

**CAL POLY POMONA FOUNDATION, INC.
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

FINANCE COMMITTEE

Thursday November 16, 2017

10:00 am – 11:30 am

Building #55 – Executive Conference Room

AGENDA

CONSENSUS ACTION ITEMS

PAGE

Consensus Action Items: Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion.

- | | | | |
|----|---|------------------|------|
| 1. | Minutes November 22, 2017
ACTION: Approval | Danielle Manning | 1- 3 |
|----|---|------------------|------|

ACTION ITEMS

- | | | | |
|----|--|---------------|--------|
| 2. | 2018 Annual Healthcare Renewal
ACTION: Approval | Dennis Miller | 4 - 11 |
| 3. | Wage Adjustment for 2018-2019
ACTION: Approval | Dennis Miller | 12 |

DISCUSSION ITEMS

None Presented

INFORMATION ITEMS

The following items provide information and reports by management staff to the committee. Staff and committee may engage in discussion on any item if requested by committee member or staff member.

- | | | | |
|-----|---|-----------------------------------|-----------|
| 4. | Financial Highlights FY 2017-18 | David Prenovost | 13 - 29 |
| 5. | Annual Risk Management/Insurance Report | David Prenovost/
Dennis Miller | 30 - 40 |
| 6. | AORMA Insurance Summary | David Prenovost | 41 - 72 |
| 7. | Capital Budget Overview | David Prenovost | 73 - 114 |
| 8. | Wells Fargo P-card Update 2016-17 | David Prenovost | 115 - 121 |
| 9. | Wells Fargo Payment Processing Update 2016-17 | David Prenovost | 122 - 162 |
| 10. | Tax Return Process | David Prenovost | 163 - 173 |
| 11. | Liquidity Access Line | David Prenovost | 174 - 175 |

OPEN FORUM

CAL POLY POMONA FOUNDATION, INC.
Finance Committee Meeting Minutes
September 22, 2017

Present: Sylvia Alva, Rachel Dominguez, U.J. Fan, Danielle Manning, John McGuthry, Dan Montplaisir, Jessica Shahad and Julie Shen

Absent: Farris Hamza, Lea Jarnagin, Oliver Santos

Visitors: David Corral, Christine He, Anne McLoughlin, Dennis Miller, Debra Poe, David Prenovost and Karen Sandoval

CALL TO ORDER

Danielle Manning called the meeting to order at 1:30 p.m. and asked everyone to introduce themselves.

1. Approval of Minutes for May 8, 2017

The minutes for May 8, 2017 were approved by consent.

ACTION ITEMS

2. Dining Services Master Plan Report

David Prenovost, Senior Managing Director/CFO, and David Corral, Senior General Manager of Residential Dining Services, presented the final version of the 5-Year Foundation Dining Services Master Plan update. The report included recommendations by Envision Strategies and will be incorporated into the Dining Services 2018-2019 business plan and/or the long term cash plan of the Foundation.

A motion was made by Danielle Manning to accept the 5-Year Dining Services Master Plan and recommendations of Envision Strategies for presentation to the Board of Directors for approval. The motion was seconded by John McGuthry and approved 8-Ayes, 0-Nays and 0-Abstentions.

3. Dining Services Capital Request-Software

David Prenovost and David Corral explained that Foundation's Dining Services is requesting an additional capital budget amount of \$118,674 for a new Food Management Software system. The new software implementation is a recommendation in the Dining Services Master Plan update 2017 in preparation for the Los Olivos replacement facility.

A motion was made by U.J. Fan to accept the capital budget amendment request of \$118,674 for the purchase of a new Food Management Software and forward to the Board for review and approval. The motion was seconded by Sylvia Alva and approved 8-Ayes, 0-Nays and 0-Abstentions.

4. Merit-Based Compensation Plan

Danielle Manning explained the Merit-Based Compensation Plan was presented to the Personnel Committee for review. The Personnel Committee decided not to advance the item as more discussion was needed. Danielle asked the Finance Committee to postpone indefinitely this item to allow the Personnel Committee more time to review.

A motion was made by Dan Montplaisir to postpone the item indefinitely to give the Personnel Committee more time to review and discuss. The motion was seconded by John McGuthry and approved 8-Ayes, 0-Nays and 0-Abstentions

5. Capital Projects Requests

A. CEU Vehicle(s)

David Prenovost presented a capital request of \$45,000 from CEU to purchase one or two vehicles for CEU staff to be transported safely around the campus for business purposes.

Provost Sylvia Alva commented the request did not go through the Provost's office and she shared her concern regarding available funds. The Committee discussed the issue at length and decided to postpone the request for further discussion with the Provost's office. Danielle Manning asked for a motion for the request to be postponed indefinitely.

A motion was made by John McGuthry to postpone indefinitely the CEU capital budget request to purchase one or two vehicles. The motion was seconded by Sylvia Alva and approved 8-Ayes, 0-Nays and 0-Abstentions.

B. CEU Roof Repair Modular Buildings

David Prenovost presented CEU's request for a capital budget amendment of \$34,428 for needed roof repairs to the modular buildings A&B at CPELI due to extensive roof damage from the winter storms.

A motion was made by Dan Montplaisir to accept the capital budget amendment request of \$34,428 for needed roof repairs for CPELI modular buildings and to send to the Board for approval. The motion was seconded by John McGuthry and approved 8-Ayes, 0-Nays and 0-Abstentions.

C. Bronco Bookstore-Surveillance Cameras

David Prenovost presented the Bookstore's capital budget request of \$18,000 to replace and upgrade the security surveillance camera system.

John McGuthry asked if the Campus Police Department was notified and it was determined the Police Department was not notified. Discussions followed and the Committee suggested the Bookstore Director contact the Campus Police Department regarding the security surveillance camera system.

A motion was made by U.J. Fan to approve a capital budget amendment request of \$18,000 for the replacement and upgrade of the security surveillance camera system at the Bronco Bookstore and be presented to the Board of Directors. The motion was seconded by Dan Montplaisir and approved 8-Ayes, 0-Nays and 0-Abstentions.

D. AG Well Repair at Westwind Ranch

David Prenovost presented the Dean of the College of Agriculture, Lisa Kessler's request for a capital budget amendment of \$27,646 for needed well repairs at Westwind Ranch due to the failure of the well last summer.

A motion was made by John McGuthry to approve a capital budget amendment request of \$27,646 for well repairs at Westwind Ranch and to be forwarded to the Board of Directors. The motion was seconded by Julie Shen and approved 8-Ayes, 0-Nays and 0-Abstentions.

DISCUSSION ITEMS

None

INFORMATION ITEMS

6. Financial Highlights FY 2016-17

David Prenovost summarized the fiscal year 2016-2017 financial highlights.

