	<b>8,021,611</b>	<b>1,412,915</b>	<b>998,709</b>	<b>1,581,600</b>
<b>TOTAL ENTERPRISE ACTIVITIES</b>	<b>36,669,787</b>	<b>36,400,607</b>	<b>38,097,120</b>	<b>34,517,778</b>	<b>34,517,692</b>	<b>35,738,770</b>	<b>2,152,009</b>	<b>1,882,915</b>	<b>2,358,350</b>
<b>TOTAL GENERAL &amp; ENTERPRISE ACTIVITIES</b>	<b>44,103,650</b>	<b>44,954,346</b>	<b>46,349,357</b>	<b>42,118,112</b>	<b>41,763,020</b>	<b>43,250,399</b>	<b>1,985,538</b>	<b>3,191,326</b>	<b>3,098,958</b>

CAL POLY POMONA FOUNDATION, INC. PROPOSED BUDGET SUMMARY STATEMENT OF ACTIVITY FISCAL YEAR	REVENUE			EXPENSES			NET SURPLUS/(DEFICIT)		
	Revised	Current	Proposed	Revised	Current	Proposed	Revised	Current	Proposed
	Budget	Forecast	Budget	Budget	Forecast	Budget	Budget	Forecast	Budget
	2013-2014	2013-2014	2014-2015	2013-2014	2013-2014	2014-2015	2013-2014	2013-2014	2014-2015
DESIGNATED GIFTS - University	0	0	0	1,667,190	1,632,677	1,777,109	(1,667,190)	(1,632,677)	(1,777,109)
<b>SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS</b>	<b>44,103,650</b>	<b>44,954,346</b>	<b>46,349,357</b>	<b>43,785,302</b>	<b>43,395,697</b>	<b>45,027,508</b>	<b>318,348</b>	<b>1,558,649</b>	<b>1,321,849</b>
<b>SUPPLEMENTAL PROGRAMS</b>									
RESEARCH OFFICE	1,360,178	1,276,500	1,288,575	1,314,582	1,230,898	1,243,571	45,596	45,602	45,004
AGRICULTURE UNITS	3,276,681	3,190,659	3,470,211	3,201,133	3,049,725	3,408,219	75,548	140,934	61,992
CONTINUING EDUCATION	3,767,358	3,937,001	4,389,641	2,853,598	3,473,409	3,911,086	913,760	463,592	478,555
UNRESTRICTED FOUNDATION PROGRAMS	793,308	794,856	794,856	793,308	794,856	794,856	0	0	0
<b>TOTAL SUPPLEMENTAL</b>	<b>9,197,525</b>	<b>9,199,016</b>	<b>9,943,283</b>	<b>8,162,621</b>	<b>8,548,888</b>	<b>9,357,732</b>	<b>1,034,904</b>	<b>650,128</b>	<b>585,551</b>
<b>TOTAL SURPLUS (DEFICIT) UNRESTRICTED</b>	<b>53,301,175</b>	<b>54,153,362</b>	<b>56,292,640</b>	<b>51,947,923</b>	<b>51,944,585</b>	<b>54,385,240</b>	<b>1,353,252</b>	<b>2,208,777</b>	<b>1,907,400</b>
<b>RESTRICTED:</b>									
ENDOWMENT/INVESTMENTS	13,747,569	16,789,128	14,355,493	4,262,917	4,019,705	4,983,766	9,484,652	12,769,423	9,371,727
RESTRICTED FOUNDATION PROGRAMS	7,720,596	8,794,238	8,794,236	5,542,224	6,312,944	6,312,936	2,178,372	2,481,294	2,481,300
<b>TOTAL RESTRICTED</b>	<b>21,468,165</b>	<b>25,583,366</b>	<b>23,149,729</b>	<b>9,805,141</b>	<b>10,332,649</b>	<b>11,296,702</b>	<b>11,663,024</b>	<b>15,250,717</b>	<b>11,853,027</b>
<b>TOTAL</b>	<b>74,769,340</b>	<b>79,736,728</b>	<b>79,442,369</b>	<b>61,753,064</b>	<b>62,277,234</b>	<b>65,681,942</b>	<b>13,016,276</b>	<b>17,459,494</b>	<b>13,760,427</b>



CAL POLY POMONA FOUNDATION, INC.  
 PROPOSED BUDGET  
 SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR

DEPRECIATION & AMORTIZATION  
 Revised Current Proposed  
 Budget Forecast Budget

2013-2014 2013-2014 2014-2015

Carryover  
 Revised  
 Budget

2013-2014

CAPITAL REQUESTS  
 Current Prior Proposed  
 Forecast Years Budget

2013-2014 Carryover 2014-2015

NET CASH GENERATED  
 Revised Current Proposed  
 Budget Forecast Budget

2013-2014 2013-2014 2014-2015

GENERAL ACTIVITIES:

ADMINISTRATION	156,852	99,871	150,672	304,200	251,700	37,500	239,500	(1,158,413)	(926,673)	(936,798)
REAL ESTATE INVESTMENTS	1,000,140	966,821	945,312	623,000	598,675	32,000	253,000	768,353	686,090	1,063,699
<b>TOTAL GENERAL ACTIVITIES</b>	<b>1,156,992</b>	<b>1,066,692</b>	<b>1,095,984</b>	<b>927,200</b>	<b>850,375</b>	<b>69,500</b>	<b>492,500</b>	<b>63,321</b>	<b>1,524,728</b>	<b>1,274,592</b>

ENTERPRISE ACTIVITIES:

Bookstore

BRONCO BOOKSTORE	142,176	142,176	150,672	40,000	40,000	0	110,000	414,392	399,854	326,553
<b>Total Bookstore</b>	<b>142,176</b>	<b>142,176</b>	<b>150,672</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>110,000</b>	<b>414,392</b>	<b>399,854</b>	<b>326,553</b>

Dining Services

FOUNDATION MAINTENANCE	3,600	3,600	3,600					3,599	3,550	3,594
POLY TROLLEY	30,000	32,500	33,072					34,949	(52,255)	17,966
FRESH ESCAPES	4,452	4,500	4,452					14,829	14,072	13,692
CARL'S JR.	17,304	18,588	20,244					88,616	102,288	94,104
PONY EXPRESS - CCMP	4,212	5,400	5,400				80,000	117,016	144,109	42,717
PONY EXPRESS - CLA	3,936	4,000	3,936					19,265	26,348	27,633
CTTI CAFÉ	8,400	8,200	12,000	400,000	300,000	100,000	205,000	(439,283)	(333,703)	(289,802)
POLY FRESH	23,880	19,500	17,160					67,486	80,394	77,152
PONY EXPRESS - ENV	400	400	360	5,000	0	5,000	0	(1,569)	7,030	2,807
ENG COFFEE SHOP	0	0	5,000				25,000	0	0	(20,149)
STARBUCKS COFFEE	20,520	14,100	11,304					111,634	63,886	59,142
PANDA EXPRESS	1,152	370	372					115,844	103,282	107,523
KIKKA SUSHI	21,672	18,000	15,672					57,282	51,387	53,689
LOS OLIVOS	100,968	102,812	100,968	229,000	229,000	0	96,900	272,519	593,592	447,824
VISTA CAFÉ	4,020	4,018	4,020	10,600	10,600			24,317	59,685	72,890
DENNYS	5,892	7,800	7,800					3,885	(29,696)	36,152
VENDING	9,996	0	3,996	50,000	22,673	0	0	7,623	5,916	31,606
QDOBA	49,800	40,200	47,232					146,166	129,747	125,655
JAMBA JUICE	0	0	12,580				343,000	0	0	(333,373)
SUBWAY	28,092	23,000	21,012	5,400	5,400			134,224	142,093	132,310
ROUND TABLE	9,300	9,300	9,612	18,000	14,796	3,204	0	65,845	56,506	63,726
DINING ADMINISTRATION	105,948	113,000	113,004	163,500	58,000	76,000	82,000	(1,056,674)	(985,758)	(1,078,165)
EINSTEIN'S BAGELS	32,076	45,048	43,692					38,698	50,856	48,989
PONY EXPRESS AT CBA	22,800	19,370	19,284					257,778	270,641	235,263
FRESHENS/PURA VIDA	22,428	15,607	16,440					29,605	30,082	18,534
TACO BELL	14,616	13,368	15,804	23,000	19,068	3,932	0	35,744	25,269	40,297
BRONCO BUCKS CARD OFFICE								(4)	1,344	2,103
SCE LOBBY SHOP	2,280	2,280	2,280					12,078	13,800	13,340
KW - CATERING/CONF. FOODS	31,493	67,107	61,205	234,000	221,000	13,000	58,000	(297,955)	(235,148)	(59,834)
<b>Total Dining Services</b>	<b>579,237</b>	<b>592,068</b>	<b>611,501</b>	<b>1,138,500</b>	<b>880,537</b>	<b>201,136</b>	<b>889,900</b>	<b>(136,483)</b>	<b>339,317</b>	<b>(12,615)</b>
<b>K.W. Conference Ctr. &amp; Lodge</b>	<b>84,000</b>	<b>56,408</b>	<b>58,105</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>(911,902)</b>	<b>(984,850)</b>	<b>(917,946)</b>
<b>University Village</b>	<b>1,923,120</b>	<b>2,289,642</b>	<b>2,525,748</b>	<b>696,000</b>	<b>685,000</b>	<b>0</b>	<b>565,000</b>	<b>2,640,035</b>	<b>2,603,351</b>	<b>3,542,348</b>
<b>TOTAL ENTERPRISE ACTIVITIES</b>	<b>2,728,533</b>	<b>3,080,294</b>	<b>3,346,026</b>	<b>2,874,500</b>	<b>2,605,537</b>	<b>201,136</b>	<b>2,564,900</b>	<b>2,006,042</b>	<b>2,357,672</b>	<b>2,938,340</b>
<b>TOTAL GENERAL &amp; ENTERPRISE ACTIVITIES</b>	<b>3,885,525</b>	<b>4,146,986</b>	<b>4,442,010</b>	<b>3,801,700</b>	<b>3,455,912</b>	<b>270,636</b>	<b>3,057,400</b>	<b>2,069,363</b>	<b>3,882,400</b>	<b>4,212,932</b>

CAL POLY POMONA FOUNDATION, INC. PROPOSED BUDGET SUMMARY STATEMENT OF ACTIVITY FISCAL YEAR	DEPRECIATION & AMORTIZATION			Carryover	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised	Current	Proposed	Revised	Current	Prior	Proposed	Revised	Current	Proposed
	Budget	Forecast	Budget	Budget	Forecast	Years	Budget	Budget	Forecast	Budget
	2013-2014	2013-2014	2014-2015	2013-2014	2013-2014	Carryover	2014-2015	2013-2014	2013-2014	2014-2015
DESIGNATED GIFTS - University								(1,667,190)	(1,632,677)	(1,777,109)
<b>SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS</b>	<b>3,885,525</b>	<b>4,146,986</b>	<b>4,442,010</b>	<b>3,801,700</b>	<b>3,455,912</b>	<b>270,636</b>	<b>3,057,400</b>	<b>402,173</b>	<b>2,249,723</b>	<b>2,435,823</b>
<b>SUPPLEMENTAL PROGRAMS</b>										
RESEARCH OFFICE								45,596	45,602	45,004
AGRICULTURE UNITS	52,458	29,409	52,242	726,000	250,000	476,000	240,000	(597,994)	(79,657)	(601,766)
CONTINUING EDUCATION	58,819	7,971	34,224	370,000	50,000	320,000	0	602,579	421,563	192,779
UNRESTRICTED FOUNDATION PROGRAMS										
<b>TOTAL SUPPLEMENTAL</b>	<b>111,277</b>	<b>37,380</b>	<b>86,466</b>	<b>1,096,000</b>	<b>300,000</b>	<b>796,000</b>	<b>240,000</b>	<b>50,181</b>	<b>387,508</b>	<b>(363,983)</b>
<b>TOTAL SURPLUS (DEFICIT) UNRESTRICTED</b>	<b>3,996,802</b>	<b>4,184,366</b>	<b>4,528,476</b>	<b>4,897,700</b>	<b>3,755,912</b>	<b>1,066,636</b>	<b>3,297,400</b>	<b>452,354</b>	<b>2,637,231</b>	<b>2,071,840</b>
<b>RESTRICTED:</b>										
ENDOWMENT/INVESTMENTS								9,484,652	12,769,423	9,371,727
RESTRICTED FOUNDATION PROGRAMS								2,178,372	2,481,294	2,481,300
<b>TOTAL RESTRICTED</b>								<b>11,663,024</b>	<b>15,250,717</b>	<b>11,853,027</b>
<b>TOTAL</b>	<b>3,996,802</b>	<b>4,184,366</b>	<b>4,528,476</b>	<b>4,897,700</b>	<b>3,755,912</b>	<b>1,066,636</b>	<b>3,297,400</b>	<b>12,115,378</b>	<b>17,887,948</b>	<b>13,924,867</b>

**Debt Service Coverage  
(Fiscal Year Ended June 30)**

Description	Revised 2013-14	Forecast 2013-14	Proposed Budget 2014-15
Change in unrestricted net assets	\$ 1,353,252	\$ 2,208,777	\$ 1,907,400
Add Back:			
University Designated Expenses	1,667,190	1,632,677	1,777,109
<b>Surplus (Deficit) before Designated Expenses - see Note</b>	<b>\$ 3,020,442</b>	<b>\$ 3,841,454</b>	<b>\$ 3,684,509</b>
Add Back:			
Depreciation and amortization	3,996,802	4,184,366	4,528,476
Interest (see detail below)	1,353,452	1,309,240	1,198,712
<b>Available for Debt Service</b>	<b>\$ 8,370,696</b>	<b>\$ 9,335,060</b>	<b>\$ 9,411,697</b>
Maximum Annual Debt Service *			
2005 Series Bonds	1,829,625	1,829,625	1,829,625
2007 Series Bonds	332,750	332,750	332,750
<b>Total Debt Service</b>	<b>\$ 2,162,375</b>	<b>\$ 2,162,375</b>	<b>\$ 2,162,375</b>
<b>Total Debt Service before Designated Expenses - see Note</b>	<b>3.87</b>	<b>4.32</b>	<b>4.35</b>
<b>Total Debt Service after Designated Expenses</b>	<b>3.10</b>	<b>3.56</b>	<b>3.53</b>

**Note:** Bond covenants require the Foundation to not incur a deficit in any two consecutive years after adding back the designate gifts and a debt coverage ratio of at least 1.25.

\* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds

Interest Detail

2005 Series Bonds - Interest (portion advance refunded 2013)	1,227,600	1,183,390	1,080,528
2007 Series Bonds - Interest	125,852	125,850	118,184
<b>Total Interest Expense</b>	<b>\$ 1,353,452</b>	<b>\$ 1,309,240</b>	<b>\$ 1,198,712</b>

# **CAPITAL BUDGETS**

**CAL POLY POMONA FOUNDATION, INC.  
2014-15 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2014-15	Proposed Total 2014-15	
	<b>Enterprise Activities</b>				
<b>Reserves</b>	<b>Foundation Housing</b>				
	University Village	-	565,000		Painting/refurbishment - Phase 1 (\$230,000), Bathroom vanities - Phases 1 & 2 (\$110,000), Water saving toilet replacement - Phase 1 & 2 (\$40,000), Carpet-various apts (\$30,000), Water heaters (\$25,000), Group meeting/study room-Community center (\$10,000), Media-Smart room in Recreation center (\$20,000), Computer replacement (\$30,000), Deck repair in all phases (\$70,000)
	<b>Total Foundation Housing</b>			<b>565,000</b>	
	<b>Bronco Bookstore</b>				
	Bookstore	-	110,000	<b>110,000</b>	Customer service refresh (\$10,000), Elevator replacement (\$75,000), PCI compliance hardware and license (\$25,000)
	<b>Dining Services</b>				
	Dining	76,000	82,000		POS upgrade (\$15,000), COGNOS project (\$20,000), Meal plan project - consultant fees (\$10,000), Cameras in CCMP, CLA, ENV, CTTI (\$30,000), Bldg 97 - Paint floors (\$7,000)
	Engineering Coffee Concept		25,000		Infrastructure, utilities, data, POS, tables, umbrellas, equipment, cart (\$25,000)
	Pony Express at CCMP		80,000		Pastry case for International Grounds (\$6,500), Counter tops refurbished for International Grounds (\$10,000), Refurbish service counter in Pony Express (\$25,000), Food warmers (\$5,000), New service area for c-store (\$33,500)
	ENV Café	5,000			Tables and chairs for patio with umbrellas
96,900	Los Olivos		96,900		Replace interior doors (\$21,000), Repair exit doors - dining room (\$11,000), Add fryer to Mexican station (\$12,000), Replace convention oven (\$26,000), Replace fryer bank at grill and makeup table (\$7,900), Purchase frozen yogurt machine (\$19,000)
51,000	Kellogg West Dining	13,000	58,000		Small van (\$20,000), Paint main kitchen (\$6,000), Sheer curtain for ballroom (\$10,000), Update kitchen bathrooms (\$5,000), Update lockers for KW staff (\$4,000), Replace wing doors (\$5,000), Ballroom sound system (\$8,000)
	Jamba Juice at BRIC		343,000		Jamba build out (\$325,000), Jamba smallwares, POS, signage (\$18,000)
	Round Table Pizza/Taco Bell	7,136			Install booths/Brand refresh- license fees, prepare for new contract
305,000	Innovation Brew Works	100,000	205,000		Upgrades to Café kitchen for Pub menu (\$180,000), Pub tables, shuffleboard, misc furniture & décor, TVs (\$25,000)
	<b>Total Dining Services</b>			<b>889,900</b>	
	<b>Kellogg West Conference Center &amp; Hotel</b>				
1,000,000	Kellogg West Rooms & Conference		1,000,000		Replacement of Main Conference Center & Hillside A/C units (\$450,000), Main Conference Center Bldg #76, Hillside Bldg #78, Woodvue Bldg #78-B exterior updates (\$500,000), Conference chairs (\$50,000)
	<b>Total Kellogg West</b>			<b>1,000,000</b>	
	<b>Facilities</b>				
	Facilities	-			No capital budget requested
	<b>Total Facilities</b>			-	
	<b>Real Estate Activities</b>				
	CTTI Buildings	-	168,000		HVAC EMS System Building C (\$68,000), HVAC Modification Building #C (\$75,000), Potential tenant improvements (\$25,000)
	Bldg 66	17,000	35,000		Lighting retrofit - first floor and atrium (\$15,000), Atrium paint (\$20,000)
	Spadra	15,000	50,000		EIR and ALTA survey
	<b>Total Real Estate Activities</b>			<b>253,000</b>	

**CAL POLY POMONA FOUNDATION, INC.  
2014-15 PROPOSED CAPITAL BUDGET**

	Prior Years Remaining	Proposed Detail 2014-15	Proposed Total 2014-15	
<b>College of Agriculture</b>				
Spadra/Westwind Ranch	29,000	165,000		Paint building #28 (\$90,000 Fruit & Crops Unit), Replacement of irrigation mainlines with Yellow-mine PVC pipe at Westwind and Spadra Ranches (\$75,000)
Pine Tree Ranch	137,000	75,000		Rehabilitation of small well
Farm Store	310,000			Multi deck merchandiser - deli (\$25,000), Re-location of Farm Store entrance (\$285,000)
			<b>240,000</b>	
<b>College of Science</b>				
Chemistry Agilent Project	10,000		-	Computer Equipment
<b>College of Extended University</b>				
CPELI Standard	310,000			48'x60' modular building (\$165,000), Concrete slab (\$75,000), Signage for building and CPELI complex area (\$50,000), Electrical, plumbing, and utility set up (\$20,000)
			-	
<b>Administration</b>				
Human Resources		30,000		Kronos - Payroll consultant
Human Resources		25,000		Employee communication system
Human Resources		7,500		Check folding machine
Admin	-	10,000		Document library
Management Info Systems	10,000			SAN storage expansion- to ensure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services
Management Info Systems	12,500			Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
Management Info Systems		30,000		VDI hardware/software purchases - To expand virtual desktops to Foundation staff to reduce desktop hardware costs
Management Info Systems		50,000		OneSolution/Endowment software upgrade and budget development - To provide for budget software development, more efficient workflow processing, and Cognos reporting of financials
Management Info Systems	15,000			Security log monitoring software - To improve risk response in security logging and monitoring software and to keep pace with growing security compliances
Management Info Systems		20,000		Big Data Licensing and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
Management Info Systems		15,000		Windows 8 pilot testing - Preproduction testing of environment begin rollout of new operating system to enterprise units. Windows 8 has greater speed, automation, and security improvements
Management Info Systems		25,000		VM hardware refresh - To update core aging VM systems with new host servers and resources
Management Info Systems		12,000		E-cart purchase - For Foundation IT to move computer equipment efficiently around campus without using personal or Foundation gas powered vehicles
Management Info Systems		15,000		Network switch upgrades - To replace old 10/100 switches with 1G for improved efficiency and VOIP implementation
<b>Total Administration</b>			<b>239,500</b>	
<b>Prior Years and Proposed Capital Budget</b>	<b>1,066,636</b>		<b>3,297,400</b>	
<b>Total Prior Years and Proposed Capital Budget</b>			<b>4,364,036</b>	
<b>1,452,900</b> Capital Funding from Reserves			<b>(1,452,900)</b>	
Capital Funding from Operations			<b>2,911,136</b>	

Note - the proposed capital budget assumes funding of \$1,356,000 from the Capital Reserve, \$96,900 from the Residential Board Meal Program Surplus Reserve and \$2,911,136 from the operations of the units.

# **ASSET PROTECTION MANAGEMENT**

# Asset Protection Management

The responsibility for protecting personnel and property cannot be delegated. It is the legal, moral and ethical charge of all Foundation management to protect the assets of the Foundation. Some risks are inherent in the work environment but in most cases risk can be minimized and controlled with appropriate internal controls and regular reviews.

The Foundation's asset protection and training is organized around three broad areas:

1. Personal safety and physical security
2. Protecting assets from external threats
3. Protecting assets from internal threats

The Foundation's risk assessment process includes the following basic steps:

1. Identify risks (in all parts of the Foundation)
2. Analyze how to deal with each kind of risk
3. Select and apply approaches for dealing with each risk
4. Monitor results and make changes when needed

The Foundation will review each operating unit using a list of potential risk areas that has been developed over time.

Following is a summary of the most significant areas for asset protection management:

## **Management Information Systems**

### **Computer/Network Systems**

Reduced the risk of network security breaches via greater network segmentation, tighter pass through controls, pro-active logging and monitoring of systems. Additional actions include automation of monitoring, logging, and regular external scanning. Improvements to physical security of equipment include consolidation of applications to the Foundation data center, automated fire suppression, and police monitored card entry system for the computer room. PCI systems are being upgraded to provide point to point encryption. Annual training was provided to all staff who handle credit cards, or administer credit card systems, and a strategic plan is being executed to maintain perpetual PCI compliance.

### **Business Continuity**

Hardware and software redundancy has been increased in mission critical computer systems via virtualization and secondary disaster recovery systems. A new disaster recovery system is being installed which will replicate critical data to cloud-based storage for external recovery in the event of an emergency. Data center protection has been improved in the areas of electrical infrastructure, generator installation for the computer room, redundant cooling, and redundant environmental controls. A formal disaster recovery plan has been integrated with the university plan to provide coordinated response and recovery.



### **Employment Services**

A Kronos system upgrade has been performed to version 6.3 which allows encryption of personnel data. In addition, system components have been migrated to an externally hosted solution to provide optimized security and recoverability.

### **Real Estate**

Provisioning of network and telephone for tenants is shifting to external vendors where improvements in reliability and cost reduction can be sustained.

### **Dining Services**

Video systems were installed at Los Olivos and the College of Business Convenience Store to monitor assets.

### **University Village**

The StarRez housing management software was migrated from the University Village to the Foundation Data Center to improve security and recoverability.

### **Bronco Bookstore**

Fire, life, safety, intrusion systems, smoke detector systems maintained and tested, all fire and alarm system that were inspected were up to date. Tests were completed with the Police department to ensure fire and safety alarms were communicating correctly. The primary system server is now located in Bldg. #55 and maintained by MIS. Documentation has been received confirming emergency system replacement within 24 hours. Safe combination administration and controls will be reviewed in August 2014.

### **Dining Services**

In general, Dining Services operations are well organized and following best practices to minimize risk in its operations. Video systems were installed at Los Olivos and the College of Business Convenience Store to monitor assets. PCI training has occurred for nearly all applicable employees, as well as reviews on safe combination administration and controls.

### **Kellogg West Conference Center and Hotel**

The Kellogg West facilities were well maintained and the staff was courteous and knowledgeable. Accounting procedures have been reviewed and revised to improve cash handling during the past year. After hours security procedures have also been updated, in lieu of a security camera system. Safe combination administration and controls will be reviewed in September 2014.

### **University Village**

The University Village grounds are well maintained and aesthetically pleasing. The StarRez housing management software was migrated from the University Village to the Foundation Data

Center to improve security and recoverability. Safe combination administration and controls will be reviewed in October 2014.

### **Real Estate**

The Real Estate Department in the past has been solely focused on the sale of housing and ground lease real estate at Innovation Village. The Department has expanded to include the oversight of marketing and managing CTTi, management of buildings 66 and 97 and other ad-hoc assignments. Although asset protection is inherent in the day to day responsibilities of property management, we have formalized the Asset Protection and Risk Management of these facilities.

Risk Management Review Check List				Needs		Improvement	Accomplish
Last Review:		N/A	Adequate	Improvement	Type Threats	Assignments	By Date
<b>A. Personal Safety</b>							
1	Employees knowledgeable personal safety Employees know the location of blue light emergency phones, fire extinguishers, alarm pull stations and fire hose. Know police # 3070.						
2	After hours oversight, communication Employees plan to leave together, responsibility for securing premises are assigned, emergency contacts in place.						
3	How to help a customer w/safety problem Staff trained on how to respond to common issues, seek emergency help, etc.						
4	Lockers, employee/customer Policy, procedure and practice exist for proper use of lockers.						
	<b>COMMENTS:</b>						
<b>B. Physical Safety and Security</b>							
1	Building perimeter						
2	Fire, life, safety, intrusion systems, smoke detector systems maintained and tested Work groups know where utility shut offs are, which phones will work with emergency power, where radio, flashlights & first aid kits are.						
3	Egress Employees are knowledgeable about the exit plan and where to meet						
4	Safety devices in place and maintained Safety guards, eye protection/wash, mats maintained, wet floor signs available						
5	Video system maintained, staff trained, access limited to authorized personnel, policy and procedure in place Periodic tested to make sure they are working. Know to report to Executive Director if out of order more than 48 hours.						
6	Fire extinguishers/hoses Annually inspected and employees trained in how to use them						
	<b>COMMENTS:</b>						
<b>C. Cash and Valuables</b>							
1	Management oversight in place, responsibilities assigned						
2	Cash handling procedures/practice See Foundation Procedures "CR - 370 Cash Receipts" on the web site.						
3	Reporting any shortages of cash or discrepancies (over/short) in cash; if over \$50 report to Foundation Admin. See Foundation Procedures "CR - 370 Cash Receipts", item 370-1C3 on the web site.  Foundation Fixed Assets over \$5,000 (portable) is audited by Foundation Accounting every two years (See Fixed Asset Policy).						
5	Valuable paperwork protected, tracked and accounted for Original documents that would generate a billing are controlled						
6	Accountability: separation of duties						
7	Safe type, access, combo changes Safe type is generally adequate. See Foundation Procedures "CR - 370 Cash Receipts", item 370-8 on the web site.						
8	Timely processing, deposit, billing, etc. See Foundation Procedures "CR - 370 Cash Receipts", item 370-3 Timely Deposits on the web site.						

Risk Management Review Check List					Needs		Improvement	Accomplish
Last Review:			N/A	Adequate	Improvement	Type Threats	Assignments	By Date
9	Check & card acceptance							
		See Foundation Procedures "CR - 370 Cash Receipts", item 370-9 Check Acceptance Procedures on the web site.						
10	Limit exposure, access, transportation of valuables							
		See Foundation Procedures "CR - 370 Cash Receipts", item 370-1 Section C5 on the web site.						
11	Reconciliations made to original docs.							
		<b>COMMENTS:</b>						
<b>D. Vehicle Safety</b>								
1	Drivers authorized							
		Foundation employees must be authorized in advance by Foundation Admin to drive Foundation vehicles. See CSURMA Policy 1-AORMA						
2	Vehicles safe, maintained, seat belts in place.							
3	Registration, insurance info.							
		Centralized handling Foundation car registration in administration office. Also, updating Foundation vehicles list, obtain insurance for new vehicles and reporting the sale of the cars to Insurance Co. is done by Administration office.						
4	Management controls use of vehicles and keys							
		Compliance with Foundation Policy and if the Foundation or unit Policy is adhered to?						
		<b>COMMENTS:</b>						
<b>E. Liability Risks</b>								
1	Screening, hiring employees							
		Background check for employees handling cash prior to employment. DMV check for employees driving Foundation Vehicles.						
2	Proper wage, salary, OT, etc.							
		Compliance with Human Resources Policies						
3	Trips, falls, clutter hazards							
		Compliance with government and industry regulations.						
4	Food sanitation							
		Compliance with Health Department requirements.						
5	Alcohol served							
		Compliance with Campus alcohol Policy, alcohol secured						
6	Sexual harassment							
		Staff is aware that management must be informed and investigate any alleged sexual harassment						
7	Employees trained on discrimination							
		Provide periodic training by Human Resources to supervisors						
8	Minimize litigation and legal							
		Employees trained in different areas (interviewing, hiring, discipline, termination, sexual harassment, etc) can minimize litigation and liabilities.						
9	Reviewing Foundation Contracts - (Indemnification Clause, Insurance Clause)							
		Standard indemnification clauses and Insurance requirement for agreement are posted in Foundation Website						
		<b>COMMENTS:</b>						

Risk Management Review Check List				Needs		Improvement	Accomplish
Last Review:		N/A	Adequate	Improvement	Type Threats	Assignments	By Date
<b>F. Data Security</b>							
1	Social Security Numbers not recorded						
2	Credit card numbers are not recorded without protection						
3	Data bases protected At present, the staff have access to those data bases (i.e. accounting module) that related to their job function. Back ups performed.						
4	Operating system and access to server The server kept in a secure room with access limited to authorized to people need to have access to it.						
5	Unique log-ins practiced, enforced Mandatory periodic change of password on critical systems. Passwords are not shared.						
	<b>COMMENTS:</b>						
<b>G. Best Practices in Place</b>							
1	Mandatory vacations						
2	Ethics policy, code of conduct 5/06- Ethic Policy is approved and it is in Website						
3	Employee complaint mechanism 5/06- Ethic Policy is approved and it is in Website						
4	Audit findings resolved Review contracts for indemnification clause & insurance. MOUs with Univ. up to date. Prior audit findings resolved.						
5	Staff evaluations are up to date						
	<b>COMMENTS:</b>						
	<b>GENERAL COMMENTS:</b>						
	Unit Director/Manager Signature	Date	Auditing Director/Manager	Date			

# **DESIGNATED GIFTS**



**CAL POLY POMONA FOUNDATION, INC.  
PROPOSED GIFTS BUDGET  
FISCAL YEAR 2014-2015**

**DESIGNATED GIFTS**

	<b><u>Revised 2013-2014</u></b>	<b><u>Forecast 2013-2014</u></b>	<b><u>Proposed 2014-2015</u></b>
Designated Gifts to the University	\$ 1,650,626	\$ 1,620,626	\$1,761,450
Faculty/Staff Café	16,564	12,051	15,659
Designated Gifts	\$ 1,667,190	\$ 1,632,677	\$1,777,109

**President's Public Relations/Designated Gifts  
Request for Funding 2014-15**

<b>Public Relations 190060</b>	<b>Object</b>	<b>2014-15</b>
Petty Cash	1030	200
Advertising	7015	20,000
Books and Subscriptions	7025	800
Donations (Including \$25,000 to PIQE)	7070	40000
Dues and Memberships	7075	750
Employee Development	7090	1200
Equipment Purchases (IT)	7103	1500
Equipment Purchases (other)	7105	1500
Furniture Purchases	7125	1000
Maintenance/Grounds: Plants	7172	2000
Postage	7225	1000
Printing/Copying	7230	2500
Public Relations includes:		
<i>Administrative Fund for Students</i>	7245	5,000
<i>Fund for the Chancellor</i>	7245	\$15,000
<i>Gifts/gift packs (Faculty, Staff, donors, Holiday &amp; other special days)</i>	7245	\$40,000
<i>Flowers (MH dinners/Holiday), Staff/Student/Donor special events</i>	7245	\$5,000
<i>Rose Float Expenses (game tickets/parking/float gift)</i>	7245	\$5,500
<i>Student Outreach (Esperanza Foundation Scholarship Match, Hilda Solis Scholarship, Children's Fund, etc)</i>	7245	\$20,000
Rental of Rooms (KW, BSC, etc)	7258	1500
Prizes/Awards	7281	500



**President's Public Relations/Designated Gifts  
Request for Funding 2014-15**

<b>Public Relations 190060</b>	<b>Object</b>	<b>2014-15</b>
Advancement Legal Fees	7290	\$50,000
Services, other (carpet cleaning/vector control)	7291	\$8,500
Supplies and Services (office and kitchen)	7324/26/28	\$16,000
Telephone	7345	\$100
Travel Local (In-State) & Fund for Students	7355	\$5,000
Travel (Out-of-State)	7356	\$12,000
Travel (International)	7357	\$4,500
<i>Subtotal</i>		<i>\$261,050</i>
<b>Additional Designated Gifts Request</b>		
Athletics	19330R	\$75,000
<i>Subtotal</i>		<i>\$ 75,000</i>
Center for Technology Transfer (to fund position)	460400	\$150,000
<i>Subtotal</i>		<i>\$ 150,000</i>
Vice Presidents - Public Relations:		
Provost and Vice President for Academic Affairs	192960	70000
Vice President for Student Affairs	192830	20000
Vice President for Administrative Affairs	192840	3334
Chief Information Officer for I&IT	193000	3333
Vice President for Advancement	192820	3333
<i>Subtotal</i>		<i>\$ 100,000</i>
<b>Grand Total 190060</b>		<b>\$586,050</b>

**President's Public Relations/Designated Gifts  
Request for Funding 2014-15**

<b>Public Relations 190060</b>	<b>Object</b>	<b>2014-15</b>
<b>Foundation Public Relations Account 461310</b>		
Meals and Refreshments, including alcoholic beverages (This includes receptions, luncheons and dinners for both internal and external constituencies)	7185/7186	55000
Fall Conference Expenses (Reception is covered by State)	7185	3000
Commencement Expenses (Includes funds for 75th Anniversary)	7185/7186	11500
Other University events supported by the President's Office (Academic Senate Retreat, AHIMSA, etc)	7245	10000
Staff Council	7245	15000
Semester Conversion (Academic Affairs-Food, etc. at retreats and meetings)	7185	20000
Innovation and Entrepreneurship program (Marketing/program support)		30000
Retirement events (Student Lunch, Faculty/Staff Reception, Donor/Community Gala)	7185	150000
New President welcome reception	7185	15000
<b>Grand Total Foundation Public Relations Acct 461310</b>		<b>\$ 309,500</b>

Approved:

  
 J. Michael Ortiz, President



Executive Director  
Foundation Services

MAR 17 2014

# Memorandum

Cal Poly Pomona  
Foundation Inc.

DATE: March 14, 014

TO: J. Michael Ortiz  
President

cc: David Prenovost

Steven N. Garcia  
Vice President for Administrative Affairs

G. Paul Storey  
Executive Director  
Cal Poly Pomona Foundation

FROM: Michelle Stoddard *MS*  
Acting Vice President for University Advancement

RE: 2014-15 University Advancement Designated Gift Request

Attached please find the Division of University Advancement's proposal for 2014-15 funding support from the Cal Poly Pomona Foundation, Inc.

As the Executive Summary indicates, the funding awarded last year for the comprehensive campaign wrap-up for both donors (\$165,000) and the campus community (\$37,000) will be returned to the Foundation as the celebrations for the success of the campaign have been rescheduled to fall 2014. Accordingly we have requested the identical funding for 2014-15. We look forward to bringing the campaign to a successful close and sharing this achievement with our donors, friends and the campus community.

Our 2014-15 request total is \$690,900 which includes the funding for the campaign wrap-ups. This represents less than a 2% increase from 2013-14. University Advancement is committed to continuing the increase in private support of the university and the 2014-15 gift request is expressive of the partnership the Foundation plays in this role.

Thank you for your continued support and consideration of our request. If you have any questions, please don't hesitate to contact me.

## *Executive Summary*

Cal Poly Pomona is close to completing its first comprehensive fundraising campaign thanks to the significant support from the Cal Poly Pomona Foundation. By the end of this 75<sup>th</sup> anniversary year, the Division of University Advancement (UAD) will raise over \$150 million in gifts, pledges and planned gifts over the course of the campaign. The Foundation's support has also provided the ability for communication and engagement with university alumni and friends, the ability to connect with prospective donors across the country, special events to steward our donors and cultivate new ones, and important infrastructure improvements.

The 2014-15 grant request includes a modest increase to ensure the university maintains its momentum. The division looks forward to celebrating the close of the campaign with the campus community and donors. It will also continue fundraising efforts to complete partially funded projects and outreach to university alumni and friends. The primary focus of UAD's grant request is:

- **Donor cultivation and outreach.** Development and communication professionals must travel and engage alumni and friends, often on short notice. This funding provides the flexibility they need to strengthen relationships with stakeholders.
  - **Continued legal assistance.** The planned giving program has been strategically successful, securing over \$35 million in planned gifts throughout the campaign. This success has necessitated additional legal assistance. We anticipate continued growth in development and planned giving and request continued funding to support services in this area.
  - **Campaign Closure.** The \$150 million comprehensive campaign will close at the end of the 75<sup>th</sup> anniversary year. To steward the donors who helped raise more money than has ever been raised for Cal Poly Pomona, UAD would like to celebrate the achievement in fall 2014 instead of spring 2014. By doing so, those who contribute late to the campaign will be recognized. In addition, previous donors who give again would be recognized at the appropriate level. University Advancement would like to return funding for the campaign closure events awarded for 2013-14, and respectfully request the same level of funding in 2014-15.
  - **Increased Alumni In-reach.** Today's students and alumni are tomorrow's donors and volunteers. The Office of Alumni Affairs is engaging alumni through more on-campus events and has increased programming for alumni and students. In an effort to better publicize the contributions its Distinguished Alumni have made, each honoree will be featured in a video. These videos will serve a dual purpose as marketing material. The event has also been moved to the Bronco Student Center to accommodate more guests.
- **Publications.** Now, more than ever, the university needs to build support among its stakeholders. Our award-winning publications provide the university an outlet to engage our stakeholders. The number of active alumni addresses grows every year, as does the rising cost of postage. Additional support is requested to trace alumni, place ads on behalf of the university online and provide marketing incentives.

- **Campaign and infrastructure support.** UAD recently welcomed a highly experienced Executive Director of Advancement Services. He brings with him proven experience with services that can effectively update the university's database and empower prospect research. Accurate data is essential to the university's ongoing development and communication efforts. An increase in funding is requested to cleanse and enhance our donor/alumni database information.

***Conclusion:***

After a banner 75<sup>th</sup> anniversary year, we are prepared to celebrate the close of the campaign and continue our efforts to increase support for the university. This proposal reflects those goals. UAD extends its thanks and deep appreciation for the Foundation's historical support of its initiatives. This partnership has paid tremendous dividends for the university's faculty, staff and students.

<b>UNIVERSITY ADVANCEMENT GIFT REQUEST TO THE CAL POLY POMONA FOUNDATION</b>		<b>Proposed</b>	
		<b>2013/14</b>	<b>2014/15</b>
<b>Outreach, Cultivation, Development and Stewardship</b>			
Prospective donor cultivation/solicitation, donor relations and donor stewardship (Note: includes funding for Vice President, AVP, Dir Planned Giving, 3 Major Gift Officers, 6 Development Directors)		100,000	100,000
Comprehensive Campaign Wrap Up		165,000	165,000
Comprehensive Campaign Campus Community		37,000	37,000
Alumni development support		15,500	15,500
On campus in-reach events (Professor for a Day, Distinguished Alumni)		11,000	26,000
Legislative staff outreach and information on university priorities		5,000	5,000
Donor recognition items, plaques, awards		10,000	10,000
Consultant Fees (planned giving, foundations, general development)		75,000	75,000
HEP eMatch Donor Link			1,500
Student Annual Fund caller wages		10,000	10,000
Multi-state solicitation filing project		4,000	6,000
<b>Subtotal</b>		<b>432,500</b>	<b>451,000</b>
<b>Internal and External Communications</b>			
PolyTrends (2 issues annual) publication and mailing		55,300	55,000
Panorama (2 issues annual to alumni and donor database) publication/ mailing		104,000	100,000
Electronic Newsletters: poly@alumni (emailed 9X/year to alumni) and polyfriends (emailed 4X/year to parents)		4,000	4,500
President's Annual Report and Donor Honor Roll, publication and mailing		12,800	12,800
Alumni tracer card mailings			6,600
Travel for story interviews for various publications		2,000	2,000
Editorial Support		9,000	9,000
University Marketing (social media ads and marketing incentives)			1,000
Publication award application fees		2,500	2,500
<b>Subtotal</b>		<b>189,600</b>	<b>193,400</b>
<b>Advancement Infrastructure and Capacity-Building</b>			
Divisional retreat, quarterly meetings for strategic planning of goals and objectives		5,000	5,000
Dean's Development Training (on-campus)		20,000	0
Data Research Appends (AlumniFinder, etc.)			8,000
RealSci (donor/prospect connections subscription)			4,000
ResearchPoint (top prospects screening)			10,000
QGiv Fees			8,500
Data Research and/Marketing Pieces to cultivate non-donor alumni		20,000	0
<b>Subtotal</b>		<b>45,000</b>	<b>35,500</b>
<b>University-Wide Events</b>			
Participation in on-campus events/programs		11,000	11,000
<b>Subtotal</b>		<b>11,000</b>	<b>11,000</b>
<b>TOTAL</b>		<b>678,100</b>	<b>690,900</b>
<b>Note: Red indicates new line item</b>			
<b>Historical Summary of Foundation Support Grants to University Advancement:</b>			
2013-14 Grant Support	\$678,100		
2012-13 Grant Support	\$406,475		
2011-12 Grant Support	\$353,000		
2010-11 Grant Support	\$343,000		
*2009-10 Grant Support	\$363,000		
*2008-09 Grant Support	\$464,500		
*2007-08 Grant Support	\$382,500		
*2006-07 Grant Support	\$358,500		
*2005-06 Grant Support	\$306,000		
*2004-05 Grant Support	\$295,500		
*2003-04 Grant Support	\$332,820		
*2002-03 Grant Support	\$304,900		



Associate Vice President for Research

April 23, 2014

**To:** G. Paul Storey, Executive Director, Cal Poly Pomona Foundation, Inc.

**Via:** J. Michael Ortiz, President, California State Polytechnic University, Pomona

**Via:** Marten denBoer, Provost, California State Polytechnic University, Pomona

**From:** Frank W. Ewers, Associate Vice President for Research

**Subject:** 2014-2015 CPP Foundation Designated Gift Request

This is a proposal from the Office of Research for continuation of a previously-funded program designed to increase grant and contract activity, and strengthen the training of teacher-scholars. **The Provost's Teacher Scholar program** provides summer stipends to support professional development of junior tenure-track faculty and takes a realistic, long-term view of attitudes and behaviors that are required to establish and maintain a scholarly career. This is a program that has been meeting all of the objectives and targets set by Donald Hoyt in his original proposal in 2006 (attached). **In terms of eternal grants received by awardees, as of March 1, 2014, the Return on Investment (ROI) has been 9.55 to 1**

**The cost would be \$110,000 for the 2014-15 fiscal year.**

The program will provide summer stipends to up to ten (10) faculty members per year who agree to develop a Career Development Plan that includes a commitment to work for two months during two consecutive summers on the development of their scholarship. By supporting the development of scholarship during the summer, the program will encourage the faculty to focus on their teaching during the academic year. Selected faculty will tailor their activities to their specific needs, but it is anticipated that these will include: setting up a program of scholarship; developing good writing habits; publishing the results of previous scholarship; collecting pilot data in support of an application for external funding; and writing a proposal for external funding. Participants will receive regular review and mentoring by experienced colleagues and the support of the Office of Research and Sponsored Programs and the Faculty Center for Professional Development. While the program will not be formally connected to the RTP process, it is intended to help the recipients meet departmental expectations for tenure and promotion.

Since the program began in 2006-07, a total of 87 Cal Poly faculty members have participated in the program. Three subsequently left so a total of 84 current faculty have been in the program with the following being a summary of their distribution:

Summary of the number of past participants:

<b>Cohort</b>	<b>women</b>	<b>men</b>	<b>Total</b>
1	11	11	22
2	3	8	11
3	5	7	12
4	7	4	11
5	6	5	11
6	4	6	10
7	2	8	10
<b>Total</b>	<b>38</b>	<b>49</b>	<b>87</b>

The following table shows the distribution of participants by College and Faculty Rank:

<b>College</b>	<b>Assoc.</b>	<b>Asst.</b>	<b>Grand Total</b>
Agriculture	1	3	4
BUS	1	2	3
CEIS	1	6	7
CLASS	3	23	26
Collins	0	3	3
Engineering	7	5	12
ENV	1	2	3
Science	6	23	29
<b>Total</b>	<b>20</b>	<b>67</b>	<b>87</b>

The ten members of the seventh cohort will be joined by ten more who have been selected to comprise the eighth cohort. The new applicants will start working on their professional development plans in Spring of 2014. The stipends that will be provided to the seventh and eighth cohorts for the summer of 2014 will be funded by the Designated Gift approved by the Foundation last year.

The funds requested for the 2014-15 fiscal year (\$110,000) will be used to provide the 10 members of the eighth cohort with stipends of \$5,000 and the 10 continuing members of the seventh cohort with stipends of \$6,000 during the summer of 2013. We are able to do this because the funds will be paid as stipends in late June, 2014, just before the end of the fiscal year.

The following is a brief summary of the grants submitted and funded by participants in the first four cohorts:



**First Cohort:** Of the 22 original participants, 20 are still at CPP, fourteen submitted a total of 48 applications for a total of \$13.5M in funding. These applications led to nine faculty having 11 funded projects for \$3.04M during the three year time period following the initial award.

**Second Cohort:** Of the 11 original participants, 10 are still at CPP, seven submitted a total of 18 applications for a total \$5.5M. Three people had a total of three projects funded for \$289,000 during the three year time period following the initial award.

**Third Cohort:** Of the 12 participants, six people submitted 16 projects for \$3.7M and three of these twelve had a total of six projects funded for \$261,848.

**Fourth Cohort:** Of the 11 participants, four people submitted a total of seven projects for \$2,109,497. Four were not funded. Two projects were funded for a total of \$586,716.

**Fifth Cohort:** Of the 11 participants, four people have so far submitted a total of 14 projects for \$2,154,830. Two projects were funded for a total of \$140,620.

**Sixth Cohort:** Of the 10 participants, four people have so far submitted a total of 10 projects for \$2,256,296. Three of the projects were not funded. Seven of the projects were funded for a total of \$2,032,391.

**Seventh Cohort:** Of the 10 participants, nine people have so far submitted a total of 24 projects for \$3,051,577. So far, five of the projects were funded for a total of \$1,003,418. Several others are still pending.