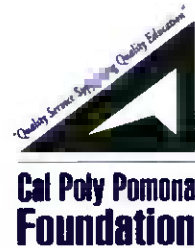
Meeting was adjourned at 2:55pm

Respectfully submitted,



Danielle Manning, Finance Committee, Chair

Memorandum



Date: November 13, 2017
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: Dennis Miller, Chief Employment Officer

Subject: 2018 ANNUAL EMPLOYEE BENEFITS RENEWAL

Foundation management recommends its monthly contribution toward the 2018 health plan premiums for each employee or annuitant based on the below table. These contributions are based on the 5% annual increase cap previously approved by the Board of Directors.

Employee (or Annuitant)	\$462
Employee (or Annuitant) + 1	\$876
Employee (or Annuitant) + 2 or more Dependents	\$1,118

PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Finance Committee of the Board of Directors approves the Foundation's monthly contribution to the 2018 health plan premiums up to \$462 for employee or annuitant, up to \$876 for an employee or annuitant with one dependent, and up to \$1,118 for an employee or annuitant enrolled for self and 2 or more dependents.

BE IT FURTHER RESOLVED, that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Chief Employment Officer of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 16th DAY OF NOVEMBER 2017.

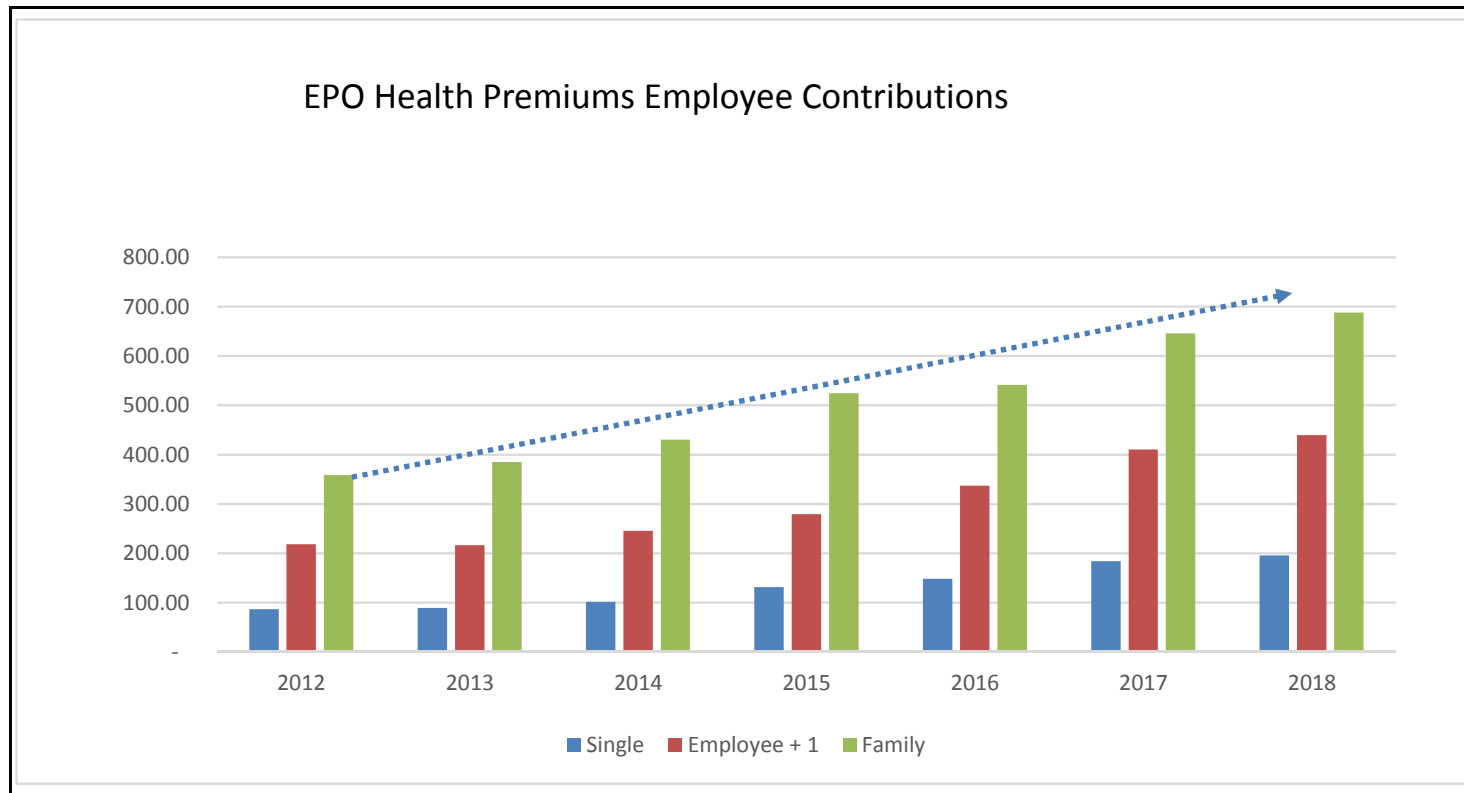
Ms. Danielle Manning, Chair
Finance Committee

**HEALTH PREMIUM RATES
January 1, 2017 - December 31, 2017**

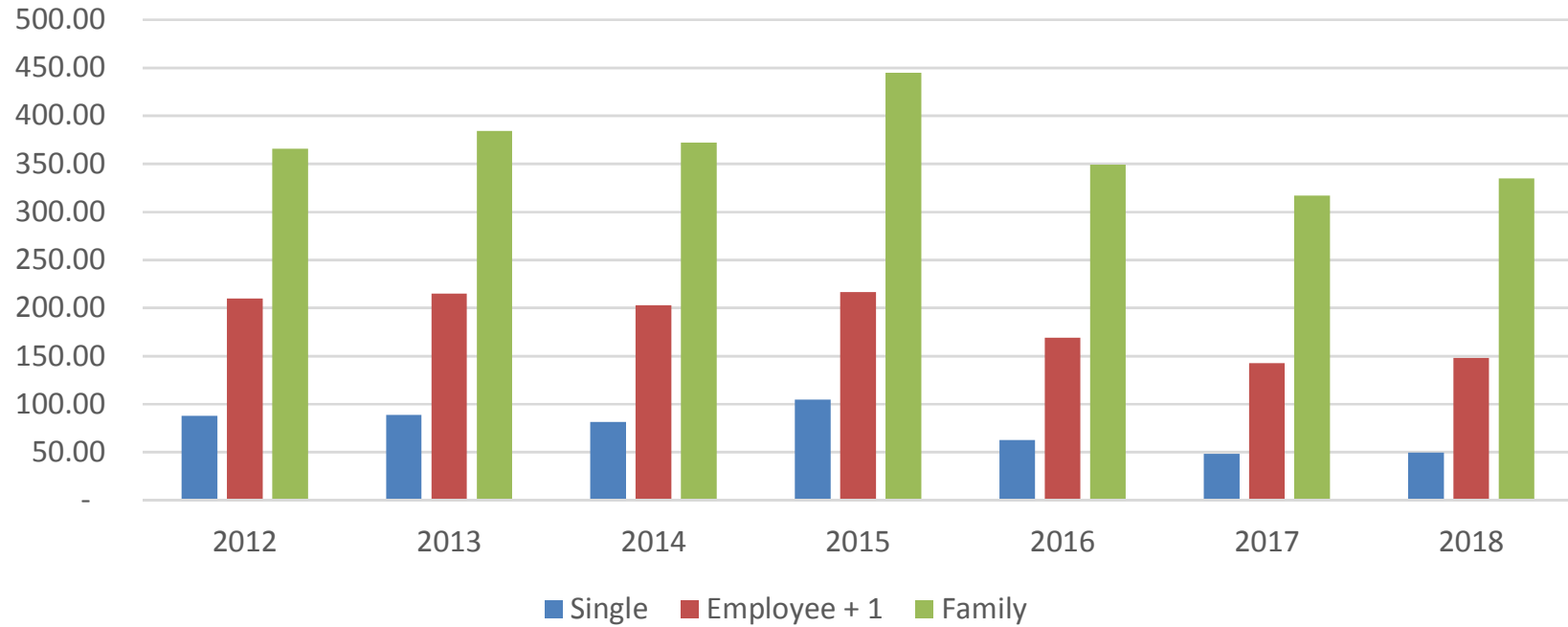
**HEALTH PREMIUM RATES
January 1, 2018 - December 31, 2018**