**Overall:** 83 of 87 participants remained at Cal Poly Pomona for at least three years following their award. Of these, 35 people submitted no applications for external funding. Within a three year time frame following the awards, 48 people submitted a total of 137 applications for \$32.3 M yielding 42 awards to 27 people for \$7.4 M (Table 1).

The program has cost \$880,000 thus far (including funds provided by the previous Designated Gifts plus the Provost, Deans and ADVANCE grant) there has been over a nine-fold return on investment (see attached financial summary). This is higher than the five-fold ROI estimated in Dr. Hoyt's original proposal for a designated gift that was submitted in March 2006. This does not include the full effects of successful career launches brought on by the program, since many faculty continue to submit successful proposals for years after they have completed their Provost's Teacher Scholar participation.

A complete listing of past awardees is attached (Table 2), as is the original proposal (2006 from Dr. Donald Hoyt).

**Table 1. Financial summary  
Provost's Teacher Scholar Award Program  
as of March 2014**

cohort	applications			funded		
	people	apps	\$ mill	people	apps	\$ mil
1	14	48	13.5	9	11	3.0
2	7	18	5.5	3	3	0.3
3	6	16	3.7	3	12	0.3
4	4	7	2.1	2	2	0.6
5	4	14	2.2	3	2	0.1
6	4	10	2.3	3	7	2.0
7	9	24	3.1	4	5	1.0
Totals	48	137	32.272	27	42	7.353

Total cost of program \$0.770 million  
Grant funding garnered \$7.354 million  
Return on investment 9.55

**Table 1. Provost's Teacher Scholar Program  
Financial summary March 2014**

cohort	Applications				Funded		
	people	apps	\$ mil		people	apps	\$ mil
1	14	48	13.5		9	11	3.0
2	7	18	5.5		3	3	0.3
3	6	16	3.7		3	12	0.3
4	4	7	2.1		2	2	0.6
5	4	14	2.2		3	2	0.1
6	4	10	2.3		3	7	2.0
7	9	24	3.1		4	5	1.0
	<b>48</b>	<b>137</b>	<b>32.272</b>		<b>27</b>	<b>42</b>	<b>7.353</b>

**Total cost of program \$0.770 million**  
**Grant funding garnered \$7.354 million**  
**Return on investment 9.55**

**Table 2. Provost's Teacher Scholar Program Awardees by year**

<b>Cohort</b>	<b>years</b>	<b>Last Name</b>	<b>First Name</b>	<b>College</b>
7	2013-14	Murinda	Shelton	Agriculture
7	2013-14	Petty	Allen	Agriculture
7	2013-14	Li	Yao Olive	Agriculture
7	2013-14	DeRosa	Aaron	CLASS
7	2013-14	Wallis	Eileen V.	CLASS
7	2013-14	Gan	Yong Xue	Engineering
7	2013-14	Forward	Keith M.	Engineering
7	2013-14	Smith	Jason	Science
7	2013-14	Szypowski	Ryan	Science
7	2013-14	Arensburger	Peter	Science
6	2012-13	Hu	Jing	Business
6	2012-13	Chen	Kun	CLASS
6	2012-13	Ocampo	Anthony	CLASS
6	2012-13	Van	Rachel Tamar	CLASS
6	2012-13	Von Glahn	Nicholas R.	CLASS
6	2012-13	Seong	Jaehoon	Engineering
6	2012-13	Osborn	Stephen	Science
6	2012-13	Questad	Erin	Science
6	2012-13	Salik	Ertan	Science
6	2012-13	Valdés	Ángel	Science
5	2011-12	Myers	Jun	Business
5	2011-12	Hargis	Jill	CLASS
5	2011-12	Tucker	Ericka	CLASS
5	2011-12	Zhang	Jian	Collins
5	2011-12	Cheng	Wen	Engineering
5	2011-12	Haghi	Mehrdad	Engineering
5	2011-12	Palomo	Monica	Engineering
5	2011-12	Bobich	Edward	Science
5	2011-12	Lappin	Kristopher	Science
5	2011-12	Lawrence	Emille	Science
5	2011-12	Small	Alex	Science
4	2010-11	Jung	Jae Min	Business
4	2010-11	Gilli-Elewy	Hend	CEIS
4	2010-11	Hoang	Thienhuong	CEIS
4	2010-11	Kang	Hyun Gu	CLASS
4	2010-11	Kim	James J.	CLASS
4	2010-11	Mickey	Georgia	CLASS
4	2010-11	Singh	Neha	Collins
4	2010-11	Li	Weimin	ENV
4	2010-11	Sadaghiani	Homeyra	Science
4	2010-11	Voss	Andrew	Science

**Table 2. (Continued)**

<b>Cohort</b>	<b>years</b>	<b>Last Name</b>	<b>First Name</b>	<b>College</b>
3	2011-12	Ahn	Ruth	CEIS
3	2011-12	Dickson	Kent	CLASS
3	2011-12	Fuqua	Juliana	CLASS
3	2011-12	Hall	Dewey W.	CLASS
3	2011-12	Lange	Carsten	CLASS
3	2011-12	Narayan	Anjana	CLASS
3	2011-12	Kitch	William	Engineering
3	2011-12	Li	Mingheng	Engineering
3	2011-12	Mulley	Susan	ENV
3	2011-12	Hoeling	Barbara	Science
3	2011-12	Liu	Sean X.	Science
3	2011-12	Mogul	Rakesh	Science
2	2010-11	Wallace	Sharonda	Agriculture
2	2010-11	Roby	Teshia	CEIS
2	2010-11	Corley	William "Liam"	CLASS
2	2010-11	De Jonghe	Erika	CLASS
2	2010-11	Moustafa	Moustafa B.	CLASS
2	2010-11	Jae Lee	Myong	Collins
2	2010-11	Bhandari	Subodh	Engineering
2	2010-11	Liu	Junjun	Science
2	2010-11	Lukeman	Philip	Science
2	2010-11	Page	Michael F. Z.	Science
1	2009-10	Casad	Bettina	CLASS
1	2009-10	McGoldrick	Stacy	CLASS
1	2009-10	Posey	Sandra	CLASS
1	2009-10	Wachs	Faye	CLASS
1	2009-10	Wang	Zuoyue	CLASS
1	2009-10	Dong	Winny	Engineering
1	2009-10	Pernalete	Norali	Engineering
1	2009-10	Yeung	Ronald	Engineering
1	2009-10	Marshall	Jeffrey	Science
1	2009-10	Riggs	Laurie	Science
1	2009-10	Stathopoulos	Christos	Science
1	2009-10	Tang	Daisy	Science
1	2009-10	Zheng	Xuehe	Science

# **A PROPOSAL FOR THE ENHANCED DEVELOPMENT OF TEACHER SCHOLARS (Hoyt 2006)**

## **Introduction**

This proposal from the office of Research & Graduate Studies is to create a program that will provide probationary faculty with support to develop into strong teacher scholars. Through the process of developing and following a Professional Development Plan, selected faculty will be able to produce more scholarly work in the form of journal articles and proposals for external funding.

A review of similar programs at comprehensive public institutions, suggests this approach is a very promising faculty development strategy that helps individuals become successful teacher scholars, providing students with quality instruction, while bringing in additional grant funding for scholarly activities.

## **Need**

This program was created to address two related needs at Cal Poly Pomona:

1. Increasing the total volume of grants and contracts on campus
2. Supporting the teaching, scholarship, and overall career development of new faculty

## **Objective**

The objective of this program is to expand grants and contracts activity at Cal Poly Pomona by supporting faculty who commit themselves to obtaining external funding for their scholarship. A key strategy is developing and following a Professional Development Plan (PDP) in consultation with mentors from the department and college and with help from the Faculty Center for Professional Development and the Office of Research and Sponsored Programs (ORSP). The proposal calls for ten faculty to start the two-year program each year for the next three years. The expected outcomes of the program will be the submission of a minimum of 30 competitive grant applications. The first applications would be accepted in Fall 2006 and the first summer of funding would be summer of 2007.

## **Rationale**

In general, new faculty members have heavy teaching loads that demand the majority of their attention during the first year that they are on campus (or longer). As a consequence, most of the release time provided during the first year on campus is used by new faculty to master their teaching. This is a beneficial outcome that should be encouraged.

However, it is also important that new faculty be encouraged to continue the development of their scholarship at the start of their career because they have currency in their discipline. If they wait too long it is difficult to re-establish the momentum they had when they arrived on campus.

Faculty should be encouraged to submit applications for external funding when they are competitive, and this will be at different times for different people. In most cases, this will be early in their career but it may not be during their first year. They may need to enhance their

track record by publishing the results of their dissertation research or of scholarship accomplished during a post-doctoral position. They may need to collect pilot data to support a grant application. It is more beneficial in most cases if new faculty members establish their scholarly activity on campus, where it is easier for students to participate.

New faculty should be encouraged to develop habits of: 1) clearly identifying objectives and a path to these objectives; 2) regularly evaluating their progress towards their objectives; and, 3) identifying the obstacles to their progress and the means of overcoming these objectives.

It is critical that new faculty be mentored by senior colleagues. New faculty need to be mentored to help them develop the writing habits of productive faculty. The single biggest mistake made by faculty when they are funded is to fail to maintain a level of scholarly publications that is necessary if they are to remain competitive for future funding.

These observations lead to the following assumptions that underlie the proposal:

- New faculty often receive release time and are encouraged to focus on mastering their teaching during their first year on campus.
- New faculty should receive summer stipends so they can focus on their scholarship during at least the first two summers following their first academic year on campus.
- New faculty should spend at least two years to set up their research, collect pilot data and publish peer-reviewed papers, as well as planning and writing their first grant application.
- With guidance from experienced colleagues, new faculty should develop Professional Development Plans and evaluate them at frequent intervals.
- There should also be an academic year component even if it is a small time commitment. Faculty could convene as a learning community of teacher scholars with activities to support their professional development. These meetings could be organized through the Faculty Center. It does not have to be a significant time commitment, but something needs to maintain their momentum and involvement during the academic year.

## **Activities**

The Program: The program will provide summer stipends to up to ten (10) faculty per year who agree to develop a Professional Development Plan (PDP) that includes a commitment to devote 100% effort for two months during two consecutive summers to include the following objectives:

- a) writing and implementing a well-developed PDP in collaboration with department/college mentors, the Faculty Center and ORSP
- b) setting up their program of scholarship (e.g., set up their lab);
- c) developing writing habits of productive faculty
- d) publishing the results of previous scholarship (e.g., dissertation or post-doctoral);
- e) collecting pilot data in support of an application for external funding;
- f) collaboration with ORSP to identify and develop plans for an application; and,

- g) writing a proposal for external funding.

**Selection for the Program:** Tenure-track faculty in their first two years on campus will be encouraged to apply to the program. The application will include a statement of objectives related to their professional development and growth, a brief statement of their scholarly interests, the anticipated external funding focus, and their CV. The statement should be approved by the department chair and college dean to ensure that it is consistent with the objectives and RTP expectations of the department and college. A primary consideration in selection of faculty for participation in the program will be the potential to compete successfully for grants from funding sources that support indirect cost rates in accordance to Cal Poly Pomona's federally negotiated indirect cost rate agreement. However strong proposals that have a lower probability of indirect cost return will be considered and could also be funded. Activities may include, but are not limited to, instructional innovation, workforce/pipeline development, and traditional scholarly research in the full range of disciplines. Awards will be made by the AVP for Research and Graduate Studies in consultation with the University Research Council.

**Evaluation**

At the beginning of every quarter, the faculty member will submit a one-page report of their progress (as defined by achievement of milestones listed in his/her PDP) during the preceding quarter and their plans for the next quarter. This report will be reviewed with the department chair to identify challenges to progress and develop ways to overcome these challenges. The report will be submitted via the college dean to the AVP for Research and Graduate Studies. These reports would be reviewed to determine whether there was a need for additional support from ORSP or from the Faculty Center. Funding for the second year of the program will be dependent upon satisfactory progress during the first year. Evaluation of progress will be made by the AVP for Research and Graduate Studies, the participants' Chairs and Deans, and the University Research Council.

**Funding Requested**

The amount needed is based on the assumption of 10 faculty selected in each of three consecutive years. To provide summer support at a level competitive with teaching, funds are budgeted at \$5,000 for each participant in the first summer and \$6,000 in the second. The following is the expected budget for this program.

Year	1	2	3	4
1st year sal	50,000	50,000	50,000	
2nd year sal		60,000	60,000	60,000
TOTAL SAL	50,000	110,000	110,000	60,000
benefits	8,500	18,700	18,700	10,200
TOTAL COST	58,500	128,700	128,700	70,200

The total cost of the program would be \$386,100 over four years.



**Return on Investment:** the first and foremost returns on the investment will be faculty who are productive and successful in their teaching and scholarly activities and who are more likely to stay at CPP. There should also be a significant increase in grants and contracts activity and an increase in the amount of ICR available for distribution to the colleges. If one-third of the proposals were successful and yielded \$50,000/year of Direct Costs for an average of three years, the total Direct Costs would be \$1.5M and (assuming 30% indirect cost rate) the ICR would be an additional \$450,000. The increase in total activity would be \$1.95M, a five-fold return on investment over the three years the grants were funded. It would also result in an estimated net ICR of \$362,000 after paying the foundation fees (4.5% to total activity). These are very conservative estimates because one would expect that more than one-third of the faculty would eventually be successful in obtaining external funding and that many of them would be successful in subsequent years, so the ultimate return on investment would be many times this. Another return on investment would be the change in culture and attitudes towards PDPs.

**Cal Poly Pomona Foundation  
Faculty Staff Cafe  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Expenditures- Controllable</b>				
Supplies	1,480	600	1,480	880
Other	624	300	624	324
<b>Total Expenditures- Controllable</b>	<b>2,104</b>	<b>900</b>	<b>2,104</b>	<b>1,204</b>
<b>Expenditures- Non-Controllable</b>				
Other	250	250	250	
<b>Total Expenditures- Non-Controllable</b>	<b>250</b>	<b>250</b>	<b>250</b>	
<b>Labor Costs</b>				
Salaries & Wages	13,017	9,815	11,970	2,155
Employee Benefits	1,197	1,086	1,335	249
<b>Total Labor Costs</b>	<b>14,214</b>	<b>10,901</b>	<b>13,305</b>	<b>2,404</b>
<b>Total Expenses</b>	<b>16,568</b>	<b>12,051</b>	<b>15,659</b>	<b>3,608</b>
<b>Net Income</b>	<b>(16,568)</b>	<b>(12,051)</b>	<b>(15,659)</b>	<b>(3,608)</b>

# CAL POLY POMONA FOUNDATION, INC.

## Memorandum



**Date:** February 16, 2014

**To:** J. Michael Ortiz  
President

**From:** G. Paul Storey  
Executive Director

**Subject:** 2014-2015 Designated Gift Request

The Foundation is requesting a designated gift of \$65,000 for the fee to administer the operating endowment accounts from the W. K. Kellogg Foundation. As you may recall, the W.K. Kellogg Foundation awarded a \$42 million Grant named the "Kellogg Legacy Project Endowment", a \$40 million endowment and an operating endowment of \$2 million. The W.K. Kellogg Foundation has promised to pay the endowment over a five year period. To date, \$32 million has been received for the endowment and \$2 million for operating accounts. The Grant provides Cal Poly Pomona Presidents flexibility to apply annual endowment earnings to the most timely and pressing institutional needs each year.

The goals and objectives of the W.K. Kellogg Legacy Project Endowment include:

Engage the geographic region and beyond by serving the local region as a center for scholarly activity and research.

Enhance the University's commitment to a population that reflects the diversity of California by preparing the students for success in diverse global communities.

Maintain existing and developing new facilities which will enable the University to be a leader in environmental stewardship.

Partner with political leaders to increase state support, develop a comprehensive campaign to increase philanthropic giving, and support applied research to increase grant funding.

Per the terms and conditions of the Kellogg Foundation Grant agreement, the administrative fee will be the lower of the two methods: (1) not to exceed \$50,000 per year (inflation adjusted based on the trailing "CPI" Consumer Price Index) or (2) 0.75 percent (75 basis points) of the "endowment value." In addition, these administrative fees can never be deducted from the principle balance of the endowment.

At the time the Grant was accepted, it was understood that the administrative fees would be earned by the Foundation for the administration of the endowment and therefore netted from the endowment earnings before the earnings are distributed to operating endowments.

Due to the requirements of this Grant, Foundation management decided the Foundation would administer the operating endowments in the Grants and Contracts Department. Currently the Foundation charges an administrative fee of 4.5 percent on all funds administered in grant and contract accounts at the time the funds are expended.

The Foundation is requesting a designated gift for the fee to administer the operating endowments. Based on the estimated spending of the distributed endowment earnings for FYE 2014/2015 of approximately \$1.44 million, the Foundation requests a designated gift for the administrative fee of \$65,000 for FYE June 30, 2015.

**CAL POLY POMONA FOUNDATION, INC.**  
**Schedule of Kellogg Legacy Grants**  
**July 1, 2013 through December 31, 2013**

**FOUNDATION ACCOUNT NUMBER 195000:**

Account Number	Account Name	Previous Award Amount	New Awards 13-14	Total Award Amount	School	Project Director	Total Expenditures 7/01/13-12/31/13	Total Remaining
060070	Structure-Function Analysis of a Bacterial Virulence Factor Removal of Contaminants from Surface Water: A Natural Treatment System to Treat Nuisance Flows in Southern California	5,000		5,000	SCI	Christos Stathopoulos	-	19.34
060090	Graduation Initiative	12,000		12,000	ENG	Monica Palomo	-	17.38
060130	Synthesis of Photoconductive Liquid Crystals for Organic Solar Cells	156,000	48,000	204,000	ACCAFF	Claudia Pinter-Lucke	13,043.37	121,695.83
060140	Parent Institute for Quality Education (PIQE)	12,000		12,000	SCI	James Rego	-	0.00
060150	Student Success Dashboard	75,000	25,000	100,000	PRES	J. Michael Ortiz	-	25,000.00
060170	Minorities Study Group Project	62,000		62,000	I&IT	Kathleen Street	-	1,257.00
060180	Bronco Activity Record-Promoting, Measuring, and Enhancing Student Engagement (MyBar)	80,000		80,000	EDU	Sandra Dixon	20,069.22	87.72
060190	Enhancement of Difficult Courses to Increase Successful Student Completion	130,000	30,000	160,000	STUAF	Rebecca Gutierrez-Keeto	9,272.96	45,984.60
060210	Enrollment Communication Plan	100,000	10,000	110,000	ACCAFF	Claudia Pinter-Lucke	15,375.00	55,346.23
060220	Foster Supportive Learning Environment For Diverse Students in STEM Through Cooperative Research Teams	80,000	20,000	100,000	STUAF	Kathleen Street	-	84,763.69
060230	First Year Experience Program Review	80,000	20,000	100,000	ENG	Winnie Dong	3,304.51	41,328.90
060240	Kellogg Distinguished Public Lecture Series	35,000		35,000	ACCAFF	Claudia Pinter-Lucke	-	32,075.01
060250	Introduction of Learning Communities at Cal Poly Pomona Expansion of the Maximizing Engineering Program (MEP) Student Success Programs and Services	140,000	135,000	275,000	SCI	Sepehr Eskandari	24,405.40	149,284.44
060260	Provost's Awards	80,000	20,000	100,000	ACCAFF	Claudia Pinter-Lucke	-	77,104.30
060280	Provost's Awards--Kristine Hartney	97,500		97,500	ENG	Milton Randle	581.39	9,753.13
060290	Provost's Awards--Jill Adler Moore	19,000	11,000	30,000	ACCAFF	Marten denBoer	-	14,000.00
060292	Reading to Improve Writing	5,000		5,000	SCI	Kristine Hartney	-	0.00
060294	Renaissance Scholars	3,000		3,000	SCI	Jill Adler-Moore	-	370.26
060300	SEES Research and Mentoring Program (S-RaMP)	40,000		40,000	ACCAFF	Allison Douglas-Chicoye	3,181.75	17,843.01
060310	Student Scholarship Administration	200,000	100,000	300,000	STUAF	Leticia Guzman Scott	29,509.50	104,884.30
060320	Summer Bridge	60,000		60,000	SCI	Michael Page	705.78	15,028.49
060330	Transformative Undergraduate Research Engagement (Kellogg FuTURE Program)	30,000	5,000	35,000	STUAF	Diana Minor	1,625.27	6,611.93
060340	Boots to Broncos-Student Veteran Transition Support	60,000		60,000	STUAF	Monique Allard	-	0.89
060350	Web of Science Subscription and Purchase	100,000	30,000	130,000	SCI	Jeffrey Marshall	11,098.08	25,312.46
060360	WestEd Collaborative with LAUSD High School #16	75,000	20,000	95,000	STUAF	Kathleen Street	17,767.16	3,586.87
060370	Engineering Properties of Plant-Derived Biopolymers	165,000	65,000	230,000	LIB	Ann Morgan	-	65,000.00
060380	The Occupy Movement and the Future of American Politics	80,000		80,000	EDU	Ron Leon	-	33,814.77
060390	Kellogg Foundation General Expenditure Account	7,435		7,435	PRES	J. Michael Ortiz	-	0.00
060400	Genetic and Ecological Investigations into the Mating System of Parish's Monkeyflower	5,000		5,000	SCI	Paul Beardsley	120.00	1,346.41
060410	Regenerative Strategies Reference Guide: A Resource for Sustainable Communities	5,000		5,000	ENV	Kyle Brown	-	284.43
060420	Elucidating the Active Component of the Garlic Water Extract	2,433		2,433	SCI	Nancy Buckley	-	47.62
060430	Parents, Diversity, and Voice	2,565		2,565	EDU	Myriam Casimir	-	823.94
060450	#Temporeality: Mashup of the Analog and Digital Realm	3,000		3,000	ENV	Melissa Flicker	-	435.52
060460	Letterpress Typography	1,445		1,445	ENV	Alyssa Lang	-	0.00
060480	Engineering Properties of Plant-Derived Biopolymers	2,433		2,433	AG	Yao Olive Li	-	1,130.00
060500	The Occupy Movement and the Future of American Politics	5,000		5,000	CLASS	Dennis Loo	-	2,282.97
060510	Biomechanics in Ataxic Horses	5,000		5,000	AG	Yvette Nout	-	0.00
060520	Determining Dietary and Behavioral Influences on Growth Performance of Newly Weaned Pigs	5,000		5,000	AG	L. Allen Pettey	-	1,181.39
060540	Endowment Effect Experiment Design Refinement	4,180		4,180	CLASS	Greg Hunter	-	4,180.00
060560	RSCA Summer Stipends for Research Fellows	93,898	120,000	213,898	ACCAFF	Frank Ewers	-	127,162.00
060570	Effectiveness of Resource Discovery On University Library Mobile Sites	7,155		7,155	LIB	Suzanna Conrad	638.27	0.00
060580	Evaluation of Usefulness Lactate Concentrations in Equine Whole Blood	4,500		4,500	AG	Yvette Nout	1,460.28	0.00
060590	Is Earnings Management More Likely to Happen for Firms with Global Operation ?	4,736		4,736	BA	Nancy M. Fan	-	0.00
060600	From the Strategic to the Sacred: A Landscape Approach to Cerro Bernal and Los Horcones, Chiapas Mexico	4,900		4,900	CLASS	Claudia Garcia- Des Lauriers	3,667.86	0.00
060610	Grammatical Features in Academic Writing: Comparison Among Monolingual and Multilingual Writers	4,736		4,736	CLASS	Olga Griswold	-	0.00
060620	Success Breeding Success Through Discounted Wages: The Case of Major League Baseball	4,000		4,000	CLASS	Craig Kerr	1,065.38	0.00
060630	Recording and Release of a CD featuring World Premiere Performances of Works by Major Composers	5,000		5,000	CLASS	Nadia Shpachenko-Gottesman	5,000.00	0.00
060640	Electrospun Membranes for Membrane Distillation	4,500		4,500	ENG	Keith Forward	2,145.98	0.00
060650	Electrospinning Composite Nanofibers for Thermoelectric Energy Conversion	7,200		7,200	ENG	Yong X. Gan	-	907.10
060660	Investigation of Plug-in Electric Vehicle Travel and Charging Behavior	9,695		9,695	ENG	Xinkai Wu	4,593.47	4,199.37

060680	Music and Movement for Cognitive and Motor Deficits	9,916	9,916	SCI	Hyun Gu Kang	7,161.05	0.00
060690	A Microseismicity Study of the Sierra Madre- Cucamonga Fault Transition	10,000	10,000	SCI	Jascha Polet	8,577.83	0.00
060710	Influence of Obesity on Respiratory Muscle	4,500	4,500	SCI	Robert Talmadge	1,754.77	500.92
060720	An Innovative Approach To Recruit and Retain Students	50,000	50,000	ENG	Cordelia Ontiveros	10,395.18	39,604.82
060730	EOP Scholarships	75,000	75,000	STUAF	Leticia Guzman Scott	-	75,000.00
060740	Helping American Veterans With Educational Services	68,500	68,500	STUAF	Kathleen Street	1,833.06	66,666.94
060750	Native American Youth Pipeline to College	32,800	32,800	EDU	Sandra Dixon	210.00	32,590.00
060760	President Special Travel Funds for Students	30,000	30,000	ACCAFF	Frank Ewers	-	30,000.00
060770	Transfer Evaluation System	35,000	35,000	STUAF	Dora Lee	12,593.00	22,407.00
		<u>2,204,727</u>	<u>950,300</u>	<u>3,155,027</u>		<u>211,155.52</u>	<u>1,340,920.98</u>

**ACTIVITY SUMMARY:**

Expenditure Activity-Year 1 (10-11)	52,507.25
Expenditure Activity-Year 2 (11-12)	1,035,706.03
Expenditure Activity-Year 3 (12-13)	815,673.59
Expenditure Activity-Year 4 (13-14)	<u>211,155.52</u>
Total Expenditures Since Inception	<u>2,115,042.39</u>

**TOTAL SOURCES OF INCOME: (192550)**

Initial Funds Awarded by Kellogg Foundation	2,000,000.00
Funds Deposited to Account In Error	1,000.00
RSCA Accounts Closed Due to Faculty Leaving University	588.63
	12,000.00
IDT215601 1/25/11 RSCA Awards (Reimbursing For Amount Awarded Over \$120,000 Limit For Year 1 per OF	1,479.00
Interest Income Earned on Funds	19,390.29
UET Earning Distribution for 10-11 Fiscal Year	477,108.64
Foundation Earning Distribution for 11-12 Fiscal Year	119,816.00
Foundation Earning Distribution for 12-13 Fiscal Year	<u>1,334,791.16</u>
Total Sources of Income:	<u>3,966,173.72</u>

**TOTAL FUNDS COMMITTED TO DATE:**

13-14 Projects Not Opened as of December 31, 2013	205,000.00
Ending Balance of 7348 as of December 31, 2013	<u>3,183,714.00</u>
Total Funds Committee To Date:	3,388,714.00

**NET AMOUNT AVAILABLE TO DISTRIBUTE:**

	<u>577,459.72</u>
Ending Cash Balance as of December 31, 2013	782,459.72
13-14 Projects Not Opened as of December 31, 2013	<u>(205,000.00)</u>
<b>NET AMOUNT AVAILABLE TO DISTRIBUTE:</b>	<u>577,459.72</u>

Total Remaining To Be Spent As of December 31, 2013	<b>A</b>	1,340,920.98
Total Remaining To Be Distributed as of December 31, 2013	<b>B</b>	<u>577,459.72</u>
Total Funds Available to Spend		<u>1,918,380.70</u>

Estimated Expenditures in 14-15 (75 Percent of Funds Available to Spend)	1,438,786.00
Total Admin Fee for 14-15 (4.5 Percent of Remaining to be Spent)	64,745.00

**Total Designated Gift For FYE June 30, 2015**

65,000.00

Forecast for 13-14 Fiscal Year End:

Total Expended as of June 30, 2013	815,673.59
Estimated Additional Expenditures for FY 13-14 (25 Percent of Funds Available)	<u>335,230.25</u>
Total Estimated FYE June 30, 2014 Expenditures	<u>1,150,903.84</u>

Total Admin Fee for FYE June 30, 2014	51,791.00
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**Forecast for FYE June 30, 2014:**

52,000.00

**OPERATING BUDGETS**  
**GENERAL ACTIVITIES**  
  
**ADMINISTRATION**

**Cal Poly Pomona Foundation  
Administration  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Administrative Fees	3,887,875	3,988,945	4,215,600	226,655
Other		1,500	1,500	
Sales	17,304	1,330	1,304	(26)
<b>Total Revenues</b>	<b>3,905,179</b>	<b>3,991,775</b>	<b>4,218,404</b>	<b>226,629</b>
<b>Expenditures- Controllable</b>				
Utilities	31,440	30,320	33,605	3,285
Insurance		90		(90)
Repairs & Maintenance	186,457	138,723	173,312	34,589
Meals & Refreshments	13,701	24,375	23,084	(1,291)
Postage & Freight	14,530	12,500	12,854	354
Advertising	95,921	99,387	98,044	(1,343)
Rent/Commissions	1,200	1,650	2,040	390
Services	305,996	243,236	260,176	16,940
Supplies	122,345	112,375	124,332	11,957
Telephone	38,664	44,620	50,715	6,095
Travel	21,582	21,462	30,136	8,674
Other	62,839	63,202	68,762	5,560
<b>Total Expenditures- Controllable</b>	<b>894,675</b>	<b>791,940</b>	<b>877,060</b>	<b>85,120</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	23		91	91
Depreciation	156,852	99,871	150,672	50,801
Insurance	3,955	(1,045)	10,604	11,649
Interest Expense	1,440			
Rent/Commissions	8,748	7,700	8,112	412
Bank Card Fees		35		(35)
Other	83,145	86,475	100,453	13,978
<b>Total Expenditures- Non-Controllable</b>	<b>254,163</b>	<b>193,036</b>	<b>269,932</b>	<b>76,896</b>
<b>Labor Costs</b>				
Salaries & Wages	2,401,949	2,381,690	2,391,944	10,254
Employee Benefits	1,365,457	1,399,953	1,489,938	89,985
<b>Total Labor Costs</b>	<b>3,767,406</b>	<b>3,781,643</b>	<b>3,881,882</b>	<b>100,239</b>
<b>Total Expenses</b>	<b>4,916,244</b>	<b>4,766,619</b>	<b>5,028,874</b>	<b>262,255</b>
<b>Net Income</b>	<b>(1,011,065)</b>	<b>(774,844)</b>	<b>(810,470)</b>	<b>(35,626)</b>

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION FEE SUMMARY

<i>FISCAL YEAR</i>	Current Approved Budget 2013-2014	Forecast Budget 2013-2014	Proposed Budget 2014-2015	Variance
<b><u>REAL ESTATE:</u></b>				
TOTAL REAL ESTATE ADMIN FEE	134,530	138,799	142,097	3,298
<b><u>ENTERPRISES:</u></b>				
Bookstore	637,840	628,228	613,442	(14,786)
Dining Services	989,182	1,013,709	1,079,100	65,391
K.W. Conference Ctr. & Lodge	148,129	121,120	132,927	11,807
University Village	488,603	569,838	627,525	57,687
TOTAL ENTERPRISES ADMIN FEE	2,263,754	2,332,895	2,452,994	120,099
<b><u>FUND 5, 8 10, UET, &amp; RESEARCH:</u></b>				
U.E.T.	431,430	463,577	528,269	64,692
Research Office	504,225	504,225	504,225	-
Fund 3 - Admin Philanthropic Grants	81,996	52,000	65,004	13,004
Fund 5 - Agriculture	131,281	126,614	139,007	12,393
Fund 8 - Campus Programs	158,040	177,246	177,240	(6)
Fund 10 - CEU	169,539	177,509	197,964	20,455
TOTAL 3, 5, 8, 10, UET, & RESEARCH ADMIN FEE	1,476,511	1,501,171	1,611,709	110,538
<b>TOTAL FOUNDATION ADMIN FEE</b>	<b>3,874,795</b>	<b>3,972,865</b>	<b>4,206,800</b>	<b>233,935</b>

\*Note: The Foundation retains the first 0.50 basis points of interest earnings on investments in the general investment portfolio per Board Policy # 133 as follows:

124,127	146,897	146,897	-
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Cal Poly Pomona Foundation  
 Cost Allocation Analysis  
 For the fiscal year ended June 30, 2013

Fund	2012-13 Computer Transactions	% Accounting	2012-13 Acctg & MIS Actual Allocation	Adjustments For Time	Adjusted 2012-13 Acctg & MIS Actual Allocation	Administrative %	2012-13 Administration Actual Allocation	Human Resources %	2012-13 Human Resources Actual Allocation	2012-13 Actual Total Allocation	2012-13 Foundation Prg. 75% Total Allocation	2012-13 Amount Charged	Overage (Shortage) Variance Amount	Variance %
General	38,471	10.66%	236,208		236,208	10.66%	12,197	1.00%	6,166	254,571		-	(254,571)	-100.00%
Real Estate	13,484	3.74%	82,790		82,790	3.74%	12,197	1.00%	-	94,988		144,566	49,578	52.19%
Grants and Contracts	36,906	10.23%	226,599	59,703	286,302	12.93%	280,539	50.00%	308,324	875,165		508,977	(366,188)	-41.84%
Designated	4,099	1.14%	25,167		25,167	1.14%	-	-	-	25,167		36,705	11,538	45.84%
Enterprise	158,199	43.85%	971,324.11	(34,003)	937,321	42.32%	756,235	35.00%	215,827	1,909,383		2,240,047	330,664	17.32%
Agriculture	19,235	5.33%	118,101	(3,400)	114,701	5.18%	36,592	3.00%	18,499	169,792		121,448	(48,344)	-28.47%
Endowment	13,277	3.68%	81,519	20,000	101,519	4.58%	36,592	3.00%	-	138,111		224,525	86,414	62.57%
Programs/Scholarships	70,781	19.62%	434,587	(41,600)	392,987	17.74%	42,691	2.00%	12,333	448,011	336,008	271,491	(64,517)	-14.40%
Continuing Education	6,280	1.74%	38,558	(700)	37,858	1.71%	42,691	9.00%	55,498	136,048		174,799	38,751	28.48%
<b>Total</b>	<b>360,732</b>	<b>100%</b>	<b>2,214,854</b>	<b>-</b>	<b>2,214,854</b>	<b>100.00%</b>	<b>1,219,734</b>	<b>100.00%</b>	<b>616,648</b>	<b>4,051,236</b>	<b>336,008</b>	<b>3,722,558</b>	<b>(216,675)</b>	<b>-5.348%</b>

Programs/Scholarships Actual total allocation vs. amount charged (176,520)

Fund	2012-13 Allocated Actual Cost per Transaction	2012-13 Amount Charged per Transaction	Variance
General/Innovation Village	6.62	-	0%
Rental Buildings	7.04	10.72	152%
Grants	23.71	13.79	58%
Designated	6.14	8.95	146%
Enterprise	12.07	14.16	117%
Agriculture	8.83	6.31	72%
Endowment	10.40	16.91	163%
Foundation	6.33	3.84	61%
Continuing Education	21.66	27.83	128%
<b>Avg. per Trans.</b>	<b>11.42</b>	<b>11.39</b>	<b>100%</b>

Average Balance Quarterly

Amount Distributed	Foundation Prgs	Scholarships	Yield Returned	Foundation Prgs	Scholarships	Yield Withheld	Foundation Prgs	Scholarships	Total Withheld
Sept	16,304.00	1,857.34	0.06750%	24,154,074.07	2,751,614.81	0.12500%	30,192.59	3,439.52	33,632.11
Dec	16,437.00	1,935.42	0.06250%	26,299,200.00	3,096,672.00	0.12500%	32,874.00	3,870.84	36,744.84
Mar	8,687.00	1,076.00	0.03447%	25,198,261.91	3,121,138.46	0.12500%	31,497.83	3,901.42	35,399.25
June	26,570.00	3,028.00	0.10526%	25,241,585.82	2,876,609.78	0.12500%	31,551.98	3,595.76	35,147.74
	67,998.00	7,896.76					<u>126,116.40</u>	<u>14,807.54</u>	<u>140,923.95</u>

75,894.76

# CAL POLY POMONA FOUNDATION, INC.

## ADMINISTRATION

2014-15

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Administration Executive  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Administrative Fees	3,871,795	3,972,865	4,206,800	233,935
Sales	16,000			
<b>Total Revenues</b>	<b>3,887,795</b>	<b>3,972,865</b>	<b>4,206,800</b>	<b>233,935</b>
<b>Expenditures- Controllable</b>				
Utilities	31,440	30,320	33,605	3,285
Repairs & Maintenance	36,160	33,000	27,000	(6,000)
Meals & Refreshments	10,800	20,000	19,000	(1,000)
Postage & Freight	260	250	360	110
Advertising	40,800	42,900	40,540	(2,360)
Rent/Commissions	1,200	450	840	390
Services	52,700	43,377	54,000	10,623
Supplies	30,515	15,000	29,770	14,770
Telephone	26,400	32,000	38,200	6,200
Travel	6,050	3,500	5,400	1,900
Other	26,260	30,500	38,600	8,100
<b>Total Expenditures- Controllable</b>	<b>262,585</b>	<b>251,297</b>	<b>287,315</b>	<b>36,018</b>
<b>Expenditures- Non-Controllable</b>				
Depreciation	9,000	11,000	15,600	4,600
Insurance	3,955	(1,045)	10,604	11,649
Interest Expense	1,440			
Rent/Commissions	3,000			
Other	2,330	(8,366)	2,640	11,006
<b>Total Expenditures- Non-Controllable</b>	<b>19,725</b>	<b>1,589</b>	<b>28,844</b>	<b>27,255</b>
<b>Labor Costs</b>				
Salaries & Wages	335,556	327,000	315,260	(11,740)
Employee Benefits	131,842	103,500	112,362	8,862
<b>Total Labor Costs</b>	<b>467,398</b>	<b>430,500</b>	<b>427,622</b>	<b>(2,878)</b>
<b>Total Expenses</b>	<b>749,708</b>	<b>683,386</b>	<b>743,781</b>	<b>60,395</b>
<b>Net Income</b>	<b>3,138,087</b>	<b>3,289,479</b>	<b>3,463,019</b>	<b>173,540</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

Forecasted Revenue is anticipated to be approximately \$3,525,000 million, primarily from administrative fees from operations for support. These fees help to support a wide range of necessary corporate functions under the leadership of the Executive Director. Administration is accountable for ensuring that support services are delivered and held accountable. Foundation Administration completed capital improvements during the fiscal year including: Exterior Painting and Upgrading the HVAC system of Building 55. HVAC system improvements should greatly reduce electricity usage. The Foundation has continued efforts to reduce paper waste and paper storage space. The Foundation will continue to use virtualization and cloud-based systems to expand storage, control costs and increase information recoverability.

### Explanation of Proposed Fiscal Year Budget:

Foundation Administration will continue to make donations to student clubs and staff/faculty activities as in years past; budget cuts leave them relying on the Foundation now more than ever. The Foundation continues to support and collaborate with the University on the Capital Campaign through the monetary support and services we provide. The Foundation will look carefully at deferred maintenance issues which will include water conservation and lighting retrofit projects. The Foundation will review additional options to buy cloud-based services and turn to self-service and "bring-your-own-device" models.

Changes in Programs and Services for Proposed Fiscal Year:

The Foundation will continue strategies to improve productivity by restructuring departments and encouraging more "collaborative" opportunities. The Foundation will embrace the high-tech world with more use of mobile payment, self checkouts, digital signage and kiosk ordering for greater efficiency. The Foundation will continue efforts related to electronic documentation, use of the web, social media, and enhancing systems for more efficient operation. All systems will be sensitive to the effort of reducing greenhouse gases. The Foundation will continue to demonstrate organizational transparency by providing access to records online. The Foundation will focus on the issues raised by the Chancellor's Office and take actions to move quickly to implement recommendations that include training for its Board of Directors. The Foundation will continue to be transparent and accountable in all operations.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Sustainability will be the word for the next 10 years. CPPF issues will be driven by CPP funding and enrollment. The Foundation will manage resources based on needs and leveraging funds to meet campus and foundation needs. The Foundation will need to find new sources of revenue and enhance current revenue sources. Some of the major trends/ issues that must be addressed as part of the 10 year plan will include the following:

- \* Aging facilities (maintenance and replacement) \* Revenue shrinkage (products and services changing)
- \* PCI and protecting data concerns (customer and internal) \* Constraints on the ability to reward employees
- \* Social Media strategies for marketing and communications \* Health care costs and Retirement costs
- \* Expanding compliance and risk issues and their costs \* Employee Training Costs \* Succession Planning
- \* The IT Department will be a center of collaboration among the Enterprise Units to facilitate the Acquisition of new technologies.

# Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
*Improve paperwork reduction and the use of electronic documents, forms and workflow.	All Foundation Areas	June 2015
*Assist the University in Reviewing Options related to the Lanterman Development Center	Admin. & Real Estate	June 2015
*Provide information and support to assist Advancement's implementation of Software .	Admin. and Financial Services	June 2015
*Innovation Village: marketing, and options for remaining land. Phase V agreement established.	Admin. & Real Estate	August 2014
*Provide BOD training as related to CSU & non-profit laws and regulations via AOA training program	Admin.	June 2015
*Long-term plan-Kellogg West Conf. Ctr. & Lodge for financial and facility substantiality.		
for renovation of Main Lodge, additional rooms and inclusion of Collins curriculum.	Admin. & Kellogg West	June 2015
*Increase specialized training for managers including online performance management.	Employment Services	June 2015
*Dining Services - max innovation and talent to create customer tailored dining environments that support the university. Implementation of the updated 2012 Dining Services Master Plan	Dining Services	June 2015
*Bronco Bookstore-provide savings to students thru an aggressive rental program and the implementation of the new CSU digital text media program.	Bronco Bookstore	June 2015
* Univ Village-maintain high occupancy, financial performance, competitive rates and facility maintenance that meets customer needs and expectations. Explore options for non-traditional student housing.	University Village	June 2015
Public Relations campaign-Foundation Gives back to the University	Admin & Marketing	June 2015
*Support Cal Poly Pomona's commitment to sponsored research and fund raising by providing resources and services tailored to assist the campus meets its performance goals.	Admin. and Financial Services	June 2015
*Implementations related to National Health Plan	All	January 2015
*Climate Neutral, Reduction of Greenhouse Gases - Investigate and implement ways for the Foundation to be climate neutral and reduce greenhouse gases in all operations. Be a role model for other to follow.	All	June 2015
*Presidential Order-The Foundation will use the Presidential Order to initiate opportunities to provide more services to the campus community and market the advantages in "reinvesting in ourselves."	Marketing et. al	June 2015
*Assist the University with special planning and marketing associated with 75th Anniversary celebrations	Admin. and Marketing	2015
*Review options: Master Planning/Development of Spadra Farm, including student/faculty mixed housing	Univ Facilities/Design, Admin. RE	June 2015
*Implement Recommendations from Bookstore Consultant's 2013 Report	Bookstore	June 2015
*Provide information to the incoming President related to the Foundation as an Auxiliary Organization and as a Non-Profit entity, and Financial Agendas	All	June 2015 and beyond

# Mission/Vision Statement

The Cal Poly Pomona Foundation, Inc., established in 1966, is an integral component of the educational mission of the university. In pursuit of this mission, the Foundation is a partner in the university community which includes students, faculty, staff, administrators, alumni and members of the larger community. The Foundation exists to provide the highest level of service and financial support while maintaining corporate fiscal integrity. The role of the Foundation is to provide convenient and appropriate goods and services at a reasonable price and to develop additional assets and resources for the university. The Foundation also promotes and celebrates the cultural diversity of the university, helps foster and maintain an effective learning environment to provide educational opportunities, reflects an institutional image of competence and quality and encourages cooperative relations within the university community.

Excellence in service to the university is the highest priority of the Foundation. The Foundation accomplishes this by:

- \* Operating in a professional and conscientious manner.
- \* Continually updating its planning for the future and emphasizing the importance of quality and excellence.
- \* Promoting high standards for ethics, honesty, competency and professionalism in all its employees.
- \* Developing and motivating employees to express an entrepreneurial spirit by using creativity, innovation, initiative and open communication.
- \* Maintaining its commitment to affirmative action, equal opportunity, and career development in a safe working environment.

The Cal Poly Pomona Foundation, Inc. is an equal opportunity, affirmative action employer. The Foundation subscribes to all state and federal regulations and prohibits discrimination based on sex, race, sexual orientation, national origin, handicap, marital status, age, religious creed, color, ancestry, medical condition, or veteran status. The Foundation hires only individuals lawfully authorized to work in the United States.

The Foundation operates as a public-benefit charitable-educational organization under the provisions of the California Revenue and Taxation Code, Section 23701(d) and the United States Internal Revenue Code, Section 501(c)(3). As a recognized auxiliary of the California State University, the Foundation conforms to the regulations established by the Board of Trustees of the California State University and approved by the California State Director of Finance as required by the California Education Code, Section 89900. The university's administrative organization supervises the Foundation, as required by Title 5, California Code of Regulations, Section 42402.

Created: 12/11/95 (per 1995/1996 Foundation Business Plan)

CORPORATE VISION STATEMENT--"Quality Service Supporting Quality Education"

To be the best... an organization of employees must be committed to quality. Recognized as leaders and "award winners." An organization having the best business practices. An organization where service quality consistently exceeds customer expectations and financial performance consistently exceeds comparable industry norms. An organization with a stimulating and gratifying workplace where employees can achieve their full potential. Vision and mission, strategic planning, policies and procedures, customer service and campus relations all build and depend upon each other. Without a vision and mission, effective planning cannot take place. The process of assessing current status, soliciting input from campus stakeholders, and identifying problems and goals is common to each, and reinforce the others.

## Strengths and Challenges

### Strengths

Strong Diverse Revenue Streams\* Growth Oriented - \$50 Million in Net Worth and \$100 million is Assets \* A Major Donor to University \* Supporter of Fund Raising \* Award-Winning Services \* Bronco Card Purchasing Capability \* Veteran Management Team is Stable, learning Centered - Always Improving \* Recipient of Unqualified Audits \* Capable of Managing Large Projects in Support of University such as Faculty Housing and Innovation Village \* Independent, Self-Supporting and Operates with Minimal Risk to the University \* Financial Services and Post Award Grant/Contract Support \* A Recognized Leader and Innovator within the Industry \* Board Representative of University

### Challenges

Profitability of the Aging Kellogg West Conference Facility and Need to Retrofit the Center\* Growing Cost of Employee Benefits \* Lack of a Category to retain 30-35 Hour Per Week Employees \* Lack of Retail Business during the Summer Months \* Need to Maintain Cutting Edge Technology, Improve Efficiency and Integrate Systems \* Need to Manage and Anticipate Risks of all Types \* Meeting Customer Expectations for Low Prices and High Value \* Need Green Strategies and Systems \* Integration of Online /Viral Media Strategies into Traditional Marketing Campaigns \* Anticipated flat enrollment \* Challenging Economy and Retreat on Housing Prices



# Employee Survey

(Surveys were conducted at the unit level)



# Customer Survey

(Surveys were conducted at the unit level)

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Key to our success is to provide outstanding value to our major stakeholders:	
*Customers: by delivering service beyond expectations	10
*Employees - by delivering high performance - self-motivating teams	10
*Cal Poly Pomona - by delivering exceptional financial performance and effectively supporting the campus mission	10
Key Issues:	
* Identifying and providing core products and services.	10
* CSU Chancellor's Office concern about auxiliaries and risk.	10
* Balancing the goals of financial performance, customer service and serving Cal Poly Pomona in a	
a challenging economy.	8
* Providing non-traditional products and services such as developing real estate projects.	9
* Knowing the cost of doing business and adjusting to economic realities promptly.	9
* Abandon yesterday - improve systematically and continually.	8
* Intensifying competition on and off-campus.	8
*Encourage more collaborative opportunities	10

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
NO SECRETS:	Everyone in the Foundation at all levels shares information openly.
NO SURPRISES:	No one can claim to be in the dark about problems or opportunities
NO POLITICS:	People get together and look at the same information and make tough decisions
NO DISTRACTIONS:	Management and systems operate in the background; they make noise only when things go wrong. People are free to get their work done.
NO CONFUSION:	Employees know what they need to do to succeed.
NO WASTE:	The organization is lean and mean.
NO ILLUSIONS:	We have no illusions about how tough things can be; that is why we are constantly modifying, improving and starting over.