HEALTH PREMIUM RATES January 1, 2017 - December 31, 2017					HEALTH PREMIUM RATES January 1, 2018 - December 31, 2018								
Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost	Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost	CalPERS (PERS Choice) State Wide	State Contribution	Employee's Cost	
Foundation EPO	(1)	\$623.70	\$440.00	\$183.70	Foundation EPO	(1)	\$670.17	\$462.00	\$208.17	\$724.16	\$725.00	\$0.00	
	(1)		71%	29%		(1)		69%	31%		100%	0%	
	(2)	\$1,244.10	\$834.00	\$410.10		(2)	\$1,340.33	\$876.00	\$464.33	\$1,448.32	\$1,377.00	\$71.32	
	(2)		67%	33%		(2)		65%	35%		95%	5%	
	(3)	\$1,710.50	\$1,065.00	\$645.50		(3)	\$1,837.93	\$1,118.00	\$719.93	\$1,882.82	\$1,766.00	\$116.82	
	(3)		62%	38%		(3)		61%	39%		94%	6%	
Kaiser - HMO	(1)	\$488.37	\$440.00	\$48.37	Kaiser - HMO	(1)	\$524.65	\$462.00	\$62.65	CalPERS Kaiser \$717.38		\$725.00	-\$7.62
	(1)		90%	10%		(1)		88%	12%		101%	-1%	
227585	(2)	\$976.72	\$834.00	\$142.72	227585	(2)	\$1,049.29	\$876.00	\$173.29	\$1,434.76	\$1,377.00	\$57.76	
	(2)		85%	15%		(2)		83%	17%		96%	4%	
	(3)	\$1,382.07	\$1,065.00	\$317.07		(3)	\$1,484.75	\$1,118.00	\$366.75	\$1,865.19	\$1,766.00	\$99.19	
	(3)		77%	23%		(3)		75%	25%		95%	5%	
Kaiser - Deductible	(1)	\$444.39	\$440.00	\$4.39	Kaiser - Deductible	(1)	\$477.42	\$462.00	\$15.42				
	(1)		99%	1%		(1)		97%	3%				
6125	(2)	\$888.77	\$834.00	\$54.77	6125	(2)	\$954.84	\$876.00	\$78.84				
	(2)		94%	6%		(2)		92%	8%				
	(3)	\$1,257.61	\$1,065.00	\$192.61		(3)	\$1,351.09	\$1,118.00	\$233.09				
	(3)		85%	15%		(3)		83%	17%				
Dental Plans					Dental Plans								
Foundation PPO	(1)	\$60.00	\$60.00		Foundation PPO	(1)	\$62.00	\$62.00					
-	(2)	\$105.00	\$105.00		-	(2)	\$107.00	\$107.00					
	(3)	\$155.00	\$155.00			(3)	\$162.00	\$162.00					
Cigna DMHO	(1)	\$22.20	\$22.20		Cigna DMHO	(1)	\$23.42	\$23.42					
	(2)	\$36.04	\$36.04			(2)	\$38.02	\$38.02					
-	(3)	\$49.97	\$49.97		-	(3)	\$52.71	\$52.71					
Vision					Vision								
	(1)	\$11.00	\$11.00			(1)	\$12.00	\$12.00					
	(2)	\$19.00	\$19.00			(2)	\$21.00	\$21.00					
	(3)	\$30.00	\$30.00			(3)	\$32.00	\$32.00					