# Business Controls and Vital Factors

H

EXECUTIVE DIRECTOR: \* Oversees all programs, services and activities for program objectives \* Develops administrative and personnel policies \* Approves staff \* Facilitates long-term and short-term planning \* Prepares annual budget for Board approval \* Approves expenditures \* Serves as chief liaison with other organizations and key stakeholders

BOARD OF DIRECTORS: \* Understands and supports mission of Foundation \* Selects the Executive Director \* Shares expertise and engages in decision-making \* Engages in planning \* Provides adequate resources \* Prepares for and attends board and committee meetings \* Understands and evaluates programs \* Enhances the Foundation's public standing \* Ensures legal and ethical integrity, and maintains accountability \* Maintains the quality of the Board through careful recruitment and orientation \* Evaluates the Executive Director and Board's performance

PARTNERSHIP: \* Common expectations \* Cooperative planning and evaluation \* open and honest communications \* Respect

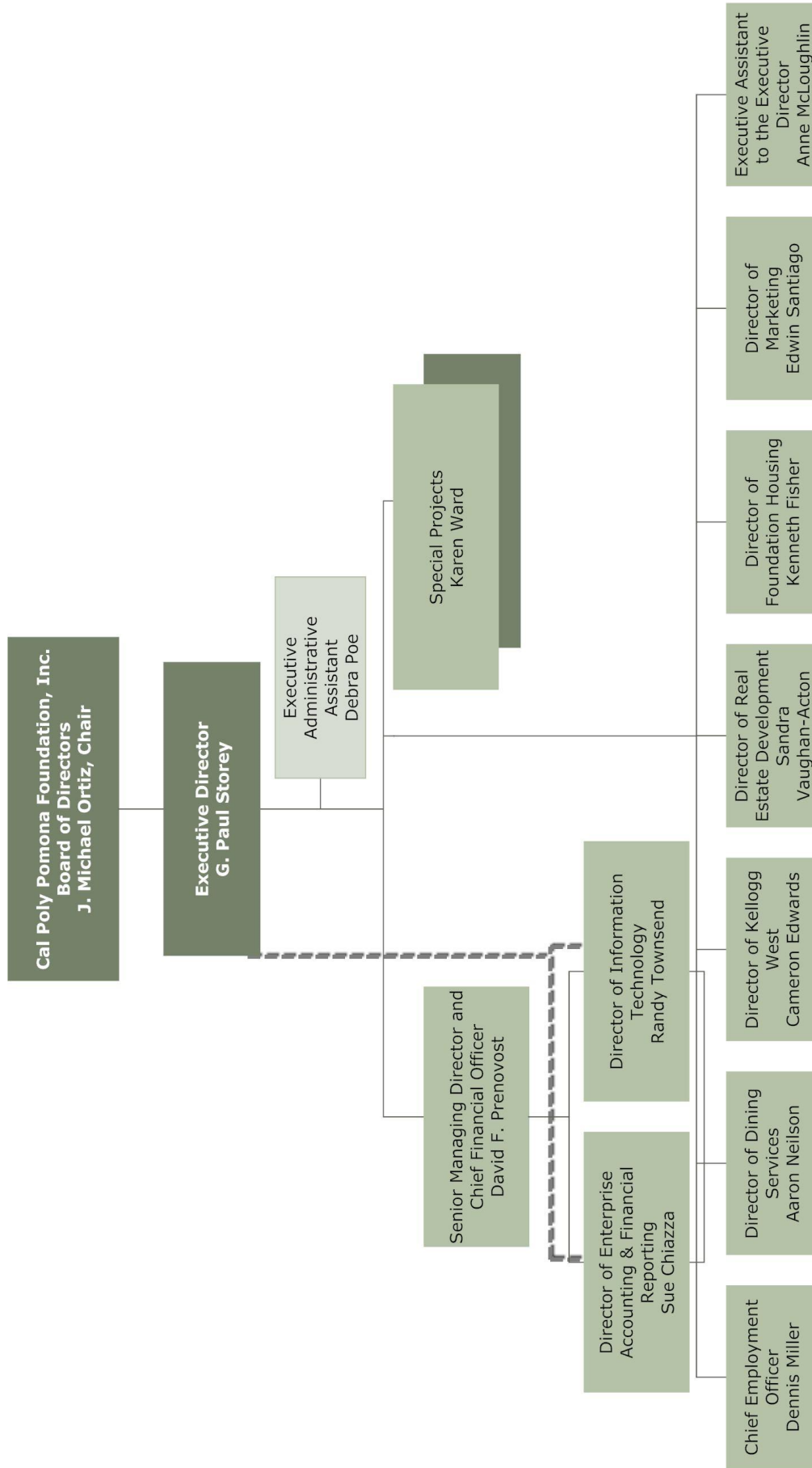
## Asset Protection/Risk Management

The Foundation has long practiced a conservative approach to risk management and has transferred risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into Foundation operations.

# Organization Chart

CAL POLY POMONA FOUNDATION, INC.  
 "Quality Service Supporting Quality Education"

## EXECUTIVE MANAGEMENT TEAM



April 2014



# CAL POLY POMONA FOUNDATION, INC.

## FINANCIAL SERVICES AND IT

2014-2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Financial Services  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Sales	804	830	804	(26)
<b>Total Revenues</b>	<b>804</b>	<b>830</b>	<b>804</b>	<b>(26)</b>
<b>Expenditures- Controllable</b>				
Insurance		4		(4)
Repairs & Maintenance	144,012	99,100	142,512	43,412
Meals & Refreshments	1,776	2,075	2,184	109
Postage & Freight	13,620	11,500	11,844	344
Advertising	3,204	4,530	4,704	174
Services	188,662	155,675	161,326	5,651
Supplies	37,776	37,195	33,132	(4,063)
Telephone	4,704	5,600	5,700	100
Travel	4,704	5,104	7,296	2,192
Other	6,600	3,084	3,912	828
<b>Total Expenditures- Controllable</b>	<b>405,058</b>	<b>323,867</b>	<b>372,610</b>	<b>48,743</b>
<b>Expenditures- Non-Controllable</b>				
Depreciation	142,116	84,256	131,112	46,856
Rent/Commissions	5,748	7,700	8,112	412
Bank Card Fees		35		(35)
Other	80,815	94,841	97,813	2,972
<b>Total Expenditures- Non-Controllable</b>	<b>228,679</b>	<b>186,832</b>	<b>237,037</b>	<b>50,205</b>
<b>Labor Costs</b>				
Salaries & Wages	1,258,965	1,278,728	1,308,732	30,004
Employee Benefits	488,790	448,132	491,190	43,058
<b>Total Labor Costs</b>	<b>1,747,755</b>	<b>1,726,860</b>	<b>1,799,922</b>	<b>73,062</b>
<b>Total Expenses</b>	<b>2,381,492</b>	<b>2,237,559</b>	<b>2,409,569</b>	<b>172,010</b>
<b>Net Income</b>	<b>(2,380,688)</b>	<b>(2,236,729)</b>	<b>(2,408,765)</b>	<b>(172,036)</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

190010:

Bank Fees: (7023) In 13-14, the bank fees has increased due to additional pickup locations added for Brinks. The average cost increased from \$2,700 in 12-13 to \$4,000 in 13-14

Computers: (7103) In 13-14, there were a number of new computers, printer, and computer monitors purchased for Financial Services Staff due to Web Form processing and One Solution upgrades.

Licenses and Permits (7158) In 13-14, the costs relating to the Glacier Software License Fees have been reduced to \$1,200.

Meals and Refreshments (7185) Increased costs due to One Solution and Cognos training sessions.

Rental/Land and Building: (7258) Increased costs due to requesting items from storage due to public records requests.

190030:

Software maintenance (7175) dipped as Kronos system costs were capitalized during the migration to cloud based services over the first 6 months of the fiscal year. Maintenance costs will return in the coming fiscal year, as ongoing expenses.

Computer hardware warrantee (7176) costs have been reduced as more servers are virtualized, then retired.

IT maintenance equipment (7177) costs increased temporarily as Acer workstations were upgraded and monitors added.

Consulting services (7286) declined and benefits rose as IT contract fees transferred to full time employee, PCI consulting increased and Kronos support shifted to capitalized during the cloud conversion. Future Kronos support costs will fall under the software maintenance agreement.

### Explanation of Proposed Fiscal Year Budget:

190010:

Conference (7035) Increased staff conference fees including NACAS conference costs in 14-15.

Rental Land and Building (7258) Increased budget due to anticipated public records requests.

Services/Audit (7285) Budget decreased due to Nicolay Consulting not performing a full study in 14-15.

Travel (7355) Increased costs due to NACAS National Conference and additional staff attending AOA related events.

190030:

Computers (7103 and 7177) In the coming year there will be a continued reduction in the cost of computer maintenance and power consumption through the completion of projects to further virtualize servers and desktops, and to move backup/ disaster recovery processes to hosted cloud services.

Vendor software maintenance (7175) will increase due to increased outsourcing and cloud services, offset somewhat by lower in-house maintenance costs and greater operational profit due to business continuity.

Phone services (7345) expenses associated with cellular wireless services will increase as more tablets and smart phone devices become strategic to mobile business processes.

Consulting services (7286) increased for PCI consulting through 403 Labs.

Increased demand for skilled IT labor related to technology driven business growth and security compliance requirements is driving a need for market adjustments and training in professional IT labor in order to keep pace with equivalent positions in auxiliary and campus technology.



Changes in Programs and Services for Proposed Fiscal Year:

190010: The Foundation has updated the accounting system to One Solution and will continue analyzing the functionality of new system and automating processes to improve efficiency.

190030: Where fiscally and operationally advantageous to Foundation business there will be a move toward outsourcing and/or cloud hosting of applications. University equipment, as well as fellow auxiliaries, will continue to be evaluated against internal and external hosting in consideration of the Data Center Initiative. Any changes to services will be based on mutually beneficial agreements using industry standard service level agreements, or MOU's, written to insure separation of duties and requisite compliance.

Explanation of Proposed Fiscal Year Capital Requests:

- 190030:
1. VDI expansion to provide a universal desktop, that will allow independence from operating system while reducing desktop upgrade expenses.
  2. Financial System enhancements to develop budget software, increase Cognos reports, and expand workflow automation.
  3. VMware hardware refresh to increase capacity, reliability, and security of virtual systems.
  4. Big Data planning, licensing, and consulting to develop business intelligence and analytics capability using our existing Cognos platform.
  5. The purchase of an e-cart to reduce transportation costs and delays for delivering equipment around campus, and to improve response time for enterprise installations.
  6. Migration of the document library to an integrated solution using Ricoh multifunction printers and hosted storage services.
  7. Windows 8 desktop pilot testing to improve the user experience across multiple workstation devices.
  8. Network Switch Upgrades - To replace old 10/100 switches with 1G for improved efficiency and VOIP implementation.

Changes in Staffing:

An increase in hours from 20 to 25 for part-time work, currently being performed by our PC Support Specialist. An additional 5 hours of support from a student assistant, can be pulled from an existing part-time employee in another group.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

190010: Improve financial and information systems. Continue to support increased activity in sponsored project proposals and Kellogg Legacy projects; Support University Advancements capital campaign; Continue long term risk management program for cost savings and risk mitigation; Year (2015-2017) Wireless expansion, Workflow Tools; Software Update Automation. Server Software Upgrades (Windows server 2008); SANS Hardware/Server Virtualization, Emergency generator, Phone System Upgrade; Years (2015-2016) Implement Paperless Filing System, Facilities Expansion

190030: Over the next three years we will be performing further system consolidation, implementing office automation with workflow tools, increasing hosting and virtualization, extending the financial system capability, improving disaster recovery, and extending wireless capability, VOIP phones, developing Big Data reporting and predictive analytics to lower operational costs. We are anticipating increased need for security monitoring and logging of POS, mobile and terrestrial data. Beyond 4 years we will be moving toward IPV6 networking, encrypted databases, office automation, universal inbox, Increased hybrid cloud application hosting, and expanded or moved facilities.

# Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Promote OneSolution System through training and implementation	All	June 2015
Tune ONESolution System for operational efficiency and customer satisfaction	All	June 2015
Create/Update department manuals to incorporate changes due to software upgrade	All	June 2015
Continue to develop web forms for expenditure processing and workflows to provide greater automation	All	June 2015
Develop, install, and test Financial System Budget Software	All	June2015
Windows 8 Desktop Pilot Testing	IT and Village staff	July 2014
Backup and Disaster Recovery tuning and testing	IT staff	July 2014
VDI (virtual desktop infrastructure) Implementation	IT and Village staff	August 2014
Document Archive Migration	IT staff	October 2014
PCI hardware upgrades, Self-Assessment preparation, and process standardization	All	November 2014
Big Data analytics preparation and testing, starting with Dining data	IT and Dining staff	December 2014
Network switch upgrades	IT staff	January 2015
VM hardware refresh	IT staff	April 2015

# **Mission/Vision Statement**

The Financial Services department provides accounts payable, accounts receivable, cash receipt processing, purchasing, grant and contract administration, management information services, financial reporting, budgeting, investments, risk management and other financial services to the University for functions relating to the Foundation's on and off campus commercial activities, sponsored projects, foundation programs, endowment and scholarship funds and to other auxiliary organizations as needed.

- The Financial Services department provides quality financial services by operating in a professional and business-like manner with a high degree of technical competency to meet both internal and external reporting requirements.
- The Financial Services department strives for accuracy and timeliness in its services using trained personnel, computer systems and cost effective methods to safeguard the assets of the Foundation.
- The Financial Services department provides financial analysis to aid Foundation administration and operations managers in decision-making.
- The Financial Services department provides its employees with open lines of communication, opportunity for personal, professional growth and a participatory work environment to enable quick response to the growing demands of the University and Foundation activities and business.

## **Strengths and Challenges**

### **Strengths**

Quality of staff; the ability to meet various required deadlines; multi-tasking; internal controls; communication through semi-annual meetings, monthly financial facts, newsletters, updated policies, procedures, forms on the Web; online IT/ONESolution work order services; responsive to campus needs through internal managers; courteous; friendly; knowledgeable; professional; customer service oriented; and efficient.

### **Challenges**

Volume of work with minimal staff; maintaining accuracy with increased volume; cross training opportunities; delegation of responsibilities among staff; special projects; decentralization of accounting functions; consistency; inter-department communication; employees turn-over; limited resources to support new projects and recently implemented projects; office space constraints; and comparable compensation.

# Employee Survey

F

This year's survey included the same 10 questions as the previous years and 12 out of the 16 employees responded to the survey. On a scale of 0 to 4, 4 being totally agree, 3 being agree, 2 being disagree, 1 being totally disagree, and 0 being don't know, there were a total of 21 responses who totally agree, 45 responses who agree, 22 responses who disagree, 8 responses who totally disagree and 1 responses who didn't know.

Financial Services received an overall score for 13-14 of 3.08 versus 12-13 of 2.78, 11-12 of 2.71, 2.90 in 10-11, 2.95 in 09-10, 3.00 in 08-09, 3.13 in 07-08, 2.71 in 06-07, 3.46 in 05-06, and 3.21 in 04-05.

For 2013-14, the following totally agree or agree:

- 100% believe their supervisor considers them to be an important factor to their department's success;
- 92% feel they are treated with fairness, respect and equality as a whole;
- 64% feel other departments or employees react quickly to meet the needs of the other employees/departments;
- 75% feel there is a high level of trust between employees and direct supervisors;
- 92% feel there is a good level of trust between employees and upper management;
- 83% feel goals are communicated to all employee levels;
- 75% feel teamwork and communication within Foundation Financial Services is good;
- 67% feel their salary plus benefits is appropriate for the requirement of their position;
- 75% Foundation management is interested in their future and does all it can to develop their skills; and
- 100% enjoy working for Foundation Financial Services;

# Customer Survey

There were 30 responses where we have used the same scale as the employee survey from 0 to 4. We received an overall score of 3.21 in 13-14 versus 2.77 in 12-13, 3.17 in 11-12, 2.98 in 10-11, 3.25 in 09-10, 3.13 in 08-09 year, 2.52 in 07-08 year, 3.37 in 06-07, 3.30 in 05-06 year, and 3.28 in 04-05 year. There were a total of 504 responses of which 160 totally agree, 254 responses who agree, 66 responses who disagree, 3 responses who totally disagree and 21 responses who didn't know.

The following totally agree or agree:

- 90%--employees are courteous, helpful, knowledgeable and service oriented;
- 77%--faced with new projects or demands, Financial Services reacts quickly to meet the needs of the customer;
- 87%--produces a consistently superior level of accuracy in all of the work we perform;
- 83%--consistently completes assignments on time;
- 67%--incorporates current technology in servicing our customers;
- 83%--organized, professional organization that conducts transactions in a business-like manner;
- 93%--the services provided is an asset to the University;
- 73%--forms are easy to understand and use;
- 90%--the staff is always efficient when answering their questions;
- 73%--computer information is current and accessible;
- 67%--computer systems are fast, reliable and efficient;
- 73%--MIS staff respond to service requests in a timely manner;

Foundation Financial Services Procedures are comprehensible:

- 90%--Wells Fargo Purchasing Card
- 93%--Disbursement Voucher Form
- 83%--Travel Form
- 90%--Deposit
- 79%--Purchasing

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Knowledge/Expertise	9
Timeliness in Reporting	9
Responsiveness to Customer Needs	9
Compliance to Regulations and Policies	9
Accuracy	10
Quality of Service	10
Communication	9
Efficient	10
Teamwork	9
Integrity	10

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Inflexible	Innovative Ideas
Bureaucratic	Education Customers
Friendly	Friendly
Improve Responsiveness	Improve Responsiveness
Cooperative	Cooperative
Service Oriented	Service Oriented
Professional	Professional
Organized	Organized

# Business Controls and Vital Factors

H

We control our business and vital factors by managing our time, providing timely service, accuracy and accessibility to information. We manage our time and projects through our 30 day goals process, weekly manager meetings, bi-weekly one on one manager meetings and monthly department meetings. We manage our service by assigning internal managers to respective colleges or divisions, customer survey, employee survey, focus group meetings, committee and director meetings and our five year cycle of all foundation program and scholarship projects. We manage our accuracy of information through segregation of duties and required review and approval of all transactions and reports. We manage the accessibility of information through the client based ONESolution financial system.

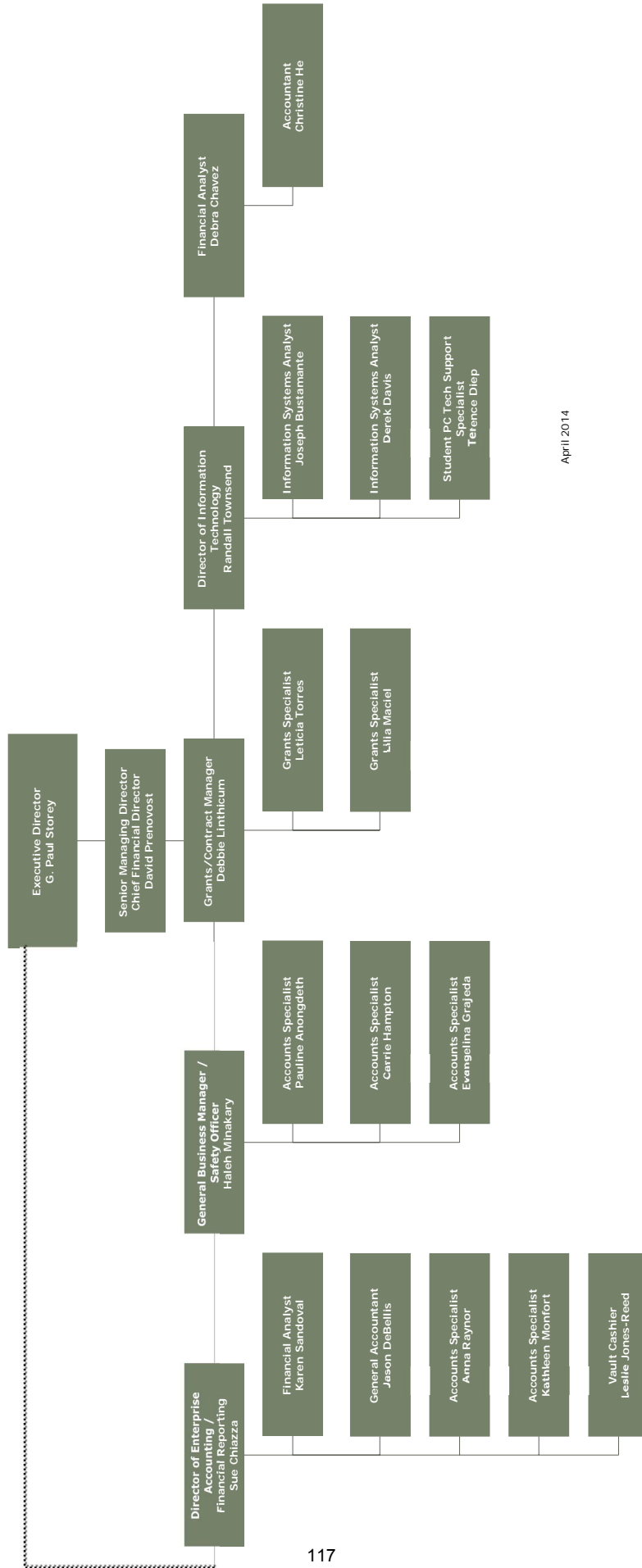
## Asset Protection/Risk Management

1. Mitigating the risk of network security breaches. Corrective action includes use of monitoring software, log management, pro-active scanning and improvements to physical security of equipment.
2. Business continuity risk management. Corrective action includes hardware and software redundancy in mission critical computer systems, pro-active facilities maintenance in the areas of electrical, cooling, water and fire suppression systems and general disaster recovery protocols.
3. Examining feasibility of alternative risk management by transferring the risk (through contractual transfer of risk and commercial insurance) or risk retention (through higher deductible and establishing a funded insurance reserve). This task is done by the following:
  - 3a. Reviewing the contracts, insurance requirements, and hold harmless agreements or indemnification clauses to transfer legal and financial responsibility of loss to other parties.
  - 3b. Annual review of Foundation insurance programs/coverages, property and liability schedules, and Insurance reserve for proper funding.

# Organization Chart

CAL POLY POMONA FOUNDATION, INC.  
 "Quality Service Supporting Quality Education"

## FINANCIAL SERVICES / MANAGEMENT INFORMATION SYSTEMS



April 2014

# CAL POLY POMONA FOUNDATION, INC.

## EMPLOYMENT SERVICES

2014 - 2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014



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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Employment Services  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Expenditures- Controllable</b>				
Insurance		82		(82)
Repairs & Maintenance	300	638	300	(338)
Meals & Refreshments	900	1,500	1,200	(300)
Postage & Freight	300	450	300	(150)
Advertising	720	650	900	250
Rent/Commissions		1,200	1,200	
Services	58,800	38,700	39,000	300
Supplies	6,000	12,714	7,800	(4,914)
Telephone	2,400	2,500	2,400	(100)
Travel	1,200	4,200	6,900	2,700
Other	27,600	27,083	24,250	(2,833)
<b>Total Expenditures- Controllable</b>	<b>98,220</b>	<b>89,717</b>	<b>84,250</b>	<b>(5,467)</b>
<b>Expenditures- Non-Controllable</b>				
<b>Total Expenditures- Non-Controllable</b>				
<b>Labor Costs</b>				
Salaries & Wages	395,252	378,150	323,532	(54,618)
Employee Benefits	197,016	199,200	191,520	(7,680)
<b>Total Labor Costs</b>	<b>592,268</b>	<b>577,350</b>	<b>515,052</b>	<b>(62,298)</b>
<b>Total Expenses</b>	<b>690,488</b>	<b>667,067</b>	<b>599,302</b>	<b>(67,765)</b>
<b>Net Income</b>	<b>(690,488)</b>	<b>(667,067)</b>	<b>(599,302)</b>	<b>67,765</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

The 2013 - 2014 budget year was a very dynamic year. We migrated our human resources management system to cloud services and began to use the "smart clocks" for a range of timekeeping and employee self-service purposes. Additionally, at the beginning of the current year we had added a temporary position to the budget, and the initial plan was to vacate that position prior to the end of the current fiscal year. That initial plan will come to fruition which will materially reduce the overall budget expense for Employment Services without negatively impacting our core services.

Employment Services also completed its second year of offering a self-insured healthcare benefit program. We believe retaining that option is still an appropriate solution to offer health care benefits to our employees and retirees, while ensuring the cost of those benefits remains sustainable.

### Explanation of Proposed Fiscal Year Budget:

Other than vacating the temporary project manager position, which will reduce our budget expense materially, there are no material changes to the budget for the upcoming year.

Changes in Programs and Services for Proposed Fiscal Year:

The online performance management process is operational and applies to all full time regular staff.

We have deployed the Kronos Mobile licenses for smart devices in limited situations and plan to have minor expansion of that methodology for time collection, such as in our catering function, and possibly for grant which operates off-site.

We plan to develop and implement a comprehensive methodology used for employee and retiree communications. This will involve using several different mediums and involve the use of internal and external resources.

We are also examining the option to add an additional benefits plan to our healthcare benefits. If adopted, the new plan will provide an additional option for healthcare insurance for our employees and retirees, and will be cost neutral for Foundation.

Explanation of Proposed Fiscal Year Capital Requests:

We are proposing to enhance our employee communications and engagement by adding a cadre of short video's available on-demand on selected topics of importance to employees and retirees. For example, a short on-demand video explaining the core features of our healthcare insurance would be highly desirable to our retirees since the retiree and their family members could review the video at their discretion, and as often as they needed.

We are proposing to employ an external consultant for the purpose of evaluating our payroll system configuration and processes. The key outcomes of this project will be focused on providing recommendations on system and/or process improvements related to payroll.

We are proposing to purchase a new pressure sealer (check folding machine) for payroll.

Changes in Staffing:

End the temporary project management position, as planned during the 2013 / 2014 budget process.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

During the near term there will be minor changes in the services delivered by Employment Services. There is continued optimism with our state budget which will directly impacts Foundation and our employees. During the next 3 years Employment Services will continue to focus on providing a Foundation wide mechanism for employee development for Foundation supervisory employees, and will continue to remain efficient and cost effective for Foundation.

Sustaining the training and development for the next generation of supervisory employees is our most critical long term objective.

Looking ahead the next 4 - 7 years, the changes in the economy should not directly impact Employment Services any more or less than during the last year. Health Care Reform will continue to evolve although we do not anticipate a materially impact on Foundation employees at this juncture. We anticipate a material loss of talent (Foundation wide) during the next 2 to 5 years in key positions, and within 10 years, nearly all of our existing senior management team will have turned-over.

# Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Create and implement strategic plan for enhanced employee communications and engagement	Dennis	12-1-14
Modify programs and communicate changes regarding health insurance offerings	Dennis	12-1-14
Revise Employment Services Website (Project was carried forward from 2013)	Dennis	10-1-14
Evaluate payroll processes and hiring processes at the system level, for optimization	Dennis	3-1-15
Revise Organizational Tree in the HRIS	Nora	9-1-14
Document, communicate, and execute monthly goals	Dennis	Monthly
Annual benefits renewal	Nora	11-30-14
Annual budget and business plan	Dennis	2-1-15
Eliminate Employment Transaction Form (ETF) use by at least 50%	Dennis	4-1-15
Update all Employment Services policies	Dennis	3-1-15
Review and Improve Hiring Process with an Emphasis on Training & Documentation	Nora / Angelique	11-1-2014
Analyze and Optimize Payroll System Configuration (Professional Services)	Jennifer / Dennis	9-30-2014
Evaluate the feasibility of Crowd Sourcing for Employment Services	Angelique, Nora, Dennis	10-31-2014
	Dennis	10-1-2014

# **Mission/Vision Statement**

The key mission of the Foundation Employment Services Department is to deliver the full spectrum of employment based services to all employed by Foundation, throughout the entire employment life-cycle, in support of their roles of supporting the educational mission of Cal Poly Pomona.

We will achieve our mission by providing cost effective employee centered benefits, programs, and payroll services, with a focus on attracting new employees while maintaining a balanced quality of work-life environment for existing employees during their time as a member of the Foundation.

The Core Values of the Employment Services Department include:

- a) Fair and equitable treatment for all employees and applicants
- b) Superior level of services to our employees
- c) Confidentiality and security of "Personal Information"
- d) Professionalism
- e) Appropriate ethical and moral behavior
- f) Timely and accurate administrative related services

## **Strengths and Challenges**

### **Strengths**

- 1. Well organized and cohesive team
- 2. Positive attitude with a strong focus on providing professional level employee services
- 3. Strong willingness to create and adopt new processes and new technologies - thereby adding value
- 4. Relatively low cost service provider encompassing the full spectrum of employee services
- 5. All team members have embraced the mission of the department and are all working toward the same outcomes
- 6. Significant professional growth opportunities for all team members

### **Challenges**

- 1. Evolving the skills of all employees in Employment Services toward becoming more strategic and more customer centric as a services provider.
- 2. Enhancing the technical skills (job skills) of all employees in Employment Services to keep pace with new demands, technology changes in the marketplace, and to encourage individual professional evolution.

# Employee Survey

Survey not completed this year.



# Customer Survey

Survey not completed this year.

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Quality employee services	10
Positive staff and employee relations	10
Timely, clear, and thorough communications	10
Sets example of high ethical standards	10
Fiscal accountability	10
Responsiveness	10
Setting the appropriate professional example	10
Open door policy	9
Timely and accurate database information	8

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Unknown	Fair
	Helpful
	Flexible
	Patient
	Approachable
	Adaptable



# Business Controls and Vital Factors

H

On a monthly basis, setting and achieving measurable and realistic, goals (goals aligned with the business plan).

Timely communications with Executive Director on risk issues; developing and implementing appropriate solutions to address and/or minimize the risk.

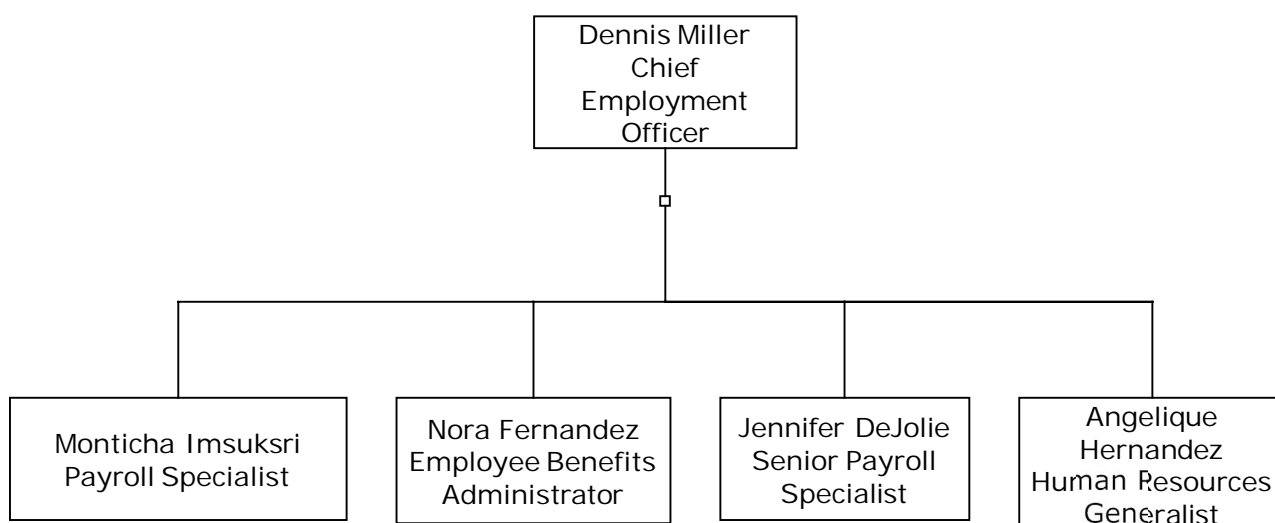
Timely and thorough collaboration / communications with unit Directors on matters of importance applicable to their units.

Continue to improve all employment processes.

Offer and deliver services to operational units that assist them toward achieving their business objectives.

## Asset Protection/Risk Management

## CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" EMPLOYMENT SERVICES



**April 2014**

# CAL POLY POMONA FOUNDATION, INC.

## MARKETING

2014-15

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Marketing  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other		1,500	1,500	
Sales	500	500	500	
<b>Total Revenues</b>	<b>500</b>	<b>2,000</b>	<b>2,000</b>	
<b>Expenditures- Controllable</b>				
Repairs & Maintenance	5,985	5,985	3,500	(2,485)
Meals & Refreshments	150	700	600	(100)
Postage & Freight	250	200	250	50
Advertising	50,497	50,497	51,450	953
Services	3,884	4,184	4,750	566
Supplies	46,604	46,131	53,030	6,899
Telephone	3,720	3,720	2,975	(745)
Travel	5,828	5,528	7,640	2,112
Other	2,029	2,029	1,650	(379)
<b>Total Expenditures- Controllable</b>	<b>118,947</b>	<b>118,974</b>	<b>125,845</b>	<b>6,871</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	23		91	91
Depreciation	4,236	3,067	2,760	(307)
<b>Total Expenditures- Non-Controllable</b>	<b>4,259</b>	<b>3,067</b>	<b>2,851</b>	<b>(216)</b>
<b>Labor Costs</b>				
Salaries & Wages	263,028	266,028	274,260	8,232
Employee Benefits	106,716	102,216	109,096	6,880
<b>Total Labor Costs</b>	<b>369,744</b>	<b>368,244</b>	<b>383,356</b>	<b>15,112</b>
<b>Total Expenses</b>	<b>492,950</b>	<b>490,285</b>	<b>512,052</b>	<b>21,767</b>
<b>Net Income</b>	<b>(492,450)</b>	<b>(488,285)</b>	<b>(510,052)</b>	<b>(21,767)</b>

## Business Plan Narrative - Divisional(Schedule B)

### Overview of Current Fiscal Year:

We should be within our budget by the end of fiscal year 2013-2014. We have completed 80 of our major purchases and have been very conservative with equipment purchases in 2013-2014. In Summer 2012, we started hiring student assistants to assist us orientation. With its success, we did the same thing in Summer 2013.

Hotdog Caper was a major success and we were able to stick with our budget. This was an important project for the foundation and we are glad that we were able to keep the expenses at a minimum.

We are under budget on most line items except for printing. The 2012-13 campus maps were purchased in May 2013 but were charged to the 2013-2014 budget. Hence, we are over by over \$3200.

With the increased use of Social Media, e-mail marketing and our web presence, we should be able to reduce our use of ink and paper.

### Explanation of Proposed Fiscal Year Budget:

#### 2014-15 MARKETING BUDGET:

- 1) Increase in salaries and benefits (\$12,000)
- 2) Campus Map printing went up by 30% (\$1,500)
- 3) Building poster holders at Campus Center (\$1000)
- 4) Buying map holders for CTTi and Bookstore (\$1,200)
- 5) Hotdog Caper increase by 10% (\$4,000)
- 6) Supplies increase by 20% because paper and ink cost went up from the Bookstore (\$5,000)
- 7) Travel is up by \$2,000 because of Loyal Horton Trip, Baltimore for NACUFS
- 8) Hiring student help for the summer (\$3,000)

Changes in Programs and Services for Proposed Fiscal Year:

There will be no major changes in our programs and services.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

We are hiring part time student employees for summer orientation outreach totaling \$1000. Also hiring another Marketing student for the summer.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

1. Promote the new campus Food truck
2. Increase use of Social Media (Facebook/Twitter/YouTube) to increase awareness to the campus community.
3. Reach 40% occupancy rate for University Village during Summer '14 and 99% remainder of the year
4. Increase our FB "likes" across the board by 20%
5. Increase ATT Commission by 20%
6. Increase profitability for Poly Trolley, Vista, Brewery, Denny's and Einstein.
7. Increase occupancy and conference sales at KW Hotel by 15%
8. Increase bookstore ONLINE sales by 20% and computer sales by 30%
9. Increase Los Olivos Special Luncheon attendance by 15%
10. Promote BroncoChannel.com
11. Win Loyal Horton Award
12. Increase overall website hits from 600,000 hits per year to 750,000

# Major Projects and Business Goals for Proposed Fiscal Year

D

<b>Action Steps</b>	<b>Person Responsible</b>	<b>Due Date</b>
Hot Dog Caper	Edwin/Amanda	Sept
Summer Orientations	Amanda	July/Aug
Update Advertising Book	Edwin	December
Computer and technology sales at Bookstore	Edwin/Alex	Ongoing
Update faulty/staff/student email database	Alex	Oct
Priest Scholarship and Pepsi Scholarship 2014 Marketing	Amanda	Oct
NACUFS Dining Customer Service Survey	Alex	Oct
Develop Video Usage for The Foundation	Edwin	Nov
Wellness Campaign	Edwin/Amanda	June
Campus Map	Edwin	June
Increase use of Social Media	Edwin/Alex/Darren/Lily	Dec
Create campaign for Bridal at Kellogg House	Edwin/Alex	July
Re-Do Employment Services Website	Alex	July
Re-Do Dining Services Website	Alex	Dec 2014
Promote Verizon Store	Edwin	June
Loyal Horton 2014	Edwin/Amanda	July
Atrium Display for the Village	Edwin	July
Campus Catering campaign	Alex/Edwin	Ongoing
Village website redesign	Alex	Feb
Accessibility Act website conformation	Alex	ongoing
Wedding at KH Campaign	Edwin/Amanda	Nov
Promote Peet's Coffee & Einstein	Lily/Darren	June
Engineering Open House	Amanda/Donna	Feb
Increase Dining Services' FB "likes" by 40%	Lily/Darren	Feb 2015
Back-end application for employees to upload files to Foundation website	Alex	April



# Mission/Vision Statement

MISSION STATEMENT: Marketing provides services that promote the Foundation to internal and external constituents in a manner that will facilitate the organization's ability to achieve its stated goals. To accomplish this, Marketing's focus is twofold. First, to engage in activities which build awareness of and enhance the Foundation from a corporate stand point. Secondly, to provide assistance to individual units in realizing their goals through various promotional endeavors.

VISION STATEMENT: Support the marketing, public relations and advertising functions of all auxiliary units including Human Resources, Foundation Administration and Financial Services. Our goal is to maximize the results of each department's advertising budget, safeguard the branding of each unit by keeping a consistent look in all its advertising and signage and continuously research innovative and cost effective ways of reaching the campus community.

## Strengths and Challenges

### Strengths

1. Creativity
2. Timely processing of requests
3. Working on minimal budget
4. Goal oriented
5. Innovative
6. Consistent quality of work
7. Ability to work in a time-crunch
8. Keep on top of evolving technology to increase our marketing presence.
9. Wide spectrum of services: Photography, event planning, web development, public relations, graphic design, etc.

### Challenges

1. University's strict posting policy
2. Enrollment numbers down
3. Recession/Cuts to CSU
4. Limited budget of clients
5. Lack of planning from clients
6. Unit's resistance to change
7. Unit's resistance to spend on marketing promotions

# Employee Survey

An employee survey was not conducted



# Customer Survey

Marketing Customer Survey was not conducted

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Quantity of Projects	10
Quality of Projects	9
On-Time Delivery	9
Creative Content	9
Customer Relations	8
Use of emerging technology to reach our target market	10
Marketing Options	9

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Adherence to Budget	Excellent
Creativity	Excellent
Adapting to New Technology	Excellent
Professionalism	Meets Expectation
Award-Winning Performance	Excellent
Knowledge	Meets Expectation
Return on Investment	Meets Expectation
Results Oriented	Excellent
Attention to Detail	Excellent
Meeting Deadlines	Meets Expectation
Innovative Ideas	Excellent

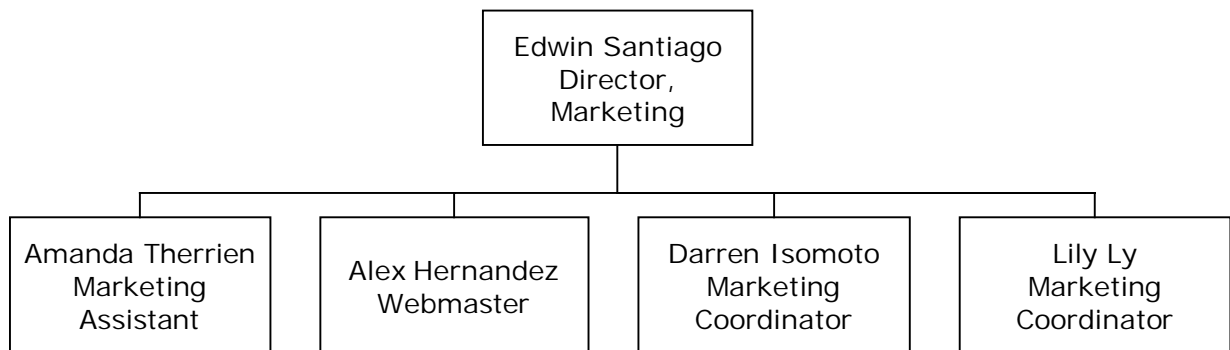
# Business Controls and Vital Factors

H

- Communication with clients regarding project status
- Tracking unit's marketing budget vs actual
- Analyzing marketing costs vs. return on investment (ROI)
- Analyzing labor costs vs. work output
- Tracking on-time delivery of projects
- Maintaining high quality product
- Maintain high client satisfaction level
- Prioritize project requests on hand
- Introducing innovative ideas and marketing solutions
- Cost effective marketing solutions

## Asset Protection/Risk Management

## CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" MARKETING



**April 2014**

Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

4 to 10 years and beyond:

1. Enter CACS, NACUFS and Loyal Horton competitions and win more awards
2. Win web awards for our websites
3. Increase use of new forms of media in order to market to students on campus
3. Standardize branding for all websites
4. Maintain bookstore's market share in the face of evolving technology by increasing online sales and digital book sales
5. Partnership with Public Affairs and Athletics
6. Use social media/web/internet/e-mail more efficiently for all marketing campaigns
7. Increase social media likes by 40%
8. Support the President's Climate Commitment by reducing print collateral
9. A continuous Foundation image campaign
10. Develop branding standards for all units
11. Broaden BroncoChannel.com
12. Strengthen Partnership with ATT and Verizon

Continued -No Continuations

**Cal Poly Pomona Foundation  
Real Estate Administration  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Administrative Fees	16,080	16,080	8,800	(7,280)
<b>Total Revenues</b>	<b>16,080</b>	<b>16,080</b>	<b>8,800</b>	<b>(7,280)</b>
<b>Expenditures- Controllable</b>				
Insurance		4		(4)
Meals & Refreshments	75	100	100	
Postage & Freight	100	100	100	
Advertising	700	810	450	(360)
Services	1,950	1,300	1,100	(200)
Supplies	1,450	1,335	600	(735)
Telephone	1,440	800	1,440	640
Travel	3,800	3,130	2,900	(230)
Other	350	506	350	(156)
<b>Total Expenditures- Controllable</b>	<b>9,865</b>	<b>8,085</b>	<b>7,040</b>	<b>(1,045)</b>
<b>Expenditures- Non-Controllable</b>				
Depreciation	1,500	1,548	1,200	(348)
<b>Total Expenditures- Non-Controllable</b>	<b>1,500</b>	<b>1,548</b>	<b>1,200</b>	<b>(348)</b>
<b>Labor Costs</b>				
Salaries & Wages	149,148	131,784	170,160	38,376
Employee Benefits	59,361	49,433	63,422	13,989
<b>Total Labor Costs</b>	<b>208,509</b>	<b>181,217</b>	<b>233,582</b>	<b>52,365</b>
<b>Total Expenses</b>	<b>219,874</b>	<b>190,850</b>	<b>241,822</b>	<b>50,972</b>
<b>Net Income</b>	<b>(203,794)</b>	<b>(174,770)</b>	<b>(233,022)</b>	<b>(58,252)</b>

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**Real Estate Administration**

**Overview of Current Fiscal Year:**

This year we were finally able to replace the position lost in the fall of 2012. With the addition of a new Assistant Property Manager who is working an 80% schedule currently and comes to us with many years of commercial real estate management experience, we have been able to catch up on projects we have held pending for some time, including competitive bidding of select services at CTTi, working with accounting on new data base management program being developed, and many other special projects as well as routine issues that have taken a back seat during the prior 15 months.

The Department has experienced growth in demand for our services due to the unanticipated decision to begin preliminary planning for the Spadra Farm 150 acres, the potential acquisition of Lanterman and several properties that are in the process of being donated to the Foundation as gifts. All of these activities have shifted the roles within the department. As more time is given to large projects such as Lanterman and Spadra, more is required of the Property Manager and Assistant Property Manager to take on tenant improvements and coordination

**Explanation of Proposed Fiscal Year Budget:**

Proposed Fiscal Year budget assumes that the current projects in place continue and demand for real estate services, both within the faculty/staff housing program and the Innovation Village project, along with the additional projects currently under way remain the same. Should we find ourselves in the fortunate position of adding other projects, such as one or two build-to-suit projects at Innovation Village, it is likely we will need to convert the Assistant Property Manager from 80% to 100% schedule.

The Administrative budget also reflects the removal of the voluntary furlough, therefore the labor costs within the department will be higher this fiscal year. Otherwise, costs to operate the department are relatively low.



### Changes in Programs and Services for Proposed Fiscal Year:

The only changes in programs and services will come about as a result of successful marketing strategies at Innovation Village in attracting a new build to suit tenant and/or additional donations of real property that needs due diligence and disposition. We are aware of as many as 4 new gift properties that could be added to our portfolio in the coming year.

### Explanation of Proposed Fiscal Year Capital Requests:

No capital requests in Real Estate Administration

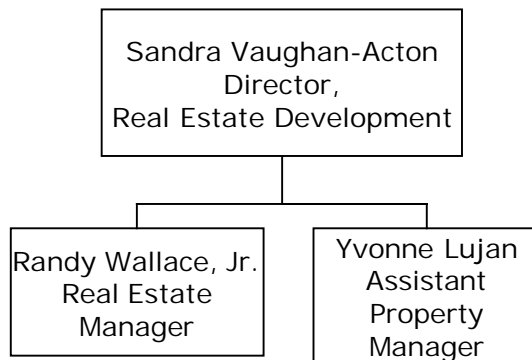
### Changes in Staffing:

No known staffing changes, but potential for moving the Assistant Property Manager from 80% to 100% exists should all or most of the pending projects begin.

### Outlook for Next 3 Years and 4 to 10 Years Beyond:

Assuming no major changes in programs and scope of projects currently in place, the outlook for the next 4 to 10 years appears to be one of growth and possible need for added staff. Because of the nature of this business and the changing needs of the campus, it is very difficult to predict how much demand there will be for additional real estate resources outside the existing program. For now we are taking a conservative approach and assuming that no other projects other than the current projects will demand additional resources.

## CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" Real Estate



**April 2014**

**OPERATING BUDGETS**  
**GENERAL ACTIVITIES**  
∞∞∞  
**POST RETIREMENT**  
**MEDICAL BENEFITS**

**Cal Poly Pomona Foundation  
Post Retirement Medical  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Labor Costs</b>				
Employee Benefits	381,732	497,472	522,348	24,876
<b>Total Labor Costs</b>	<b>381,732</b>	<b>497,472</b>	<b>522,348</b>	<b>24,876</b>
<b>Total Expenses</b>	<b>381,732</b>	<b>497,472</b>	<b>522,348</b>	<b>24,876</b>
<b>Net Income</b>	<b>(381,732)</b>	<b>(497,472)</b>	<b>(522,348)</b>	<b>(24,876)</b>

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**Post Retiree Medical Benefits**

*Overview of Current Fiscal Year:*

The purpose of this project is to accumulate the post retirement medical benefit obligation (GASB 43 and 45) and pay the Foundation's obligation for the retiree's premium. We are forecasting the Foundation's obligation of the retiree's premium by annualizing the year to date expenses. The Foundation's retiree's annual cap is a maximum increase of 5% and excludes the implicit subsidy based upon the actuarial report. In addition, the actuarial report includes projection of \$672,582 and we expect to achieve this by charging a % of salaries for full time benefited employees and by including the expense from this project fund. We have funded the Trust by another \$1.0 mil to the VEBA Trust in July1 2013.

*Explanation of Proposed Fiscal Year Budget:*

We are budgeting the Foundation's obligation of the retiree's premium to be \$522,345 using the Foundation Cap of 5% and excluding the implicit subsidy based upon the actuarial report dated July 1, 2013, per table 2-2. In addition, we are budgeting to accrue \$614,273 based upon the actuarial report dated July 1, 2013 and we expect to achieve this by charging a % of salaries for full time benefited employees and fund \$1.0 mil to the VEBA Trust in July 2014. This will be the 5th year of our annual contribution of \$1.0 million to the VEBA Trust. As of January 31, 2014, the value of the Foundation's sub-account in the VEBA is \$4,528,795.

We received a stochastic modeling report using Monte Carlo simulation dated February 2014 based upon our recently completed July 1, 2013 valuation report. The modeling report assumes the following:

- 1). the Foundation will contribute \$1.0 million to the VEBA Trust for the next five years and \$500,000 in year 2019-20;
- 2). benefits will begin to be paid from the Trust in the year 2020;
- 3). Trust assets will earn an average compounded return of 6% per year, net of expenses;
- 4). the model projection is over a period of 75 years; and
- 5). the implicit subsidy was not included in the annual cost.

The next GASB 45 valuation report will probably be performed as of July 1, 2015. At that time, the stochastic modeling report will be revised and updated and the funding strategy adjusted.

**OPERATING BUDGETS**  
**GENERAL ACTIVITIES**  
∞∞∞  
**REAL ESTATE DEVELOPMENT**

# CAL POLY POMONA FOUNDATION, INC.

## REAL ESTATE DEVELOPMENT

2014-2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

## Cal Poly Pomona Foundation Real Estate Development Consolidated Budget Comparison Summary For the 2014-15 Fiscal Year

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Interest Income	69,996	67,966	68,016	50
Other	72,468	61,359	23,421	(37,938)
Sales	2,883,320	2,608,538	2,716,150	107,612
<b>Total Revenues</b>	<b>3,025,784</b>	<b>2,737,863</b>	<b>2,807,587</b>	<b>69,724</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	49,980	30,000	10,000	(20,000)
<b>Total Cost of Goods Sold</b>	<b>49,980</b>	<b>30,000</b>	<b>10,000</b>	<b>(20,000)</b>
<b>Expenditures- Controllable</b>				
Utilities	338,832	299,079	329,064	29,985
AGR/RE Fees	24,996	42,684	39,996	(2,688)
Repairs & Maintenance	162,484	102,889	99,930	(2,959)
Meals & Refreshments		100		(100)
Postage & Freight	120	80	120	40
Advertising	5,350	5,068	6,890	1,822
Rent/Commissions	6,000	11,243	8,500	(2,743)
Services	283,554	269,053	289,964	20,911
Supplies	23,420	21,320	22,520	1,200
Telephone	9,600	8,793	9,600	807
Travel	2,050	1,550	3,650	2,100
Other	95,702	86,746	100,385	13,639
<b>Total Expenditures- Controllable</b>	<b>952,108</b>	<b>848,605</b>	<b>910,619</b>	<b>62,014</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	134,507	138,799	142,097	3,298
Depreciation	1,000,140	966,821	945,312	(21,509)
Insurance	55,188	50,738	51,600	862
Interest Expense	149,852	149,450	142,184	(7,266)
Other	82,700	66,414	32,600	(33,814)
<b>Total Expenditures- Non-Controllable</b>	<b>1,422,387</b>	<b>1,372,222</b>	<b>1,313,793</b>	<b>(58,429)</b>
<b>Labor Costs</b>				
Salaries & Wages	146,748	120,963	116,820	(4,143)
Employee Benefits	63,348	48,129	52,968	4,839
<b>Total Labor Costs</b>	<b>210,096</b>	<b>169,092</b>	<b>169,788</b>	<b>696</b>
<b>Total Expenses</b>	<b>2,634,571</b>	<b>2,419,919</b>	<b>2,404,200</b>	<b>(15,719)</b>
<b>Net Income</b>	<b>391,213</b>	<b>317,944</b>	<b>403,387</b>	<b>85,443</b>

## Business Plan Narrative - Divisional(Schedule B)

### Overview of Current Fiscal Year:

The residential real estate market has finally seen signs of stabilization this past year and it appears continued growth can be expected. The stabilization is both a blessing and a curse for our faculty/staff housing program due primarily to the tight lending market we face and the fact that our buyers can go outside our program and purchase homes for close to our pricing and obtain FHA financing with low down payments. While we continue to offer buy-back options and silent second loans, it is becoming more and more difficult to find qualified buyers with adequate down payments and debt-to-income ratios with the latest changes to the lending regulations. That said, we have reduced our residential rental housing stock and believe we will be able to sell those that come back to us over time.

In the current fiscal year we had a shift in our affordable housing focus from 100% sale program to approximately 30% of the units being rented under long term leases. As a result, our revenue is projected to be higher than anticipated and our expenses lower as we will have less costs associated with the sale of the assets. That will not be the case in 2014-15.

On the commercial real estate side (Innovation Village) the project is progressing right on schedule with the exception of a refund of overbilling to American Red Cross which was discovered and refunded in the 3rd quarter of this fiscal year.

Expenses for the most part are steady with some exception in Innovation Village at CTTi due to unanticipated HVAC re-engineering and system modifications that were discovered as we began leasing the units that have never been occupied.

### Explanation of Proposed Fiscal Year Budget:

All Real Estate operations are anticipated to operate in 2014-15 at similar levels experienced in 2013-14 with the exception of our faculty/staff housing program. We will begin selling more homes in our program than renting as the values are beginning to stabilize and increase. There is more confidence with our buyers in committing to purchase, however, challenges remain in the lending environment. That said, our rental stock will decline as we qualify buyers to purchase.

We anticipate an increase in the number of new hires at the University compared to the last five years which will give us a larger pool of new buyers resulting from faculty recruiting. We believe the level of demand will be enough to support the program and provide stabilization. Interest rates will be an influencing factor, however, and we do anticipate that rates will begin to increase, thus pushing some of our buyers out of the market. In addition, the mortgage industry continues to change and our buyers are now required to come up with 5% down vs. the 2% accepted along with our silent second for the past several years. Finally, many of our buyers carry large debt ratios and have difficulty qualifying for loans in the current lending environment. That said, we do not anticipate many of the current owners to sell back, thus creating more demand than supply this year.

Innovation Village is holding steady. Phase 3 rent experiences its first CPI increase in April 2014, giving a nice boost to the rental income for this property. American Red Cross steadily increases each year with CPI as well. CTTi has seen an increase in occupancy and our occupancy will reach an all time high this year - approaching 95% by year end based on negotiations in the pipeline at this time.

Changes in Programs and Services for Proposed Fiscal Year:

We anticipate an increase in demand for our services as a result in an increase in real estate donations to the University. In addition, we have commenced preliminary planning and environmental impact analysis on the 159 gross acres known as the Spadra Farm land, which will increase our capacity for Public/Private partnerships in the next few years. This project has already experienced interest from the marketplace, thus allowing the campus to begin its master planning of the site. Finally, we have become involved in the preliminary planning and due diligence of the Lanterman 300 acre site as requested by the University, again taking staff time in coordinating contracts for services as well as participation by the Director of Real Estate Development in conducting due diligence and preliminary assessments and planning on behalf of the campus.

Explanation of Proposed Fiscal Year Capital Requests:

Capital requests focus primarily at Innovation Village. The Center for Training, Technology and Incubation is the primary area we expect to spend capital funds. It is likely we will need to add tenant improvements for the last remaining suite available for lease. In addition, we must re-engineer and make major modifications to the HVAC system in building C at CTTi which was discovered as a result of lease-up of units that had yet to be occupied since the project was developed.

Changes in Staffing:

Voluntary furlough will be discontinued for the Foundation, thus increasing the salary expense for those who have been taking the voluntary 5% reduction. The department is not expected to have any other changes, but depending on the increased activity mentioned above, we may convert the Assistant Property Manager to 100% status vs. the current 80% status she currently works.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

ADMINISTRATION: Real Estate Administration is anticipated to operate consistent with its current operations over the next 3 years and beyond. It possible that staffing may change beyond the current organization chart, depending on the demand for services as it relates to campus initiatives such as Spadra Farm and Lanterman.

HOUSING: The residential real estate environment will require several more years to reach full stabilization and many economists predict we will not see the levels of increase we experienced in 2004-2007 ever again. As such, affordable housing is much more prevalent in the marketplace today at levels our faculty and staff can now afford. It is possible that the University will desire more work force housing closer to the campus to support the President's climate commitment, however. We believe there may be room for work force rental housing in the future. That is unlikely to happen for at least 5 years.



# **Mission/Vision Statement**

It is the Real Estate Department's vision to be the premier source of real estate support and information to the Foundation and the University. By providing support to those seeking housing within the family of faculty and staff, as well as services relating to the commercial real estate industry, we hope to be the first place the campus looks for support in real estate. We are doing this by responding to inquiries regarding housing not just within the housing program, but also outside our program. While we cannot offer sales support to everyone looking to purchase a home, we can assist in the information gathering stage and refer to outside resources for both short term and long term housing needs. Where office or lab space is needed, our first resource is Innovation Village. We are working with both campus personnel as well as the private sector to find tenants that complement the research park and support the mission of the University.

In addition, we continue to provide support to the campus as future acreage is master planned for public/private partnerships both currently owned by the campus and those being looked at for acquisition.

Finally, we continue to operate as the source for the campus Development officers for due diligence, valuation, acceptance, management and ultimate disposition of donated real estate. In the past 5 years we have assisted in the acquisition of several properties - some have been held and managed by us, others have been immediately monetized. There are several more properties currently being assessed for potential donation.

## **Strengths and Challenges**

### **Strengths**

- Well trained, knowledgeable, seasoned professional personnel
- Support from Foundation administration and management
- Support from campus administration and management
- Culture of cooperation within the department
- Recognition and reward of staff achievement by management
- Knowledge and experienced beyond the CSU system
- Community involvement in Pomona and surrounding areas

### **Challenges**

- More demands on our time due to an ever changing real estate market and internal administrative/management changes.
- Required to take on new projects (for example donated property) which require additional time and resources
- Real Estate market that is still challenging and a lending environment that continues to create obstacles
- Lack of system support in accounting for a reliable data base for real estate department.

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Supportive campus administration	10
Supportive Foundation administration and management	10
Talented and committed staff with vision and understanding of their field	10
Effective communication between staff and customers	10
Effective progress measurement tools	9
Culture of cooperation within the Department	9
Recognition and reward of staff achievement by management	8
Access to tools to perform efficiently and effectively	8
Education and personal development of staff	7
Experience in performing duties and years of serving campus	5
Contact and knowledge of general marketplace beyond the CSU system	5
Periodic review of workforce and demands on staff to maintain the highest level of service to our customer	5

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Pleased with high level of customer service	A campus Asset
Need to be more flexible with the components of the housing program	Providing the best available in the market today within our capability
Need to be more flexible with existing homeowners who have purchased in the program prior to the market downturn	Providing as much as we can with the resources available today but we have our own constraints and are subject to the market along side them
Institutional and Rigid	Entrepreneurial and service oriented

# Business Controls and Vital Factors

H

- Business Plan
- 30 day goals
- Capital and operating budgets
- Board of Director input
- Monthly P&L reports and management review
- Periodic updates to budget forecast
- Bi-weekly one on one meetings with Executive Director
- Monthly department meetings to go over all activities
- Current market indicators and real estate reports on trends in the market
- Lender data on interest rates and loan programs being offered today
- CAR data on median housing prices, sales trends and inventory
- Various brokerage reports on the commercial trends
- Real Estate Research Council at Cal Poly Pomona - quarterly housing report and meetings
- IREM data on operating costs of commercial product and ongoing training and education
- IREM, NAR and CAR updates on legislation effecting the industry
- Department of Real Estate updates on laws impacting the sale and leasing of real estate and agents handling these transactions
- CAR forms and templates for use in residential transactions
- IREM and AIR forms and templates for use in commercial transactions
- Pomona Chamber of Commerce information on the business climate in the region

## Asset Protection/Risk Management

Real Estate Department in the past has solely been focused on for sale housing and ground lease real estate at Innovation Village. As the Department has expanded to include oversight of marketing and managing CTTi, management of buildings 66 and 97, development of Spadra Farm and planning of Lanterman as well as real estate donations and other ad-hoc assignments, we have begun looking at Asset Protection and Risk Management of all facilities.

Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

INNOVATION VILLAGE: On the commercial real estate side at Innovation Village, we continue to market the remaining acreage for development and discussions continue with various users interested in locating at Innovation Village. It is possible we could land a deal for a build to suit by 4th quarter of this fiscal year, however, much depends on the competitive market we face. There is still existing product to be absorbed in the Inland Empire, however, some of it is now being taken off the market with transactions. It is likely that Innovation Village will reach 100% occupancy within the projected 10 year period.

Continued -No Continuations



**REAL ESTATE  
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY  
FOR THE FISCAL YEAR**

DESCRIPTION	Actual YTD 3/31/13	2012-13 Actual	2012-13 Forecast	2012-13 Approved Budget	Actual YTD 3/31/14	2013-14 Forecast	2013-14 Approved Budget	2014-15 Proposed Budget
<b>REAL ESTATE DEVELOPMENT</b>								
220080 Center for Training Technology & Incubation	(65,869)	(219,595)	(220,172)	(140,204)	(6,515)	(188,284)	(112,799)	(121,170)
220010 Innovation Village - see Note 1	384,764	437,156	433,079	418,789	389,753	388,246	454,211	442,702
220050 Innovation Village/American Red Cross	368	630	-	-	5,413	-	-	-
220052 Innovation Village/Tramel Crow	12	(134)	-	-	569	-	-	-
220070 Innovation Village Common Areas	(69,870)	-	1	6	(66,347)	-	4	-
220250 Trammel Crow/I.V. Phase IV	15,406	(1,346)	-	-	10,738	-	-	-
459540 Spadra Solar Farm	-	-	-	-	-	-	-	(15,300)
<b>Total Real Estate Development</b>	<b>264,811</b>	<b>216,711</b>	<b>212,908</b>	<b>278,591</b>	<b>333,611</b>	<b>199,962</b>	<b>341,416</b>	<b>306,232</b>
<b>RENTAL Buildings</b>								
200660 Building # 66 - Classrooms & Offices	61,872	127,157	111,384	110,359	84,450	107,804	108,356	97,368
190970 Building # 97 - Offices	75,994	134,982	126,446	113,316	100,862	127,718	121,002	127,986
200220 CTTi Building # 220A - College of ENV Studio	(80,791)	(107,311)	(101,308)	(96,199)	(82,478)	(109,510)	(102,476)	(117,676)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
<b>Total Rental Buildings</b>	<b>57,075</b>	<b>154,828</b>	<b>136,522</b>	<b>127,476</b>	<b>102,834</b>	<b>126,012</b>	<b>126,882</b>	<b>107,678</b>
<b>FACULTY/STAFF HOUSING</b>								
Fund 11 Faculty/Staff Housing	(4,089)	(41,149)	(78,196)	(100,079)	46,208	(8,030)	(77,085)	(10,523)
<b>Total Faculty/Staff Housing</b>	<b>(4,089)</b>	<b>(41,149)</b>	<b>(78,196)</b>	<b>(100,079)</b>	<b>46,208</b>	<b>(8,030)</b>	<b>(77,085)</b>	<b>(10,523)</b>
<b>GRAND TOTAL REAL ESTATE</b>	<b>317,797</b>	<b>330,390</b>	<b>271,234</b>	<b>305,988</b>	<b>482,653</b>	<b>317,944</b>	<b>391,213</b>	<b>403,387</b>

**OPERATING BUDGETS**  
**GENERAL ACTIVITIES**  
∞∞∞  
**INVESTMENTS**

**Cal Poly Pomona Foundation**  
**Investments**  
**Consolidated Budget Comparison Summary**  
**For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Interest Income	502,900	1,824,101	1,226,246	(597,855)
<b>Total Revenues</b>	<b>502,900</b>	<b>1,824,101</b>	<b>1,226,246</b>	<b>(597,855)</b>
<b>Expenditures- Non-Controllable</b>				
Other	49,519	58,790	78,555	19,765
<b>Total Expenditures- Non-Controllable</b>	<b>49,519</b>	<b>58,790</b>	<b>78,555</b>	<b>19,765</b>
<b>Total Expenses</b>	<b>49,519</b>	<b>58,790</b>	<b>78,555</b>	<b>19,765</b>
<b>Net Income</b>	<b>453,381</b>	<b>1,765,311</b>	<b>1,147,691</b>	<b>(617,620)</b>

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**GENERAL INVESTMENT PORTFOLIO**

*Overview of Current Fiscal Year:*

For the first eight months of this fiscal year 2013-14, the equity portion of this portfolio was managed by the Common Fund and the last four months the equity and fixed income assets were managed by Graystone Consulting, a division of Morgan Stanley. We are forecasting the general investment portfolio to generate a net surplus of \$1.8 million and have a value of \$38.7 million by June 2014. The forecasted gain on equity and real assets is 4%; fixed income is 1%; dividends is 1.3% and interest is 2.1%. There are no forecasted additions to the portfolio. Distribution of the yield (interest) to the programs and scholarships is \$257,000. Graystone's fees are 20 basis points and the Foundation's administrative fee is 50 basis points off the yield (interest) of 2.1%.

*Explanation of Proposed Fiscal Year Budget:*

The proposed budget for the General Investment portfolio will generate a surplus of \$1.1 million and has a value of \$42.1 million in June 2015. The annual gain on equity and real assets is 4%; fixed income is 1%; dividends is 1.3% and interest is 2.1%. Additions to the portfolio include a total of \$2.0 million, \$1.0 in April and \$1.0 May 2015. Distribution of the yield (interest) to the programs and scholarships is \$257,000. Graystone's fees are 20 basis points and the Foundation's administrative fee is 50 basis points off the yield (interest) of 2.1%.

Changes in Programs and Services for Proposed Fiscal Year:

We will continue to monitor the short, mid and long term stratification of the program accounts to assist with the asset allocation of the portfolio.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

Outlook for Next 3 Years and 4 to 10 Years Beyond:

We anticipate the equity markets to improve and interest rates to increase as the economy continues to recover from the recession and will position the portfolio accordingly to take advantage of these opportunities within the target asset allocation of the General Investment policy.

**Cal Poly Pomona Foundation  
Endowments  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Interest Income	5,087,569	7,398,140	5,355,497	(2,042,643)
Other	8,660,000	9,390,988	8,999,996	(390,992)
<b>Total Revenues</b>	<b>13,747,569</b>	<b>16,789,128</b>	<b>14,355,493</b>	<b>(2,433,635)</b>
<b>Expenditures- Controllable</b>				
Other	3,534,499	3,387,912	4,112,462	724,550
<b>Total Expenditures- Controllable</b>	<b>3,534,499</b>	<b>3,387,912</b>	<b>4,112,462</b>	<b>724,550</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	431,430	463,577	528,269	64,692
Other	296,988	168,216	343,035	174,819
<b>Total Expenditures- Non-Controllable</b>	<b>728,418</b>	<b>631,793</b>	<b>871,304</b>	<b>239,511</b>
<b>Total Expenses</b>	<b>4,262,917</b>	<b>4,019,705</b>	<b>4,983,766</b>	<b>964,061</b>
<b>Net Income</b>	<b>9,484,652</b>	<b>12,769,423</b>	<b>9,371,727</b>	<b>(3,397,696)</b>

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**Endowment Activities**

*Overview of Current Fiscal Year:*

The forecast is projected to generate a surplus of \$12.8 million due to donations and portfolio returns. The endowment portfolio's value is forecasted to be \$84.0 million as of June 2014. Working with our investment advisor at Graystone Consulting a division of Morgan Stanley, we have forecasted an annual gain of 5.9% for the equity and real assets portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 1.3% and 3.6% respectively. Total investment fees are forecasted to be 0.38 basis points (10 basis points to Graystone Consulting and the balance to third party account managers). There are two internal fees charged per Policy # 133, a 5% fee on all donations and 0.75% fee for administration (excluding any terms specific to an endowment). Donations are forecasted to be \$9.4 million per the Division of Advancement. We have included the 4.8% or \$3.4 million endowment earnings distribution from September 2013.

*Explanation of Proposed Fiscal Year Budget:*

The proposed budget generates a surplus of \$9.4 million mainly due to donations and portfolio returns. The endowment portfolio's value is projected to be \$93.3 million as of June 2015. Working with our investment advisor at Graystone Consulting a division of Morgan Stanley, we have proposed an annual gain of 5.9% for the equity portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 1.3% and 3.6% respectively. Total investment fees are forecasted to be 0.38 basis points (10 basis points to Graystone Consulting and the balance to third party account managers). There are two internal fees charged per Policy # 133, a 5% fee on all donations and 0.75% fee for administration (excluding any terms specific to an endowment). Donations are projected to be \$9.0 million per the Division of Advancement. We anticipate a 4.9% or \$4.1 million endowment earnings distribution in September 2014.

Changes in Programs and Services for Proposed Fiscal Year:

No changes are anticipated

Explanation of Proposed Fiscal Year Capital Requests:

No capital budget requested

Changes in Staffing:

No changes are anticipated

Outlook for Next 3 Years and 4 to 10 Years Beyond:

It is anticipated that \$1.0 million each year will be received in donations to the endowment based on past trends and existing pledges for the next 3 years and the 4 to 10 years beyond. Recorded and known pledges at this time are predominately all planned gifts including bequests which makes it difficult to predict at what point in time they will be received by the Foundation. There are no known long range items expected at this time.

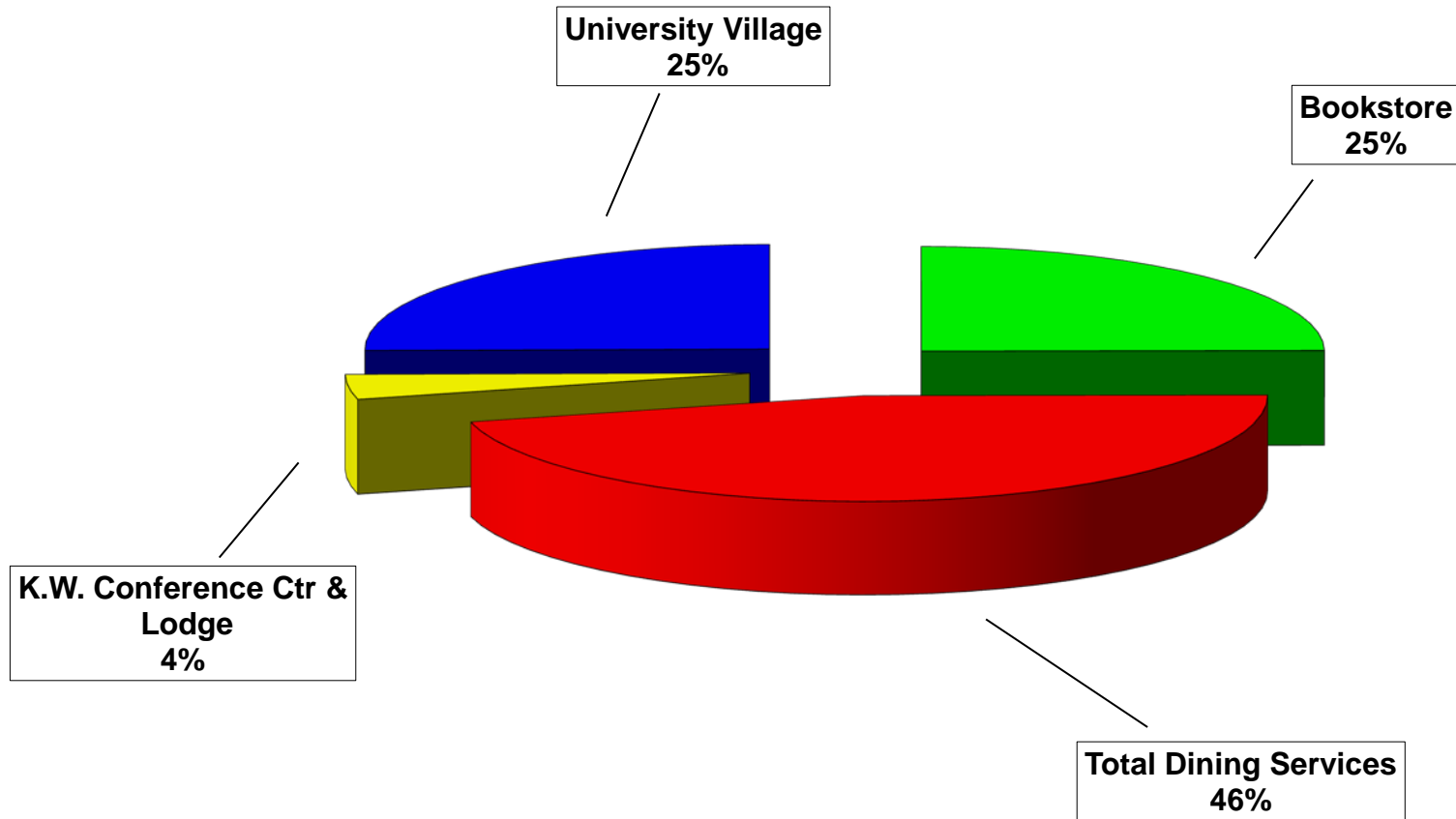



# **OPERATING BUDGETS ENTERPRISES**

**Cal Poly Pomona Foundation**  
**Enterprises**  
**Consolidated Budget Comparison Summary**  
**For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Other	615,956	552,172	587,027	34,855
Sales	36,053,831	35,848,435	37,510,093	1,661,658
<b>Total Revenues</b>	<b>36,669,787</b>	<b>36,400,607</b>	<b>38,097,120</b>	<b>1,696,513</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	13,448,875	12,854,823	12,981,270	126,447
<b>Total Cost of Goods Sold</b>	<b>13,448,875</b>	<b>12,854,823</b>	<b>12,981,270</b>	<b>126,447</b>
<b>Expenditures- Controllable</b>				
Utilities	1,183,823	1,183,215	1,203,318	20,103
AGR/RE Fees	6,300	900	1,000	100
Insurance		51		(51)
Repairs & Maintenance	620,446	770,840	721,641	(49,199)
Meals & Refreshments	8,351	19,025	8,845	(10,180)
Postage & Freight	52,603	52,603	53,938	1,335
Advertising	73,169	55,932	70,306	14,374
Rent/Commissions	458,681	453,928	506,140	52,212
Services	738,875	596,785	668,781	71,996
Supplies	729,379	735,241	750,311	15,070
Telephone	346,925	371,646	368,147	(3,499)
Travel	27,276	28,692	34,723	6,031
Laundry	170,470	190,999	185,581	(5,418)
Other	225,533	236,777	227,934	(8,843)
<b>Total Expenditures- Controllable</b>	<b>4,641,831</b>	<b>4,696,634</b>	<b>4,800,665</b>	<b>104,031</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	2,260,754	2,332,895	2,457,769	124,874
Depreciation	2,728,533	3,080,294	3,346,026	265,732
Insurance	198,915	163,000	199,140	36,140
Interest Expense	1,227,600	1,183,390	1,080,528	(102,862)
Rent/Commissions	517,057	532,894	573,479	40,585
Bank Card Fees	402,541	434,793	450,931	16,138
Other	506,098	528,320	516,578	(11,742)
<b>Total Expenditures- Non-Controllable</b>	<b>7,841,498</b>	<b>8,255,586</b>	<b>8,624,451</b>	<b>368,865</b>
<b>Labor Costs</b>				
Salaries & Wages	6,503,880	6,582,209	7,059,363	477,154
Employee Benefits	2,081,694	2,128,440	2,273,021	144,581
<b>Total Labor Costs</b>	<b>8,585,574</b>	<b>8,710,649</b>	<b>9,332,384</b>	<b>621,735</b>
<b>Total Expenses</b>	<b>34,517,778</b>	<b>34,517,692</b>	<b>35,738,770</b>	<b>1,221,078</b>
<b>Net Income</b>	<b>2,152,009</b>	<b>1,882,915</b>	<b>2,358,349</b>	<b>475,434</b>

# Enterprise Proposed Budget Revenues



**OPERATING BUDGETS**  
**ENTERPRISES**  
  
**BOOKSTORE**

# CAL POLY POMONA FOUNDATION, INC.

## BRONCO BOOKSTORE

2014-2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

## Cal Poly Pomona Foundation Bookstore Consolidated Budget Comparison Summary For the 2014-15 Fiscal Year

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other	156,234	147,348	160,234	12,886
Sales	10,239,326	9,779,430	9,327,766	(451,664)
<b>Total Revenues</b>	<b>10,395,560</b>	<b>9,926,778</b>	<b>9,488,000</b>	<b>(438,778)</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	7,601,273	7,157,641	6,716,177	(441,464)
<b>Total Cost of Goods Sold</b>	<b>7,601,273</b>	<b>7,157,641</b>	<b>6,716,177</b>	<b>(441,464)</b>
<b>Expenditures- Controllable</b>				
Utilities	51,900	51,900	54,630	2,730
Repairs & Maintenance	25,033	25,033	25,033	
Postage & Freight	49,680	49,680	50,475	795
Advertising	10,255	10,255	10,250	(5)
Rent/Commissions	13,806	13,806	11,680	(2,126)
Services	54,716	54,716	56,325	1,609
Supplies	33,166	33,166	29,455	(3,711)
Telephone	10,800	10,800	10,800	
Travel	1,200	1,210	1,200	(10)
Other	12,148	12,148	12,148	
<b>Total Expenditures- Controllable</b>	<b>262,704</b>	<b>262,714</b>	<b>261,996</b>	<b>(718)</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	634,840	628,228	613,442	(14,786)
Depreciation	142,176	142,176	150,672	8,496
Insurance	12,181	12,181	12,181	
Bank Card Fees	181,923	173,719	166,040	(7,679)
Other	220	220	220	
<b>Total Expenditures- Non-Controllable</b>	<b>971,340</b>	<b>956,524</b>	<b>942,555</b>	<b>(13,969)</b>
<b>Labor Costs</b>				
Salaries & Wages	953,166	947,259	996,229	48,970
Employee Benefits	294,861	304,962	285,162	(19,800)
<b>Total Labor Costs</b>	<b>1,248,027</b>	<b>1,252,221</b>	<b>1,281,391</b>	<b>29,170</b>
<b>Total Expenses</b>	<b>10,083,344</b>	<b>9,629,100</b>	<b>9,202,119</b>	<b>(426,981)</b>
<b>Net Income</b>	<b>312,216</b>	<b>297,678</b>	<b>285,881</b>	<b>(11,797)</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

The bronco bookstore is on target for and expects to meet the forecasted net revenue.

Sales in general merchandise categories continue slow steady growth with the exception of computer hardware. The 75th Anniversary provided additional demand for CPP clothing and opportunities for sales events.

Computer hardware dropped compared to the previous year by approximately 40% due to most institutional PC sales no longer coming through the Bookstore. The impact on the bottom line is minimized by traditionally small margins in this category.

Bookstore demand for course materials seems to have flattened out but overall revenue is down slightly for various reasons including: Lower overall prices, increased rentals, and a small increase in digital materials. Demand for digital materials has not yet reached a significant portion of overall course material sales.

### Explanation of Proposed Fiscal Year Budget:

We do not expect and have not forecasted for any significant budget fluctuations for the 2014-2015 fiscal year. GM sales should continue to increase and the overall cost of course materials should continue to drop slightly. Increased margin and more competitive pricing should be possible with alternative sourcing for course materials.

Rearranging parts of the text sales area and moving additional technical supplies upstairs, as well as reconfiguring customer service area, may create additional sales floor space for new apparel/soft goods lines.



Changes in Programs and Services for Proposed Fiscal Year:

C

First full year of Verizon phone sales

Explanation of Proposed Fiscal Year Capital Requests:

1. Refresh customer service counter
2. Refurbish elevator
- 3 PCI compliance upgrades

Changes in Staffing:

No additional staff anticipated. Position evaluation is ongoing do to industry changes and might create need for shifting duties as needed.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Accelerating changes in the overall course materials market, including the continued strength of rental programs and the growing interest in digital/licensed content will continue to affect the store. Sales of traditional printed textbooks will continue to shrink as a percentage of overall revenue, but there will be opportunities for greater involvement in customized faculty content and digital partnerships.

Student/customer increasing preference for e-commerce vs. in-store shopping will create both challenges and opportunities, as students trust and like the bookstore's e-commerce services. However meeting customer expectations for high quality e-commerce service will impact space usage staffing and business practices.

Opportunities exist in GM categories for increased sales particularly for products and programs geared to student lifestyle needs. Additional housing and recreation facilities nearby may also create opportunities.

The transition from quarters to semesters in 2017 will hugely impact store revenue and operations, and expenses will need to adjust to this major change in business climate and revenue sources.

# Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Establish storewide planning calendar and review with Dept. Heads regularly	Suzanne, Clint	7/13, on going
Explore new revenue opportunities and potential products/services	Suzanne, Clint	Ongoing
Review cost of goods margins monthly to maintain accrued budget	Suzanne, Clint	Monthly
E-Commerce- look for strategic partnership opportunities and additional product opportunities	Suzanne, Clint, Brian	Ongoing
Continue to monitor labor and optimize budgeted hours	All Supervisors	Ongoing
Continue to build awareness of digital options through the bookstore, add new vendor partnerships	Suzanne/Kevin	Ongoing
E-Commerce streamline process and enhance customer experience	Kevin/Elliott	Fall 2014
Establish process for maximizing textbook rental rebates	Suzanne/Kevin	Fall 2014
Evaluate Textbook Adoption Incentive Program	Suzanne/Stacie	Dec 2014
Pursue NACS and other industry awards/recognition	Clint/Suzanne/Marketing	Ongoing

# Mission/Vision Statement

E

The Bronco Bookstore, of Cal Poly Pomona Foundation, Inc. will provide a complete range of bookstore products and services to support the University community in meeting their academic and individual needs in a fiscally responsible manner, with a commitment to service excellence. VISION STATEMENT Bronco Bookstore will be the most important resource supporting the Cal Poly Pomona campus community, with a commitment to quality service and strong relationships with our customers. ETHICS STATEMENT The Code of Ethics for Bronco Bookstore stipulates that all vendors and business partners must adhere to local, state or federal fair labor and safety laws and practices. The Bookstores' code prohibits the use of forced, convict, child or indentured laborers, either by a vendor or business partner or the source of their goods and services. Bronco Bookstore reserves the right to cancel orders, return merchandise, and/or terminate business dealings with vendors and business partners who violate these Ethics.

Comment on your strengths and challenges(threats). Make sure challenges are addressed in your major projects and business goals as to how you plan to deal with them.

## Strengths and Challenges

### Strengths

Reputation for high Customer Service Standards  
Pleasing and Inviting Shopping Environment  
Campus Partnerships  
Product Mix Experienced & Knowledgeable Staff  
Provide Requested Academic Merchandise on Time  
Financially Sound  
Departmental Teamwork  
Efficient Service at Registers  
Integrated Computer System

Inventory Management  
Lean Operation

### Challenges

Change in textbook technologies, online competition, student price resistance  
State/Federal and CSU Budget/Weak Economic Conditions  
Staffing Pressures-Fewer FT positions and PT/Student hours  
Maintaining Margins, Market Share & Textbook Sell Through  
Campus Relationships and Communications  
Industry/CSU System Developments  
Mentoring and Staff Development  
Technology/Store Security

# Employee Survey

The Bookstore employee survey has not been completed since 2010. Last results included.

- 92% agreed that their work was considered crucial to the Bookstore's success
- 71% would like to know more about the goals of the Bookstore operation
- 88% agreed that they are treated with fairness, respect and equality by their supervisors and managers
- 75% agreed that there is an acceptable level of trust between employees and managers
- 67% agreed that the Bookstore promotes employment development and job satisfaction
- 75% agreed that Bookstore managers and supervisors are approachable and that their opinions and ideas are valued
- 67% agreed that teamwork is highly regarded at the Bookstore
- 80% enjoy working at Bronco Bookstore

A new survey format needs to be established and sent to bookstore staff for next year

# Customer Survey

The Customer Survey was administered using the format from the National Association of College Stores (NACS). The NACS sponsored surveys have been used to establish better benchmarking data. The Customer Survey and Faculty Survey were both offered online. The Survey asked respondents to give their opinions in 5 areas; Service, Textbooks, Non-Book Products, Store Attributes and a miscellaneous category.

The overall ranking in the Customer Survey was 3.92 (on a scale of 1 (lowest) - 5 (highest)) compared to 3.71 last year, however the survey methodology had been updated and most questions scored somewhat higher. As in previous years, satisfaction was high on questions related to the store's appearance and service, but lower on questions related to textbook pricing and buyback. The potential areas for improvement other than pricing included stock availability and information about textbook problems, which in previous years have been areas of strength, so we will review communication processes in the textbook area.

The ranking from the Faculty Survey was 4.05 compared to an industry average 3.84. Store staff rate as very knowledgeable and friendly and the store as responsive and easy to work with. However, as in the student survey "communication regarding potential course material issues" was an area for improvement. Faculty also indicated dissatisfaction with store hours.

# Keys to Success

<b>Keys to Success Items</b>	<b>Rank in Importance 10 to 1</b>
Campus Partnerships/Communication (Faculty/Students/Staff)	10
Course Supplies and Materials on Time	10
Effective Marketing/Branding (Store Perception)	10
Exceptional Customer Service	9
Staff Development/Knowledge	9
Current in Regards to Technology (Infrastructure/Course Content)	9
Control Operating Costs (Expenses and Labor)	8
Stay Responsive to New Markets/Products/Services	8
Remain Competitively Priced	8
Maintain Appropriate Inventory	8
Merchandise Selection	7
Stay Responsive to Customer Wants/Needs/Expectations	7

# Corporate Culture

<b>Customer/Client Perception</b>	<b>Unit Perception</b>
High Margins	Net Income Meeting Budget Requirements
Not Part of Campus	Campus Partner
Profit Oriented	Service Oriented
Efficient Operation	Efficient Operation
Knowledgable and Helpful Staff	Knowledgable and Helpful Staff
Not Enough Operating Hours	Open to Meet Customer Needs
Inconvenient Customer Parking	Inconvenient Customer Parking

# Business Controls and Vital Factors

H

## BUSINESS CONTROLS

P&L Reviews  
30 Day Goals  
Semi Annual Business Plan Report  
Strategic Plan  
Inventory Levels/Margins  
Departmental Labor Reviews

## VITAL FACTORS

Quarter Opening Revenue Compared to Budget/Prior Year  
Net Profit/Loss Compared to Budget  
Inventory Turns/Levels Compared to Industry Average  
Sales per FTE Compared to Industry Average  
Inventory Margins Compared to Budget  
Percentage of Labor to Sales  
New/Used Book Ratio  
Operating Expenses Compared to Budget

## Asset Protection/Risk Management

### Physical Safety and Security

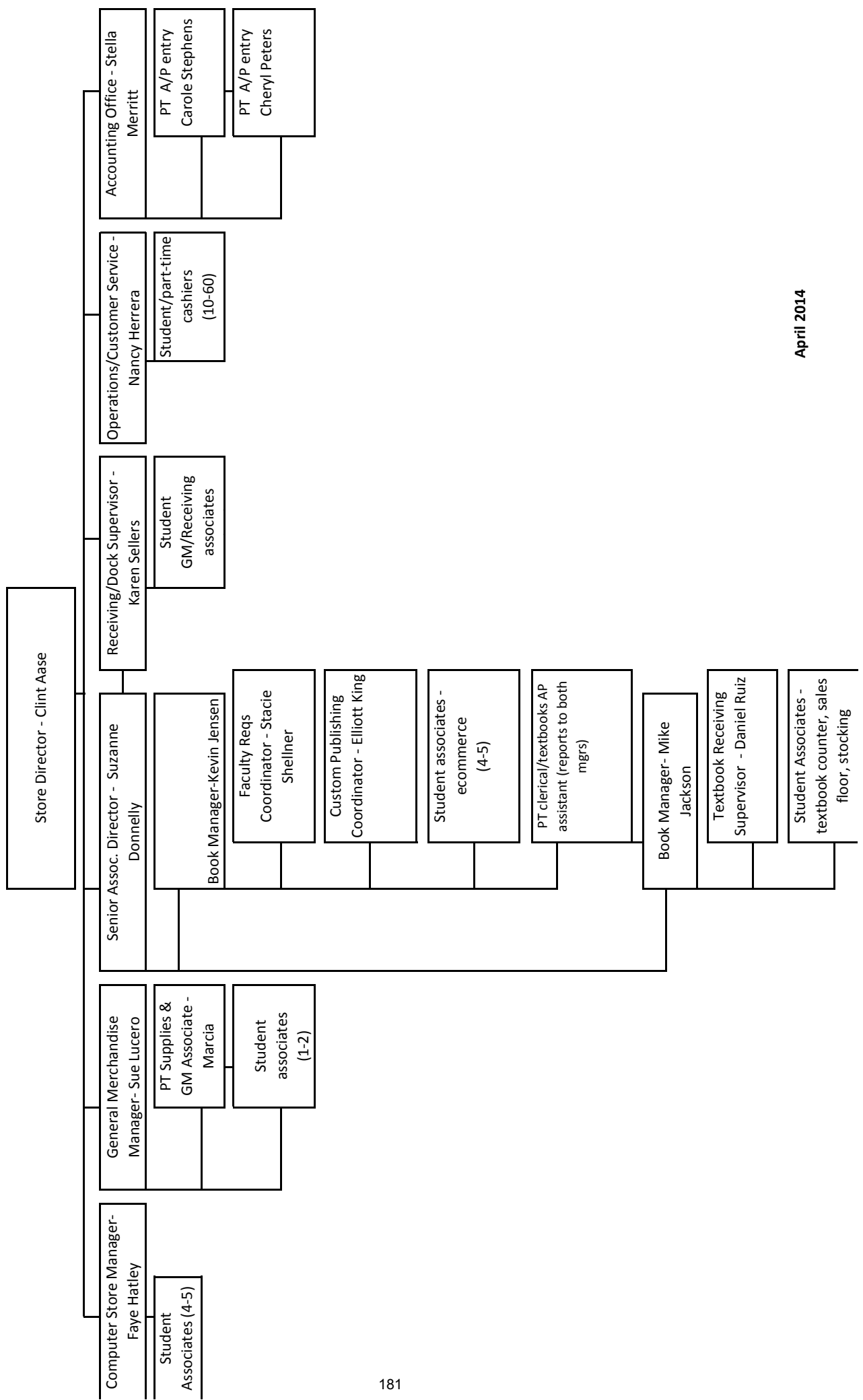
- 1 Fire, life, safety, intrusion systems, smoke detector systems maintained and tested  
All fire and alarm system that were inspected were up to date. Completed tests with the Police department to ensure fire and safety alarms were communicating correctly.
- 2 Safety devices in place and maintained.  
Received inspection and posted permit for air tank in the HVAC room.

### Data Security


- 1 The primary system server is now located in Bldg. #55 and maintained by MIS. Received documentation confirming emergency system replacement within 24 hours.

# Organization Chart

I



April 2014

**OPERATING BUDGETS**  
**ENTERPRISES**  
  
**DINING SERVICES**



# CAL POLY POMONA FOUNDATION, INC.

## FOUNDATION DINING SERVICES

2014-2015

### BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

## Cal Poly Pomona Foundation Dining Services Consolidated Budget Comparison Summary For the 2014-15 Fiscal Year

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other	311,356	276,574	297,585	21,011
Sales	15,816,137	16,082,703	17,255,705	1,173,002
<b>Total Revenues</b>	<b>16,127,493</b>	<b>16,359,277</b>	<b>17,553,290</b>	<b>1,194,013</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	5,847,602	5,697,182	6,265,093	567,911
<b>Total Cost of Goods Sold</b>	<b>5,847,602</b>	<b>5,697,182</b>	<b>6,265,093</b>	<b>567,911</b>
<b>Expenditures- Controllable</b>				
Utilities	377,250	368,932	379,171	10,239
Insurance		51		(51)
Repairs & Maintenance	135,360	250,312	179,966	(70,346)
Meals & Refreshments	4,041	9,675	4,535	(5,140)
Postage & Freight	300	533	300	(233)
Advertising	36,560	27,361	34,396	7,035
Rent/Commissions	430,510	430,917	485,782	54,865
Services	370,057	335,792	346,333	10,541
Supplies	581,218	604,597	608,257	3,660
Telephone	33,803	26,346	27,221	875
Travel	14,808	18,232	23,503	5,271
Laundry	104,874	114,842	106,539	(8,303)
Other	30,550	42,571	38,260	(4,311)
<b>Total Expenditures- Controllable</b>	<b>2,119,331</b>	<b>2,230,161</b>	<b>2,234,263</b>	<b>4,102</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	1,036,726	1,053,960	1,129,646	75,686
Depreciation	575,637	588,468	607,901	19,433
Insurance	37,905	1,552	39,745	38,193
Rent/Commissions	516,457	531,394	572,879	41,485
Bank Card Fees	148,003	178,145	203,955	25,810
Other	344,212	333,860	348,308	14,448
<b>Total Expenditures- Non-Controllable</b>	<b>2,658,940</b>	<b>2,687,379</b>	<b>2,902,434</b>	<b>215,055</b>
<b>Labor Costs</b>				
Salaries & Wages	3,905,216	3,935,833	4,337,864	402,031
Employee Benefits	1,173,623	1,180,886	1,346,710	165,824
<b>Total Labor Costs</b>	<b>5,078,839</b>	<b>5,116,719</b>	<b>5,684,574</b>	<b>567,855</b>
<b>Total Expenses</b>	<b>15,704,712</b>	<b>15,731,441</b>	<b>17,086,364</b>	<b>1,354,923</b>
<b>Net Income</b>	<b>422,781</b>	<b>627,836</b>	<b>466,925</b>	<b>(160,910)</b>

## Business Plan Narrative - Divisional(Schedule B)

### Overview of Current Fiscal Year:

With the growth of Dining Services' retail operations over the last several years, we took the opportunity to focus on tightening up our operations, placing the right people at the right locations, and drilling down on line-item controllable expenses. We continue to look with a cautious eye to the opening of Jamba in the BRIC in the fall of 2014, yet we feel that 2014-2015 will be another good year for revenue growth.