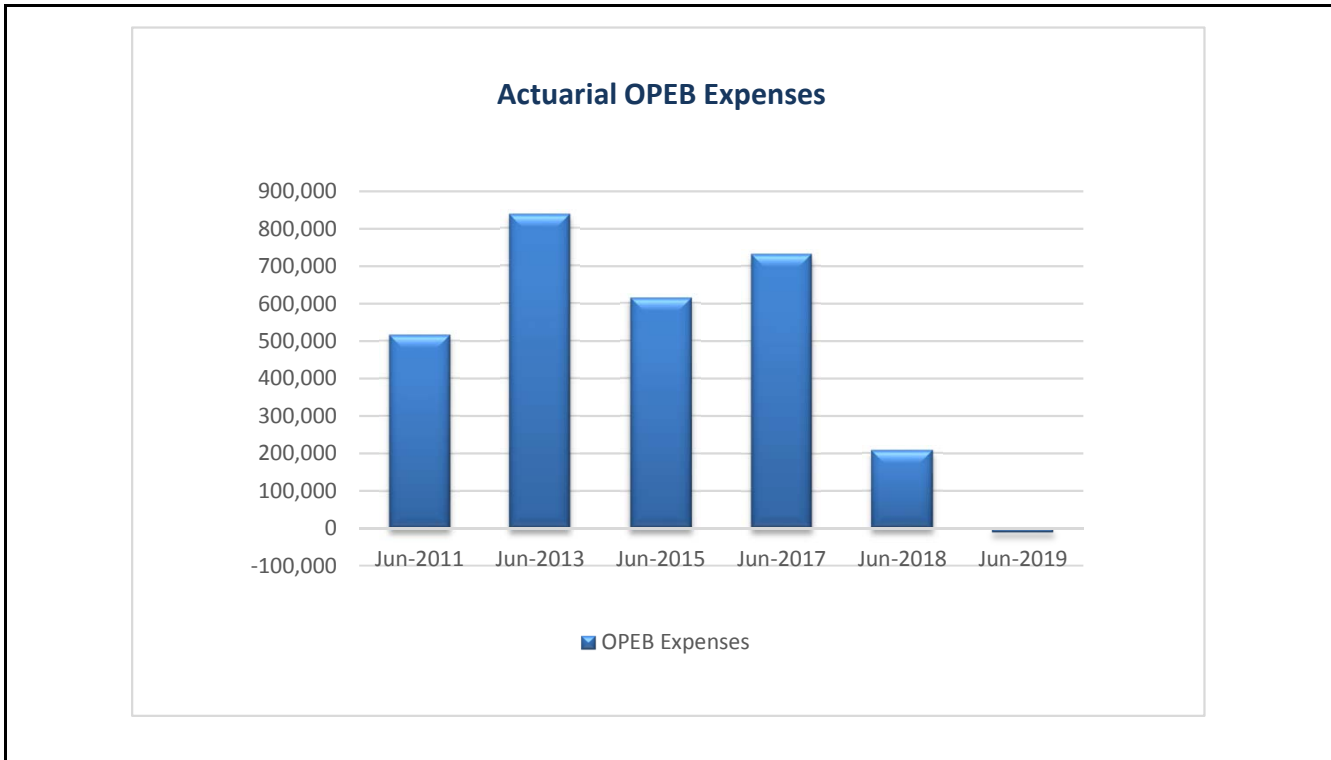
FDN EPO Premiums



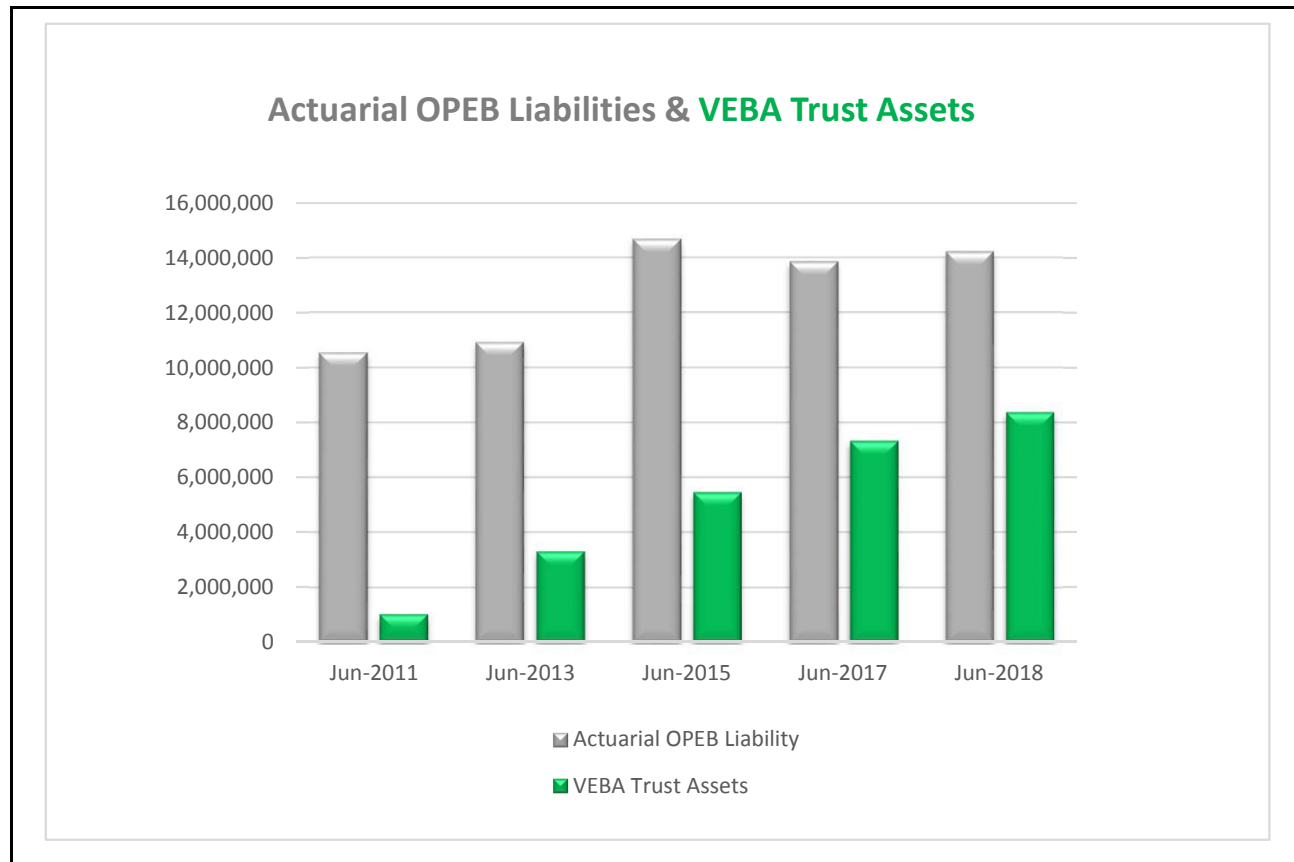
Kaiser Health Premiums Employee Contributions



OPEB Expense



OPEB Asst&Liab



Cal Poly Pomona Foundation, Inc.

Estimates of Total OPEB Liability at Alternative COLAs

November 1, 2017

We present below the impact from changing the employer cap on benefits provided to retirees in the Cal Poly Pomona Foundation, Inc. Retiree Medical Plan. The employer is considering these options for changing the cap:

- Baseline: Current cap COLA increase is 5.0% per year
- Alternative Scenario 1: Cap increase of 10.0% in first year, 5.0% per year thereafter
- Alternative Scenario 2: Cap increase of 8.0% per year

To simplify our work, we assumed in our calculations that these alternative scenarios would take effect as of 7/1/17. Below we present the impact of these changes on the GASB 75 liabilities as of 7/1/17:

Total OPEB Liability

	Cap	Subsidy	Total	\$ Change	% Change
Baseline	\$12,605,970	\$1,255,976	\$13,861,946	\$0	0.0%
Alternative Scenario 1	\$12,799,200	\$1,255,976	\$14,055,176	\$193,230	1.4%
Alternative Scenario 2	\$13,088,901	\$1,255,976	\$14,344,877	\$482,931	3.5%

Normal Cost

	Cap	Subsidy	Total	\$ Change	% change
Baseline	\$129,241	\$13,036	\$142,277	\$0	0.0%
Alternative Scenario 1	\$132,442	\$13,036	\$145,478	\$3,201	2.2%
Alternative Scenario 2	\$138,795	\$13,036	\$151,831	\$9,554	6.7%

Present Value of Future Benefits

	Cap	Subsidy	Total	\$ Change	% change
Baseline	\$13,502,102	\$1,354,565	\$14,856,667	\$0	0.0%
Alternative Scenario 1	\$13,720,524	\$1,354,565	\$15,075,089	\$218,422	1.5%
Alternative Scenario 2	\$14,074,531	\$1,354,565	\$15,429,096	\$572,429	3.9%

Based on 7/1/2017 census data, plan provisions, and assumptions, including:

- > 5.0% COLA on the employer cap
- > 6.50% discount rate
- > Initial Trend Rates of 7.0% pre-65 and 5.5% post-65
- > Ultimate Trend Rate of 5.0%
- > Market Value of Assets at 7/1/2017 of \$7,332,228