The Poly Trolley is missing top-line sales by close to 20%, and struggles to meet budget. We are implementing upsell opportunities this winter and spring to drive average check, reviewing menu pricing opportunities, and adjusting labor models. We must be wary of attempting to expand the menus to please everyone, as Geneva Cafe has taught us.

Rebranding International Grounds to Starbuck's and the addition of the limited Jamba Smoothie Station at Fresh Escapes in the Campus Center has helped increase revenue by 6% year over year. This is noteworthy, as revenues at the Campus Center Marketplace had been in decline over the past few years. We anticipate even better results in the Spring when the weather heats up, and we open Pony Express, Taco Bell, and Starbucks at CCMP on Fridays during the spring quarter.

Kellogg West dining has shown an impressive turnaround with a YOY revenue increase of 10%.

Our forecasted revenue for FY 2013-2014 shows an excess to budget of \$300k, (\$16,300k vs. budgeted \$15,983k) and an excess to budgeted net income of \$261k (\$667k vs. budgeted \$406k)

### Explanation of Proposed Fiscal Year Budget:

The upcoming Fiscal year we will be challenged with managing our food and labor costs. With the California Drought and significant minimum wage increases, managing the middle of the page will be critical, particularly with our retail saturation of the current market. On a positive note, forecasted enrollment increases will help our retail operations grow their sales.

Labor costs are budgeted to increase by 7.2% to forecast driven by the minimum wage increase, the implementation of a Late Night dining option at Los Olivos, and the proposed addition of 3 full-time benefitted positions (see below).

We are conservatively budgeting the new Jamba Juice operation at the BRIC with \$300k in revenue and zero net income.

Shop24 at the University Village is not performing as expected. A rework of the product offering was completed in partnership with Shop24 in March with the aim of providing products our customers want at the prices they are willing to pay.

We are projecting a significant increase in revenue at CTTI from \$100k forecast to \$340k budgeted with the implementation of Innovation Brew Works brewery at the existing cafe. Some modifications to the menu offering will be needed to better reflect this atmosphere as well as modifications to the kitchen to accommodate these menu changes.

A 5% increase in Board rates is anticipated.

Overall, dining operations are budgeted for \$17,400k in revenues with a \$450k contribution.

Changes in Programs and Services for Proposed Fiscal Year:

Los Olivos:

We are continuing with upgrades to Los Olivos, and have proposed a Late Night Dining option for this location. This would allow students to utilize the Los Olivos facility as a study hall or hang-out. Grill food and Pizza will be available.

BSC: We will watch the effect of the new Jamba Juice smoothie program on our existing smoothie program at BSC (Freshen's). The conversion of the BSC's gym to a seating area may provide some opportunities. Kikka's and Panda's contracts are also up for renewal, as is Round Table Pizza

CTTI: Innovation Brew Works- will need to adjust the current menu offering to reflect the new atmosphere. Looking at the development of a coffee Kiosk in the building 9 lobby (Engineering)

Explanation of Proposed Fiscal Year Capital Requests:

- \$80k- Upgrades to Pony Express @ CCMP + misc CCMP Upgrades
- \$205k- Kitchen development and build out for CTTI Brewery-Cafe
- \$343k- Jamba Juice @ Bric
- \$82k- COGNOS, Camera Systems in CCMP, CLA, ENV, Misc. 97 Upgrades
- \$100k - Los Olivos Doors, late night cafe upgrades, kitchen equipment, yogurt machine

Changes in Staffing:

(See Organizational Chart)

- Addition of Jamba Juice Manager
- Provisions for a Brewery-Cafe Manager (PM)
- Filling the vacated position of Associate Director of Dining Services with an Assistant Director position- University Housing Operations.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Implications of the semester conversion in fall of 2017 will need to be studied

The design of the new Dining Commons on campus scheduled to open the fall of 2018 is underway. A demand study will be undertaken once a location for the new facility has been determined.

The brewery at CTTI is well under way, implications for educational and operational opportunities abound.

With no funds to implement LPA space study of BSC, opportunities will arise with Freshen's and RTP over the coming years

Beyond 2016: the possibility of CCMP being replaced,

Foundation Real Estate activity will need to be watched and examined from a food service opportunity perspective



# **Mission/Vision Statement**

The mission of Foundation Dining Services is to provide an exceptional dining experience in a clean, friendly, enjoyable, and socially accountable environment in which the services and goods exemplify the cutting edge of industry trends. The services and goods are to be provided at a reasonable and competitive cost in an ethical manner, while generating funds that contribute to the overall campus community that we serve on the Cal Poly Pomona.

Our Vision Statement:

- To provide outstanding service to the campus community in clean and attractive facilities
- To encourage dedication in all employees through recognition, training, respect, listening, and understanding
- To listen and be flexible and responsive to the needs of customers and the organization
- To provide a variety of valued and competitively priced products, quality services, and healthy choices to our customers
- To partner with the University
- To be financially successful
- To be ethical in our business procedures and decisions
- To be environmentally aware and responsible
- To be proactive and willing to change for the needs of today

## **Strengths and Challenges**

### **Strengths**

"A" grade maintained with the L.A. County Health Department; Variety better and enhanced; convenient locations - constantly expanding; teamwork within Dining Services (team unity); Listen to customers - try to respond as best we possibly can; fiscal responsibility; "Blended Solutions" - diversity of management, varied backgrounds and experience; relationship with and support of campus community; product quality and consistency; stability of management - support of each other; lower staff turnover; commissary development; Campus Catering; Presidential Order on Use of Foundation Services & Central Support Resources;

### **Challenges**

Retail Market saturation, Presidential Order on Use of Foundation Services & Central Support Resources; Technology-POS/reporting systems; managing to the 1000 Hour Rule AND the 25 hour rule; development of effective training; development of ongoing in-unit training; completion of tasks in a timely fashion; react more quickly to changes in the market (cost of goods presently in dramatic escalation); aging infrastructure at CCMP and Los Olivos; need for video security equipment; cleanliness of dining rooms/areas ; meeting the dining and catering needs at Innovation Village and CTTi, profitability of campus catering, Seating quantity and comfort; campus requests for additional "micro-operations"

# Employee Survey

-No employee survey was taken this year

## Customer Survey

We had over 1200 respondents to the NACUFS survey making the data gathered valid. We exceeded the scores in all categories when compared to last year AND the year prior. Overall, we scored 4.19 vs. the Pacific Region's 3.9.

We will be developing unit-specific action plans to address the survey results during the summer months for fall 2014 implementation.

Overall, Foundation Dining exceeded the satisfaction of our peers in the Pacific Region by 7.4% in Overall Satisfaction. We were far superior in Taste as well, beating the region by 9%.

Generally, we trail our peers by 1-2% in the categories of "Available Seating" and "Comfortable Seating". This validates the BSC Space Study conclusions conducted for ASI by LPA last year. We will continue to look for opportunities to address this, particularly at BSC.

Our year-over-year results continue to improve. We exceeded our overall satisfaction number by nearly 2% versus prior year. This follows an increase of 4.3% last year.

Our focus on the coming year will surround healthy dining options. Though we did implement several programs in 2013-2014, our customers rated us lower by 0.8% this year in the category of "Variety of Healthy Menu Choices". This follows a 6.4% increase in this category the previous year. Vegetarians also chimed in. Following an 8% increase in satisfaction in the prior year, they rated us 1.8% lower this year. This is consistent with industry trends, and we will redouble our efforts to get ahead of this curve.



# Keys to Success

<b>Keys to Success Items</b>	<b>Rank in Importance 10 to 1</b>
Goal setting and communication throughout the division	10
Innovation through synergetic collaboration	9
Enhanced customer service	8
Meeting or achieving Financial Goals	7
Working as a team toward a common goal	6
Remembering to work with our team and to say "Thanks you" for a job well done.	5
Learning how to respond to Customers needs and requests to achieve a positive outcome	4
Follow through with suggestions, goals , changes etc. and communication when these are achieved	3
Attention to detail especially on special events and catering services	2
Providing a varied menu of options that mirror the trends in the marketplace for our resident students	1
Management and supervisors being available to meet with staff and discuss ideas and concerns	

# Corporate Culture

<b>Customer/Client Perception</b>	<b>Unit Perception</b>
Expensive	Very competitive compared to the local market and based on surveys
Want more Healthy options	Customer want, but do not buy - are not aware of the options we have
Longer service hours	Based on the surveys 61% are very or some what satisfied
Would like better Vegan and Vegetarian options	52% are very to some what satisfied but we need to promote these items
Comfort food at Los Olivos	LO offers a large variety and we are very proactive to suggested change
Not involved with issues pertaining to Recycling/Carbon reduction etc.	We recycle cooking oil, compost, and have herb gardens at LO
Staff not trained	Students are our main source of staffing, this is a learning institution.

# Business Controls and Vital Factors

- 1) Establish MPLH or SPLH labor goals for each operation that can be measured daily against actuals
- 2) Provide leadership training opportunities for key staff
- 3) Set measurable annual goals with each operating unit that tie in to the overall goals of the division, providing frequent feedback on progress throughout each operating period
- 4) Continue to to expand P&L responsibility to front-line supervisors
- 5) Work toward analytical tools to assist in predicting the future instead of looking back to see how we did
- 6) Cashier Audits
- 7) Continue to monitor product cost & adjusting purchasing patterns and pricing on a constant basis.

## Asset Protection/Risk Management

In Dining Services, we have several areas where Asset Protection and Risk Management play a significant role. Looking at Corporate Assets, Dining Services has several: Food, Liquor, Beer, Wine, Cash and equipment to mention a few.

PCI Assessment complete. Taking affirmative action with POS systems, 80% complete (see MIS)

Areas that we have implemented based on the risk management assessment :

Los Olivos: Improvement in employee locker security, building perimeter, building egress, video system, safe combo, authorized drivers, ensuring that current insurance and indemnification language are in all new contracts, data security procedures are in place.

BSC: Repair of equipment in catering room, alarm system, improve billing paperwork, repair equipment in Poly Fresh, All of the above has been address and resolved.

CCMP, C-Stores & Starbuck's: Provide employee training of E Phone, Repaired Fire Alarms, Video system, Fire extinguisher training for staff, facilities repairs, staff training by Employment Services, installed non-skid floor in Carl's Jr.

KW Food and Beverage: replaced walk-in doors, Improve employee locker security, provide staff training for safety protection equipment, repair safety locks on walk-ins, improve security of safe combo, staff training of check and credit card acceptance per FDN policies. Improved credit card processing at Kellogg House Pomona (3g reader).

# Organization Chart



Dining Services Organizational Chart  
April 2014



**OPERATING BUDGETS**  
**ENTERPRISES**  
  
**KELLOGG WEST**  
**CONFERENCE CENTER & LODGE**

# CAL POLY POMONA FOUNDATION, INC.

## Kellogg West Conference Center & Hotel Rooms, Conferences & Sales

2014 - 2015

### BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Kellogg West Conference Center  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other	1,716			
Sales	1,545,766	1,347,818	1,452,619	104,801
<b>Total Revenues</b>	<b>1,547,482</b>	<b>1,347,818</b>	<b>1,452,619</b>	<b>104,801</b>
<b>Cost of Goods Sold</b>				
<b>Total Cost of Goods Sold</b>				
<b>Expenditures- Controllable</b>				
Utilities	132,311	146,147	147,153	1,006
AGR/RE Fees	6,300	900	1,000	100
Repairs & Maintenance	92,079	111,995	125,472	13,477
Meals & Refreshments	960	950	960	10
Postage & Freight	2,323	1,540	2,323	783
Advertising	15,254	10,666	14,920	4,254
Rent/Commissions	12,325	5,805	6,638	833
Services	177,961	156,391	162,697	6,306
Supplies	61,070	46,878	52,699	5,821
Telephone	46,422	41,000	42,126	1,126
Travel	1,548		300	300
Laundry	64,996	74,857	78,442	3,585
Other	14,085	5,498	7,446	1,948
<b>Total Expenditures- Controllable</b>	<b>627,634</b>	<b>602,627</b>	<b>642,176</b>	<b>39,549</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	100,585	80,869	87,156	6,287
Depreciation	84,000	56,408	58,105	1,697
Insurance	26,309	23,097	24,694	1,597
Bank Card Fees	21,665	19,951	20,336	385
<b>Total Expenditures- Non-Controllable</b>	<b>232,559</b>	<b>180,325</b>	<b>190,291</b>	<b>9,966</b>
<b>Labor Costs</b>				
Salaries & Wages	481,118	448,517	447,646	(871)
Employee Benefits	202,073	157,607	148,557	(9,050)
<b>Total Labor Costs</b>	<b>683,191</b>	<b>606,124</b>	<b>596,203</b>	<b>(9,921)</b>
<b>Total Expenses</b>	<b>1,543,384</b>	<b>1,389,076</b>	<b>1,428,670</b>	<b>39,594</b>
<b>Net Income</b>	<b>4,098</b>	<b>(41,258)</b>	<b>23,949</b>	<b>65,207</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

Through the first three quarters of the 2013-14 fiscal year Kellogg West Rooms & Conferences revenue is down \$12K from prior year and down \$107K from budget. YTD expenses are \$107K under budget but up \$44K from prior year due to more frequent and larger a/c equipment repairs. YTD actual net income is (\$91,492) versus a YTD budgeted net income of (\$53,230) and a YTD prior year net income of (\$35,998).

2013-14 EOY net income is forecasted to come in (\$36,488) which is about the same as prior year (\$38,470) but less than the budgeted EOY net income of \$34,357.

### Explanation of Proposed Fiscal Year Budget:

Kellogg West is budgeting that meeting/conference demand and revenues will increase slightly in 2014-15 with a continued demand for more affordable facilities that offer the "service" meeting planners expect. As with the past several years, Kellogg West continues to see returning clients who are still faced with budget constraints and who are still seeking out affordable alternatives, such as Kellogg West, for small to medium meetings.

Along those same lines Kellogg West is also seeing a much more competitive market place - especially from upper-end, up-scale properties who are still trying to "hold on to the business" or in many cases bring it back no matter what the costs.

SCE continues to book meetings at Kellogg West however, both, the number of meetings as well as the amount spent for those meetings has been significantly scaled back since they first came to campus. In addition to having scaled back, an increasing number of their meetings are now being held at other venues close to campus and in and around Pomona as well as a couple of other and nearby local areas.

Controllable Expenses as well as Labor Expenses for 2014-15 continue to be tightly controlled and the financial "bottom line" is still the focus.

Kellogg West has been forced to slightly increase some areas of pricing where costs have greatly increased however we remain committed to continue being "affordable" and competitive in a market that has a great deal of many and newer hospitality alternatives who (ass stated above) have really cut-back on their meeting rates.



Changes in Programs and Services for Proposed Fiscal Year:

No significant changes in programs and services are proposed at this time.

Explanation of Proposed Fiscal Year Capital Requests:

The noticeable capital improvements of the past two fiscal years (hotel lobby, conference center, dining room and exterior changes to our Crestview Building) have been very favorably received by all of our Guests. Proposed capital improvements for 2014-15 will consist of exterior changes to the Main Conference Bldg, the Hillside Bldg and the Woodview Bldg as well as major equipment replacement of the Main Conference Cntr a/c system. 2015-16 capital plans call for at least a complete remodel of all 51 of the Crestview Bldg guest rooms if not all guest rooms.

Changes in Staffing:

For 2014-15 there are no changes planned in Staffing.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Demand for "affordable" meeting and training facilities will continue to be high due to lessons learned during the past several years and a still ongoing slow economic recovery as well as continued "tight" budgets and even tighter "audits".

With the majority of our business coming from within California and the basically unchanged California economy, it is obvious that "as California goes" so also will KW revenues go.

Other factors which will have an affect on Kellogg West's business over the next three to five years are some of the key issues that have been repeatedly discussed over the last several years. Those are the seismic upgrade, the in-progress Collins College expansion, the need for a complete renovation of an aging Kellogg West and, of course, the University Master Plan, all of which could or already impact Kellogg West as a whole.



# **Mission/Vision Statement**

The past couple of years have brought surprising new opportunities as well as new ways of thinking and new ways of doing for Kellogg West. Along with those new ways of thinking and doing, Kellogg West has evolved into a business that makes sense financially and that will enable us to carry on our long history and valuable partnership with Cal Poly Pomona University and The Foundation.

Kellogg West has, and will always, continually strive to provide the highest standards of guest services in, both, lodging and conference services. We will continue providing outstanding service along with the latest technology and resources available to meet or exceed the expectations of our Guests and The University.

## **Strengths and Challenges**

### **Strengths**

With the continued, close scrutiny of how companies and organizations are spending their money, conference centers and meeting locations that are a part of a University or non-profit organization are increasingly sought out as places to hold meetings and avoid negative media or shareholder criticism. Located on the campus of Cal Poly and as a part of the non-profit Cal Poly Foundation, Kellogg West is uniquely situated to provide just such a meeting and conference environment and is marketing itself as such by letting our potential clients know of our non-profit status and giving back to the University thus helping others.

### **Challenges**

In order to drive increased revenues Kellogg West will have to continue driving increased sales. Kellogg West will also need to continue working as "lean" as we did during the past several fiscal years by doing more with less and doing it just as good. In addition to maintaining the unprecedented savings of these past several years, Kellogg West will need to keeping controllable expenses to absolute "bare-bones" operational necessities. However, the bigger challenge for Kellogg West will be in providing a modern, updated facility that looks as good as the service we have and will always continue to provide. New product continues to become available in our market areas. Many "older" properties (albeit much newer than Kellogg West) have either undergone extensive renovations or have already approved plans to do so. -Kellogg West will need to undergo major capital improvements or be left behind.

# Employee Survey

F

Kellogg West Conference Center & Hotel employee satisfaction continues to be high due, for the most part, to Management's continued communications to and from employee and also because of the present Director's daily involvement and "roll up the sleeves" work ethics in helping when help is needed. Not to mention that age-old philosophy and practice of treating others as you would want to be treated. -We're a Team and all in this together so that's the way we work. Management has no plans to change this "team work" philosophy, attitude and work ethics.

# Customer Survey

The past few year's of guest room upgrades in decor, new tubs & showers and the hugely welcomed changes in bedding comfort as well as the new exterior property improvements have gone long way toward providing a much more enjoyable and updated guest experience. - An experience, not only noticed by our Guests, but commented on just about every day.

Customer satisfaction with guest focus areas such as cleanliness, friendliness and courtesy continues to be very high and our overall customer satisfaction and comments (especially with service) continues to be extremely good and a source of pride for all of our employees, at all levels. Guests surveys continue to show that they will likely or definitely stay at this property when they return to this area and that they will likely or definitely recommend Kellogg West to a friend. Almost unanimously Guests surveys have rated Kellogg West's hospitality as meets or exceeds expectations.

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Increased sales solicitations.	10
Market as a unique and affordable meeting alternative to the newer but higher priced conference options	10
Continued capital improvements to overcome guest's perception that property is "getting tired"	10
Increased internet and social network marketing efforts to increase customer awareness of KW	10
Increased focus on education, state associations, religious, medical, government and related business markets	9
More emphasis on KW as a full service conference center and training/educational facility at Cal Poly University	9
Emphasis as a "serious meeting/training environment for businesses and meeting planners facing serious times".	9
Upgrade, update and only offer state of the art conference equipment suited for "tech-savy" conference attendees	9

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Facility is outdated and old	Facilities are "dated" but well maintained and clean
Staff are not as polished as other "corporate-owned" hotels	Student Staff are young but eager to please and more than make up for it
Facility is hard to find and away from everything	Facility is peacefully secluded & away from most city/airport distractions
Property not in step with technological needs	WiFi is free and available in all areas & A/V equipment upgrades continue

# Business Controls and Vital Factors

H

- Daily: Review of Flash Reports which is the snapshot of revenue for the previous day and month to date.
- Weekly: Department & Management team meetings, review of pending payment requests, comparison review of expenditures vs. budget, Aging Report update, review of all department schedules and monthly progress of food cost.
- Monthly: Goals to Foundation, Financial Statement review process, revenue forecasting (which are also reviewed on a bimonthly basis) and Employee of the Month selection
- Semi-Annual: Business Plan Update, Fixed Asset analysis
- Annual: Budget and Business Plan preparation and presentation

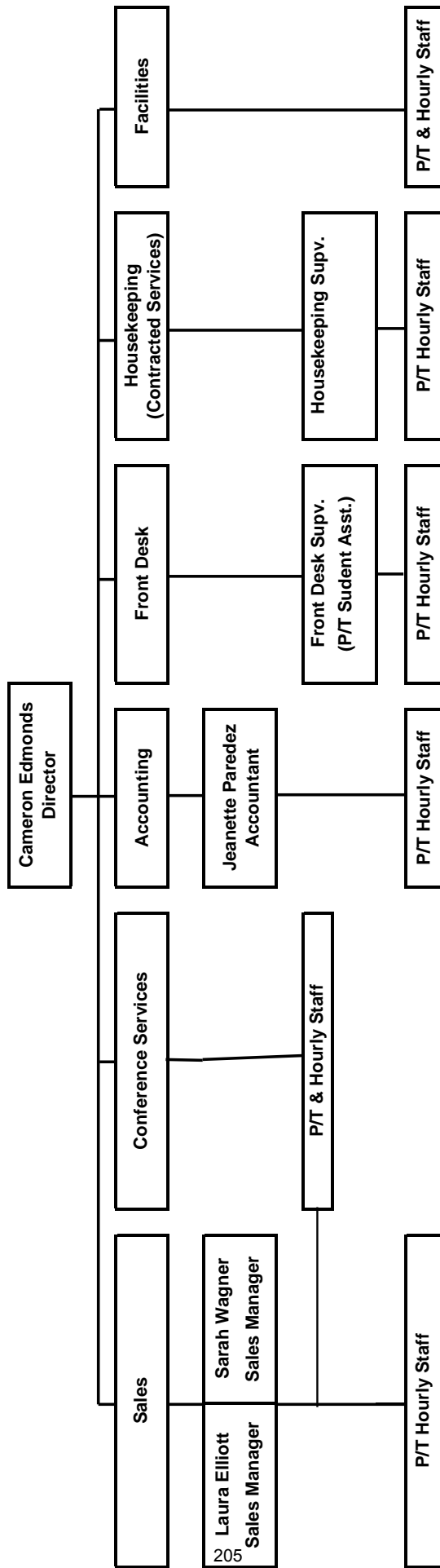
Vital factors are primarily (1) Actual Costs compared to budgets and schedules and (2) Occupancy comparisons and analysis (ADR & Rev Par)

## Asset Protection/Risk Management

1. Suggestion to install video security cameras - No plans to install such at this time for financial reasons
2. Update of KW Emergency Procedures and manuals - Completed and updated annually or as needed.
3. Separation of duties with KW Director - Completed with KW Accountant placing orders and Director reviewing/approving.
4. Reduce amount of KW logo inventory - Ongoing through continued sales to guests. No other actions will be taken as inventory is completed monthly, items are strictly controlled and secured and there is no problem at all with "loss".
5. Change safe combinations and keep a record of who has access and knowledge of combination - Completed. Record of who has access and safe combination now in sealed envelope in Foundation safe.

# Organization Chart

## Kellogg West Conference Center & Lodge 2014 Organizational Chart



**OPERATING BUDGETS**  
**ENTERPRISES**  
  
**FOUNDATION HOUSING SERVICES**



# CAL POLY POMONA FOUNDATION, INC.

## Foundation Housing Service

2014-2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Foundation Housing Services  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other	146,650	128,250	129,208	958
Sales	8,452,602	8,638,484	9,474,003	835,519
<b>Total Revenues</b>	<b>8,599,252</b>	<b>8,766,734</b>	<b>9,603,211</b>	<b>836,477</b>
<b>Expenditures- Controllable</b>				
Utilities	622,362	616,236	622,364	6,128
Repairs & Maintenance	350,334	371,000	373,530	2,530
Meals & Refreshments	3,050	6,000	3,050	(2,950)
Postage & Freight	300	850	840	(10)
Advertising	11,100	7,600	10,740	3,140
Rent/Commissions	1,800	3,200	1,800	(1,400)
Services	467,012	403,036	434,262	31,226
Supplies	48,225	45,200	54,200	9,000
Telephone	249,900	285,000	282,000	(3,000)
Travel	9,600	9,000	9,600	600
Laundry	600	1,300	600	(700)
Other	167,550	176,360	168,880	(7,480)
<b>Total Expenditures- Controllable</b>	<b>1,931,833</b>	<b>1,924,782</b>	<b>1,961,866</b>	<b>37,084</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	488,603	569,838	627,525	57,687
Depreciation	1,923,120	2,289,642	2,525,748	236,106
Insurance	120,780	125,070	120,780	(4,290)
Interest Expense	1,227,600	1,183,390	1,080,528	(102,862)
Bank Card Fees	50,950	62,978	60,600	(2,378)
Other	161,666	194,240	168,050	(26,190)
<b>Total Expenditures- Non-Controllable</b>	<b>3,972,719</b>	<b>4,425,158</b>	<b>4,583,231</b>	<b>158,073</b>
<b>Labor Costs</b>				
Salaries & Wages	957,046	1,024,600	1,072,174	47,574
Employee Benefits	324,739	393,485	404,340	10,855
<b>Total Labor Costs</b>	<b>1,281,785</b>	<b>1,418,085</b>	<b>1,476,514</b>	<b>58,429</b>
<b>Total Expenses</b>	<b>7,186,337</b>	<b>7,768,025</b>	<b>8,021,611</b>	<b>253,586</b>
<b>Net Income</b>	<b>1,412,915</b>	<b>998,709</b>	<b>1,581,600</b>	<b>582,891</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

The current fiscal year has been surprising, challenging and gratifying. We were once again "surprised" by the summer demand for housing from both students and conference groups. Summer occupancy was below expectations by about 5% consistently. Academic year occupancy "hovered" around 100% during the fall quarter but has dipped to around 98% during this current academic term. It's been more of a challenge recruiting/retaining students from Cal Poly this year-post fall. I don't believe that the UHS program has had a significant impact on Village occupancy (one way or another) since UHS overall occupancy is pretty consistent with the Village. Our annual fall wait list dissipated quickly during the fall. Mount SAC students added to our population numbers and also to the "richness" of our community. We seem to be attracting a larger number of international students each year. This is a very positive trend (all-around) that I hope it continues. Capital funded refurbishing of Phase II has resulted again in greater customer satisfaction and a notable reduction in work orders during the fall term. Changes in personnel, job descriptions, terms of service and newly developed student services brought significant success to our organization again this year. Overall, this staff has been the most productive group in memory. Reorganization and enhancements to our services (IT, Community Development, Residential Education and the Business Office) have proven to be very impactful - judged by student feedback at town hall meetings, the RES Survey and attendance at Village programs.

### Explanation of Proposed Fiscal Year Budget:

The 2014-2015 budget has been designed to continue the growth and development experienced over the past several years while increasing the use of "best practices" and also maintaining fiscal accountability. A sense of "reality" as to what we "need to do" to maintain success and continue development of each project "unit" continues to guide the "writers" of the latest financial plan. Student occupancy "drives" the development of this budget. As a result of our overall success in employing a 95% academic year occupancy guide, we've decided to once again base our "bottom line" and revenue projections on this percentage. In light of the continued evolution" of the summer "mission" of the University, we've maintained our expectations of summer occupancy at 30% of available bed spaces with a proposed "special" reduced "summer rate" for students living in the open buildings. This fiscal year, we propose the closing of Phase I for the summer months to allow for painting, cleaning, and general repairs. In light of our occupancy, all buildings are closed for the summer except 105 (conferences), 115 and 125. We expect full or nearly full occupancy during 2014-2015 however, it's important to consider changes in the University, national and international economy, enrollment and financial aid funding etc. and also allow for some "cushioning" against any sudden economic and budgetary downturns. The 2014-2015 budget is based (largely) on the end of year forecast provided for 2013-2014. We've maintained "sensible" spending however we have maintained additional staff to lead our programs and services. We'll continue to enhance all existing and recently added services for our students including the Tech. Center, laundry room and a new food purchasing option called Shop 24, refurbishment of the pool, an academic theme building (105), another enlargement of the student study/computer center and a reemphasis on community sustainability. In light of our Major Goals, we believe that this is a "balanced" and focused budget capable of continuing forward movement during a time of national recovery from recession and extraordinary changes in higher education. The 2014-2015 budget continues to be somewhat less "lean" than previous budget submissions. We've restored some funding for professional staff hiring, development and related travel. We also don't want to "lose ground" on the progress that we've made both maintaining and upgrading facilities. We're "thankful" that we can rely on years of growth and economic success during difficult and uncertain times, we believe however that we must continue the vigorous maintenance and facility enhancement program (outlined in the 10 year cash flow plan) in order to satisfy our "customer" and prevent a greater, more long term and costly decline in residential facilities. All Phases are increasingly in need of costly on-going maintenance. Phase III (9 years old) is quickly deteriorating with both cosmetic and structural facade repairs required. We believe this is a "good" budget allowing for a necessary 6% increase in license fee rates in all Phases while preserving an economic "first rate" quality of life offered to our customers. We've also decided in 2014-2015 to continue to provide our students full use of an "open" laundry room by including a \$10 monthly fee as part of their license fees. This program has been generally successful. We'll also still provide apt. cleaning, and on-going restoration and refurbishment of apartment furniture and fixtures while stressing economic efficiency and sustainability. The development of summer/conference housing options and additional housing for currently unhoused populations is ESSENTIAL to our mission, University expectations and financial stability and growth as an auxiliary service. A consultant will be visiting the Foundation/Village to research and develop a summer housing/conferences plan.

Changes in Programs and Services for Proposed Fiscal Year:

In 2013-2014 we plan on continuing to develop computer support services for all Village students through the enhancement of the Village help desk located in the Recreation Center. Staffed by the Technology Manager and trained assistants, the Tech CTR provides customer support with service issues, diagnostics, light repair, loading of antivirus and other software. Students will be able to print copies on a centralized commercial printer. The Help Desk (in partnership with MIS) will centrally manage all student and office related computer hardware, and software maintenance issues, outages etc. and will run skill building work shops for all members of the community. Additional services will be added (academic and computer related supplies). The new Community Dev. Program will have two full time professional staff members dedicated to the development of student leaders, student governance, programming, sustainability initiatives, campus involvement and student advocacy. The positions, CDS and Assist. Dir. for Leadership Development, are an expansion of existing positions. Additional student staff have also been added to this area focusing on Wellness programming, special interest housing and leadership development.

Explanation of Proposed Fiscal Year Capital Requests:

Capital projects for 2014-2015 again reflect a focus on the "practical and necessary" in order to ensure essential services and customer appeal. We continue to maintain, upgrade and "extend the life" of our "aging" facilities.

1. Deck Repair in all Phases.
2. Painting/Refurbishing of Phase I.
3. Bathroom Vanity Replacement in Phases I and II.
4. Enlarge and Build Group Meeting Room Space/Study Room Space in the Community Center.
5. Computer Replacement in All Offices.
6. Media/Smart Technology Enhancement in Rec. Center
7. Toilet Replacement/Water Saving Units - Installation in Phases I and II.
8. Carpet Replacement in Various Apartments.
9. Replacement Water Heaters for Phases I and II.

Changes in Staffing:

No additions to staffing however 3 positions will be advanced from 80% benefitted to 100% benefitted employees.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Overall, University Village facilities have been well maintained over the past 25+ years. Village facilities are structurally and cosmetically "appealing" because maintenance has been rarely deferred and capital funding for upkeep and renovation has been available. The Village Management Team believes that as the result of the aforementioned, the Village is in a "good" position to withstand the Universities' economic uncertainties and looming reduction in resources, that we must now accept. We must however, recognize that we must proceed in funding some of the "bigger ticket" issues facing this "aging" complex. We need to be looking at revising our mission to accommodate future currently under served "customers" including; domestic partners, families/veteran's, faculty/staff (short-term) ADA and international students. We advocate for the building of a new complex (to house the aforementioned) in stages and over the next several years. The development of a technology program with support services for students and staff is necessary as we continue to integrate new technologies into daily management and financial operations within the Village. Upgrades and use of tablet and mobile technology will encourage better communication, greater security, efficiency and better customer service. Current and future financial management computer program enhancements should enable us to evaluate the use of staffing in the Operations area.

# Major Projects and Business Goals for Proposed Fiscal Year

D

<b>Action Steps</b>	<b>Person Responsible</b>	<b>Due Date</b>
Participate in activities associated with the development of additional housing options.	Ken Leads	On-Going
Provide observation of security camera system.	Owen Leads	On-Going
Develop opportunities to "link" the Village to the larger campus community.	David Leads	On-Going
Review consultant's report and follow recommendations for developing a summer conference program.	Regina/Sherry/Beau Lead	12/14
Review budget/s monthly with managers and research necessity of yearly rate increases.	All Managers	On-Going and 12/14
Continue development of File Maker mobile device software	Owen Leads	On-Going
Refurbish and repaint Phase I.	Sherry/Steve Lead	9/14
Reduce receivables by 20% by June 2015	Sherry/Nancy Lead	6/15
Develop "in place shelter" plan for the University Village.	Kenny/Debbie McFall Lead	12/14
Tech Center develops "DIY" informational workshops and computer based activities.	Owen/Ryan/Nam	On-Going
Develop Res. Ed training link-video recorded topics available on line.	Brad/ACUHO-I/Kyle/Ryan Lead	9/14
Assess all operations processes for paperless conversion.	Owen/Sherry Lead	12/14
Attend ACUHO-I, WACUHO, ACPA, NACAS and NASPA Conferences.	David Leads	2014-2015
Increase computer diagnostic and "advise" giving services in the Tech Center	Ryan/Owen Lead	2014-2015
Train Nancy in all month-end reconciliation procedures by October 2014	Sherry Leads	10/14
Develop opportunities for student leadership development and on-going staff and student training.	Kyle/CDS Lead	On-Going
Organize all professional staff development sessions for 2014-2015.	David/Sherry	On-Going
Replace bathroom vanities and install water saving toilets in Phases I and II	Steve/Sherry Lead	9/14
Foster the creation of community outreach education and service program for Village residents and staff.	Brad/CDS	12/14 and On-Going
Hold Quarterly Village Town Hall Meetings.	David/Sherry Lead	Quarterly
Write multi-year plan for technology assisted door lock project.	Owen Leads	12/14
Research and write 2 year project list for IT services within all Village operations.	Owen & IT Team	12/14
Update and reorganize University Village share drive.	Owen/Sherry Lead	12/14
Expand social justice training opportunities for residents, student and professional staff.	Dave/Kyle/Beau	On-Going
Promote sustainability within all Village functions. Support/Promote sustainability garden.	Beau/Sustainability Advisors	On-Going
Research and purchase public address solution.	Owen/Kenny	6/14
Develop student services center utilizing combined student leader and Tech Center office space.	Kyle/Owen Lead	9/14
Enhance Wellness Program initiatives through Health and Wellness Advisors.	CDS/Kyle Lead	On-Going
Continue development and integration of tablet/mobile devices into all Village operations.	Owen Leads	On-Going
"Grow" Intentional housing communities (LLC) in Bldg. 105	Beau/Kyle lead	On-Going
Plan for capital projects: Expansion of Rec. Center, New Conference Room and Student Services CTR.	Ken/Owen/Kyle	12/14
Contract and administer EBI Apartment QOL Survey.	David/Kyle/CDS	1/15
Develop mission statement and goals for the Res. Ed and Community Development Units.	Liz/Kyle Lead	9/14

# Mission/Vision Statement

By focusing on the interpersonal relationships with our residents, we strive to create a safe, respectful and inclusive community where one will find:

- \*Valuable, clean, well-maintained and furnished accommodations.
- \*Active customer service with open and timely interaction.
- \*A dynamic environment working to continually adapt to residential needs.
- \*An educational experience that empowers residents to participate and take ownership of their community.

## Strengths and Challenges

### Strengths

\*quality of staff \*financially responsible and profitable\*affordable housing\*technology/help desk with full-time manager  
 \*web site with on-line services\*student customer focus\*quality of student life\*occupancy (new and retained)\*facilities (flexible design options)and well cared for facilities\*comprehensive training program for building staff\*24 hour emergency response (maintenance and student crisis)\*flexible and responsive approach to "change" and organizational development\*student leadership development in transitional housing environment\*students report high satisfaction with the quality of life (overall-RES)\*staff creativity, motivation, professionalism and commitment to mission(s) of the University, Foundation and University Village

### Challenges

\*security\*general operating costs\*maintaining rates at affordable levels\*physical "aging" of Phases I and II-deteriorating facilities\*necessary current and future capital projects-large scale replacement of kitchens, heating and cooling systems etc.\* communication between various departments (overall)\*developing a Village staff team (all units)\*student recreation and study space\*effective communication of policies, procedures and general information to student residents\*student leadership-students taking responsibility for their community\*staff investment in operational changes and introduction of new systems/staff roles/objectives/mission\*computerization of administrative systems\*maintaining positive and equal relationships with campus offices\*diversifying business "plan" and adding business and living options\*effects of national and international economic conditions on student application and retention\*University enrollment and retention\*

# Employee Survey

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There were a total of 23 responses. The employee survey was administered to all staff (on-line) during 2014. RESULTS: Out of a possible total score for each question of 100%:

\*Effective Management-83%\*Respect for Management-83%\*Staff Integrity-83%\*Opinions and Ideas are Validated-74%  
\*Training is Adequate-98%\*Looks Forward to Coming to Work Each Day-87%\*Favoritism-Not a Problem-44%\*I Understand How My Job Contributes to the Success of the Village-100%\*Cultural Differences are Appreciated-100%\*Staff Members Work Well Together-74%\*Teamwork is Valued-91%\*Staff Are Helpful to One Another-96%\*Management and Non-Management Work Well Together-83%\*I Feel Comfortable Telling the Truth Here-70%\*The University Village Values Honesty and Integrity-74%\*University Village Staff Can Be Trusted to Do What We Say We're Going to Do-83%

Overall, the staff survey was well received by both student and professional staff. The Village Management Team will actively look toward raising scores in all areas and to address concerns and perceptions.

# Customer Survey

The Residential Experience Survey was administered through the use of mobile technology this fall and winter quarters. The survey was again redeveloped with new more relevant questions and was administered to all available students (1247-99% occupancy) and over 701 surveys have been returned. The following are the results of the survey:

\*Overall Satisfaction: 2013-2014 97.8% 2012-2013: 96.4%

Satisfaction Rates:

\*Residents live at the Village due to location 84% and value 46%

\*Sense of Community 70%

\*Cleanliness of Village is satisfactory 98%

\*Perceived feeling of safety 65%

\*Interactions: Positive/Very Positive: RA's 97.5%, MA's 96.1%, CSLA's 95.8%, Facilities 96.4%, IT Village 95%, Operations Staff 93.2%, Mailroom 95.9%

\*Timeliness of work order completion (Facilities/IT Village) Satisfied

\*Resident Experience With: Check-In 89.1%, Room Assignments 92.7%, Laundry Room 96.2%, Monthly Cleaning Service 96.7%, WIFI 75.6%, Programs and Events 92.6%, Study Area 92.8%, Opportunities for Community Interaction 87.9% Condition of Apartment 94.6%

\*Student Leader Characteristics: Relationship Building 88.2%, Role Modeling 93.9%, Knowledge of Resources 95.9%, Professionalism 96.6%, Encouraging Community Events 96.5%

\*Awareness of Various Services Offered in the Village: Living/Learning Communities 64.2%, Sustainability 71.7%, Community Garden 65.4%, Computer Lab and Study Center 94.3%, Upcoming Community Events 90.8%

\*Timeliness of Various Responses by Staff: RA's/Facility Workers Emergency Responses 98%, Maintenance Work Orders 91.2%, IT Village Work Orders 94.7%, Operations Office 96.3%

We are obviously extremely pleased by the responses to our staff and programs by our student customers. We will continue to move forward in an effort to raise the satisfaction levels higher as we continue to listen to the needs and wants of our constituents. The University Village has been a "labor of love" for staff and students. The community is strong, progressive, diverse, intelligent, innovative, kind, happy and motivated. The aforementioned results are the strongest that we've ever seen and proof that we continue to head in the right direction. Go Village Team!!



# Keys to Success

<b>Keys to Success Items</b>	<b>Rank in Importance 10 to 1</b>
Positive resident/customer relations	10
Safety and Security	10
Maintain Facilities	10
Staff and Students Committed to the Retention of Customers	10
Overall High Customer Satisfaction as Indicated by the Residential Experience Survey	10
Marketing	9
Inclusive Community	9
Management and Staff Productivity	8
Positive Staff Relations(internal and external)	8
Effective Verbal and Written Communication (internal and external)	7
Enhancing Technology for Students and Staff	9
Positive Relations with University and Foundation Colleagues	7
Investment in the "growth" of the Foundation Housing Program and Understanding of Short and Long Term Obj.	9
A Business Plan reflecting strategic objectives for planned growth and based upon student and staff input,	10
-evaluation, enhancement of the mission statements of the Foundation, Foundation Housing and the University.	
Clear job descriptions and responsibilities led by individual managers.	10
Focus on community and student development.	8

# Corporate Culture

<b>Customer/Client Perception</b>	<b>Unit Perception</b>
Supportive-Positive (overall)	Helpful
Staff Do A Good Job-Good Role Models (overall)	Supportive-Fair-Honest-Flexible
Insensitive (at times) to Student Needs (Especially with Financial Issues)	Customer Service Focused
Fair/Justified (Overall)	Professional and Skilled
Customer Service Oriented	Consistent (for the most part)
Concerned with Safety and Security	Caring
Focused on Improving the Quality of Life (with exceptions)	Greater Need (exists) to Get Feedback From Fellow Staff and Customers
The Village (overall) is sensitive to diversity	A "value" for the money (cost/benefit)
Comfortable, Safe and Well Cared For Facilities-Generally, a value for the money	Innovative
	"Test Bed" for Technological Enhancements and Organizational Change

# Business Controls and Vital Factors

H

## BUSINESS CONTROLS

\*Budget Prep/P&L Reviews\*Departmental Meetings\*30 Day Goals\*Position Descriptions\*Individual Supervisory Meetings\*Business Plan Preparation and Quarterly Reviews\*Incident/Judicial Database\*CPPD Logs\*Daily Res. Ed Duty Logs\*Review of Pending Disbursement Vouchers\*Maintenance Work Orders\* Quarterly Reports\*Contractor Performance Reviews\*Scheduled and Non-Scheduled Property Inspections\*Annual Staff and Customer Surveys\*Occupancy Reports\*Each individual unit area led by a designated manager.

## VITAL FACTORS

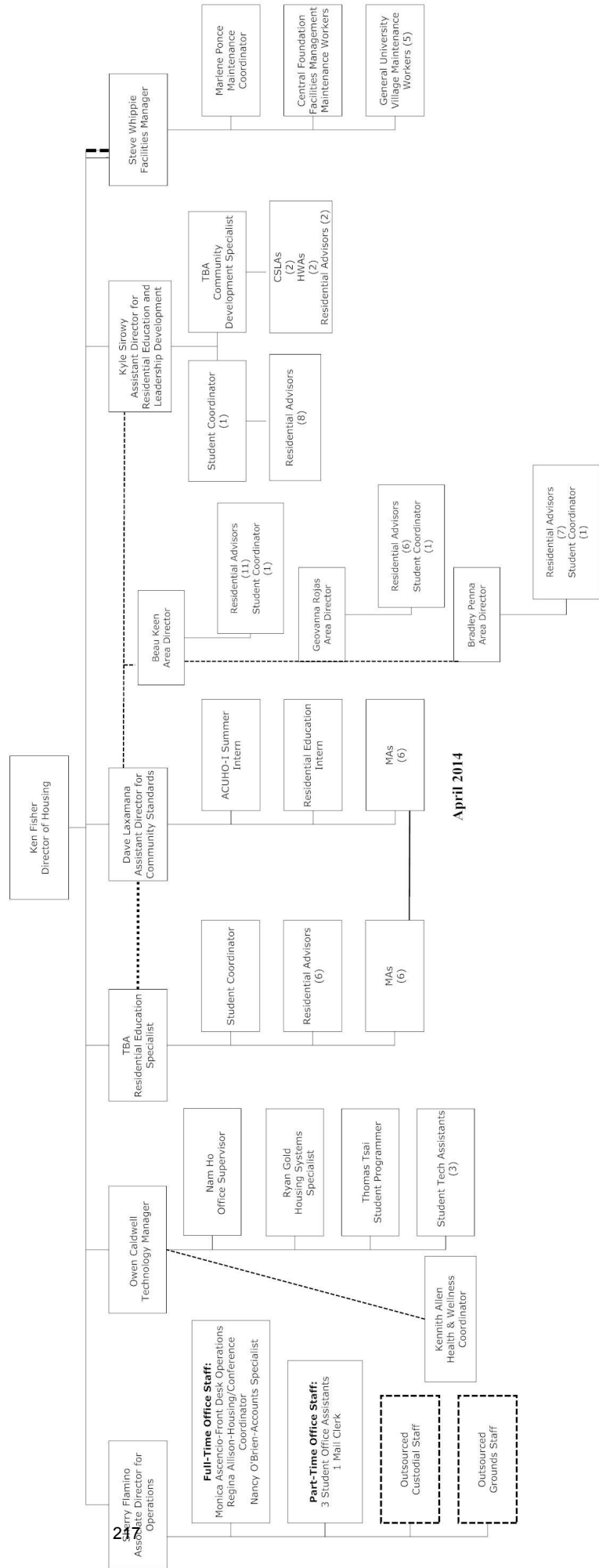
Actual to Budget Comparisons\*Net P&L Compared to Budget\*Occupancy-Retention and New Applicants\*Consistency in Policy Implementation\*Resident Accountability-Accountability to Residents (License Agreement-Student Handbook)  
\*Incident Follow-Up\*Follow-Up to student initiated appeals and grievances

# Asset Protection/Risk Management

\*NONE IDENTIFIED IN 2013-2014\*

# Organization Chart

## CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" HOUSING



Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

The University Village Staff needs to apply the program's new mission statement and decide on a course for the development of the transitional housing program. What populations "should" we be serving and what retrofit is necessary in order to both "welcome" these "folks" and to accommodate their individual, group and academic support needs? How do we "modernize" our "mission" and the facilities that we have to work with? What should our staffing structure look like-especially in light of emerging technological improvements in the financial operations area? How do we capitalize on our resources and maximize our short and long-term investment of both financial and human resources. How do we become even more "profitable" and efficient? What is our purpose within the Foundation and the University? What makes us different from other student apartment style housing programs and how do we gain from this? How do we best serve current and emerging populations? After reviewing the Long Term Cash Plan, it becomes apparent that we have some "expensive" projects that will need to be funded over the next ten years. As I said earlier, the facilities continue to age and are becoming increasingly "dated". Phase III will be 10 years old in 2015 adding to the "aging quotient". In addition, with the emphasis on becoming more sustainable and efficient, completing some of the listed projects has an added importance and in some cases a greater sense of urgency. Projects such as the on-going replacement of kitchen appliances, water heaters and HVAC units to high efficiency models is important not only from a "green" perspective but also from a financial one. We save money (in the long-term) when we replace items that use a lot of energy. Replacement of bathroom vanities in Phases I and II (as an example) is important from a structural and esthetic standpoint. Students are far more "keen" in deciding whether or not to reside in commercial off-campus properties. Living off-campus has become more economically feasible as commercial properties become more of an attractive alternative to campus housing, offering greater amenities and competitive rents. This is concerning all around. Sustainability and "wiser" use of resources is essential in this world. We'll continue to reupholster and restore current apartment furnishings instead of the traditional equipment replacement program. This approach provides a more sustainable and less costly alternative to the traditional furniture replacement process. Phase III (newest Phase) has been requiring more maintenance than Phases I and II. Carpet replacement is a constant thing. We do however, hold students financially accountable for damaging the facilities. This helps to relieve some of the "stress" placed on the maintenance budget. Security, adequate study space, additional housing for "new" populations is essential for our growth and for meeting the needs of the larger institution and students. We must build again-diverse facilities for our diverse and "needs" oriented populations. Summer deficit reduction through the development of summer business in addition to "belt tightening" is critically important.