2018 CalPERS Monthly Basic Plan Rates, CSU Contribution Rates, and Employee Costs

HEALTH PLAN	Enrolled Employee & Eligible Dependents	2018 Total Monthly Premium	All Employee Groups (except Unit 6)		Unit 6	
			Amount Paid by CSU	Amount Paid by Employee	Amount Paid by CSU	Amount Paid by Employee
ANTHEM BLUE CROSS SELECT HMO CALIFORNIA 181	Employee Only	\$796.73	\$725.00	\$71.73	\$730.00	\$66.73
	Employee + 1	\$1,593.46	\$1,377.00	\$216.46	\$1,387.00	\$206.46
	Employee + 2	\$2,071.50	\$1,766.00	\$305.50	\$1,786.00	\$285.50
ANTHEM BLUE CROSS TRADITIONAL HMO CALIF 180	Employee Only	\$841.34	\$725.00	\$116.34	\$730.00	\$111.34
	Employee + 1	\$1,682.68	\$1,377.00	\$305.68	\$1,387.00	\$295.68
	Employee + 2	\$2,187.48	\$1,766.00	\$421.48	\$1,786.00	\$401.48
BLUE SHIELD ACCESS+ CALIF 141	Employee Only	\$752.32	\$725.00	\$27.32	\$730.00	\$22.32
	Employee + 1	\$1,504.64	\$1,377.00	\$127.64	\$1,387.00	\$117.64
	Employee + 2	\$1,956.03	\$1,766.00	\$190.03	\$1,786.00	\$170.03
HEALTH NET SALUD Y MAS 184	Employee Only	\$471.51	\$471.51	\$0.00	\$471.51	\$0.00
	Employee + 1	\$943.02	\$943.02	\$0.00	\$943.02	\$0.00
	Employee + 2	\$1,225.93	\$1,225.93	\$0.00	\$1,225.93	\$0.00
HEALTH NET SMARTCARE 185	Employee Only	\$790.73	\$725.00	\$65.73	\$730.00	\$60.73
	Employee + 1	\$1,581.46	\$1,377.00	\$204.46	\$1,387.00	\$194.46
	Employee + 2	\$2,055.90	\$1,766.00	\$289.90	\$1,786.00	\$269.90
KAISER PERMANENTE 056	Employee Only	\$717.38	\$717.38	\$0.00	\$717.38	\$0.00
	Employee + 1	\$1,434.76	\$1,377.00	\$57.76	\$1,387.00	\$47.76
	Employee + 2	\$1,865.19	\$1,766.00	\$99.19	\$1,786.00	\$79.19
UNITEDHEALTHCARE ALLIANCE HMO 187	Employee Only	\$704.59	\$704.59	\$0.00	\$704.59	\$0.00
	Employee + 1	\$1,409.18	\$1,377.00	\$32.18	\$1,387.00	\$22.18
	Employee + 2	\$1,831.93	\$1,766.00	\$65.93	\$1,786.00	\$45.93
PERS CARE (PPO) 278	Employee Only	\$776.19	\$725.00	\$51.19	\$730.00	\$46.19
	Employee + 1	\$1,552.38	\$1,377.00	\$175.38	\$1,387.00	\$165.38
	Employee + 2	\$2,018.09	\$1,766.00	\$252.09	\$1,786.00	\$232.09
PERS CHOICE (PPO) 222	Employee Only	\$724.16	\$724.16	\$0.00	\$724.16	\$0.00
	Employee + 1	\$1,448.32	\$1,377.00	\$71.32	\$1,387.00	\$61.32
	Employee + 2	\$1,882.82	\$1,766.00	\$116.82	\$1,786.00	\$96.82
PERS SELECT CALIFORNIA (PPO) 045	Employee Only	\$661.29	\$661.29	\$0.00	\$661.29	\$0.00
	Employee + 1	\$1,322.58	\$1,322.58	\$0.00	\$1,322.58	\$0.00
	Employee + 2	\$1,719.35	\$1,719.35	\$0.00	\$1,719.35	\$0.00
* PEACE OFFICERS RESEARCH ASSOCIATION OF CALIFORNIA (PORAC)* 207	Employee Only	\$734.00	\$725.00	\$9.00	N/A	
	Employee + 1	\$1,540.00	\$1,377.00	\$163.00	N/A	N/A
	Employee + 2	\$1,970.00	\$1,766.00	\$204.00	N/A	N/A


*This plan is restricted to employees in Unit 8, State University Police Association (SUPA) and requires membership.
Aug. 2017

Memorandum



Date: November 13, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
Dennis Miller
Chief Employment Officer

Subject: Request Wage Adjustment for 2018-2019 Budget Year

During the upcoming budget year there will be several expenses associated with the overall cost of labor. One of those expenses needs to be considered early in the budget process to help ensure all those with budget authority know what to expect during the budget process, which commences in December 2017 for the 2018-2019 budget year.

Therefore, Foundation management is recommending a 3% across the board wage increase for all eligible employees. For the 2018-2019 budget year, eligible employees include those who are classified as full time, were hired prior to July 1, 2017, have not been reclassified or promoted within the current budget year, and receive funding that is not from a grant or Foundation program.

Full time employees who were hired, reclassified, or promoted on or between July 1, 2017, and December 31, 2017, will be eligible to receive an increase based on a monthly pro-rated amount starting from the date of the event to June 30, 2018.

The forecasted expense associated with this wage adjustment is approximately \$195,000.

Proposed Action:

WHEREAS, the Foundation management is requesting the Finance Committee's action to approve the 3% wage adjustment to be effective on or about July 1, 2018, and forward to the Board of Director's for final approval.

NOW, THEREFORE, BE IT RESOLVED, the Finance Committee has reviewed the above request and recommends approval to the Board of Directors.

PASSED AND ADOPTED THIS DAY 16th OF NOVEMBER 2017

By: 
Ms. Danielle Manning, Chair
Finance Committee

Memorandum



Date: October 25, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: *David F. Prenovost*
David F. Prenovost,
Senior Managing Director/CFO

Subject: FINANCIAL HIGHLIGHTS – SEPTEMBER 2017

Following are the year-to-date financial statement Surplus/(Deficit) amounts for your review:

	Budget	Actual	Variance
General Activities	\$ 571,059	\$ 1,288,040	\$ 716,981
Enterprise Activities	(1,299,270)	(1,301,835)	(2,565)
Use of Designated Funds	(390,478)	(217,702)	172,776
Other Activities	207,054	365,924	158,870
Restricted Activities & Transfer of Assets	(1,117,052)	2,958,384	4,075,436
Total Surplus (Deficit)	\$ (2,028,687)	\$ 3,092,811	\$ 5,121,498

For the fiscal quarter ended September 2017 revenues of \$26.4 million exceeded budget by 10% or \$2,370,964. Expenditures of \$23.3 million are 91% or \$2.4 million short of budget. The variances are explained in the following analysis of each activity.

GENERAL ACTIVITIES

	Budget	Actual	Variance
Administration	\$ (138,800)	\$ (211,721)	\$ (72,921)
Real Estate Development	317,972	360,176	42,204
Investments	357,515	1,092,028	734,513
Building Rental	34,372	47,557	13,185
Total General Fund	\$ 571,059	\$ 1,288,040	\$ 716,981

General activities generated a surplus greater than budgeted mainly due to the unrealized gains in the general investment portfolio.