Continued -Explanation of Proposed Fiscal Year Budget:

\*We've continued to "hold the line" on license fees with a minimal 6% increase for 2014-2015.

\*Our relationship with the University continues to improve with staff participating in various partnerships and committees. We continue to seek feedback and ideas from our University colleagues.

\*Our outsourced grounds and cleaning companies continue to enhance the quality of our facilities. The quality of their work has been consistently noticed by the students as indicated in the recent Residential Experience Survey. Calico Building Services has done a great job and has been a very responsive partner. Due to rising costs, Calico will be replaced by Coastal Building Services at a significantly reduced rate for cleaning services.

\*We're making a major investment in updating technology and related support services provided to both staff and students with the development of the Village Help Desk and Education Center led by a full-time Technology Manager and his team. In addition, the security camera and entry gate security systems have been upgraded this past summer as was the centralized laundry room. The study lounge and computer lab is heavily used by our students and they've asked for additional space.

\*Well over 2/3 of our students are using the 24 hour on-line services to receive billing information and to make payments. This has reduced the overall work load on the Operations Staff, late payments, returned checks and has enhanced efficiency and self-service.

\*Skill building programs and activities planned and facilitated by the Residential Education Staff remain focused on the development of "adult" living skills and have enhanced the "value" and effectiveness of the transitional housing program. The program model was revised for 2013-2014, based upon the inclusive, easy to understand holistic Wellness Model.

\*The Star Rez software/operating system (while troubled) has enabled us to move our operation in a technologically forward direction. Students are able to manage their financial accounts, obtain current information on all services and choose their housing assignments from the "comfort" of their rooms. Administrative accuracy, accountability and security is at an "all time high". The Village Tech Team will continue to develop File Maker software to augment the use of mobile devices in the operation of the Village. Additional services will be added to the Tech Center and mobile kiosks. Check-in and check-out will continue to be developed-facilitated through the use of iPads with File Maker and Star Rez working in concert with one another.\*Despite "financial realities" the University Village consistently meets budgetary goals and financial expectations.

**OPERATING BUDGETS**  
**ENTERPRISES**  
  
**FACILITIES MANAGEMENT**

# CAL POLY POMONA FOUNDATION, INC.

## FACILITIES MAINTENANCE

2014 - 2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Facilities Management  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Expenditures- Controllable</b>				
Repairs & Maintenance	17,640	12,500	17,640	5,140
Meals & Refreshments	300	2,400	300	(2,100)
Advertising		50		(50)
Rent/Commissions	240	200	240	40
Services	(330,871)	(353,150)	(330,836)	22,314
Supplies	5,700	5,400	5,700	300
Telephone	6,000	8,500	6,000	(2,500)
Travel	120	250	120	(130)
Other	1,200	200	1,200	1,000
<b>Total Expenditures- Controllable</b>	<b>(299,671)</b>	<b>(323,650)</b>	<b>(299,636)</b>	<b>24,014</b>
<b>Expenditures- Non-Controllable</b>				
Depreciation	3,600	3,600	3,600	
Insurance	1,740	1,100	1,740	640
Rent/Commissions	600	1,500	600	(900)
<b>Total Expenditures- Non-Controllable</b>	<b>5,940</b>	<b>6,200</b>	<b>5,940</b>	<b>(260)</b>
<b>Labor Costs</b>				
Salaries & Wages	207,334	226,000	205,450	(20,550)
Employee Benefits	86,398	91,500	88,252	(3,248)
<b>Total Labor Costs</b>	<b>293,732</b>	<b>317,500</b>	<b>293,702</b>	<b>(23,798)</b>
<b>Total Expenses</b>	<b>1</b>	<b>50</b>	<b>6</b>	<b>(44)</b>
<b>Net Income</b>	<b>(1)</b>	<b>(50)</b>	<b>(6)</b>	<b>44</b>



## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

Facilities Maintenance will end the year well under budget.

The implementation of the work-order software is in its second year and while it works functions as expected, it continues to be refined. Process efficiencies have materialized related to the electronic processing of work orders.

All goals outlined at the beginning of the year will be met.

### Explanation of Proposed Fiscal Year Budget:

There are no major budget variations when comparing budgets from this year (2013-2014) to next year (2014-2015). However, one long term employee retired and we opted not to fill that vacancy, and instead manage the workload with student labor thereby lowering labor expenses. This model has proven effective and efficient, and unless the workload changes significantly, there is plan to add that position back into the budget this year.

Changes in Programs and Services for Proposed Fiscal Year:

There are no planned changes to services provided this fiscal year. This year will be the second year of "stabilization" as we look internally on how work is accomplished and what resources need to change, if any, for the following budget year.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

We had one full time employee retiree and we do not plan to fill that vacancy with another full time employee. We plan to utilize student labor instead, on a quarterly basis assess whether or not there is a genuine business need to consider returning that position to the budget.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Over the next year, Facilities Maintenance will evaluate new areas for process improvement and cost control opportunities, such as evaluating a tool control system, an inventory control system, and the approach used to purchase and track consumable supplies.

Evolution of the Facilities Maintenance function regarding their use of technology in the overall administration of their services is already occurring and is expected to continue for the next 2 - 3 years in all processes. The desired outcome will allow for quicker response times and better feedback to those who submit work requests.

Several employees will continue to receive technical skills training and others will receive cross-training, while two will continue to enhance their supervisory skills through the Foundation wide supervisory development program.



# **Mission/Vision Statement**

Foundation Facilities Management formed in July 1998:

- To support Foundation units by providing building maintenance, equipment management, and custodial services, in a timely, cost effective, and professional manner.
- To deliver preventive maintenance programs and technical support to all Foundation units.
- To keep critical Foundation services operating at levels required for operational effectiveness.
- To provide staff support, training, and to utilize all available resources in its endeavor to deliver timely and cost effective services.
- To develop and nurture professional working relationships between Facilities Management and all Foundation units.

## **Strengths and Challenges**

### **Strengths**

- Strong organizational structure, good employee morale
- High levels of job skills with Facilities Management employees
- Ability to use contractors or in-house staff to deliver timely and cost effective services
- Excellent work order turn-around and very quick response time a majority of the time
- Strong centralized team

### **Challenges**

- Improving communication with customers and staff
- Completing projects in the time frame expected by management
- Educating customers on role of Facilities Management in terms of projects versus repairs
- Trying to do accomplish more work with fewer employees
- Understanding how to apply technology based solutions to areas in Facilities Management

# Employee Survey

None completed this year.

F

# Customer Survey

A customer satisfaction survey was conducted at University Village of the maintenance staff, and overall it was highly favorable, and showed measurable improvements from prior years.

# Keys to Success

G

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Quality services delivered by the facilities crew	10
Positive staff and employee relations	10
Thorough and clear communications	10
Fiscal accountability	10
Cross training of all facilities workers	9
Responsiveness	9
Improving core skills sets	9
Setting an appropriate example (professionally)	9
Organizational skills	8
Timely and accurate database information	8

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Dependable	Adaptable
Important to their success	Flexible
The one to contact for emergencies	Responsive
Hardworking	Helpful
Communications could improve	Patient

# Business Controls and Vital Factors

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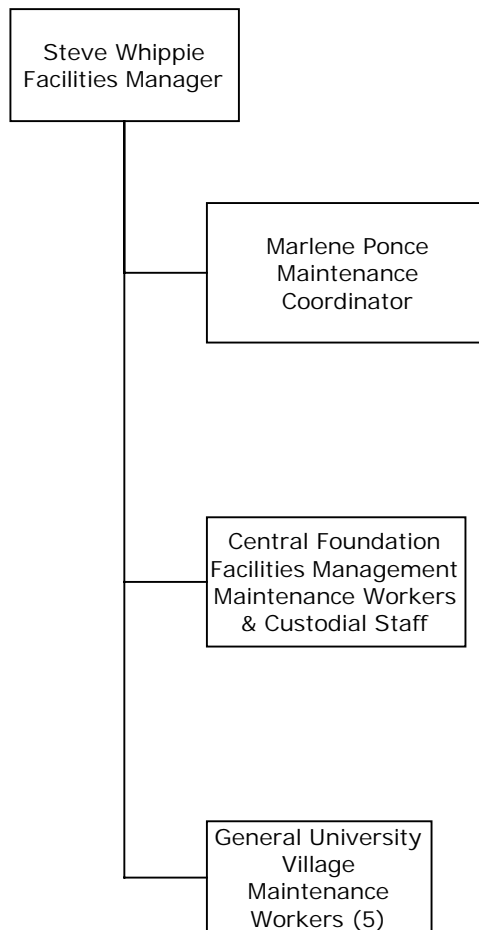
- Review budget and P&L's monthly, effect adjustments where necessary
- Review, prioritize, and respond to work orders daily and throughout each day
- Manage services agreements with contractors (e.g. boiler maintenance and HVAC maintenance)
- Review, prioritize, and complete projects and 30 day goals
- Respond to work orders within 24 hours of request
- Implement new work order system
- Attend monthly MMHR meeting and deliver updated status report on Facilities Maintenance
- Actively participate in scheduled meetings with University Management Team

## Asset Protection/Risk Management

None.


# Organization Chart

## CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" FOUNDATION FACILITIES



**April 2014**



**OPERATING BUDGETS**  
**ENTERPRISES**  
  
**BRONCO BUCKS OFFICE**

# CAL POLY POMONA FOUNDATION, INC.

## BRONCO BUCKS OFFICE

2014-2015

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Bronco Bucks Office  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Sales	144,516	144,516	167,903	23,387
<b>Total Revenues</b>	<b>144,516</b>	<b>144,516</b>	<b>167,903</b>	<b>23,387</b>
<b>Cost of Goods Sold</b>				
<b>Total Cost of Goods Sold</b>				
<b>Expenditures- Controllable</b>				
Meals & Refreshments	400	400	400	
Advertising	1,000	1,000	1,000	
Services	1,000	1,000	1,000	
Supplies	39,408	39,408	42,408	3,000
Telephone	1,200	1,200	1,200	
Travel			6,200	6,200
Other	400	400	400	
<b>Total Expenditures- Controllable</b>	<b>43,408</b>	<b>43,408</b>	<b>52,608</b>	<b>9,200</b>
<b>Expenditures- Non-Controllable</b>				
Bank Card Fees	6,443	6,443	10,093	3,650
<b>Total Expenditures- Non-Controllable</b>	<b>6,443</b>	<b>6,443</b>	<b>10,093</b>	<b>3,650</b>
<b>Labor Costs</b>				
Salaries & Wages	63,788	61,248	69,388	8,140
Employee Benefits	30,881	32,073	33,711	1,638
<b>Total Labor Costs</b>	<b>94,669</b>	<b>93,321</b>	<b>103,099</b>	<b>9,778</b>
<b>Total Expenses</b>	<b>144,520</b>	<b>143,172</b>	<b>165,800</b>	<b>22,628</b>
<b>Net Income</b>	<b>(4)</b>	<b>1,344</b>	<b>2,103</b>	<b>759</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

We are currently forecasted to end the year on budget.

### Explanation of Proposed Fiscal Year Budget:

Traditional board meal plans are the primary source of funding for this operation. Dining has a proposed board increase of 6%, this is the increase in the budgeted revenue for the Bronco Card Office.

Changes in Programs and Services for Proposed Fiscal Year:

C

MMID has been converted to "Get Funds." Included in this application is "Get Foods" - allowing students/staff/ faculty to order food online using their bronco access card. This could help grow the use of Bronco Bucks. The application also allows for a "promotion" to a specific venue which could also be tied into BroncoBucks.

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

This year one of the staff has returned to school. We have hired a part time person to help cover the office. This year fiscal year we are requesting this position be made full time and shared with Dining Services accounting technicians.

Outlook for Next 3 Years and 4 to 10 Years Beyond:



# **Mission/Vision Statement**

To offer the campus community an added value to their campus ID card for convenience and ease in purchasing or accessing the services on campus including: Dining Services, Bronco Bookstore, rent at the Village, tickets at the ASI box office, groceries at the Farmstore or copies at an I&IT lab, Collins School, the Library and College of Agriculture . To create and support a cashless Bronco Card financial transaction system that Cal Poly Pomona customers view as convenient and valued tools to obtain retail campus goods and services.

## **Strengths and Challenges**

### **Strengths**

The CSU decision to allow more students to attend should help increase use of the campus card.

### **Challenges**

- Student awareness of the campus card.
- Competition with credit cards.
- Promotion of Bronco card usage.





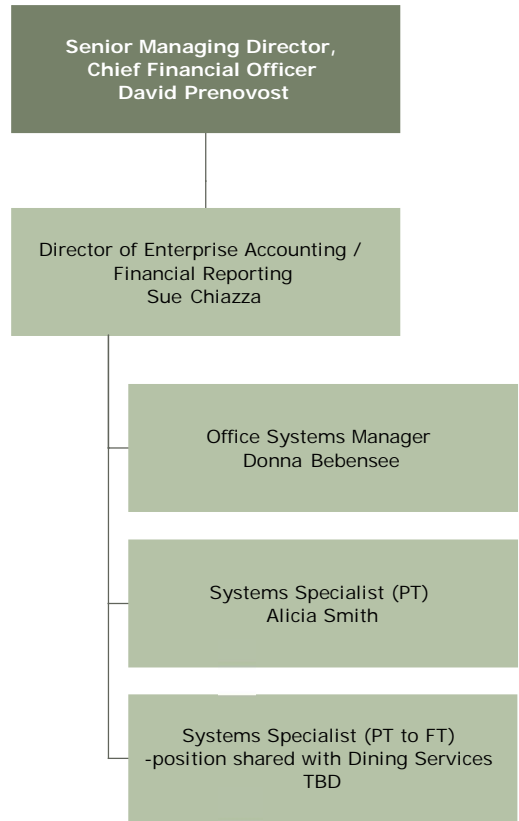
# Organization Chart




CAL POLY POMONA FOUNDATION, INC.  
"Quality Service Supporting Quality Education"

## BRONCO CARD OFFICE

- Support to Auxiliary Operations
- Meal Options
  - Gift Cards
  - CBORD
  - Accounting
  - Bronco Bucks



**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**  
  
**CONTINUING EDUCATION  
PROGRAMS**


**CONTINUING EDUCATION PROGRAMS  
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY  
FOR THE FISCAL YEAR**

DESCRIPTION	Actual		2012-13		Actual		2013-14	2014-15
	YTD 3/31/13	2012-13 Actual	2012-13 Forecast	Approved Budget	YTD 3/31/14	2013-14 Forecast	Approved Budget	Proposed Budget
<b>COLLEGE OF EXTENDED UNIVERSITY - Programs</b>								
283500 Administration	(72,867)	65,206	(21,700)	4,344	212,679	120,093	327,553	225,790
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	40,005	33,699	5,383	23,106	(2,070)	-	-	-
283080 English Language Inst.	829,309	801,940	526,911	268,294	-	-	-	-
283600 CEU International Training	101,020	66,456	99,824	70,500	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	38,043	19,888	35,865	36,486	10,724	(179)	35,886	5,161
283630 Professional Project Management Program	9,021	10,954	8,564	8,886	14,197	10,776	10,836	9,916
283790 On Site Training Programs	21,936	19,198	18,101	18,310	18,439	5,331	8,480	2,016
283060 Start-Up Programs	(3,168)	(850)	209	3,501	(12,208)	-	-	-
283076 Technical Programs	4,639	11,780	4,657	-	23,574	23,971	9,228	22,760
283073 Test Prep Programs	10,397	8,013	3,133	4,586	34,253	21,572	3,646	13,680
460280 SUMMER SUPPORT @ CEU	(852)	(851)	-	-	(518)	(2,514)	-	(525)
460920 Business Comm & Grant Writing	-	-	-	-	(372)	-	286	-
460930 Accounting & Finance	-	-	-	-	-	-	223	555
460940 Math & Science	-	1,313	-	-	(2,919)	(2,976)	1,685	2,444
460950 Hospitality & Service Industry	-	1,418	-	-	6,891	9,513	2,480	6,211
460960 Supply Chain Management	-	-	-	-	1,197	1,197	612	10,900
460970 Human Resources Management	-	1,527	-	-	10,031	(4,834)	3,540	1,800
460980 Building & Construction Management	-	372	-	-	15,377	(1,522)	9,216	17,152
460990 Ed2Go	-	-	-	-	(177,684)	(244,108)	(90,440)	(245,808)
461000 Art, Media, & Design	-	-	-	-	-	-	2,236	-
461010 Global Ed Programs Standard	-	(471)	-	-	(61,809)	(54,460)	11,783	13,898
461020 Global Ed Programs Camps	-	-	-	-	-	-	-	-
461030 CPELI Camps	-	(3,311)	-	-	163,553	84,798	119,503	81,931
461040 CPELI Standard	-	(2,628)	-	-	420,954	487,834	436,292	303,815
<b>Total College of Extended Univ Programs</b>	<b>977,483</b>	<b>1,033,653</b>	<b>680,947</b>	<b>438,013</b>	<b>674,289</b>	<b>454,492</b>	<b>893,045</b>	<b>471,696</b>

**CONTINUING EDUCATION PROGRAMS  
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY  
FOR THE FISCAL YEAR**

<b>DESCRIPTION</b>	<b>Actual YTD 3/31/13</b>	<b>2012-13 Actual</b>	<b>2012-13 Forecast</b>	<b>2012-13 Approved Budget</b>	<b>Actual YTD 3/31/14</b>	<b>2013-14 Forecast</b>	<b>2013-14 Approved Budget</b>	<b>2014-15 Proposed Budget</b>
<b><u>COLLEGE OF ENGINEERING</u></b>								
381500 Non-Credit Learning Admin	678	678	48	(5,150)	512	30	48	30
381675 Civil Engineering Review	14,159	4,533	4,333	2,217	13,827	4,446	4,333	4,446
<b>Total College of Engineering</b>	<b>14,837</b>	<b>5,211</b>	<b>4,381</b>	<b>(2,933)</b>	<b>14,339</b>	<b>4,476</b>	<b>4,381</b>	<b>4,476</b>
<b><u>COLLEGE OF SCIENCE</u></b>								
406440 Chemistry Agilent Project	(1,922)	(2,415)	4,624	16,596	(1,539)	4,624	16,333	2,383
<b>Total College of Science</b>	<b>(1,922)</b>	<b>(2,415)</b>	<b>4,624</b>	<b>16,596</b>	<b>(1,539)</b>	<b>4,624</b>	<b>16,333</b>	<b>2,383</b>
<b><u>COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES</u></b>								
362030 GIS Certificate Program	4,339	(5,132)	-	-	11,306	-	-	-
<b>Total College of Letters, Arts, and Social Sciences</b>	<b>4,339</b>	<b>(5,132)</b>	<b>-</b>	<b>-</b>	<b>11,306</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>COLLEGE OF ENVIRONMENTAL DESIGN</u></b>								
460200 CCLAWS CERTIFICATE L+RS	(300)	(300)	-	-	(4,077)	-	-	-
<b>Total College of Environmental Design</b>	<b>(300)</b>	<b>(300)</b>	<b>-</b>	<b>-</b>	<b>(4,077)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL CONTINUING EDUCATION</b>	<b>994,437</b>	<b>1,031,017</b>	<b>689,952</b>	<b>451,676</b>	<b>694,318</b>	<b>463,592</b>	<b>913,759</b>	<b>478,555</b>

**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**



**COLLEGE OF THE  
EXTENDED UNIVERISTY**

# CAL POLY POMONA FOUNDATION, INC.

## COLLEGE OF EXTENDED UNIVERSITY

2014-2015

### BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
College of Extended Univ  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other	5,750	27,343	35,125	7,782
Sales	3,707,141	3,866,916	4,311,774	444,858
<b>Total Revenues</b>	<b>3,712,891</b>	<b>3,894,259</b>	<b>4,346,899</b>	<b>452,640</b>
<b>Expenditures- Controllable</b>				
Utilities	30,000	45,500	47,500	2,000
Repairs & Maintenance	14,400	32,020	33,000	980
Meals & Refreshments	87,100	55,886	56,886	1,000
Postage & Freight	6,040	12,750	11,750	(1,000)
Advertising	70,507	63,150	106,521	43,371
Rent/Commissions	53,515	55,154	70,195	15,041
Services	399,371	470,164	523,656	53,492
Supplies	70,425	197,216	202,725	5,509
Telephone	1,600	8,800	9,400	600
Travel	58,250	92,838	76,135	(16,703)
Laundry	200	200	200	
Other	54,877	190,247	98,127	(92,120)
<b>Total Expenditures- Controllable</b>	<b>846,285</b>	<b>1,223,925</b>	<b>1,236,095</b>	<b>12,170</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	167,092	175,586	196,041	20,455
Depreciation	55,248	21,648	30,648	9,000
Insurance	19,032	5,622	12,380	6,758
Rent/Commissions	25,696	34,432	39,000	4,568
Bank Card Fees	21,397	19,648	20,764	1,116
Other	5,668	6,359	6,740	381
<b>Total Expenditures- Non-Controllable</b>	<b>294,133</b>	<b>263,295</b>	<b>305,573</b>	<b>42,278</b>
<b>Labor Costs</b>				
Salaries & Wages	1,354,117	1,618,301	1,806,044	187,743
Employee Benefits	325,310	334,246	527,491	193,245
<b>Total Labor Costs</b>	<b>1,679,427</b>	<b>1,952,547</b>	<b>2,333,535</b>	<b>380,988</b>
<b>Total Expenses</b>	<b>2,819,845</b>	<b>3,439,767</b>	<b>3,875,203</b>	<b>435,436</b>
<b>Net Income</b>	<b>893,045</b>	<b>454,492</b>	<b>471,696</b>	<b>17,204</b>

## Business Plan Narrative - Divisional(Schedule B)

### Overview of Current Fiscal Year:

CEU's 2013-14 focus is on establishing a solid foundation for producing sustainable growth and profitability. Similar to the new CSU Chancellor's approach for the System, this solidification requires investment to upgrade staff, infrastructure (facilities and organization) and technology.

Two new, highly credentialed and experienced program managers have been brought on board to effect a transition of CEU's program offerings from dated, declining and generic (3rd party provided) to current, relevant, growing and based on CPP expertise. The search for a new marketing supervisor, experienced in electronic and social media as well as in print, is being initiated. Although this position has previously been funded on the State-side of CEU, we are desirous to bring a new marketing person on board through the Foundation since ~80-85% of our marketing efforts are directed toward Foundation programs.

Physical infrastructure for four departments (program management, marketing and IT, registration, and accounting) has been redesigned and refurbished to enable teamwork and promote professionalism. Organization infrastructure has been strengthened by bringing program management together into a single department; and by combining CEU's registration, IT, marketing and finance functions into a synergistic Business Operations department. Project numbering has been restructured to reflect the financial performance of specific programs and program groups. This allows better life cycle management of our

continued

### Explanation of Proposed Fiscal Year Budget:

The 2014-15 budget reflects an anticipated resumption of growth, with gross revenue increasing 12.9% to \$4,346,900. Gross revenue is based on conservative projections for potential new, expanded and revitalized programs and offerings (see following section for more details). Net revenue will be impacted by the cost of developing new programs to replace many of CEU's existing programs with (declining) health and viability; completing implementation of the Jenzabar system; and continued investment in CPELI for additional staff and technology to catch up with the rapid growth experienced this year and last year. Based on these and related factors net revenue for 2014-15 is projected to decline to \$527,492.

Improved marketing remains as a key focal point for CEU as branding, promotion and reaching new audiences remain critical factors for successfully achieving growth goals in 2014-15 and beyond.

Changes in Programs and Services for Proposed Fiscal Year:

Growth of CPELI is expected to continue, especially as we hope to augment growth in its standard programs with a new Academic Studies Program (ASP). ASP combines English language study in CPELI with academic classes offered through CEU's Open University program, thus providing individual international students with the opportunity to experience actual CPP courses and gain academic credit without requiring formal admission to the University. Partnerships with the College of Engineering and the College of Business Administration, and with the College of Letters, Arts and Social Sciences allow for student cohorts to gain credit for either specific general education sequences or for preparation for master's programs in business administration or engineering. We anticipate that ASP will be a very attractive offering in the international marketplace.

continued

Explanation of Proposed Fiscal Year Capital Requests:

The primary component of the capital required for the proposed fiscal year is specifically related to the need to relocate CPELI. The exact amount and nature of this portion of the request are unknown at this time since the campus plan is still not finalized, and the amount will be determined by whether the new location will require moving existing buildings, new construction, or perhaps a combination of existing plus new. This expense is not part of the budget as these assets will become property of the State. Outfitting 16 classrooms with instructional technology tools and constructing an additional computer lab for students are other parts of the overall capital needs remaining to be determined, but this planned expense is not included as part of this budget since these assets will become property of the State.

Changes in Staffing:

Additional permanent positions are included in the proposed 2014-15 budget plan. One of these is for a much-needed Associate Director of CPELI, with both the need and the funding being generated by CPELI's unprecedented growth. A second position reflects a (hoped-for successful) transitioning of CEU's marketing supervisor position from the State to the Foundation side. Other positions are for adding four instructors to benefitted positions to meet the needs of our CPELI growth. Small amounts have been included for recruiting these instructor positions, the CPELI Associate Director and the marketing supervisor, and for filling the currently-vacant position in accounting. We suddenly and unexpectedly lost the director of our successful Supply Chain Management program during this past year. A replacement will be hired on a contract basis and not as a regular employee. Also, as profitability permits, new program developer/manager positions will be requested in conjunction with growth in the numbers and sizes of programs.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

During the next 3 years CEU will achieve and maintain double digit annual growth rates and profitability by focusing on key initiatives including the following: 1) implementing and leveraging the capabilities provided by the new Jenzabar system; 2) applying appropriate program management methodologies to refine our current 'menu' of program offerings; 3) developing a plan for new classrooms and office space needed to accompany anticipated growth; 4) increasing – via signage - CEU's image and visibility across campus and in the regional community; 5) opportunistically leveraging third party-provided programs and partnerships; 6) establishing a pipeline of new programs based on CPP faculty competencies.

Primary objectives for 4 to 10 years beyond include growing to 2X our current size (revenue) in year 5 and to 3X current size by year 10, all while maintaining double digit profitability. Attaining these aggressive growth objectives will be based on continuing the initiatives noted above for the next 3 years coupled with additional initiatives such as the following:

continued



# Mission/Vision Statement

The Mission and Vision of the College of the Extended University directly align with, and support, the Mission and Vision of Cal Poly Pomona.

Cal Poly Pomona's Mission Statement:

"Cal Poly Pomona's mission is to advance learning and knowledge by linking theory and practice in all disciplines, and to prepare students for life-long learning, leadership and careers in a changing multicultural world."

CEU's Mission Statement:

"Extending Opportunity through Education and Innovation"

CEU's Vision Statement:

"The vision of the College of the Extended University is to:

- Provide online/distance/on-site educational opportunities
- Offer a menu of valued courses, degrees and certificates
- Present modalities of learning that align with customer needs
- Offer solutions to real world problems
- Become a leader in global education

Plans for the current year include formalizing a Strategic Plan for CEU. One important aspect will be to examine, refine and/or reconstruct our Mission and Vision Statements.

## Strengths and Challenges

### Strengths

CEU continually retains the capability of being self-sustaining with control over internal business operations. Additionally, CEU has the capability and flexibility to develop and launch quality programs. As part of the CPP campus and community, CEU benefits from the reputation of CPP. Location makes CEU an attractive destination-of-choice for international constituencies. Organizational restructuring and new personnel are contributing to making CEU a collaborative, capable interactive team. Building relationships with CPP faculty and administrators has developed a positive perception of CEU by campus constituencies. International contacts and relationships are increasing and strengthening. Increased participation in campus outreach via CEU's Creative Planning Committee is a strength that aids contact with campus constituencies, enhances CEU's image, and connects with new potential customers.

### Challenges

CEU's most significant challenges include: 1) the need for CPP competency-based content in courses and programs; 2) new programmatic offerings; 3) online availability of programs and courses; 4) marketing; 5) visibility in the community, the region and among applicable national and international constituencies.

# Employee Survey

F

CEU continues to be guided by the comprehensive employee-driven SWOT analysis conducted last fiscal year. Additionally, all employees are engaged in providing input for developing the CEU Strategic Plan. The implementation of small group, informal "Lunch with the Dean" sessions provide another conduit for soliciting employee feedback. An "Open Door" policy for all CEU managers and supervisors is a mechanism for receiving "24/7" employee inputs and communications.

# Customer Survey

CPELI continues to survey students quarterly, with the results being used to directly make improvements to curricula and student services. CEU continues to survey students/customers during our registration process to assess student experiences and services. Periodic student surveys of classroom experience, instruction and curricula are intermittently utilized; this can provide more benefit by being regularly instituted as a necessary component of each program and course.

# Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Reconstruct the CEU marketing strategy to include social media, calendared ads, and increased outreach.	10
Position of CEU through our programs that align with CPP strengths and branding.	10
Focus on providing quality customer service and soliciting customer input regarding our programs and services.	9
Expansion of CPELI and GEP into new markets.	9
Define and document each CEU administrative and program development process.	9
Continued expansion of CEU as a resource to the Cal Poly Pomona Colleges.	8
Alignment of programs and delivery modes to meet the market needs.	9
Provision of the highest quality programs, services, and instruction.	10

# Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
CEU External Customer's Perception:	CEU's Perception:
CEU provides quality education and valued instruction that is priced competitively but they would appreciate the implementation of proactive communication strategies for notification of upcoming, new or additional course offerings in their area of study as well as automated notification of any course cancellations.	Quality education provider with remarkable opportunities to expand into new markets and design new valued programs. However, recognizing that updated, documented and automated processes will be vital to our continued success. An emphasis of improved marketing and communication strategies needs to be a priority as well developing a better sense of identity and direction.
CPP Internal Customer's Perception:	
CEU has the ability to provide extended course offerings for the colleges.	
The colleges would like to see better defined budgeting processes as well as standardization of processes along with more efficient communication channels.	

# Business Controls and Vital Factors

H

CEU is a complex business enterprise that must operate in both the Foundation and State spheres. This requires constant observation of, and compliance with, the regulations and policies for both sides. CEU monitors operational accounts on monthly and quarterly bases. All programs are reviewed to ensure compliance with Chancellor's Office policies. Any updates from the Campus or from the Chancellor's Office are reviewed, distributed and acted upon through the CEU Dean's Office. An additional, invaluable tool will be added this year in bringing the new Jenzabar system on board. Finances, accounting, enrollments, and other key factors will be much more accesible, timely and accurate.

## Asset Protection/Risk Management

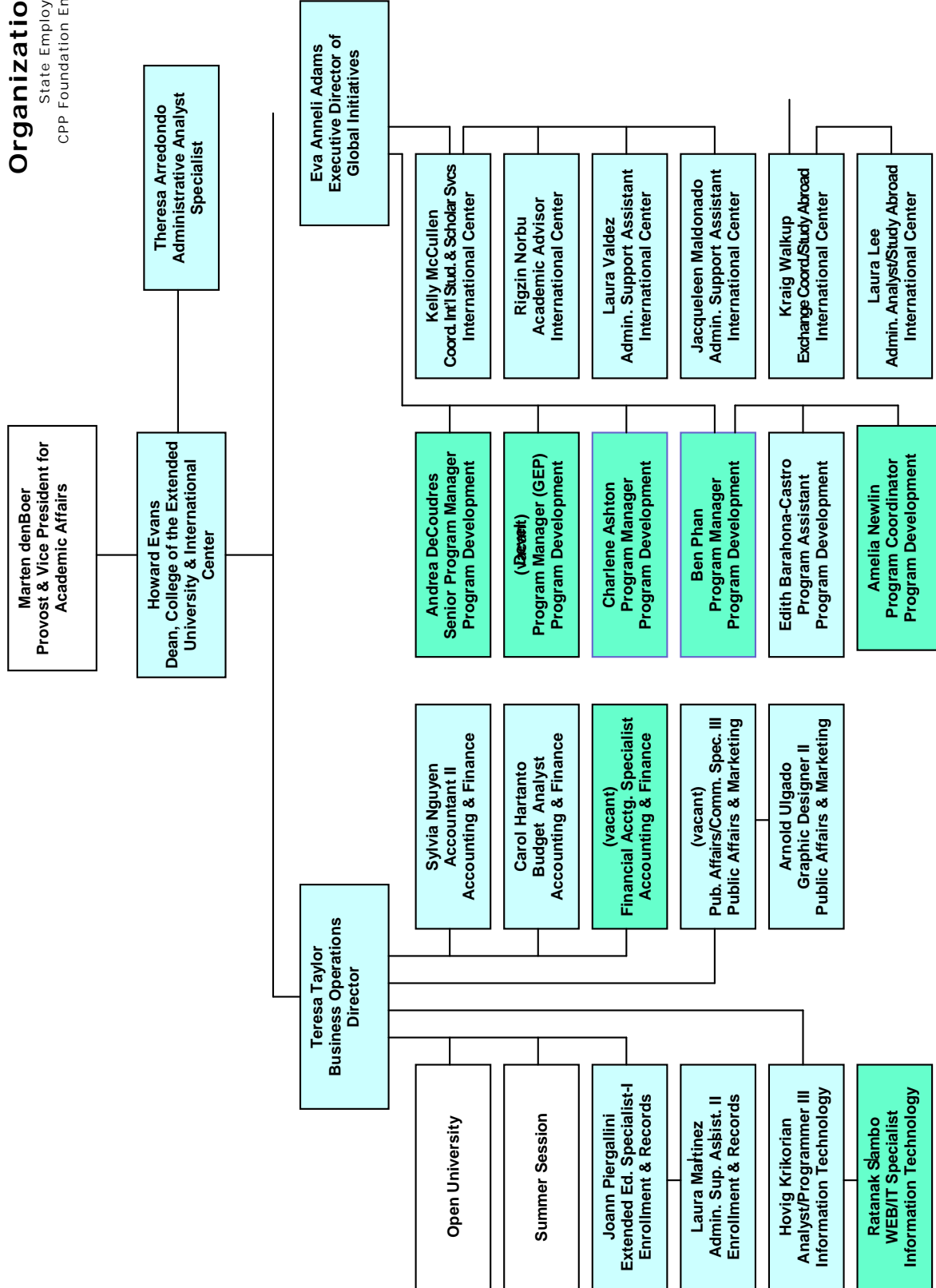
Technology assets are recorded and tracked on a continuing basis. A CEU Business Continuity Plan is updated and "table top"-tested annually. Back-up processes are in place for all CEU servers and software assets.



# Organization Chart

## Organizational Chart

State Employees (19)  
CPP Foundation Employees (11)



Continued - Overview of Current Fiscal Year:

...continued

individual programs as their respective financial health is now more readily visible.

A major technology enhancement is a new system for handling our Foundation (non-academic credit) business processes and transactions, required since our old PeopleWare Pro system has been discontinued and is no longer supported by the supplier. Jenzabar's "Higher Reach" and CRM modules have been selected and the purchase negotiated, and installation is underway. The Jenzabar system will provide significant automation and features far beyond the PeopleWare Pro system, but installation and use will be a major project during the second half of the current fiscal year and the first half of the next year.

Throughout all the transitions this year, gross revenue is projected to remain essentially constant (\$3.88 million in 2013-14 versus \$3.85 million in 2012-13). Net revenue is projected to decline from \$1,034,506 in 2012-13 to \$705,355 in 2013-14. This decline is due primarily to purchase of the Jenzabar system, extra salary expense associated with the personnel transitions in program management, and refurbishing facilities, each of these costing ~\$100,000.

Our Cal Poly English Language Program (CPELI) continues to grow and provides a strong revenue base for our non-academic credit programs. In order to further support and sustain this growth CPELI has undertaken to achieve formal accreditation by the Commission on English Language Program Accreditation (CEA). CEA focuses on the accreditation of postsecondary English language programs and institutions in the U.S., and is recognized as such by the U.S. Secretary of Education. This accreditation will make CPELI only the third accredited program in the CSU System, and will further cement our reputation for quality.

continued

Continued - Overview of Current Fiscal Year:

...continued

Coming into the current fiscal year CEU had a known need, and the basis of a plan, for increasing the space available for CPELI. As the specifics were developed it came to include adding two additional modular classroom buildings and another restroom building on our current site. However, a change in campus plans (the construction of a new parking garage and the associated relocation of the tennis courts) will require CPELI to completely move to a new location. The new locations, and the extent of new facilities required at that location, are still in flux as of this date. This also leads directly to a rather large degree of uncertainty in our facility budget for CPELI for the coming year.

Continued - *Changes in Programs and Services for Proposed Fiscal Year*

...continued

Growth is also expected through refreshing our Geographic Information Systems, Test Preparation and Human Resource Management programs – all in conjunction with applicable CPP faculty - and extending these offerings to new audiences. New programs under development in the areas of tourism (for the international market), market research and business analysis also are projected to contribute to growth, although as with most new programs their growth will be larger in subsequent years.

“Services” will be an area of major advancements during the coming fiscal year due to the implementation of the new Jenzabar system. Essentially all of CEU’s Foundation-related operations will be benefitted. Online enrollment and payment of fees will be a major benefit to our students/customers. Automated and readily-customizable financial and enrollment reporting will facilitate course scheduling and overall program management. Instructor contracts will be facilitated by “paperless” document routing and approvals. CRM information will provide for potential students to be kept informed of upcoming program offerings, course schedules, individual progress toward completions of certificate programs and related information. Marketing messages will more readily be communicated to larger and more targeted audiences, etc. These advantages will also permit CEU’s staff to focus more attention on addressing specific student and instructor issues and other service-related aspects of our business.

Continued - *Outlook for Next 3 Years and 4 to 10 Years Beyond:*

...continued

7) expanding contract training programs; 8) forming and leveraging additional partnerships and moving into new markets, both regional and international; 9) enlarging the scope, reach and effectiveness of our marketing; 10) developing and launching a set of pertinent, CPP-based online programs.

**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**  
  
**COLLEGE OF ENGINEERING**

**Cal Poly Pomona Foundation**  
**College of Engineering**  
**Consolidated Budget Comparison Summary**  
**For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Other	1,203	1,340	1,340	
Sales	24,060	26,800	26,800	
<b>Total Revenues</b>	<b>25,263</b>	<b>28,140</b>	<b>28,140</b>	
<b>Expenditures- Controllable</b>				
Advertising	1,313	1,696	1,696	
Services	15,846	15,846	15,846	
Supplies	1,105	1,250	1,250	
Other	1,203	3,530	3,530	
<b>Total Expenditures- Controllable</b>	<b>19,467</b>	<b>22,322</b>	<b>22,322</b>	
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	1,133	1,266	1,266	
Insurance	44			
Bank Card Fees	238	76	76	
<b>Total Expenditures- Non-Controllable</b>	<b>1,415</b>	<b>1,342</b>	<b>1,342</b>	
<b>Total Expenses</b>	<b>20,882</b>	<b>23,664</b>	<b>23,664</b>	
<b>Net Income</b>	<b>4,381</b>	<b>4,476</b>	<b>4,476</b>	

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**College of Engineering - Project Summary**

*Overview of Current Fiscal Year:*

Through Fund 10 activities, in lieu of rent for the use of College of Engineering university facilities, the college collects revenue from its Non-Credit Learning Activities Fund 10 projects for the maintenance and on-going development of college computer systems and laboratory facilities. Funds are transferred into project 381500 (Non-Credit Learning Activities Administration), from other Fund 10 projects and accumulated in order to facilitate making purchases. Any purchased equipment using these funds is placed immediately on the University's property inventory.

During 2013-14, Project 381675 (Civil Engineering Review Course) will offering the review session for February-March and September-October period. We do not know the enrollment at this time and project the same budget from last year.

*Explanation of Proposed Fiscal Year Budget:*

Project 381675 (Civil Engineering Review Course) is a non-credit review course offered typically each year in the Fall and Spring. Revenue for this project will be collected as registration fees. Enrollment is expected to continue to be the same and proposed budget has been updated accordingly. Since this trend has continued for a couple of years, future sessions have been budgeted at this same level.

Project 381500 is a transfer account for funds collected by engineering programs. The College will charge 5% administration fee from their gross revenue.

Changes in Programs and Services for Proposed Fiscal Year:

None

Explanation of Proposed Fiscal Year Capital Requests:


None

Changes in Staffing:

None

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Likely the training and other programs will strengthen over the next 4 to 10 years.

**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**  
  
**COLLEGE OF SCIENCE**



**Cal Poly Pomona Foundation**  
**College of Science**  
**Consolidated Budget Comparison Summary**  
**For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Sales	29,204	14,602	14,602	
<b>Total Revenues</b>	<b>29,204</b>	<b>14,602</b>	<b>14,602</b>	
<b>Expenditures- Controllable</b>				
Meals & Refreshments	1,000	1,000	1,000	
Advertising	100	100	100	
Rent/Commissions	1,272	636	1,272	636
<b>Total Expenditures- Controllable</b>	<b>2,372</b>	<b>1,736</b>	<b>2,372</b>	<b>636</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	1,314	657	657	
Depreciation	3,571	1,971	3,576	1,605
<b>Total Expenditures- Non-Controllable</b>	<b>4,885</b>	<b>2,628</b>	<b>4,233</b>	<b>1,605</b>
<b>Labor Costs</b>				
Salaries & Wages	5,160	5,160	5,160	
Employee Benefits	454	454	454	
<b>Total Labor Costs</b>	<b>5,614</b>	<b>5,614</b>	<b>5,614</b>	
<b>Total Expenses</b>	<b>12,870</b>	<b>9,978</b>	<b>12,219</b>	<b>2,241</b>
<b>Net Income</b>	<b>16,333</b>	<b>4,624</b>	<b>2,383</b>	<b>(2,241)</b>

**AGILENT**

**406440**

**PROJECT SUMMARY FISCAL YEAR 2014-2015**

**SCHEDULE B**

**SUMMARY:** The Chemistry Department [via foundation ownership] is in the tenth year of the agreement whereby Cal Poly Pomona administers and runs a West Coast training center for courses sponsored by Agilent Technologies. The current selections are software courses in support of Agilent equipment product lines in the chemical analysis area. The client source will be primarily comprised of small to large private companies and public agencies requiring training on newly purchased equipment. Quality course production and on-campus services for clients are essential for success. The current year is slow, no doubt due to the continuing corporate caution on spending. It should be noted that even when business is slow (such as this year when only two courses are planned), we can still generate a profit, since our overhead when we are not teaching courses is extremely low. We have completed the expansion of the training facility in Building 3, which can now accommodate up to 18 client-students. Future plans include the utilization of our software training facility for other (non-Agilent) software courses.

**GOALS and OBJECTIVES:** Since the contract was finalized [Jan 2000; PSA Revised in 2008] the project has moved forward with the following emphasis: a) develop business around the concept of consistent cash flow, b) training Cal Poly personnel to be certified by Agilent Technologies to teach software and hardware courses, c) exploit higher revenue to expense ratios [r/e] for software courses, d) form constructive relationships with local Agilent sales and service people to assist in marketing and training of Cal Poly personnel, e) form constructive relationships with on-campus units to insure good communication that will support growth and quality, e.g., foundation financial offices and KW lodge/restaurant to host on-campus student clients, and f) create a solid business platform for the long term augmentation of resources and equipment acquisition for the Chemistry department and the College of Science.

**SHORTER TERM:** Our goal for the coming fiscal year is to concentrate on teaching LC-MS (liquid chromatography-mass spectrometry) software courses. These courses have the largest enrollments as well as generating more revenue than our other (shorter) software courses. We have maintained the currency of our software instructor's training. We are also expanding the use of our own LC-MS so that our instructor maintains hands-on familiarity with the use and trouble-shooting of the LC-MS software interface.

**LONGER TERM:** In addition to building an income stream to help support equipment needs, we have always envisioned that the Agilent facility would also be available to teach specialized courses for students and faculty from the College of Science. On the financial side there are two major goals: a) marketing to existing owners, especially in the California market, and b) develop contacts with other industrial partners to teach other software courses. Our efforts to work with regional [Agilent] sales directors and service executives to improve marketing strategy are continuing. Agilent markets all courses and related products through their national educational division. Agilent has already given permission for KW to market and contact student-clients listed on class rosters, as information becomes available during the enrollment periods. Additionally, we are seeking to locate other companies that will utilize our software training facility and which will generate revenue when the facility is not being used for Agilent courses.