ENTERPRISES ACTIVITIES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (1,299,270)	\$ (1,301,835)	\$ (2,565)

Enterprise revenues of \$6.7 million are 99% or \$49,981 short of budget mainly due to bookstore activities; expenditures of \$8.0 million are 99% or \$47,416 short of budget resulting in a deficit slightly more than budget. Following is the summary of each Enterprise Activities:

BOOKSTORES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 120,376	\$ 95,129	\$ (25,247)

Bookstore revenues are 37% of Enterprise revenues and are 96% or \$98,410 short of budget mainly due to new and used textbook sales/rentals, hardware sales and rental rebates. Cost of goods is 72% versus 70%; expenditures are 24% versus 25% of budget generating a surplus of 4% versus 5% budgeted. We continue to focus on used and rental books as well as digital textbook options to reduce the increasing costs for textbooks. The Presidential Order also continues to support the sales in the bookstore.

DINING SERVICES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (581,635)	\$ (633,733)	\$ (52,098)

Dining Service revenues are 43% of Enterprise Activities and exceed budget by 5% or \$146,309, cost of goods is 31% versus 29% of budget and payroll and expenditures are 91% versus 92% of budget.

Retail Operations - This reporting unit includes the retail units at Campus Center Marketplace and Bronco Student Center, convenient stores, vending, Kellogg West Catering/Conference Foods and commission vending. Revenues exceed budget by 11% or \$200,067; cost of goods is 29% versus 30% of budget and payroll and expenditures are 82% versus 85% of budget generating a deficit of \$296,472 versus a budgeted deficit of \$370,096.

Board Operations - This reporting unit includes the Board Operations at Los Olivos, Denny's Diner and Vista Cafe. Revenues are 94% or \$53,758 short of budget; costs goods are 34% versus 27% of budget, payroll and expenditures are 103% versus 95% of budget generating a deficit of \$337,260 versus \$211,539 budgeted.

KELLOGG WEST

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 26,199	\$ 19,587	\$ (6,612)

Kellogg West Conference Center & Hotel This unit includes room and conference center activities. Kellogg West revenues are 6% of Enterprise Activities and are 97% or \$14,595 short of budget; payroll and expenditures are 95% versus 94% of budget generating a surplus less than budgeted.

UNIVERSITY VILLAGE

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (864,210)	\$ (782,818)	\$ 81,392

University Village - Revenues are 14% of Enterprise Activities and are 92% or \$83,286 short of budget due to vacancies over the summer. Payroll and expenditures are 184% versus 185% budgeted resulting in a deficit less than budgeted. As we begin the academic year occupancy is at 100% versus 97% budgeted. We continue to increase our outreach to area colleges and universities as well.

DESIGNATED FUND

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (390,478)	\$ (208,237)	\$ 182,241

Designated fund expenditures include development, alumni affairs, public relations, publications, athletics and other and generated a deficit less than budgeted.

OTHER ACTIVITIES

	Budget	Actual	Variance
Sponsored Research	19,999	20,000	1
Agriculture-Aid-to-Instruction	(295,814)	(58,496)	237,318
Continuing Education	482,869	348,187	(134,682)
Foundation Programs-Unrestricted	-	56,233	56,233
Total Other Activities	\$ 207,054	\$ 365,924	\$ 158,870

Sponsored Research has generated a year to date surplus of \$20,000 versus a budgeted surplus of \$19,999; year to date indirect revenues are 99% or \$4,008 short of budget and direct grant expenditures are short of budget by 10.59% or \$440,996 generating an effective rate of 11.66% versus the budgeted rate of 11.5%.

Agriculture-Aid-to-Instruction year to date revenues exceed budget by 15% or \$99,579, costs of goods are 12% versus 19% of budget and payroll and expenditures are 96% versus 125% of budget generating a year to date deficit of \$58,496 versus a budgeted deficit of \$295,814 due to Agronomy Farm, Arabian Horse Center, Pine Tree Ranch, Sheep Unit, Pumpkin Festival, West Wind Ranch, Wasmansdorff House, and Agriscapes.

Continuing Education year to date revenues are 65% or \$689,901 short of budget mainly due to Global Ed Programs, CPELI Camps, Program Development, and Academic Studies Programs; payroll and expenditures are 72% versus 75% of budget generating a year to date surplus of \$348,187 versus \$482,869 budgeted.

Foundation Programs-Unrestricted includes the activities that are not third party donor imposed stipulations. Year to date revenues are 193,088 versus \$115,125 budgeted due the endowment distribution in July; expenditures (excluding Transfers to the University # 7344) exceed budget by 19% or \$21,536, generating a year to date surplus versus a zero budgeted.

	Budget	Actual	Variance
Endowment/Investments	(2,790,076)	145,558	2,935,634
Foundation Programs Restricted	1,673,024	2,919,878	1,246,854
Total Other Activities	<u>\$(1,117,052)</u>	<u>\$ 3,065,436</u>	<u>\$ 4,182,488</u>

Endowment/Investment – unrealized/realized investment earnings are \$4.2 million versus a budgeted earnings of \$1.0 million resulting in a surplus of \$145,557 versus a budgeted deficit of \$2.8 million.

Foundation Programs-Restricted - revenues are 92% or \$472,941 million short of budget, expenditures are 41% or \$1,728,825 short of budget resulting in a surplus greater than budgeted.



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2017

	Unrestricted					Restricted				Current Year Total	June 30, 2017 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
CURRENT ASSETS:											
Cash:											
On hand and in commercial accounts	(784,627)	700	400	83,435	(700,092)	0	10,875	0	10,875	(689,217)	(568,067)
Due to/(form)	(97,723,929)	21,108,800	2,920,692	38,527,488	(35,166,949)	750,410	34,382,250	34,288	35,166,948	(1)	0
Investments	43,023,705	182,062	0	0	43,205,767	0	372,061	739,274	1,111,335	44,317,102	45,059,374
Marketable securities	15,618,849	0	0	0	15,618,849	0	1,304,339	95,587,297	96,891,636	112,510,485	111,421,202
Total cash and cash equivalent	(39,866,002)	21,291,562	2,921,092	38,610,923	22,957,575	750,410	36,069,525	96,360,859	133,180,794	156,138,369	155,912,509
Receivables:											
Accounts and notes receivable	2,565,187	125	131,990	2,828,481	5,525,783	641,728	5,168,691	0	5,810,419	11,336,202	12,097,353
Interfund loans (net)	1,089,088	0	0	0	1,089,088	0	50,000	0	50,000	1,139,088	1,439,088
Total receivables	3,654,275	125	131,990	2,828,481	6,614,871	641,728	5,218,691	0	5,860,419	12,475,290	13,536,441
Less-Allowance for doubtful accounts	0	0	0	(51,319)	(51,319)	0	(64,184)	0	(64,184)	(115,503)	(101,097)
Total receivables	3,654,275	125	131,990	2,777,162	6,563,552	641,728	5,154,507	0	5,796,235	12,359,787	13,435,344
Inventories	1,242,979	0	0	2,540,079	3,783,058	0	38,516	0	38,516	3,821,574	2,251,347
Prepaid expenses and deferred charges	575,434	40,048	0	180,543	796,025	500	0	0	500	796,525	271,910
OPEB asset	0	2,319,820	0	0	2,319,820	0	0	0	0	2,319,820	1,319,820
Total current assets	(34,393,314)	23,651,555	3,053,082	44,108,707	36,420,030	1,392,638	41,262,548	96,360,859	139,016,045	175,436,075	173,190,930
FIXED ASSETS											
Land	14,582,859	0	0	212,000	14,794,859	0	1,589,680	0	1,589,680	16,384,539	16,384,539
Buildings and improvements	15,007,219	0	532,412	50,961,402	66,501,033	0	2,146,209	0	2,146,209	68,647,242	67,929,855
Equipment, furniture and fixtures	1,486,601	0	27,408	11,521,827	13,035,836	0	589,315	0	589,315	13,625,151	13,560,227
Orchards	0	0	0	131,863	131,863	0	0	0	0	131,863	131,863
Construction in progress	986,137	0	0	1,510,571	2,496,708	0	96,809	0	96,809	2,593,517	1,819,230
Total fixed assets	32,062,816	0	559,820	64,337,663	96,960,299	0	4,422,013	0	4,422,013	101,382,312	99,825,714
Less-Accumulated depreciation	(12,403,577)	0	(517,671)	(40,584,406)	(53,505,654)	0	(831,833)	0	(831,833)	(54,337,487)	(53,444,766)
Total fixed assets	19,659,239	0	42,149	23,753,257	43,454,645	0	3,590,180	0	3,590,180	47,044,825	46,380,948
Restricted Funds	0	0	0	0	0	137,175	103,845	0	241,020	241,020	340,945
Total assets	(14,734,075)	23,651,555	3,095,231	67,861,964	79,874,675	1,529,813	44,956,573	96,360,859	142,847,245	222,721,920	219,912,823
DEFERRED OUTFLOWS OF RESOURCES:											
Unamortized loss on debt refunding				379,517	379,517					379,517	389,211
Net pension obligations - contributions	3,586,419				3,586,419					3,586,419	3,586,419



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2017

	Unrestricted					Restricted				Current Year Total	June 30, 2017 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
LIABILITIES:											
Accounts payable	921,389	16,494	(1,247)	1,081,722	2,018,358	122,549	57,555	0	180,104	2,198,462	2,412,627
Accrued liabilities	1,229,703	(137,550)	5,716	909,203	2,007,072	168,877	19,376	40,000	228,253	2,235,325	1,687,111
Receipts in excess of expenditures on specific sponsored programs	0	0	0	0	0	1,238,387	0	0	1,238,387	1,238,387	1,364,576
Deferred income	912,199	0	0	1,391,253	2,303,452	0	7,750	0	7,750	2,311,202	1,477,467
Deposits held in custody for others	0	0	0	0	0	0	829,440	0	829,440	829,440	821,214
Inter-fund loans	1,089,088	0	0	0	1,089,088	0	50,000	0	50,000	1,139,088	1,439,088
Total current liabilities	4,152,379	(121,056)	4,469	3,382,178	7,417,970	1,529,813	964,121	40,000	2,533,934	9,951,904	9,202,083
Long-term liabilities:											
Notes and contracts payable	0	0	0	0	0	0	102,204	0	102,204	102,204	202,493
Unitrust liability	0	0	0	0	0	0	708,818	0	708,818	708,818	708,818
Lease obligations	2,012,739	0	0	22,817,173	24,829,912	0	0	0	0	24,829,912	25,772,852
Pension liability	8,352,723	0	0	0	8,352,723	0	0	0	0	8,352,723	8,352,723
Total long-term liabilities	10,365,462	0	0	22,817,173	33,182,635	0	811,022	0	811,022	33,993,657	35,036,886
Total liabilities	14,517,841	(121,056)	4,469	26,199,351	40,600,605	1,529,813	1,775,143	40,000	3,344,956	43,945,561	44,238,969
DEFERRED INFLOWS OF RESOURCES:											
Net pension obligation	2,203,492				2,203,492				0	2,203,492	2,203,492
Net Assets Beginning	(28,088,665)	22,871,177	3,047,607	43,085,044	40,915,163	418,441	39,937,084	96,175,301	136,530,826	177,445,989	158,856,456
<i>change in net Assets</i>	219,674	901,433	43,155	(1,042,914)	121,348	(418,441)	3,244,344	145,558	2,971,461	3,092,809	18,589,533
Total liabilities and Net Assets	(11,147,658)	23,651,554	3,095,231	68,241,481	83,840,608	1,529,813	44,956,571	96,360,859	142,847,243	226,687,851	223,888,450



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
 For period ending September 30, 2017 and 2016