**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**



**AGRICULTURAL AID TO  
INSTRUCTION PROGRAM**

**Cal Poly Pomona Foundation**  
**AGR-AID-TO-INSTRUCTION**  
**Consolidated Budget Comparison Summary**  
**For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other	284,000	278,436	284,000	5,564
Sales	2,992,681	2,912,223	3,186,211	273,988
<b>Total Revenues</b>	<b>3,276,681</b>	<b>3,190,659</b>	<b>3,470,211</b>	<b>279,552</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	827,241	654,364	827,841	173,477
<b>Total Cost of Goods Sold</b>	<b>827,241</b>	<b>654,364</b>	<b>827,841</b>	<b>173,477</b>
<b>Expenditures- Controllable</b>				
Utilities	76,044	78,090	77,794	(296)
AGR/RE Fees	386,072	372,748	383,142	10,394
Feed	124,400	135,911	126,000	(9,911)
Insurance	8,500	72	8,500	8,428
Repairs & Maintenance	138,219	105,769	143,579	37,810
Meals & Refreshments	4,750	13,000	11,800	(1,200)
Postage & Freight	2,700	1,400	1,700	300
Advertising	16,500	17,915	16,675	(1,240)
Rent/Commissions	12,000	12,747	10,920	(1,827)
Services	241,850	298,161	257,125	(41,036)
Supplies	210,910	214,957	213,760	(1,197)
Telephone	4,440	4,400	4,020	(380)
Travel	20,300	20,051	22,300	2,249
Laundry	1,200	1,200	1,200	
Other	102,683	89,282	113,532	24,250
<b>Total Expenditures- Controllable</b>	<b>1,350,568</b>	<b>1,365,703</b>	<b>1,392,047</b>	<b>26,344</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	131,281	126,614	139,007	12,393
Depreciation	52,458	33,784	52,242	18,458
Insurance	31,651	21,045	20,875	(170)
Interest Expense	1,368			
Rent/Commissions		1,809	1,809	
Bank Card Fees	16,996	31,600	33,896	2,296
Other	11,700	12,471	11,700	(771)
<b>Total Expenditures- Non-Controllable</b>	<b>245,454</b>	<b>227,323</b>	<b>259,529</b>	<b>32,206</b>
<b>Labor Costs</b>				
Salaries & Wages	623,632	657,280	745,132	87,852
Employee Benefits	154,238	145,055	183,670	38,615
<b>Total Labor Costs</b>	<b>777,870</b>	<b>802,335</b>	<b>928,802</b>	<b>126,467</b>
<b>Total Expenses</b>	<b>3,201,133</b>	<b>3,049,725</b>	<b>3,408,219</b>	<b>358,494</b>
<b>Net Income</b>	<b>75,548</b>	<b>140,934</b>	<b>61,992</b>	<b>(78,942)</b>

**AGRICULTURE FUNDS  
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY  
FOR THE FISCAL YEAR**

DESCRIPTION	Actual		2012-13	2012-13	Actual	2013-14	2013-14	2014-15
	YTD 3/31/13	2012-13 Actual	Forecast Budget	Approved Budget	YTD 3/31/14	Forecast Budget	Approved Budget	Proposed Budget
016200 Agronomy Farms	(79,972)	630	10,034	62,691	17,142	70,148	27,706	16,038
260200 Arabian Horse Show	(52,382)	(94,200)	21,770	2,170	(24,015)	(2,930)	7,742	(3,538)
020010 Beef Unit	(11,920)	4,258	4,086	(1,206)	17,940	13,155	6,692	10,095
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	(22,345)	(5,248)	500	4,036	(1,442)	1,244	1,800	3,284
300010 Meat Lab	4,782	10,451	5,590	2,734	(1,297)	(500)	2,722	9,305
320300 Ornamental Horticulture	627	10,453	4,611	6,449	2,494	3,406	2,212	2,274
193040 Pine Tree Ranch	107,729	107,116	16,772	6,073	64,848	33,504	19,214	1,996
420010 Sheep Unit	(10,898)	(2,313)	(1,636)	(4,888)	1,502	8,598	(3,024)	8,005
430010 Swine Unit	(6,147)	(4,433)	(7,691)	(2,980)	(9,285)	(4,185)	(5,324)	5,089
260220 Farm Store at Kellogg Ranch	(31,756)	(12,933)	6,402	28,953	42,294	11,426	15,081	5,195
460360 Danny's Farm	(1,545)	6,394	-	-	(2,098)	-	-	-
350810 Truck and Trailer	(4,000)	(4,000)	-	-	-	-	-	-
428460 Vet Clinic	-	-	-	-	7,694	7,068	727	4,249
350820 Pomona Organics St Project	145	145	-	-	-	-	-	-
428540 AG 505 Sheep Project 94	-	-	-	-	-	-	-	-
428550 LA Fair Swine Show Team	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(107,682)</b>	<b>16,320</b>	<b>60,438</b>	<b>104,032</b>	<b>115,777</b>	<b>140,934</b>	<b>75,548</b>	<b>61,992</b>

# CAL POLY POMONA FOUNDATION, INC.

## PLANT SCIENCES

2014-15

## BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Plant Sciences  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Other		13,603		(13,603)
Sales	2,779,849	2,681,852	2,877,899	196,047
<b>Total Revenues</b>	<b>2,779,849</b>	<b>2,695,455</b>	<b>2,877,899</b>	<b>182,444</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	801,506	654,364	802,106	147,742
<b>Total Cost of Goods Sold</b>	<b>801,506</b>	<b>654,364</b>	<b>802,106</b>	<b>147,742</b>
<b>Expenditures- Controllable</b>				
Utilities	76,044	78,090	77,794	(296)
AGR/RE Fees	342,322	323,882	349,792	25,910
Insurance	8,500	72	8,500	8,428
Repairs & Maintenance	99,395	85,185	100,955	15,770
Meals & Refreshments	1,700	4,400	2,700	(1,700)
Postage & Freight	1,500	500	500	
Advertising	15,000	14,500	15,000	500
Rent/Commissions	12,000	10,277	9,600	(677)
Services	201,800	255,501	211,575	(43,926)
Supplies	150,000	146,855	156,000	9,145
Travel	2,500	5,864	2,500	(3,364)
Laundry	1,200	1,200	1,200	
Other	53,546	49,781	56,592	6,811
<b>Total Expenditures- Controllable</b>	<b>965,507</b>	<b>976,107</b>	<b>992,708</b>	<b>16,601</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	111,195	106,538	115,117	8,579
Depreciation	36,750	27,009	36,750	9,741
Insurance	29,676	19,977	18,900	(1,077)
Bank Card Fees	16,996	31,600	33,896	2,296
Other	11,700	12,471	11,700	(771)
<b>Total Expenditures- Non-Controllable</b>	<b>206,317</b>	<b>197,595</b>	<b>216,363</b>	<b>18,768</b>
<b>Labor Costs</b>				
Salaries & Wages	586,496	605,044	661,228	56,184
Employee Benefits	154,010	142,617	176,707	34,090
<b>Total Labor Costs</b>	<b>740,506</b>	<b>747,661</b>	<b>837,935</b>	<b>90,274</b>
<b>Total Expenses</b>	<b>2,713,836</b>	<b>2,575,727</b>	<b>2,849,112</b>	<b>273,385</b>
<b>Net Income</b>	<b>66,013</b>	<b>119,728</b>	<b>28,787</b>	<b>(90,941)</b>



## Overview of the Current Fiscal Year (2013-2014)

Listed below are the estimates of year end balances for the 13/14 fiscal year, along with the actual balances for the past 3 fiscal years for comparison:

Budget	10/11	11/12	12/13	13/14 (Proposed)
Agronomy Farm	27594	190668	630	70147
Pine Tree Ranch	75897	16682	107116	39193
Fruit Industries	1425	(32306)	(5248)	1244
Horticulture	7448	(4152)	10453	3406
Farm Store	47515	95022	(12993)	11426
Totals	156879	265914	99958	125416

The 10/11, 11/12, and 12/13 year end budget balances are derived from a gross income of \$2,058,649, \$2,643,819 and 2,756,706 respectively over all units. Estimates gross income for the current (13/14) fiscal year is 2,667,705. This represents an estimated 4.7% return to the Foundation and the College of Agriculture.

Major contributions to the success of the current fiscal year include:

- Good monetary returns on corn silage sold from Westwind Ranch
- An improvement in the flow of Cal Poly Pomona produced vegetable crops into the Farm Store, with large crops of watermelon, broccoli, lettuce, and tomatoes marketed
- A large holdover crop of avocados marketed in July and August from Pine Tree Ranch to bolster sales from a weak 13/14 crop.
- Fruit Industries beginning to rebound from a disastrous prior two years involving the fight against Asian Citrus Psyllid and Black Scale infestations. Large amounts of pruning needed to be accomplished to just spray the orchards
- Excellent spring sales of tomato plants at the Horticulture unit
- An uptick in sales at the Farm Store. This also involves a new farmer's market instituted at Kaiser, Bellflower

Although we are still somewhat comfortable in the black, profits on operations are still down in comparison to 10/11 and 11/12. Some major factors that may be contributing to this include:

- Hostetler returning to a faculty position from the department chairmanship, with a now mandated state reimbursement of \$36000 for release time and \$16000 for salary deficit reimbursement.
- Major spray problems for Asian Citrus Psyllid that were mandated for the past 2 years by the CDFA and the USDA. Additional custom spray applications were needed for the Black Scale as well.
- Decrease in state funding for student wages. Additional state support for this educational program continues to be important, but is bleak when resources are diverted out of the department and college by retirements etc.
- Reimbursed charges of over \$40000 for Pumpkin Festival and Car Show parking staff, police officers, insurance, contracting with the state, and other ancillary items.
- Continuing chargebacks from Facilities Management for something as simple as changing a light bulb or a simple plumbing or electrical fix. As of the writing of this business plan, our reclaimed water system is in turmoil, due to lack of consultation on a major project, which will impact profitability of many units in the College of Agriculture.

## Explanation of Proposed 14/15 Fiscal Year Budget:

Listed below are the proposed 14/15 fiscal year estimates for gross income and profit/loss:

Budget	14/15 Gross Income	14/15 Profit/Loss
Agronomy Farm	991600	16038
Pine Tree Ranch	176200	1996
Horticulture	112700	3656
Fruit Industries	185000	3282
Farm Store	1412400	5201
Totals	2877900	30173

The estimate for profit/loss is far below 10/11, 11/12, 12/13, and proposed for 13/14 (Refer to table in overview of current fiscal year, 2 pages back). The estimate for 14/15 is very conservative considering the proposed additional \$200000 in gross income for the year. The estimate is filled with **major** assumptions, due to the fact that they may be impacted by a new President, College of Agriculture Dean, and new Department Chairman in g the Plant Science Department.

Listed below are other potential concerns and impacts for the following year and the short term years to come:

- Upgrades to the Farm Store. A donor has given \$275000 to make some minor upgrades and improvements to the store after the first 13 years of operations. Enough funding is there to improve traffic flow, point of sale, and provide a deli counter, but beyond that, major coolers, refrigeration units and freezers must be replaced in the years to come.
- Water. As of the date of this writing, we are facing a cut of over 60% in irrigation water in the short term on the Kellogg Ranch. This will begin to impact pastures for the animal units in 3-4 weeks, and ruin the aesthetics of the area. Future supplies taken by Forest Lawn will impact the way we operate in the future.
- Can the farm continue to supply all of the produce the Farm Store needs and desires? Currently, 5 full time staff positions can directly be tied to the operations of the Farm Store. Tree of these positions plant, culture, care for, irrigate, harvest, and deliver fresh produce for the store and associated farmer's markets. Without fresh produce on a consistent, regular basis, the store may be doomed to failure
- Additional manager for the Farm Store. We have been reluctant to hire an assistant manager for the Farm Store, due to our thin profit margin. I believe it is imperative for the future that an official staff member be present at all hours that the store is open, not just student leaders. New thoughts, ideas, and merchandising for the store must come to the forefront, rather than the store becoming the "same old thing" for customers. A good customer survey may help in the future.
- Finalization of the agreement with the California Department of Corrections and Rehabilitation (CDCR) for Westwind Ranch. Currently this agreement rides on a handshake, which could be taken away at a moment's notice. This ranch is the key to profitability for the long run of this business plan. Without the cash it generates, our gross income would fall overnight by 45%. It provides many educational opportunities that we do not have here on campus and is utilized by classes as often as possible. Efforts to move this along at a level above me seem to fall flat, and we often go months at a time without revisiting this agreement.. This ranch is imperative for our sustainable future, and provides a great resource to the City of Chino and the dairy industry in Chino.

## **Changes in Programs and Services for the 14/15 Budget**

Although no major changes in programs and services are eminent in 14/15, several minor changes have been highlighted in the budget. These include:

- Increasing U-pick and farming operations at AGRIsapes, in the areas surrounding the Farm Store. A key to the future success of the Farm Store is incorporating more visitors experiences in the immediate area. In the past, we have added Danny's Farm Petting Zoo on Saturdays and special events, hydroponic production of berries, and a children's garden. We have started on this effort with the activities to surround the 75<sup>th</sup> anniversary dinner for the College of Agriculture with a mixed cropping palate.
- Carrying on a continuum of changes for the Farm Store. New check stands, deli and merchandisers should give the store a fresh look in 14/15. An emphasis will be put forth on the three F's of merchandising, Full, Fresh and Faced.
- Diversification of Horticulture operations. Taking a closer look at items that may increase sales while enhancing the educational experience for our students. Exploration into areas that may be "out of the box" right now should be looked at for the future.
- Impacts of the California Avocado Commission agreement at Pine Tree Ranch. 14/15 will be the first full year that the commission will be utilizing 11 acres of the ranch under an agreement formulated in 13/14. Many Ventura County problems and issues in the production of avocados will be addressed, as well as grower field days being offered. Rental income from the agreement will help stabilize the bottom line, especially in years with less than average crops.

## **Explanation of Proposed 14/15 Fiscal Year Capital Requests**

Three new capital projects are proposed for 14/15. These include:

- \$75000 Repair and rehabilitation of the small well at Pine Tree Ranch. For the past several years we have relied solely on the large well to supply all irrigation needs for this ranch. This well was rehabilitated almost 10 years ago using funds from the Pine Tree Ranch reserve account. The needs for this smaller well to be operational are twofold. It will serve as a back up supply in case of catastrophic failure of the large will. In addition, it will become the source of water for the California Avocado Commission's 11 acre parcel. This will avoid conflicts in the future in regard to splitting the bill for our large well, and reduce the number of hours we are putting on it. This well also serves as the well to the house, if we rehabilitate it.
- \$90000 Paint job, interior and exterior, Building #28 Fruit and Crops Unit. Although this is a state owned building with state maintenance, we currently have a food safety issue at the facility. This building houses all of our vegetable and fruit washing, grading and packing equipment. Every piece of fruit or vegetable that goes into the store, passes through this facility. Crews utilize the facility 6 days per week, and it houses the office of the farm manager. The paint is currently peeling off of the ceiling, and it has been identified as having lead paint which must be abated, prior to painting, hence the steep cost for the project.
- \$75000 Replacement of aluminum irrigation mainlines with Yellowmine PVC pipe. This is a two fold project between the Spadra Ranch and Westwind Ranch. On campus, we are currently utilizing 1300 feet of leaky aluminum mainline (purchased with Foundation capital funds over 18 years ago) which has surpassed its useful life. When running, we lose approximately 25 gallons per minute of water, and it flows directly into Sa Jose Creek, which in the future could be a potential violation. The project at the Westwind Ranch will allow us to get reclaimed water from the City of Chino (at no water cost) to a 150 acre block we have farmed as a dryland block. The past 2 years, we have received no crop due to the lack of precipitation. The State of California, recently entered an agreement with Majestic Realty to develop an irrigated block on the ranch for industrial, and this pipe will help mediate this loss.

In addition to these new projects, the following capital projects which have prior board approval will be rolled into 14/15:

- Repairs to Pine Tree Ranch Residence, Phase 1 and 2 Total \$137000 Anticipated repairs to the residence are estimated at \$250000. Matching funds from industry and alumni will have to be sought as matching funds to complete the repairs. The house is currently secure (boarded up). Repairs could start immediately if the funds are secure.

- Repair of Tropic Breeze Wind Machine \$15000. Funds will be utilized for the repair and rehabilitation of the lone wind machine on campus for citrus trees. The machine has been inoperative for ten years. During this time we have utilized water as our chief frost fighting mechanism. This is an important instructional tool for several classes per year, which now just observe. It is a critical back up for a severe frost on a 20 acre block as well.
- Multi Deck Merchandiser-Deli, Farm Store @ Kellogg Ranch, \$25000. These funds are for the replacement of an original purchase of a deli case for the store. It has been troublesome in regard to its cooling capabilities since it was installed, and has caused us numerous repair bills. Each time it breaks it costs us over \$2000 in lost merchandise. We are stalling the purchase until the new farm store remodel begins to progress over summer 2014.
- Farm Store Remodel \$250000. The funding for this has been donated to the program by an alum. The funding is here and waiting on architects drawings. Funds will move the main entrance for the store to immediately off of the parking lot, giving the store a more open feel and making it more accessible without the long walk down the side. Funds will also install a new point of sale with new registers, a deli counter, and potentially replace original coolers and freezers.
- New truck-Agronomy Farm operations. We are trying to get by on what we have in regard to transportation. This truck will travel approximately 50 miles per day, back and forth mainly from Spadra Ranch to Kellogg Ranch. To date, we have 3 junked state trucks parked for trade in's on this as well as the potential of one other. This purchase will reduce the entire fleet of vehicles by 3 with the associated trade in's. Utilizing state funds for a truck seems to be out of the question with current budget times.

### **Changes in Staffing**

No major changes in staffing are anticipated throughout all of the Fund 5 projects in the Plant Science Department in 14/15, but some major changes loom on the horizon in the short term future.

In 13/14 one of our staff members had to be replaced because of a health situation. This is in the process of being resolved at this writing. There is a net loss in positions (.5) because we have moved the part time person we hired to take his place into his full time role.

An approved part time position has been rolled into 14/15 for Agronomy Farm to provide bookwork and analysis for the five budgets in Plant Science. Currently this is being handled solely by Hostetler and alum Carol Collins, who volunteers 4 hours per week on Monday's to assist and help the department. The Farm Store @ Kellogg Ranch currently carries a 25-30 hour per week accounting position for paying bills, daily deposits, and maintenance of the inventory. This position may become a full time position in the future, to handle the accounting of the entire operation.

Looking into the future, two retirements of field workers are eminent in the next few years. Both of these positions are non-skilled labor helping fill in the need for field work when students cannot accomplish the task due to classes and labs. Some strategic planning on future positions may be critical in the short term future. These two positions may be better filled with skilled graduate to provide supervision to relieve our farm manager, and make crews more productive.

State funding is always of concern when talking about staff in the future. The state supports operations of these budgets with funded staff positions that assist faculty with the educational program. This is of most importance in the set up and operation of laboratories. Without their assistance, faculty would have to spend an additional 4-5 hours in set up for many of the detailed labs. They also provide safety training on equipment and general operations.

The state no longer supports the release time for Hostetler, and charges the operations \$36,000 annually for reimbursement. No other 12 month faculty positions currently exist for management of the operations within the College of Agriculture, when at one time there were eight. Unfortunately as the individuals in state positions retire or leave, these positions are often dropped, putting an additional burden on the foundation to continue these operations that are critical to the instructional program.

## **Outlook for the Next 3 years and 4-10 Years Beyond**

These are trying economic and budget times in the state of California, and it is very difficult to accurately predict long range cash flows. Beyond personnel expenses (noted above) the state supports all of these operations with \$93000 annually for the operation of the tractor shop (repair and maintenance of the farm fleet), fuel, and some student assistant funding via ancillary support. This is the same state funding we have received for the past 20 years. Without Foundation support, the typical tasks we accomplish on a daily basis would be impossible.

It is safe to say that the units in the Plant Science Department are positioned well for the mid-term future-out 10 years. Since 99/00, the Plant Science Department has contributed over \$792000 in profit to the College of Agriculture and the Foundation. This has reduced much of the debt incurred from losses of other units outside of the department.

Serious attention needs to be paid to the Farm Store so it attains the status of a "break even" unit from year to year and eventually become a profit center. Although it is climbing in gross revenue annually, even in these troubling economic times, expenses may need to be better controlled. Expenses cannot mirror the gross income of the store annually. Consistent change at the store in merchandising and new products is necessary, so the store does not become the "same old thing" which will reduce visitors. Change is difficult, yet a necessary evil in the retail world and attention needs to be paid to it. In the future, a full time faculty member should be assigned solely to this store to work with the manager in accomplishing this task. Too many other and unique problems exist in the operations of the farm.

The Ornamental Horticulture unit and greenhouses are extremely important to our educational mission. Several classes per week utilize this facility for laboratories and projects. This consumes a large majority of our nursery technicians time. In the future, attention should be forthcoming to maintaining quality of product in the retail nursery, and wholesale operations. Additional attention should be paid to the upkeep and maintenance of our new greenhouses to keep them from falling into what we had at the older unit. New technologies in lighting and heating should be incorporated in the future. Replacement of the box van nursery truck (over 35 years in age) should be forthcoming in the near future.

Many additional projects still require attention on the farm side as well. The most pressing item would be the replacement of the avocado grove behind the old dorms. Right now, they are dying and becoming a fire hazard. New infrastructure in water, irrigation lines, and trees, should make this a modern, state of the art, and water conserving orchard. Newer crops such as grapes, orchards and hydroponic vegetables and fruit will consume more detail time in the future, over what we have been growing in the past. This will take more supervision and labor in the future. These crops mirror a substantial change that is happening in the California agricultural industry, and it is important for our students to get hands on applications with these crops.

The long term future becomes less clear. The goal of the units in Plant Science is to build to \$100000 in profit annually, and to have all of the units contributing equally. It is assumed that the department will utilize capital funding from the foundation in the future, because of lack of funding on the state side. Much of our major equipment such as combines, hay equipment and tractors are approaching 30 years in age right now. One tractor which is used almost on a daily basis is 52 years in age. In a fleet of 20 plus tractors, only one of them is equipped with GPS technology which is almost commonplace in the industry currently. The tractor shop and surrounding buildings are in disrepair and leak every time it rains, creating a major safety hazard. The crops unit has flaking and peeling paint with potential food contamination and safety issues.

## **Projects/Goals for the Proposed Fiscal Year**

- Turfgrass and landscaping improvements for AGRIsclapes and the Farm Store
- Completion of the Farm Store remodel-new checkstands, deli counter, and access
- Increase Cal Poly Pomona produced vegetable crop offerings in the Farm Store on a mor consistent basis
- Revitalization of the Horsehill vineyard
- Removal of dead avocado trees behind dorms
- Initiate Pumpkin Festival improvements in logistics and cash handling
- Work on increasing participation for the Rod and Tractor show

- Improving service records of rolling inventory and other farm equipment at the Tractor Shop
- Repair and replace fencing at Spadra corporation yard
- Cement agreement with WAPA, Western Antique Power Association
- Improvement in wholesale and retail nursery quality
- Hiring new accountant for all operations
- Hiring Assistant Manager for the Farm Store
- Continuum of crops surrounding the Farm Store-more vines and flowers for the Pumpkin Festival
- Continue working closely with Advancement-Farm Manager Endowment
- Improvement of safety training and documentation for all employees
- Development of GAP and HAACP protocols for the farm and store
- Work on water conservation plan for the Kellogg Ranch

## **Mission & Vision Statement**

The mission of the Plant Science Department's college farm, nursery, farm store and associated units is to provide a hands on, experiential living laboratory for faculty and students to support classroom and laboratory education. These units will also provide opportunities for student employment and mentorship with research, enterprise, and special projects. We envision accomplishing our mission by working towards a sustainable, real world, experiential business model which stress increasing profitability for the future.

In the future, this mission and vision will have to be accomplished with a technical staff and faculty mentoring students who will become increasingly more responsible and accountable for major operations. This will increase experiential education and learning in the future.

A new environmental focus will come into this vision throughout the units. This will include a focus on soil and water conservation, incorporation of new integrated pest management strategies, and better management of plant/animal systems such a grazing and manure management.

A new focus with also highlight achieving Good Agricultural Practices (GAP) certification for all crops produced at Cal Poly Pomona. In addition, HAACP certification should be achieved for the operations that take place in our Packing House and the Farm Store.

## **Strengths and Challenges**

### **Strengths**

- AGRIscales-In the past 13 years we have developed a center which has grown and prospered. With help from the original allocation of 3.3 million dollars, we have utilized industry, alumni, donors, student projects and sweat equity to currently have a sustainable Farm Store, surrounding landscape and crops, and modern greenhouses which support a large part of our educational program. With recent donations of \$200000 and \$275000 respectively, we are now able to refresh both the Farm Store and the Visitors Center. The Farm Store has already been outlined in the text of this document. The \$200000 for the Visitors Center will help to create a museum of the legacy of the Kellogg Ranch and highlight where we have come from and where we are today. The potential for future support at this center is great.
- Land base and resources-Our current land base is necessary and needed to allow us to produce the profit to change in the future and address major challenges we are certain to face. The three satellite ranches we operate have excellent soils, abundant groundwater and reclaimed water, and a great climate to produce the items one observes in the Farm Store. The Kellogg Ranch makes our campus very unique, rural and desired by the campus faculty, staff and students. These resources should be protected at all costs. In the future additional resources in land and farm operations will be forthcoming to assist in the educational program.

- Support from alumni and partnerships with industry-Several alumni have stepped up to the plate over the past decades to support projects that enhance our educational program. These projects have included Farm Store renovation (current), Vineyard installation along with equipment, new farm equipment, hydroponic installation and improvements, scholarships, and discretionary funding to assist with student projects. Partnerships with industry from companies such as Animal Pest Management, Duarte Trees and Vines, LaVerne Nursery, Weeks Roses, Calavo, Somis Pacific, Chino Welding and Assembly, and many others are among examples of relationships we have built over the years. There is still major potential in this area.
- Cal Poly Pomona Foundation support-Without the help and assistance of the Foundation over the past decades, much of what we have today would not exist. The Foundation and its Board of Directors have graciously forwarded funds for capital projects, and provide daily support of all Fund 5 operations (Agricultural Aid to Instruction) via support in payroll, human resources and accounting. This past year we completed the restoration of the Spadra barns and infrastructure, rescuing an 80 year old barn originally built by Diamond Bar Ranch.
- Students-our most valuable strength, asset, and essential resource. Our students continue to come to us with a desire to learn and explore more than what they receive in a classroom. Hands on experiences that we provide to them make them more employable in the job market and enhance their laboratory experiences. By utilizing them in this very unique business model, we are enhancing their education.

## Challenges

- Crumbling Infrastructure, Buildings # 28 & 47-Two Facilities the department operates are in dire need of restoration and present current safety hazards. Building #28, the Fruit and Crops Packinghouse, has not been painted in over 20 years, and lead based paint is peeling from both the interior and exterior. This building is used 6 days per week to wash and pack fruits and vegetables bound for the Farm Store. Every quarter, this building also hosts 8 sections of GE classes, and is utilized by Plant Science classes almost every week. Building #47, Tractor Shop and surrounding barns, leaks during rainfall, has inadequate lighting, contain no insulation (including heating or air conditioning), has electrical issues and also has peeling paint similar to #28. Every time it rains, it takes 2-3 hours to clean up the mess.
- Lack of Faculty and Staff Resources-Faculty hires need to be made for specific areas of expertise in the future. These faculty should be awarded release time as in the past to manage specific facets of these operations. Areas that are important include agricultural mechanics, business director for the Farm Store, Entomologist, Agromomist, and Pomologist. Today, only one faculty member takes care of what 5 faculty members did on the 1980's. All of these faculty had 12 month appointments with release time to coordinate and manage operations and staff. Only 6 staff members take care of what 9 used to in the 1980's. This includes more acreage and operations than we used to have.
- Lack of state funding-State allocations for ancillary state support are exactly the same as they were over 20 years ago which support the college farm and our educational programs. No longer do we have allocations such as instructional replacement equipment, new equipment, fencing, or deferred maintenance. The Foundation has assisted us in keeping up, but not at the level needed.
- Aging Farm Equipment-The Foundation has assisted over the years in the repair and purchase of several pieces of farm equipment. Funding for equipment has not been as forthcoming from the state. In 2011 the state purchased two utility tractors as replacements. One tractor that we use daily is over 50 years in age. Most of our hay equipment and combine are over 30 years in age. This equipment provides experiential learning to our students, but it is gradually falling apart. Much of the major equipment needed is fairly high in costs as well. Work needs to be done in advancement first to try to find an equipment manufacturer willing to work with us to reduce the prices, and then a plan needs to be made for an organized, strategic replacement. New equipment has the technology common in the industry today such as GPS and is safer in the long run.
- Land Base-Although the land base has been fairly stable for the past decade, blocks of agricultural land are valuable for new buildings, parking lots and other projects. Without the land base, we will not be able to offer our most valuable resource-our students-the opportunities that our industry desires in a graduate. In addition,

without the land base to produce the products for the Farm Store, the business plan fails. Many of the land issues where we were kept in the loop turned out to be positives for both parties-the Alameda Corridor Project for instance is a good example. Master planning needs to identify a permanent home for agricultural land in the future, even though we are surrounded by the city.

### **Employee Survey**

This section of the plan is difficult at best to assess, because of the wide range and diversity of positions that we hire within the department. These positions have widely varying tasks, from general farm labor, to supervisory and decision making roles, hence one survey may not cover everything.

In regard to student employees, we normally keep 25-35 students on payroll at any given time. The largest majority of these are employed by the Farm Store. These students are also active in the Agronomy Farm and the Ornamental Horticulture Units. Responsible (lead) students are consulted on a daily basis as per their assignments with others. Dawn Taccone, the Farm Store manager, often integrates students into merchandising and major projects within the store.

The department employs 6 state staff who have direct involvement with the Farm and Horticulture Units. An additional 9 Foundation staff also fill our ranks. The Farm Store @ Kellogg Ranch is run entirely with Foundation staff. The remainder of the staff fill in labor based positions and provide support for irrigation and field work. These positions are identified in a previous section of this report.

Unfortunately today, only one faculty member takes the lead on all of these positions and duties. In the future, this needs to be increased to at least 4, who have expertise in given areas of this operation.

### **Customer Surveys**

In many of our units, it is hard to truly determine who our “customer” really is. With many of our units, our customers may be the students who are using their employment and laboratory experiences as solid experience for their resumes. With the Farm Store, we can truly identify “customers”

Students who are enrolled in the Plant Science program are surveyed annually as graduates of the program. The survey material includes information as to their perception of the units and their experiential experiences. In regard to our facilities, their satisfaction has increased over the past decade, largely due to the opening of AGRIsclapes and the new greenhouses on site. The students were also very satisfied with their experiential learning activities if they were employed by us, or involved in student projects.

Many marketing classes have conducted surveys of Farm Store customers over the decade we have been open. These surveys have led to changes in merchandising, customer service, and marketing. The Farm Store is making a push to connect in the social media currently to aid in marketing. We continuously receive anecdotal comments from customers about their thoughts about the store, but nothing in an official survey.

We will proceed with surveying our customer base in 14/15, and utilize classes to conduct these for more recent feedback with solid data behind it. This should also include farmer’s market customers.

### **Keys to Success Items**

- Completion of Farm Store customer survey in 14/15
- Continue the survey of Plant Science Department graduates in regard to facilities and farm issues.
- Expansion of U-pick opportunities at AGRIsclapes. Enlargement of amount of crops at the facility.
- Preliminary startup of continuing education programs at AGRIsclapes-Gardening 101, Tractors 101, Vegetables and Nutrition 101, etc.
- Improvement in horticultural quality in nursery, wholesale nursery sanitation.
- Continuum of state support to supplement Foundation support



- Making new connections with donors, alumni, and industry to work towards new expansions of AGRIsapes
- HAACP program in place for Farm Store and Packing House
- Institute GAP certification for fresh fruits and vegetables harvested on campus
- Strategic plan completed for long term replacement of aging equipment
- Long term succession plan for farm operations after impending retirements
- Identify potential satellite ranches for long term future and securing profitability
- Improvement on and identification of festivals which help draw public to the Farm Store
- Resolution to issue with deferred maintenance of buildings #28 and #47
- Continued improvement on safety program instituted last year.

### **Business Controls and Vital Factors**

Communication-need to re-establish communication amongst units. This should be done with weekly meetings of principle people which impact Farm Store operations with availability of Cal Poly produced products. In addition, regular more in depth monthly meetings are necessary to review operations, fiscal situation etc.

Inventory-the Farm Store, Fruit Industries, and Agronomy Farm need to develop a method of sustaining and maintaining an inventory of product for in store sales and farmers market sales. This is difficult to do and stick to, because planting schedules are often moved due to weather and available personnel.

Shrink-work toward a reduction of shrink of inventory in the Farm Store. Critical care must be taken with inventories. Need to work closely with vendors and DPI's guaranteed sales program.

Quality of products in nursery-work toward a more quality inventory of plants and goods

### **Asset Protection/Risk Management**

One of our greatest areas for risk management centers on the Farm Store, and associated festivals and events. Every year, supplemental accident insurance is purchased via the state office of risk management to cover any accidents incurred by the public during pumpkin festival and the rod and tractor show. Many other smaller events occur at the store, without the purchase of this insurance.

It is misunderstood where state liability versus Foundation liability would begin and end. Via Fund 5 Farm Store at Kellogg Ranch account, we do pay an insurance policy with a monthly premium. Is this the area that we would use in the case of a slip and fall accident in the Farm Store, which we have yet to incur?

What totally confuses the matter is when we purchase the supplemental policy for events and festivals (sometimes upward of \$6000), the policy is procured by state personnel in the Office of Risk Management, yet paid for with Foundation funding.

At the store we are also unclear about a policy on merchandise and inventory. If inventory is lost via an earthquake or cooler or freezer breakdown where do we go to collect on this? Is there a major deductible involved? Do this and other policies cover us when we are selling at a Farmer's Market?

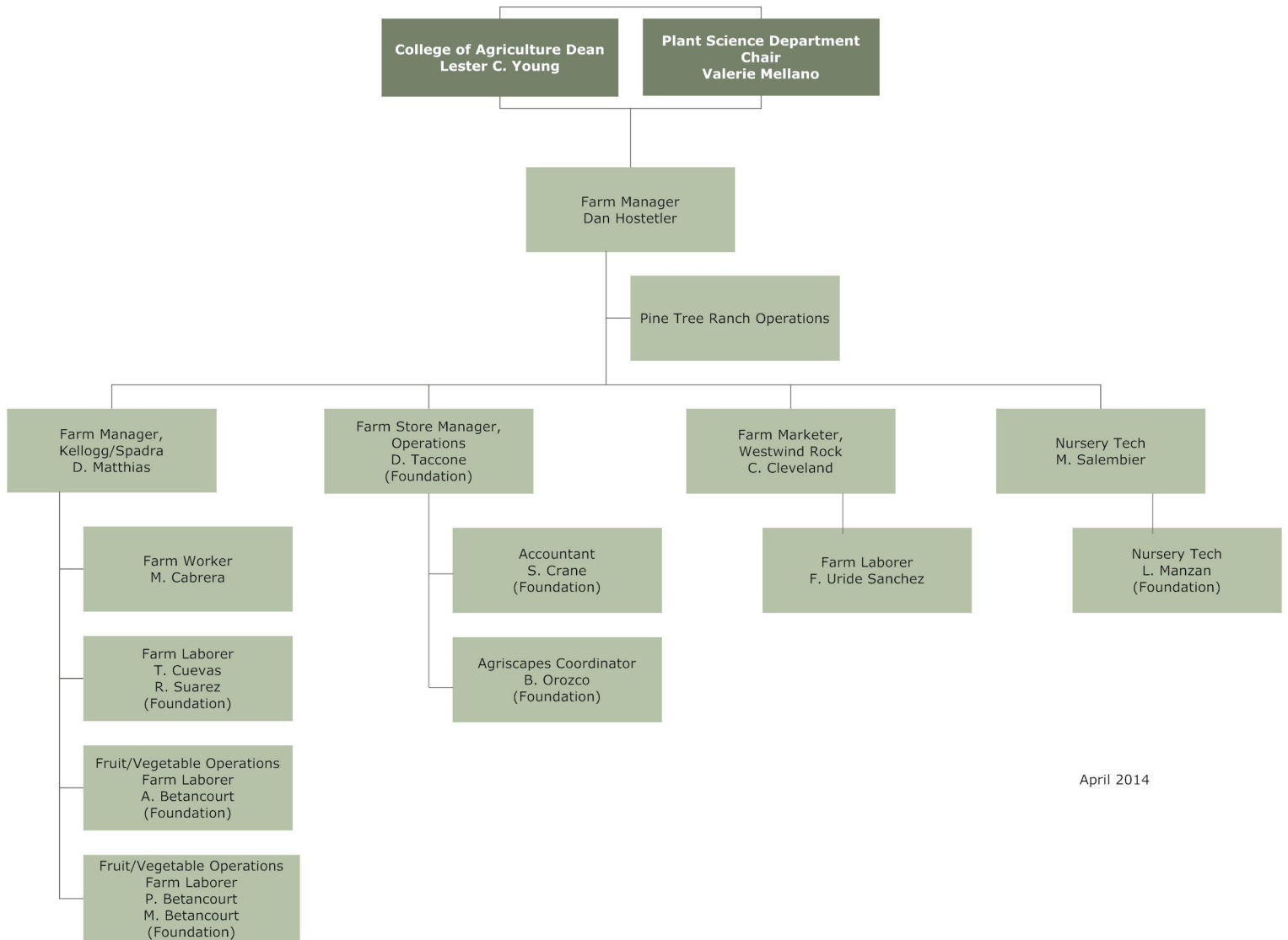
Another area of concern is the potential risk of a customer getting sick from one of our products. In 14/15, strides should be taken to finalize a HAACP program for operations of the store. This is especially true in regard to fresh juice. This program needs to cover everything from harvest, until the cap is put on the product. Farm operations should also make an effort to certify operations under GAP, good agricultural practices, which have been adopted by the industry. GAP principles seek to improve the cleanliness of the fruits and vegetables we bring to the store. This includes what goes on in the fields as well in the packing house.

Another area of risk management we are still exploring is crop insurance. Today all that we often cover is avocados and lemon crops at Pine Tree Ranch for frost. Many other policies may be applicable to operations here at the campus as well.

Of most importance is the continued update of safety training for all of the staff and students. A large matrix of training is displayed in the farm manager's office. We are still lacking in many areas of training, which may seem minor (such as ladder safety training), but need to be complete. We have progressed in the major areas of hazard communication, lock out-tag out, first aid, but need to be vigilant and continue in this important endeavor. Two visits from OSHA in the past three years have driven the importance of this home.

# Organization Chart

CAL POLY POMONA FOUNDATION, INC.  
 "Quality Service Supporting Quality Education"  
 COLLEGE OF AGRICULTURE - FARM UNITS



April 2014

# CAL POLY POMONA FOUNDATION, INC.

## ANIMAL & VETERINARY SCIENCE FARM

2014-2015

### BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Animal Vet Sciences  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Other		10,833		(10,833)
Sales	149,682	178,721	242,162	63,441
<b>Total Revenues</b>	<b>149,682</b>	<b>189,554</b>	<b>242,162</b>	<b>52,608</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	25,735		25,735	25,735
<b>Total Cost of Goods Sold</b>	<b>25,735</b>		<b>25,735</b>	<b>25,735</b>
<b>Expenditures- Controllable</b>				
AGR/RE Fees	1,750	1,866	3,350	1,484
Feed	38,000	62,911	62,400	(511)
Repairs & Maintenance	8,320	4,840	12,120	7,280
Meals & Refreshments	1,850	7,400	7,900	500
Advertising		415	175	(240)
Rent/Commissions		470	1,320	850
Services	2,650	15,660	8,150	(7,510)
Supplies	23,710	27,782	20,560	(7,222)
Telephone	840		420	420
Travel	800	3,687	2,800	(887)
Other	15,807	13,071	23,610	10,539
<b>Total Expenditures- Controllable</b>	<b>93,727</b>	<b>138,102</b>	<b>142,805</b>	<b>4,703</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	6,200	7,850	9,884	2,034
Depreciation	10,704	6,775	10,488	3,713
Insurance	1,975	1,068	1,975	907
Rent/Commissions		1,809	1,809	
<b>Total Expenditures- Non-Controllable</b>	<b>18,879</b>	<b>17,502</b>	<b>24,156</b>	<b>6,654</b>
<b>Labor Costs</b>				
Salaries & Wages	9,536	9,536	11,904	2,368
Employee Benefits	12	278	819	541
<b>Total Labor Costs</b>	<b>9,548</b>	<b>9,814</b>	<b>12,723</b>	<b>2,909</b>
<b>Total Expenses</b>	<b>147,889</b>	<b>165,418</b>	<b>205,419</b>	<b>40,001</b>
<b>Net Income</b>	<b>1,793</b>	<b>24,136</b>	<b>36,743</b>	<b>12,607</b>

## **Business Plan Narrative - Divisional(Schedule B)**

### Overview of Current Fiscal Year:

Overall budget forecast for combined Animal & Veterinary Science farm operation are expected to end current fiscal year 13/14 with a positive balance of approximately \$12,000 across all 5 farm operations. We have continued to find ways to increase revenues by expanding grass fed beef operation, custom cattle feeding operations, petting farms,boarding of animals and increase in overall sales revenue. With additional leased land in orange county we may (depending on weather) to expand operations further therefore increasing net income from operations.

### Explanation of Proposed Fiscal Year Budget:

We project an overall positive balance over the 5 accounts of \$25,000 at the end of FY 14-15. This will depend on approval of meat lab manager position and if foundation will be responsible for covering salary costs not previously responsible for. This factor alone may cause net income to decrease by upwards of \$20,000.

Changes in Programs and Services for Proposed Fiscal Year:

The major change for FY 14/15 will be contingent on approval from Academic Affairs for hiring of Meat lab manager. If this position is not approved then overall net income will potentially decrease by \$20,000 or more.

Explanation of Proposed Fiscal Year Capital Requests:

No capital requests for FY 14/15

Changes in Staffing:

Again this depends on approval of meat lab manager position from Academic affairs. As of this time of the report no final decision has been made.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Outlook for the next 3+ years is consistent with current forecast for 13/14 barring any unexpected decreases in staff support from state operations.





# **Mission/Vision Statement**

**E**

The mission of the Animal & Veterinary Farm units is to provide Agriculture Aid in instruction in assisting the Animal & Veterinary Science department in teaching their hands on laboratories in the Pre-Veterinary and Animal Health Science majors.

## **Strengths and Challenges**

### **Strengths**

We are the only 4 year university in Southern California that has a dedicated animal science farm for use in teaching undergraduate students.

Knowledgeable dedicated staff

Locally raised natural product big selling point to consumers

### **Challenges**

The majority of our Facilities and infrastructure buildings are over 50 years old and are in dire need of repair/replacement

Continued decrease in state support for facilities and staff

Predation from coyotes is not only a animal safety but personnel safety issue as well

# Employee Survey

No Employee Survey Available



# Customer Survey

Not Applicable

# Keys to Success

<b>Keys to Success Items</b>	<b>Rank in Importance 10 to 1</b>
Increased State support for aging infrastructure and staff positions	10
Continue to be practice environmentally sustainable farming operations	10
Recruit and Hire staff you are dedicated to our Mission and animal welfare practices	10

# Corporate Culture

<b>Customer/Client Perception</b>	<b>Unit Perception</b>
Home grown-locally produced, sustainable product is better healthier	Agreed
Take Pride in caring for animals high level of animal welfare	Agreed

# CAL POLY POMONA FOUNDATION, INC.

## WK KELLOGG ARABIAN HORSE CENTER

2014 - 2015

### BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Arabian Horse Center  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Other	284,000	254,000	284,000	30,000
Sales	63,150	51,650	66,150	14,500
<b>Total Revenues</b>	<b>347,150</b>	<b>305,650</b>	<b>350,150</b>	<b>44,500</b>
<b>Expenditures- Controllable</b>				
AGR/RE Fees	42,000	47,000	30,000	(17,000)
Feed	86,400	73,000	63,600	(9,400)
Repairs & Maintenance	30,504	15,744	30,504	14,760
Meals & Refreshments	1,200	1,200	1,200	
Postage & Freight	1,200	900	1,200	300
Advertising	1,500	3,000	1,500	(1,500)
Rent/Commissions		2,000		(2,000)
Services	37,400	27,000	37,400	10,400
Supplies	37,200	40,320	37,200	(3,120)
Telephone	3,600	4,400	3,600	(800)
Travel	17,000	10,500	17,000	6,500
Other	33,330	26,430	33,330	6,900
<b>Total Expenditures- Controllable</b>	<b>291,334</b>	<b>251,494</b>	<b>256,534</b>	<b>5,040</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	13,886	12,226	14,006	1,780
Depreciation	5,004		5,004	5,004
Interest Expense	1,368			
<b>Total Expenditures- Non-Controllable</b>	<b>20,258</b>	<b>12,226</b>	<b>19,010</b>	<b>6,784</b>
<b>Labor Costs</b>				
Salaries & Wages	27,600	42,700	72,000	29,300
Employee Benefits	216	2,160	6,144	3,984
<b>Total Labor Costs</b>	<b>27,816</b>	<b>44,860</b>	<b>78,144</b>	<b>33,284</b>
<b>Total Expenses</b>	<b>339,408</b>	<b>308,580</b>	<b>353,688</b>	<b>45,108</b>
<b>Net Income</b>	<b>7,742</b>	<b>(2,930)</b>	<b>(3,538)</b>	<b>(608)</b>

## Business Plan Narrative - Divisional(Schedule B)

### Overview of Current Fiscal Year:

The past fiscal budget year has been one of the best on record for the Arabian Horse Center. Our sources of revenue include are two endowment accounts, the sale of horses, and Center related activities. Even though the sources of revenue do not feed directly into our foundation budget account, they are billed for Center expenses and for the feeding, care and housing of the state owned Arabian Horse herd. The Arabian Horse Industry has been on a sharp decline since the 2008 recession. Recently however, there has been a moderate upturn in the industry, and in the demand for young Arabian Horse prospects. During the sharp decline in breeding of Arabians, the Center anticipated a revival in the demand for young horses, and continued to breed and produce young stock in anticipation of the market recovery. This has resulted in us having young horses for sale at a time when there are very few available to the Arabian Horse buying public. This has sparked a very active year in horse sales, the best we've had in 10 years or more. Even though the monies from the sale of horses goes into a state account, our foundation budget account can then charge the state account for expenses related to the care of the animals. During this fiscal year we submitted a proposal to purchase a new digital radiography unit for approximately \$50,000. Initially, we had planned to get a capital loan for this purchase, and pay for the unit over a number of years. However, our sale of horses was so strong that this has enabled us to purchase the unit outright, and alleviate the need to make monthly payments out of our foundation account. Other sources of revenue, including the boarding of horses, Sunday shows, and other Center activities have been consistent if not slightly stronger than anticipated. The Center has affected significant savings in the areas of veterinary care and show expenses. The combined savings in these two expense categories is approximately \$50,000. This has further enhanced our budgetary position for the current fiscal year. We anticipate that we will finish the year with slightly positive revenues.

### Explanation of Proposed Fiscal Year Budget:

As previously noted, the improvement in horse sales has positively impacted our budget. We anticipated an increase in the revenue from horse sales, but they have exceeded our expectations. In addition, the savings noted in some expense accounts has also contributed positively to our budget for this fiscal year. Our expense projections were very much in line with the actual costs. Reimbursement revenues available were greater than anticipated and this has allowed us to meet our budgetary expectations, in spite of \$50,000 payoff of the digital radiography unit.



Changes in Programs and Services for Proposed Fiscal Year:

During this budget year, we have added a student riding instructor. This has allowed us to enhance and expand our student riding activities and improve our safety supervision at Arabian Horse Center. This has resulted in a greatly enhanced student experience, and improvement in our Sunday shows, and an overall improvement in the quality of the student writing programs at the Center. In addition, the Center has hired a part-time person to assist in marketing the Centers many attributes to the public. This has allowed us to open a gift shop, increase the attendance at our Sunday shows and generally increase the overall awareness of the Arabian Horse Center in the public arena. The addition of this position has also allowed us to advance development of our New website and improve our marketing in the Arabian Horse Industry.

Explanation of Proposed Fiscal Year Capital Requests:

The Arabian Horse Center had made a capital request of approximately \$50,000 to purchase a new digital x-ray unit. This unit was to be purchased using a loan agreement and monthly payments. Due to the increased revenue and expense savings previously noted, the the Center had the financial ability to make this capital purchase without impacting its foundation operating account.

Changes in Staffing:

During the 2013 – 2014 fiscal year, the center has employed to part-time personnel, each working 19 hours a month. One of the part-time employees is working as a writing instructor and is assisting in the development of student programs, public exhibitions, and the Sunday show. This employee has greatly improved the quality and the safety of our student writing programs. Her involvement in the Sunday shows has enhanced and improve the Sunday shows. She works both with the intercollegiate horse show team and the student drill team to improve their writing skills and to supervise them from a safety point of view. The second part-time employee was hired to assist the director in marketing the center. This has resulted in the higher visibility of our quality horses and has assisted in the sale of horses. She has also marketed our public exhibitions causing the attendance in our Sunday shows to rise markedly. We hope to continue to employe the's two part-time employees as they have made significant contributions to the quality of our programs, visibility of the Arabian Horse Center, and indirectly contributed to the rising revenues of the Center.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

As the Arabian Horse Industry continues to recover along with the general economy, the demand for young Arabian show horses should continue to increase. With the last economic downturn in 2008, many breeders of Arabian performance horses, such as what we produce, were forced out of the market. The remaining breeders drastically curtailed their production, and many do not have the financial wherewithal to step up their breeding in a short period of time to supply the market with the needed horses. This bodes well for future sales of the Arabian Horse Center horses. It however cannot be taken for granted, and we will continue to monitor sales in the market, as well as the number of new foal registrations in the United States. An uptick in the registration of new foals would indicate that other breeders are beginning to breed more mares to fulfill the demand for young horses. Along with monitoring the market, we have made significant strides in improving the quality of our horses, making them more sought after by trainers as performance prospects. The careful selection of sires and mating crosses will continue to improve the quality of the horses, and hopefully continue to improve the demand for the horses that we produce. In addition, we endeavor to place horses with highly reputable trainers and owners so that once they are sold they continue to act as a marketing unit for the Center.



# **Mission/Vision Statement**

The WK Kellogg Arabian Horse Center endeavors to continue the excellence of the Kellogg Arabians as a breeding herd and to be a source of high quality stock the the Arabian Horse Industry. The Arabian Horse Center shall provide Cal Poly students with high quality educational opportunities, quality riding experiences and shall be a Center for lifelong learning for those students. The Center will promote the Arabian Breed to the public, support educational equine events and support research activities in the equine community.

## **Strengths and Challenges**

### **Strengths**

The strengths of the Arabian horse center are: the quality of the broodmares and foals they produce, the name recognition of the WK Kellogg Arabian Horse Center, the performance of the horses that we have sold, our capability to produce a substantial number of horses which can be marketed, the strength and quality of our student programs, the location on the Cal Poly campus and its preeminence in the community, and the support that the Center receives from the Arabian Horse Industry.

### **Challenges**

One of the main challenges that the Center faces is the ability to stay competitive in the Arabian Horse Market. Many other breeders of Arabian horses have the economic means to promote, show, and advertise their sale horses, and we must compete in this market. We do not have the funds to market and show the horses to the extent of othat other farms do, and sometimes this means that we may not get the highest bid possible on our sale horses. Nevertheless, sales for this fiscal year have been brisk and the pricing has been favorable.

# Employee Survey

In progress



# Customer Survey

In progress



# Business Controls and Vital Factors

H

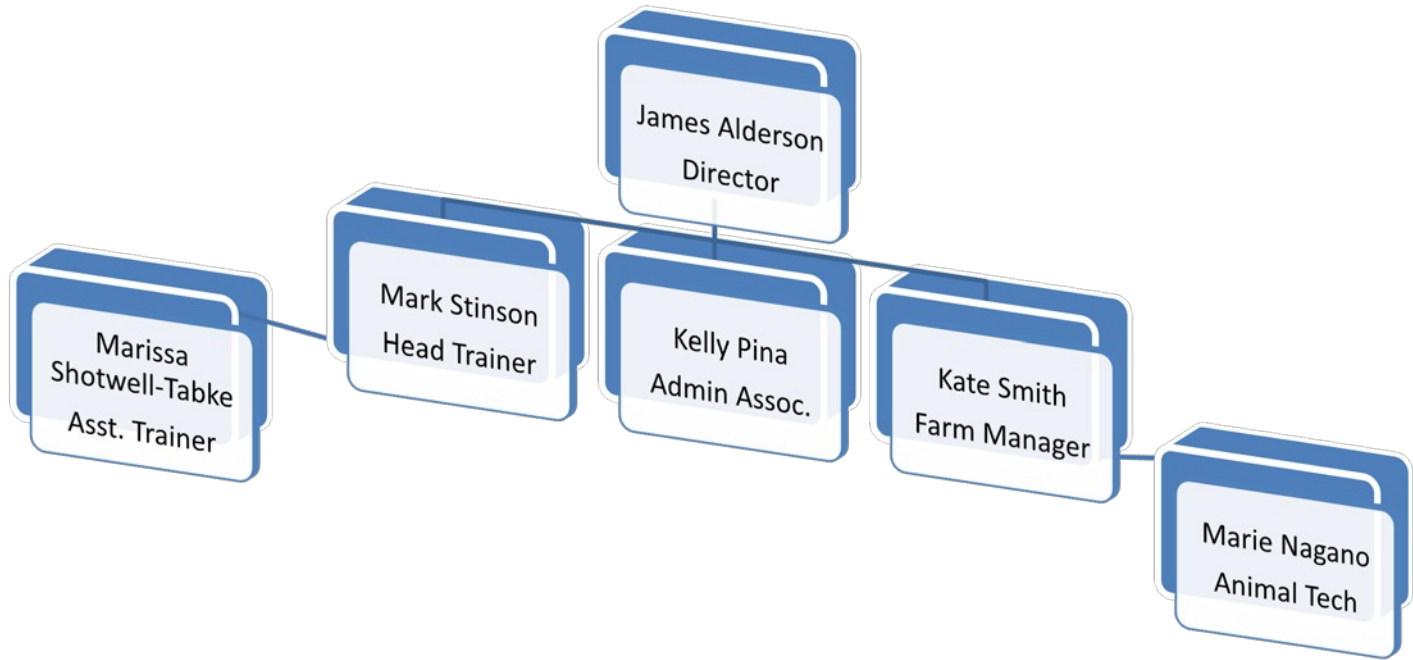
Our largest expense at the Arabian horse center is the cost of feed to feed to the horses. The price of hay can escalate quite dramatically, especially with the current drought conditions. The lack of water can also impact our ability to irrigate our pasture, further increasing our reliance on imported hay. We do not expect hay prices to rise dramatically during the current fiscal year. Even though the drought has reduce production, most cattle ranches have dispersed their herds due to the lack of rain, causing the demand for hay to decrease and stabilizing the price. Going forward during the next year, it will be difficult to anticipate the price of hay, as it can easily double in this would greatly impact our budget and plans regarding the number of horses we can't afford to keep.

## Asset Protection/Risk Management

# Organization Chart



Organization Chart for the WK Kellogg Horse Center April 2014



Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

We are well-positioned for the next three years, as we fill the market recovery will continue during that time frame. Projection out over the next 10 years as to the market direction of the Arabian Horse Industry is somewhat problematic. It is likely to have slow growth over this period of time as we are experiencing now, possibly leveling off in 5 to 7 years to very minimal growth. However, after the 2008 retraction in the market, it is doubtful that we will see another major contraction in the next 10 years. Even in the event of no growth, if we continue to improve the quality of our horses, they will continue to be sought after in our sales will at least study.

Our endowment fund returns are dependent on the overall stock market, and is outside the scope of this report and our expertise to try to make a prediction as to that market's direction. There are expense containing steppes the Center can take if the market declines in the Center is not afforded with its full endowment. Such cost containing measures include reducing the size of the herd, providing veterinary care in-house, and decreasing the expenses for shows and exhibitions. It is estimated that if our horse sales are steady, we could survive a 30 to 40% decline in revenue from our endowments and still have a slightly positive budget.

Another major factor which could impact the budget over the coming years is the cost of feed. With water being scarce, the ability to permanently irrigate our pastures is somewhat questionable. Should we not be able feed many of our horses on the irrigated pastures our hay expenses could escalate dramatically. In addition, the cost of hay is sure to rise in the coming year, and must we have several years of strong rainfall. The cost of hay could negatively impact our budget and could cause us to produce fewer foals for sale, thus impacting revenue. The cost of hay is the Centers largest expense category. We have sought to keep a expenses under control by liquidating unneeded stock. In the past three years, the Center has sold approximately 40 purebred Arabians. This has had a direct positive impact on the hay expense category.

Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

In summary, we expect horse sales to remain steady or rise. Income from other sources is expected to be study with no significant increases. Subsidies of our activities from the endowment account will positively impact our working budget account, but we cannot logically predict the future amounts of money that may or may not be available from these funds. Feed is single biggest expense variable which cannot be controlled or predicted is the cost of feed. Loss of pastureland could negatively impact our budget and our ability to make money going forward. There are some measures we could take to minimize this impact.



**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**



**RESEARCH AND  
SPONSORED PROGRAMS**

# CAL POLY POMONA FOUNDATION, INC.

## OFFICE OF RESEARCH AND SPONSORED PROGRAMS (ORSP)

2014-2015

### BUSINESS PLAN



**Cal Poly Pomona  
Foundation**

APRIL 2014

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# Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation  
Research and Sponsored  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	2013-14 Approved Budget	2013-14 Forecast	2014-15 Proposed	\$ Change Forecast to Proposed Budget
<b>Revenues</b>				
Indirect Cost Recoveries	1,360,178	1,276,500	1,288,575	12,075
<b>Total Revenues</b>	<b>1,360,178</b>	<b>1,276,500</b>	<b>1,288,575</b>	<b>12,075</b>
<b>Expenditures- Controllable</b>				
Repairs & Maintenance	3,000	4,644	4,644	
Meals & Refreshments	6,100	6,100	6,100	
Postage & Freight	1,200	1,200	996	(204)
Advertising	400	400	400	
Rent/Commissions	40,100	40,100	40,100	
Services	144,732	120,732	134,932	14,200
Supplies	15,300	15,300	15,300	
Travel	14,500	10,500	11,500	1,000
Other	328,398	287,629	326,318	38,689
<b>Total Expenditures- Controllable</b>	<b>553,730</b>	<b>486,605</b>	<b>540,290</b>	<b>53,685</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	504,225	504,225	504,225	
Insurance	1,500	600	700	100
<b>Total Expenditures- Non-Controllable</b>	<b>505,725</b>	<b>504,825</b>	<b>504,925</b>	<b>100</b>
<b>Labor Costs</b>				
Salaries & Wages	216,140	190,165	154,382	(35,783)
Employee Benefits	38,987	49,303	43,974	(5,329)
<b>Total Labor Costs</b>	<b>255,127</b>	<b>239,468</b>	<b>198,356</b>	<b>(41,112)</b>
<b>Total Expenses</b>	<b>1,314,582</b>	<b>1,230,898</b>	<b>1,243,571</b>	<b>12,673</b>
<b>Net Income</b>	<b>45,596</b>	<b>45,602</b>	<b>45,004</b>	<b>(598)</b>

## Business Plan Narrative - Divisional(Schedule B)

### Overview of Current Fiscal Year:

The current forecast for 2013-14 indicates we will finish the fiscal year within budget:

- a) The "Strategic Interdisciplinary Research Program" or SIRG is now in its third year of full implementation. Funding was budgeted at \$75,000 and one competition (rather than two as were originally held) was held for 2013-14. SIRG provides internal financial support to Faculty members who submit and win proposals for developing external grant/contracts. 12 Faculty members received funding under this year's program.
- b) A 2nd part-time ORSP student assistant continues to be employed in 2013-14 and has now completed training as a replacement for the prior student. The separate Student Assistant position for the Compliance Office was vacant in the Spring, resulting in savings. Student assistants are critical to ensuring prompt campus routing, tracking and services to faculty and staff for proposal development and processing.
- d) The legal/contracting associate position that was forwarded "for discussion purposes only" will be postponed at this time, in order to increase the amount of unexpended resources available from this budget for return to the campus/colleges.
- c) Expenditures are forecasted to basically align with what was budgeted. Overall/total funds should remain within budget.

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last updated: 012114 1:00pm VS]

### Explanation of Proposed Fiscal Year Budget:

2014-15 revenues are forecasted to continue to be at about the same or slightly below last year's level and continue to reflect overall flat to declining rates of expenditures on current awards. Revenues continue to be negatively impacted by national developments: for example, CPP was impacted by an earlier gap in National Institutes of Health (NIH) SCORE grant program opportunities, and then by two rounds of changes NIH made in eligibility regulations (NIH suspended receipt of proposals during its review period; it resumed the program with new regs, then revised them again.) New CPP proposals addressing these changes are being developed for upcoming 2014-15 competitions. In addition, proposal activity across the U.S. was negatively impacted by the federal sequestration and the fall closure of governmental agencies. NIH announced in January, 2014 that "Application success rates...declined in 2013 to a historic low" with reduced numbers of new awards made. At the same time, major, prestigious proposals were successfully won by CPP: for example, NSF awarded a grant for nearly \$8 million --the largest ever received by campus -- to Cal Poly Pomona for improvement of teaching and learning of science, from kindergarten to graduate school. It was one of only four such grants made by NSF, nationwide. Costs continue to be reflect cumulation of past years' effects of lack of growth in state funding. With the recent improvement to the state's financial situation, we are hopeful that the future will bring a resumption of support from that direction.

a) Increases in employee fringe benefits costs reflect the mandated increase in salary rates effected in 2013-14 and continuing into 2014-15. Also, a 2nd part-time student assistant will continue to be budgeted to assist with ORSP tasks (as explained above). The student assistant provides file processing, proposal routing, database input, budget checking and other vital help. This support is necessary to meet the demand for proposal development processing/support and to ensure adequate backup for the critical administrative support staff/functions in ORSP and in OR. The Student Assistant position in the Compliance Office has been refilled. [Note: Student salaries have been moved on Schedule E from Salaries/Temporary, to Salaries/Students to reflect a corrected classification vs. 2013-14.]

b) Funding is continued to ensure adequate in- and out-of-state travel, webinar and conference costs for the AVP Research, in anticipation of limited state funds for these purposes. An out-of-state trip for the ORSP Director continues to be budgeted; in addition, modest funds are budgeted for the Sponsored Programs Associates to continue essential technical training and updates on regs and sponsored programs.

c) Finally, overall total revenues and expenditures are budgeted to be roughly the same or slightly below the forecasted amount for 2013-14.

### Changes in Programs and Services for Proposed Fiscal Year:

C

ORSP implemented a new form and process to strengthen development of collaborative grants involving "subrecipients," where CPP is the prime grant applicant and works with partners who will receive subawards of funds from the main award. These types of proposals require extensive pre- and post-award oversight and the new form/process is designed to help. In addition, ORSP revised its proposal routing/approval form to highlight Intellectual Property (IP) opportunities under new grants/contracts and link Principal Investigators with the new Tech Transfer Office as soon as possible. Finally, updates to IP clauses and forms were completed to strengthen/clarify IP terms and conditions for the University's sponsored programs.

### Explanation of Proposed Fiscal Year Capital Requests:

None

### Changes in Staffing:

ORSP is continuing to build a strong pre-award Team. For 2014-15, reimbursement to the State of all salary and fringe benefits costs to continue funding one Associate-level position ("Sponsored Contract Associate") are included. Costs for all prior full-time positions are increased 3%. ORSP's ASA II left last year for another position; due to State budget uncertainties then, a temporary replacement was hired. It is important in 2014-15 that the state-funded position be refilled.

New and recently acquired staff require continuous training in CPP's grants/contracts policies and procedures, in sponsor regulations and in fundamentals of research administration and they also need oversight and experience in this very technical field. In addition, increases in complexity of sponsored programs, legal documents, and revisions in regulations continue to occur. These factors have impacted personnel resources available to the Office, and resulting turnaround time and level of services provided to support Faculty and Staff.

### Outlook for Next 3 Years and 4 to 10 Years Beyond:

The outlook for the next three years and beyond is promising if ORSP, Faculty and Staff receive adequate resources and grantseeking support to compete. Grant and contract activity on campus has potential despite reduced federal funding opportunities. The portfolio is broad; we're in position to apply and win other funds if Faculty/Staff have assigned time to develop and write excellent, competitive proposals and if ORSP has increased staffing and funds adequate to support them in this endeavor. As one example, the College of Engineering continues an internal program of grants development to increase the number of proposals submitted. However, the current staffing and infrastructure model for ORSP must be adequate to support them; and a rebounding but still challenging state financial situation will continue to make resources too scarce. Continued pursuit of a "growth model" is needed to help develop and submit more and better proposals. Support for ORSP staffing/infrastructure growth and increased funds for development support (such as external grantwriters) are needed to be successful. Our University's competitive position and ability to win grants/contracts will be impacted by these trends.

# Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Manage the provision of professional, courteous and timely services in an era of tight state resources	AVP/Director	Ongoing for FY2013-14
Train (for new staff) and develop the ORSP team to maintain professional pre-award services	AVP/Director	
Increase the competitiveness/quality of proposals in a time of tight resources	AVP/Director	
Continue Faculty and Staff involvement in grant & contract activities to increase the number of submittals:	AVP/Director	
celebrate accomplishments		
Recommend and support activities to help enhance the grants culture and/or infrastructure	AVP/Director	
Help i.d. campus issues (assigned time, space, lab equipment and start-up resources, supportive RTP	AVP/Director	
requirements, quick turnaround of contracts, and so on)		
Maintain compliance in all aspects of proposal development	AVP/Director	
Continue to improve pre-award proposal management, tracking, reporting and compliance through	AVP/Director	
continued development of the web-based "ORSP Database."		

# Mission/Vision Statement

Mission/Vision Statement for the components of the Office of Research that are supported in any way by the Foundation funds being requested.

MISSION: The Office of Research advances learning and knowledge by providing leadership and support for Faculty, Staff and students in the pursuit of excellence in scholarly and service activities.

In pursuit of this mission, the following are the goals of the Office of Research:

- Provide leadership and support services to the University to increase grant and contract funding and to enhance Faculty, Staff and student participation in research and scholarly endeavors.
- Facilitate the creation of external funding partnerships that benefit the University and its broader community.
- Help Faculty, Staff and students comply with regulations governing research and sponsored programs, including the use of vertebrate animals and human subjects in research.
- Support research involving animals through the Lab Animal Facility (Building 92).
- Provide courteous, timely and professional service to Faculty, Staff and students.

## Strengths and Challenges

### Strengths

Strengths: The number of proposals submitted is strong and encouraging; the ORSP Staff exhibit exceptional teamwork but are frequently impacted by deadline stress and "rush" proposals; a PI Recognition Reception was held to honor and celebrate PIs and co-PIs; new OR initiatives bring fresh focus on external funding and related areas such as Tech Transfer and Undergrad Research; outstanding compliance continued on campus; a P-RSCA and Kellogg FuTURE programs were funded using some both state and Kellogg resources; the Provost Teacher-Scholar program continued to develop research/grants active faculty; new faculty bring energy and possibilities. Opportunities: the internal "SIRG" program offers strategic, interdisciplinary research support to faculty; major competitions for PUIs, STEM & HSIs continue; ORSP continues to promote Pivot, a web-based funding database and held two workshops to assist Faculty with it.

### Challenges

There is vigorous national competition for external funds and some key federal success rates are at historic lows for the country; improving but still tight state funding continues to have significant, cumulative impacts; ORSP continues to re-build and train the team; lack of major raises is unfortunate; "rush" proposals stress ORSP; faculty say they have limited time to write proposals as a result of heavy teaching loads, especially vs. top research entities; the Lab Animal Facility continues to age. The number of applications for external funding is strong for now at CPP but has plateaued or declined at other CSUs, and unless strong support continues may be impacted by: less assigned time; past decreases in the number of newly hired faculty (although resumption of hiring has now occurred); and continued actual and potential loss of our most competitive employees to other institutions due to a number of issues.



# Employee Survey

Do not include the entire survey just the results. List any action steps or projects developed as a result of surveys in the Major Projects and Business Goals section.)

An employee survey was conducted during January of this year (2014); participation was voluntary and anonymous. Questions addressed key aspects including fair treatment, respect and equality, trust, teamwork, support for skill development and communication. Results indicated an acceptable rate of response, and were very positive overall with improvements maintained in comparison to the past.

A strength that continues to be evidenced through the survey is the fact that no factors or aspects of the work surveyed received negative "Disagree" or "Totally Disagree" responses or ratings from a respondent. All responses were under the positive "Agree" or "Totally Agree" columns of the survey.

The surveys are also useful in ensuring good communication and channels for feedback, to continue growth and improvement in this critical area of employee satisfaction with the campus/office working environment.

# Customer Survey

ORSP plans to re-survey regarding Customer Service Satisfaction this coming year: in the last survey, responses were extremely positive overall, with dramatic improvements when compared to the previous survey. There was a significant gain in strongly positive responses to the survey questions. At the same time, there was a significant decline in strongly negative responses to the questions. Another key result was that 100% of respondents either "strongly agreed" or "agreed" that "ORSP Contributes to the University's success." (Survey results were anonymous.)

The survey was discussed at a subsequent ORSP Staff Meeting, to celebrate the positive results and also to encourage continuous improvement in the future.

# Keys to Success

<b>Keys to Success Items</b>	<b>Rank in Importance 10 to 1</b>
10. Staff retention, growth and training/development despite continued stress and uncertain resources	10
9. Faculty and Staff participation in grant/contract proposal submittal activities and scholarly endeavors	9
8. Financial and other support from the campus for increasing competitiveness/quality of proposals	8
7. Campus-wide issues explored, to enhance the infrastructure (assigned time, space, lab equipment, etc.)	7
6. Support from the state and Foundation (for staffing, grant-writing, workshops, competitiveness enhancement)	6
5. Increased funding opportunities from sponsors for which the campus is eligible	5
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file name: 2013 2014 FINAL FINAL ORSP businessplan_VS.pdf	

# Corporate Culture


<b>Customer/Client Perception</b>	<b>Unit Perception</b>
High levels of service satisfaction were maintained	Employee Surveys administered in recent years
in key areas of courtesy and professionalism; during RUSH proposal	and informal feedback provide regular guidance on
periods, timeliness can suffer on contracts; tight state budgets	perceptions and results are being used to help
and lack of raises pose continuing challenges in maintaining improvements.	create a higher-quality working environment
	for the unit.
Faculty and staff have extensive needs for support	Employees face the increasing challenge of meeting
in order to develop, write and submit competitive proposals	Faculty and staff needs with continuing high
during a time when they are also coping with staffing and	levels of service satisfaction, during a time of
resource constraints and increased workloads.	new/changed staffing and resources; demand for services remains high.
Many new Faculty members, in particular, require extensive assistance	Many tasks are still carried out under stress of "Rush" proposal
and support in order to become familiar with processes/requirements	deadlines and with the need to meet complex
to win external funding in the current extremely	compliance requirements with accuracy. No raises have been paid to
competitive grants arena.	staff at CPP for a number of years.
Teamwork is excellent.	Teamwork is excellent.

# Business Controls and Vital Factors

Business controls are exercised keeping several vital factors in mind--

- Oversight of resources and budgets continues to be exercised through management and monitoring by the AVP Research, the Director of ORSP and the AVP Research Administrative Budget assistant.
- Compliance is being maintained and wherever possible, strengthened by thorough pre-award proposal review and approval procedures. For example: multiple reviews and levels of approval by separate individuals (such as PI, Department Chair, Dean, Assistant Director /or/ Director of ORSP, AVP Research, Provost, CFO, and Foundation Manager and Executive Director) are incorporated into proposal approval processes.
- Risks are further managed through supplemental approval requirements that vary according to "thresholds" determined by project-specific risk characteristics such as the project's dollar size, matching or other costs/impacts to campus.

## Asset Protection/Risk Management

**OPERATING BUDGETS  
SUPPLEMENTAL PROGRAMS**  
  
**UNRESTRICTED AND RESTRICTED  
FOUNDATION PROGRAMS**

**Cal Poly Pomona Foundation  
Unrestricted Fdn Prg  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Sales	793,308	794,856	794,856	
<b>Total Revenues</b>	<b>793,308</b>	<b>794,856</b>	<b>794,856</b>	
<b>Expenditures- Controllable</b>				
Services	773,076	774,587	774,588	1
<b>Total Expenditures- Controllable</b>	<b>773,076</b>	<b>774,587</b>	<b>774,588</b>	<b>1</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	20,232	20,269	20,268	(1)
<b>Total Expenditures- Non-Controllable</b>	<b>20,232</b>	<b>20,269</b>	<b>20,268</b>	<b>(1)</b>
<b>Total Expenses</b>	<b>793,308</b>	<b>794,856</b>	<b>794,856</b>	
<b>Net Income</b>				

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**Unrestricted Foundation Programs**

*Overview of Current Fiscal Year:*

The forecast includes the unrestricted Foundation programs (approximately 75 programs that are not allowed to receive restricted donor funds). The forecasted revenues of \$794,856 were forecasted by annualizing the year to date revenues (excluding endowment distributions). The administrative fee of \$20,269 was forecasted by multiplying the annualized income by 2.55% and the balance is the direct forecasted expenditures. The forecast is a break even budget so the balance of \$774,587 was used and accounted for as services other in arriving at a break even forecast.

*Explanation of Proposed Fiscal Year Budget:*

The proposed budget includes the unrestricted Foundation programs (approximately 80 programs that are not allowed to receive restricted donor funds). The proposed revenues of \$794,856 were projected by annualizing the year to date revenues (excluding endowment distributions). The administrative fee of \$20,269 was budgeted by multiplying the annualized income by 2.55% and the balance is the direct forecasted expenditures. The forecast is a break even budget so the balance of \$774,587 was used and accounted for as services other in arriving at a break even forecast.

**Cal Poly Pomona Foundation  
Restricted Fdn Prg  
Consolidated Budget Comparison Summary  
For the 2014-15 Fiscal Year**

	<b>2013-14 Approved Budget</b>	<b>2013-14 Forecast</b>	<b>2014-15 Proposed</b>	<b>\$ Change Forecast to Proposed Budget</b>
<b>Revenues</b>				
Sales	7,720,596	8,794,238	8,794,236	(2)
<b>Total Revenues</b>	<b>7,720,596</b>	<b>8,794,238</b>	<b>8,794,236</b>	<b>(2)</b>
<b>Expenditures- Controllable</b>				
Services	5,404,416	6,155,967	6,155,964	(3)
<b>Total Expenditures- Controllable</b>	<b>5,404,416</b>	<b>6,155,967</b>	<b>6,155,964</b>	<b>(3)</b>
<b>Expenditures- Non-Controllable</b>				
Administrative Fees	137,808	156,977	156,972	(5)
<b>Total Expenditures- Non-Controllable</b>	<b>137,808</b>	<b>156,977</b>	<b>156,972</b>	<b>(5)</b>
<b>Total Expenses</b>	<b>5,542,224</b>	<b>6,312,944</b>	<b>6,312,936</b>	<b>(8)</b>
<b>Net Income</b>	<b>2,178,372</b>	<b>2,481,294</b>	<b>2,481,300</b>	<b>6</b>

**CAL POLY POMONA FOUNDATION, INC.**  
**Proposed Fiscal Year - Project Summary - Schedule B**

**Restricted Foundation Programs**

*Overview of Current Fiscal Year:*

The forecast includes the restricted Foundation programs (approximately 525 programs that are allowed to receive restricted donor funds and unrestricted funds i.e. exchange transactions). The forecasted revenues of \$8.7 million were forecasted by taking the year to date revenues of \$6.2 million as of January 2014 and subtracting the endowment distributions arriving at net revenues without endowment distributions. The net revenues were annualized and endowment distributions were added back arriving at total forecasted revenues of \$8.7 million. The administrative fee of \$156,977 was forecasted by multiplying the annualized expenses by 2.55% assuming the direct forecasted expenditures will be 70% of the revenues. The forecast generates a surplus of approximately \$2.5 million for the restricted programs.

*Explanation of Proposed Fiscal Year Budget:*

The proposed budget includes the restricted Foundation programs (approximately 525 programs that are allowed to receive restricted donor funds and unrestricted funds i.e. exchange transactions). The proposed budgeted revenues of \$8.7 million were proposed by taking the year to date revenues of \$6.2 million as of January 2014 and subtracting the endowment distributions arriving at net revenues without endowment distributions. The net revenues were annualized and endowment distributions were added back arriving at total proposed revenues of \$8.7 million. The administrative fee of \$156,977 was proposed by multiplying the annualized expenses by 2.55% assuming the direct proposed expenditures will be 70% of the revenues. The proposed generates a surplus of approximately \$2.5 million for the restricted programs.



# **LONG TERM CASH PLAN/ RESERVES**

## **LONG-TERM CASH PLAN/RESERVES – FISCAL YEARS 2015-24**

The Cal Poly Pomona Foundation, Inc., 10-year Long-Term Cash Plan/Reserves focuses primarily on sources and uses of cash by incorporating the Foundation's various operations into the analysis. The plan was developed to proactively study the financial implications related to the Foundation's operations and programs, non-cash transactions, financing activities, capital projects, and reserves with special attention devoted to changes (improvement or deterioration) in financial conditions. As a result, the Long-Term Cash Plan/Reserves is a combination of forecasts by the various directors and managers.

The original plan was developed in 1997 and has been updated annually to include assumption in regards to new programs, operations, financing, capital projects, reserves and non-cash transactions. The plan was developed to provide the Foundation Board of Directors and management an opportunity to review the projected financial needs of the Foundation and the University in relationship to the financial condition of the Foundation. The plan forecasts the cash generated from excess surpluses, non-cash transactions, financing activities and reserve draw downs and cash used for current and projected capital projects, debt service for financing activities, designated gifts and fixed assets transferred for the benefit of the University and the funding of reserves as designed by Board approved policies.

The highlights of the Long-Term Cash Plan/Reserves for the ten fiscal years ended are as follows:

### **Sources of Cash:**

- Total surpluses from operations - \$46.5 million
- Non-cash transactions – Depreciation - \$45.3 million
- Non-cash transactions – Post Retiree Medical Benefits – \$2.6 million
- Financing activities - Principal loan repayments received - \$2.0
- Reserve draw-downs - \$9.6 million
- **Total Sources of Cash - \$106.0 million**

### **Uses of Cash:**

- Capital project requirements - \$25.4 million
- Financing activities – Principal loan payments - \$12.5 million
- Designated Gifts - \$23.5 million
- Reserve contributions - \$13.7 million
- **Total Uses of Cash - \$75.1 million**

**Net increase in Cash - \$30.9 million**

**Cash Available - \$40.1 million**

The surpluses from operations for the ten years ended of \$46.5 million, net of depreciation and Post Retiree Medical Benefits, are generated from the following activities:

- Administration is projected to generate a deficit of (\$8.1) million less the non-cash post-retirement medical benefit of \$2.6 million and depreciation of \$1.5

million and the reserve withdrawals of 6.0 million will be used to pay for the capital projects of \$2.0 million

- Real Estate (Innovation Village, Building Rentals & Faculty Housing) is projected to generate a surplus of \$15.1 million plus the non-cash depreciation of \$9.4 million used to pay the alternative investment of \$2.0 million and the capital request of \$1.4 million.
- Investments are projected to generate a surplus of \$8.5 million
- Bookstores are projected to generate a surplus of \$3.2 million plus the non-cash depreciation of \$1.5 million to pay for the capital request of \$555,000.
- Dining Services are projected to generate a surplus of \$4.4 million plus the non-cash depreciation of \$6.1 million to pay for the capital request of \$8.2 million.
- Kellogg West is projected to generate a surplus of \$459,000 plus the non-cash depreciation of \$580,000 and the reserve withdrawals \$3.6 million to pay for the capital request of \$6.9 million.
- University Village is projected to generate \$15.5 million plus the non-cash depreciation of \$25.3 million used to pay the principal debt payments on the 2013 series bonds of \$7.9 million and the capital request of \$6.3 million.
- Supplemental Programs are forecasted to generate a surplus of \$7.3 million plus the non-cash depreciation of \$860,000 used to repay the balance on the CTTi's 2007 series bonds of \$2.6 million.

Non-cash transactions for the ten years ended of \$47.9 million include depreciation of \$45.3 million and post-medical retirement benefits of \$2.6 million.

The surpluses from operations of \$46.5 million plus the non-cash transactions of \$47.9 million generate cash from operations of \$94.4 million for the ten years ended.

Financing activities represent principal repayments of \$2.0 million from the Alternative Investment from Innovation Village for Infrastructure Phase I.

Reserve draw-downs generate \$9.6 from the capital reserve.

The majority of the capital project requirements of \$25.4 million are for renovations and upgrades as follows:

- Administration will require \$2.1 million for Desktop Upgrades, Mobile App Integration, Desktop virtualization, PCI System Updates, VOIP Implementation, PCI System Updates, Hosted Services Initiation, Business Intelligence Setup, Network Infrastructure Upgrades, Big Data, POS Upgrades, VM/PC Software Upgrades Office Automation, Security Updates, HRIS HR/Payroll Platform, Document Library/E-Forms/Workflow, Wide Format Printer and High Capacity Laser Color Printer;
- Real Estate will require \$1.4 million for HVAC replacement, Paint and Flooring for Bldg # 66, Way Finding Signs and landscape median at Kellogg Drive for Innovation Village and Interior and Exterior Paint and Carpet at Bldg. # 97, Tenant Improvements for New Leases and Carpet Replacement at CTTi;
- Bookstore will require \$555,000 for HVAC repairs and replacement, Security system upgrades, Repair and replace Elevator, Replace upstairs flooring and

stairs, Replace network copiers, Van, Replace flooring downstairs, Roof replacement, Painting of the building and Refurbish/replace elevator;

- Dining services will require \$8.2 million for Upgrades to Campus Retail and Catering Operations, CCMP New Build Out, BSC Master Plan, CKE Equipment Upgrade-brand refresh, Subway Upgrade, POS Upgrade, Sandwich Concept-Fresh Escapes, Upgrade outside seating at CCMP and Starbucks, New Resident Dining Facility Equipment, Food Truck Refresh, Los Olivos Upgrades, Vehicle Fleet Plan, COGNOS Project, Misc. Brand License Fees/Refresh; Recreation Center Jamba Juice, Catering Operations, Campus Center Market Place, New Concepts at Bronco Center, Equipment upgrades, Software and facility upgrades in the retail, POS upgrades and New Retail and New Resident Dining Facility Equipment, Food Truck refresh;
- Kellogg West Conference Center and Hotel will require \$6.9 million for Bldg 76 and 78 HVAC replacement and exterior updating/remodel and conference room chairs, Guestroom renovations (85 rooms) & Bldg. 77 roof replacement, Conference area remodel & renovation, Meeting room carpet replacement, Roof replacement of Bldg. 76, Restaurant kitchen major equipment replacement, Public area carpet replacement in all buildings, Guestroom carpet replacement, Guestroom renovations (85 rooms) Conference area remodel renovations;
- University Village will require \$6.2 million for Refurbishment/replacement-32 Apts. Yearly, Rec. Center Expansion, Bathroom vanities Phase 1 & 2, Water Heaters-Phase 1 & 2, Van-12 passenger, Kitchen Stoves Phase 1 & 2, Kitchen Refrigerator Phase 1 & 2, Kitchen Stove Phase 3, Kitchen Refrigerator Phase 3, HVAC heat pump Phase 1, HVAC heat pump Phase 2, Roof replacement Phase 1 & 2, Exterior painting Phase 3, Refurnish Community and Recreation Centers, Conference/Meeting Room construction, Install Key card system in all buildings, Cosmet/Light Structure Rehab. All Phases, Deck Rehab all Phases, Smart Room in Recreation Center, Water Saving Toilets Phase 1 and 2.

The financing activities of \$12.5 million represent principal payments per the debt amortization schedules as following:

- Principal debt obligations for the CTTi 2007 series bonds of \$2.5 million;
- Alternative Investment for infrastructure at Innovation Village of \$2.0 million; and
- Principal debt obligations of University Village Phase III 2013 of \$7.9 million.

The Designated Gifts on behalf of the University for the President's public relations, the Division of University Development and the Office of Research and Sponsored Programs are projected to increase 5% each year for a total of \$23.5 million.

The projected reserve contributions of \$13.7 million are as follows:

- Agriculture Program Reserve has a current balance of \$75,000 and there are forecasted and projected contributions of \$93,850 and no withdrawals; thus the projected balance is \$168,850 versus a goal of \$75,000;
- Cafeteria State Share Reserve has a current balance of \$182,062 and there are no forecasted or projected contributions and withdrawal; thus the projected balance is \$182,062;

- Capital Reserve has a current balance of \$3.8 million and there are forecasted and projected contributions of \$1,600,887 and projected annual increases of 3% for a total of \$9.6 million offset by \$9.6 million withdrawals for capital project requests; thus the projected balance is \$2.7 million versus a goal of \$6.0 million;
- Emergency Reserve has a current balance of \$120,152 and there are no forecasted or projected contributions or withdrawals; thus the projected balance is \$120,152;
- Indirect Cost Disallowance Reserve has a current balance of \$346,406 and there are no forecasted or projected contributions; thus the projected balance is \$346,406;
- Innovation Village Reserve has a current balance of \$46,487 and there are forecasted and projected contributions of \$15,597 and projected annual contributions of \$296,000 and no withdrawals; thus the projected balance is \$358,084
- Insurance Reserve has a current balance of \$161,210 and there are forecasted and projected contributions of \$100,730; thus the projected balance is \$261,940;
- Pine Tree Ranch Reserve has a current balance of \$140,886 and there are forecasted and proposed contributions of \$17,750; thus the projected balance is \$158,636 versus the goal of \$75,000;
- Post Retiree Medical Benefit Reserve has a current net OBEP (GASB) obligation of \$1.2 million, plan assets of \$4.7 million versus an actuarial accrued liability for benefits obligation of \$10.5 million; contributions to the Voluntary Employee Beneficiary Association (VEBA) are projected to be \$4.0 million plus the proposed budget of \$1.0 million; thus the net assets are projected to be \$10.5 equal to the goal;
- Research and Sponsored Program reserve has a current balance of \$90,369 and the forecast and proposed budgeted contributions of \$40,000 with no withdrawals; thus the projected balance is \$130,369;
- Residential Board Meal Program Surplus Reserve has a current balance of \$1,354,002 and the forecast and proposed budget contributions are \$232,535 and no forecasted or projected withdrawals; thus the projected balance is \$1,586,537;
- Venture Capital/Real Estate Reserve has a current balance of \$921,074 and there is a projected contribution of \$914,792 and no withdrawals; thus the projected balance is \$1,835,866 versus a goal of \$6,000,000.

The assumptions, estimates, forecasts and judgment by the management and directors of the Foundation are subject to risks and uncertainties over which there may not be control that could cause actual results to differ materially.

Factors that might cause such a difference include; unfavorable economic conditions, including ramifications of additional terrorist attacks and war, increased operating costs, shortages of qualified personnel, strikes, costly compliance to new regulations, risks associated with providing services to international markets, risks associated with expansion and renovations, competition (on and off- campus), decline in enrollment and use of campus facilities, unpredictability of completion of construction projects, employment and liability claims against the Foundation, proposals which are not awarded for grants and contracts and environmental liability and regulations.

Cal Poly Pomona Foundation, Inc.  
 Long Term Cash Plan/Reserve  
 (000's)

	Actual	Actual	Actual	Forecast	Budget	Projections										Reserve	Reserve	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-25	2024	Goal
<b>SOURCES OF CASH</b>																		
<b>Excess of Revenue over Expenses</b>																		
Administration	(1,136)	(784)	(1,015)	(775)	(810)	(810)	(810)	(810)	(810)	(810)	(810)	(810)	(810)	(810)	(810)	(8,100)		
Real Estate	851	368	330	318	403	662	947	964	1,257	1,545	1,559	1,574	1,864	2,201	2,534	15,107		
Investments	436	(29)	1,049	1,765	1,148	624	674	724	774	824	874	924	974	1,024	1,074	8,490		
Bookstores	494	459	280	298	286	300	306	312	319	325	328	332	335	339	342	3,238		
Dining Services	366	595	697	628	467	418	389	352	300	480	495	510	510	480	480	4,414		
Kellogg West - Rooms & Conference	45	22	(39)	(41)	24	24	30	35	40	45	50	55	55	60	65	459		
University Village	1,150	1,253	1,047	999	1,582	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	15,500		
Supplemental Programs	785	1,109	1,094	650	586	586	615	646	678	712	748	785	825	866	909	7,371		
Unrestricted Campus Programs	190	(140)	(88)	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total Surplus (Deficit) - Operations</b>	<b>3,181</b>	<b>2,853</b>	<b>3,355</b>	<b>3,842</b>	<b>3,686</b>	<b>2,904</b>	<b>3,351</b>	<b>3,523</b>	<b>3,958</b>	<b>4,621</b>	<b>4,844</b>	<b>5,070</b>	<b>5,553</b>	<b>6,060</b>	<b>6,594</b>	<b>46,479</b>		
<b>Non-cash transactions</b>																		
Administration				100	151	151	151	151	151	151	151	151	151	151	151	1,510		
Real Estate				967	945	945	945	945	945	945	945	945	945	945	945	9,450		
Bookstores				142	151	151	151	151	151	151	151	151	151	151	151	1,510		
Dining Services				592	612	612	612	612	612	612	612	612	612	612	612	6,120		
Kellogg West				56	58	58	58	58	58	58	58	58	58	58	58	580		
University Village				2,290	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	25,260		
Supplemental Programs				37	86	86	86	86	86	86	86	86	86	86	86	860		
<b>Depreciation</b>	3,415	3,669	3,780	4,184	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	45,290		
<b>FAS 158 - Post Retiree Medical Benefits</b>	851	1,082	743	673	614	548	474	390	312	250	200	160	128	102	82	2,645	5,780	5,780
<b>Total Non-cash transactions</b>	<b>4,266</b>	<b>4,751</b>	<b>4,523</b>	<b>4,857</b>	<b>5,143</b>	<b>5,077</b>	<b>5,003</b>	<b>4,919</b>	<b>4,841</b>	<b>4,779</b>	<b>4,729</b>	<b>4,689</b>	<b>4,657</b>	<b>4,631</b>	<b>4,611</b>	<b>47,935</b>		
<b>TOTAL CASH GENERATED FROM OPERATIONS</b>	<b>7,447</b>	<b>7,604</b>	<b>7,878</b>	<b>8,699</b>	<b>8,829</b>	<b>7,981</b>	<b>8,354</b>	<b>8,442</b>	<b>8,799</b>	<b>9,400</b>	<b>9,573</b>	<b>9,759</b>	<b>10,209</b>	<b>10,691</b>	<b>11,205</b>	<b>94,413</b>		
<b>Financing Activities</b>																		
Reserve Village Bonds 2002A Series		237														-		
Principal Payments - ENV Model Studio	25	26	27	191												-		
Alter Investment - Innov Village Infract Ph I			300	300	300	300	300	300	324	324	141					1,989		
<b>Total Financing Activities</b>	<b>25</b>	<b>263</b>	<b>327</b>	<b>491</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>324</b>	<b>324</b>	<b>141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,989</b>		
<b>Reserve Draw Downs</b>																		
Agriculture State Share Reserve	17																	
Capital Reserve				1,309	1,356	838	864	889	916	944	972	1,001	1,031	1,062	1,094	9,612		
Insurance Reserve	28	12	180															
Residential Board Meal Program Surplus Reserve		377	93	229	97													
<b>Total Reserve Activities</b>	<b>45</b>	<b>842</b>	<b>273</b>	<b>1,538</b>	<b>1,453</b>	<b>838</b>	<b>864</b>	<b>889</b>	<b>916</b>	<b>944</b>	<b>972</b>	<b>1,001</b>	<b>1,031</b>	<b>1,062</b>	<b>1,094</b>	<b>9,612</b>		
<b>TOTAL SOURCES OF CASH</b>	<b>7,517</b>	<b>8,709</b>	<b>8,478</b>	<b>10,728</b>	<b>10,582</b>	<b>9,119</b>	<b>9,518</b>	<b>9,632</b>	<b>10,016</b>	<b>10,668</b>	<b>10,869</b>	<b>10,901</b>	<b>11,241</b>	<b>11,753</b>	<b>12,299</b>	<b>106,014</b>		

Cal Poly Pomona Foundation, Inc.  
 Long Term Cash Plan/Reserve  
 ('00's)

	Actual	Actual	Actual	Forecast	Budget	Projections										Reserve	Reserve	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-25		Balances
<b>USES OF CASH</b>																		
Administration				252	277	335	335	390	332	116	99	155	65	87	171	2,085		
Real Estate				599	285	268	113	94	99	90	87	85	335	145	85	1,401		
Bookstores				40	110	50	10	30	30	305	0	5	85	35	5	555		
Dining Services				881	1,091	260	275	560	2100	4300	25	75	400	200	25	8,220		
Kellogg West				1,000	1,000	875	1,000	1,000	375	500	650	430	475	850	750	6,905		
University Village				685	565	725	892	435	390	550	875	336	555	745	754	6,257		
Supplemental Programs				300	1,036											-		
<b>Capital Project Requirements</b>	<b>5,001</b>	<b>7,696</b>	<b>3,845</b>	<b>3,757</b>	<b>4,364</b>	<b>2,513</b>	<b>2,625</b>	<b>2,509</b>	<b>3,326</b>	<b>5,861</b>	<b>1,736</b>	<b>1,086</b>	<b>1,915</b>	<b>2,062</b>	<b>1,790</b>	<b>25,423</b>		
Principal - CTTi Bonds 2000	180	185														-		
Principal - Village Phase III Bonds 2005	525	550	570	595	625											-		
Principal - CTTi Bonds 2007	10	170	180	185	195	205	215	230	235	250	260	280	290	305	320	2,590		
Alter Investment - Innov Village Infract Ph I			300	300	300	300	300	300	300	324	324	141				1,989		
Principal - Village Phase III Bonds 2013						625	660	695	725	765	805	845	890	935	985	7,930		
<b>Financing Activities</b>	<b>715</b>	<b>905</b>	<b>1,050</b>	<b>1,080</b>	<b>1,120</b>	<b>1,130</b>	<b>1,175</b>	<b>1,225</b>	<b>1,260</b>	<b>1,339</b>	<b>1,389</b>	<b>1,266</b>	<b>1,180</b>	<b>1,240</b>	<b>1,305</b>	<b>12,509</b>		
<b>Designated Gifts</b>	1,036	1,470	1,008	1,633	1,777	1,866	1,959	2,057	2,160	2,268	2,381	2,500	2,625	2,757	2,895	23,468		
<b>Transfer Fixed Assets to University</b>																-		
<b>Other Changes- see note</b>																		
Agriculture Program Reserve			17	25	61	33										-	169	
Cafeteria State Share Reserve																-	182	
Capital Reserve	667	864	753	787	814	838	864	889	916	944	972	1,001	1,031	1,062	1,094	9,612	2,728	6,000
Emergency Reserve																-	120	
Indirect Cost Disallowances Reserve																-	346	346
Innovation Village Demo Reserve			46	7	8	11	11	30	32	33	34	35	35	37	38	296	358	
Insurance Reserve		16	61	61	40											-	262	
Pine Tree Ranch Reserve	37	8	8	17	1											-	159	75
Post Retiree Medical Benefits Trust		1,000	1,000	1,000	1,000	1,000	1,000	1,000	800							3,800	10,500	10,500
Research & Sponsored Programs Reserve	20	20	20	20	20											-	130	
Residential Board Meal Program Surplus Reserve		481	126	423	135	-	-	-	-	-	-	-	-	-	-	-	1,586	
Venture Capital/Real Estate Reserve			430	450	465											-	1,836	6,000
<b>Reserve Contributions</b>	<b>724</b>	<b>2,406</b>	<b>2,469</b>	<b>2,826</b>	<b>2,516</b>	<b>1,849</b>	<b>1,875</b>	<b>1,919</b>	<b>1,748</b>	<b>977</b>	<b>1,006</b>	<b>1,036</b>	<b>1,066</b>	<b>1,099</b>	<b>1,132</b>	<b>13,708</b>	<b>18,376</b>	<b>22,921</b>
<b>Total Uses of Cash</b>	<b>7,476</b>	<b>12,477</b>	<b>8,372</b>	<b>9,296</b>	<b>9,777</b>	<b>7,358</b>	<b>7,634</b>	<b>7,711</b>	<b>8,494</b>	<b>10,445</b>	<b>6,512</b>	<b>5,889</b>	<b>6,787</b>	<b>7,158</b>	<b>7,121</b>	<b>75,108</b>		
<b>Net Change in Cash</b>	<b>41</b>	<b>(3,768)</b>	<b>106</b>	<b>1,432</b>	<b>805</b>	<b>1,761</b>	<b>1,884</b>	<b>1,921</b>	<b>1,521</b>	<b>223</b>	<b>4,356</b>	<b>5,013</b>	<b>4,454</b>	<b>4,595</b>	<b>5,177</b>	<b>30,906</b>		
<b>Cash Available</b>	<b>10,639</b>	<b>6,871</b>	<b>6,977</b>	<b>8,409</b>	<b>9,214</b>	<b>10,975</b>	<b>12,859</b>	<b>14,780</b>	<b>16,302</b>	<b>16,525</b>	<b>20,881</b>	<b>25,893</b>	<b>30,347</b>	<b>34,943</b>	<b>40,120</b>	<b>40,120</b>		

Minimum Two Month Working Capital Reserve Required 6,074 6,351