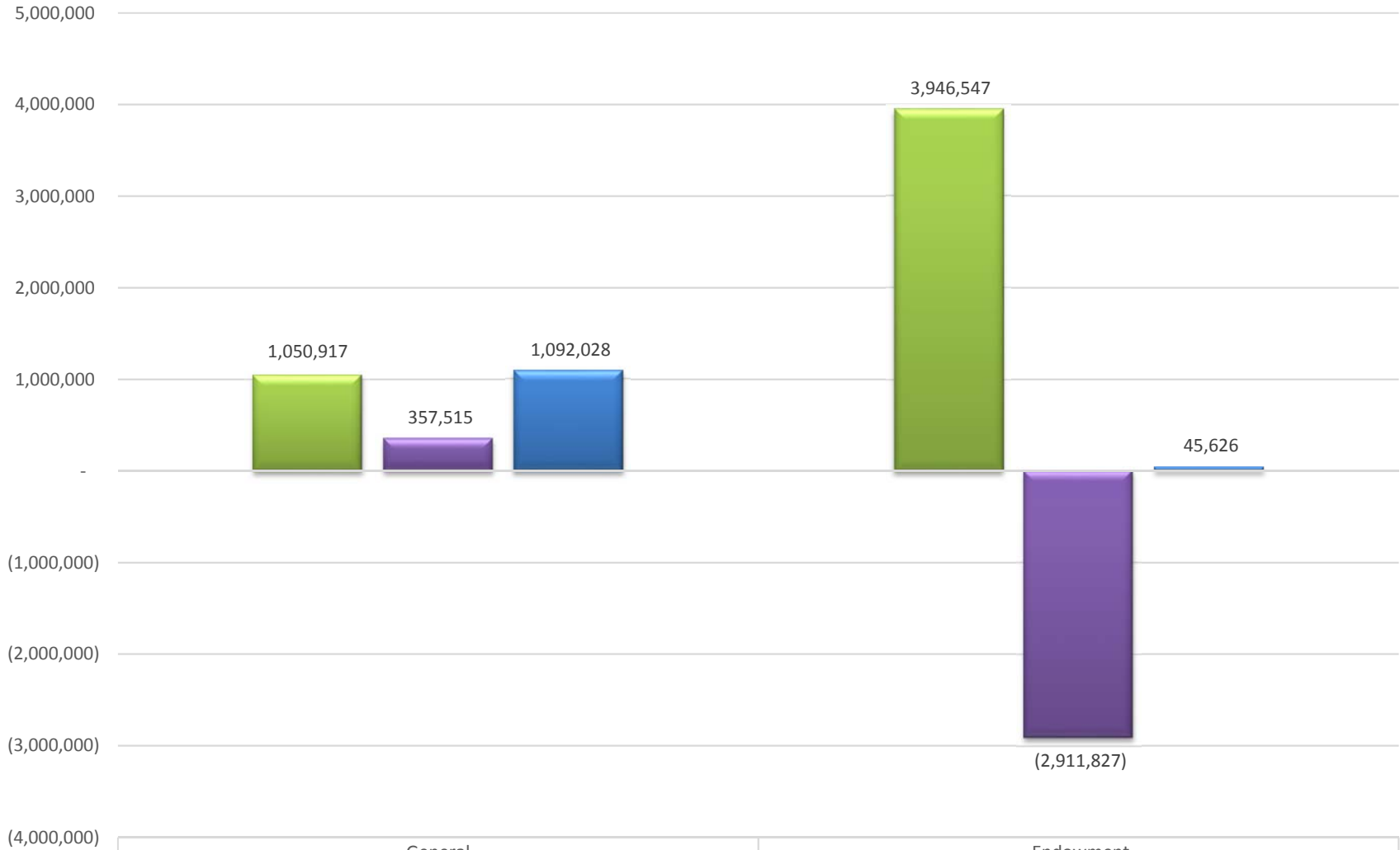
Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			FY 16-17 Actual	FY 17-18 Budget	Forecast (Not) Realized	YTD Budget (Not) Realized
	FY 16-17	FY 17-18 YTD		FY 16-17	FY 17-18 YTD		FY 16-17	FY 17-18 YTD					
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual				
General Activities:													
Administration	918,755	1,109,450	972,574	1,199,034	1,248,250	1,184,295	(280,279)	(138,800)	(211,721)	(1,764,757)	(103,345)	(120,699)	(108,376)
Real Estate	959,549	1,142,103	1,324,757	621,338	824,131	964,581	338,211	317,972	360,176	654,224	454,412	(137,594)	(94,236)
Investments	1,075,828	381,779	1,124,632	24,911	24,264	32,604	1,050,917	357,515	1,092,028	2,462,142	1,126,219	(699,526)	(34,191)
Building Rentals	201,364	203,202	205,042	170,576	168,830	157,485	30,788	34,372	47,557	157,092	119,093	(99,093)	(71,536)
TOTAL GENERAL	3,155,496	2,836,534	3,627,005	2,015,859	2,265,475	2,338,965	1,139,637	571,059	1,288,040	1,508,701	1,596,379	(1,056,912)	(308,339)
Enterprise Activities:													
Bookstores	2,392,103	2,546,400	2,447,990	2,273,506	2,426,024	2,352,861	118,597	120,376	95,129	469,230	426,166	(175,440)	(331,037)
Campus Center (Carl's/ Salad Bar/Taco Be	54,779	55,301	54,740	55,692	63,905	89,300	(913)	(8,604)	(34,560)	148,027	187,941	(167,638)	(222,501)
Panda Express/Hibachi San	12,730	11,247	27,899	2,640	4,720	6,771	10,090	6,527	21,128	188,214	206,736	(177,620)	(185,608)
Cstore (Starbucks,SCE,Einstein,cba,Poly Tr	563,000	573,701	527,738	666,951	642,128	705,946	(103,951)	(68,427)	(178,208)	323,117	657,850	(555,634)	(836,058)
Vending & Carts	23,424	24,525	19,125	17,651	21,644	18,256	5,773	2,881	869	27,563	24,488	(29,585)	(23,619)
Los Olivos	823,272	833,414	789,040	933,933	985,655	1,053,634	(110,661)	(152,241)	(264,594)	1,171,221	832,636	(1,333,427)	(1,097,230)
Vista Café	89,607	92,930	75,832	107,950	127,660	111,069	(18,343)	(34,730)	(35,237)	137,116	42,033	(95,962)	(77,270)
Denny's	34,177	34,860	42,575	58,262	59,428	80,003	(24,085)	(24,568)	(37,428)	54,500	9,414	(61,020)	(46,842)
Bronco Student Center	550,436	479,000	513,462	448,876	417,875	417,325	101,560	61,125	96,137	453,627	411,587	(283,783)	(315,450)
FS Mgt/Overhead	156	0	62	304,786	381,784	371,590	(304,630)	(381,784)	(371,528)	(1,167,809)	(1,389,389)	934,832	1,017,861
<i>Total Dining Services</i>	<i>2,151,581</i>	<i>2,104,978</i>	<i>2,050,473</i>	<i>2,596,741</i>	<i>2,704,799</i>	<i>2,853,894</i>	<i>(445,160)</i>	<i>(599,821)</i>	<i>(803,421)</i>	<i>1,335,576</i>	<i>983,296</i>	<i>(1,769,837)</i>	<i>(1,786,717)</i>
Catering/Conference Foods	561,327	605,900	806,715	519,689	587,714	637,027	41,638	18,186	169,688	402,713	138,464	21,761	31,224
KW Conference Center	471,072	444,500	429,905	388,360	418,301	410,318	82,712	26,199	19,587	170,751	50,737	(154,136)	(31,150)
University Village	954,387	1,017,503	934,217	1,719,168	1,881,713	1,717,035	(764,781)	(864,210)	(782,818)	2,665,253	2,554,666	(3,124,834)	(3,337,484)
TOTAL ENTERPRISE	6,530,470	6,719,281	6,669,300	7,497,464	8,018,551	7,971,135	(966,994)	(1,299,270)	(1,301,835)	5,043,523	4,153,329	(5,202,486)	(5,455,164)
TOTAL GEN & ENTERPRISE	9,685,966	9,555,815	10,296,305	9,513,323	10,284,026	10,310,100	172,643	(728,211)	(13,795)	6,552,224	5,749,708	(6,259,398)	(5,763,503)
Uses of Designated Funds:													
Development				12,272	21,123	8,533	(12,272)	(21,123)	(8,533)	(85,639)			
Alumni Affairs				9,666	19,998	4,623	(9,666)	(19,998)	(4,623)	(57,977)			
Public Relations	280		(4,386)	97,603	223,437	143,139	(97,323)	(223,437)	(147,525)	(503,687)			
Publications				50,052	63,423	48,442	(50,052)	(63,423)	(48,442)	(201,863)			
Athletics				28,818	18,750	2,096	(28,818)	(18,750)	(2,096)	(104,838)			
Other	800		800	10,906	43,747	7,283	(10,106)	(43,747)	(6,483)	(159,080)			
TOTAL DESIGNATED USES	1,080	0	(3,586)	209,317	390,478	214,116	(208,237)	(390,478)	(217,702)	(1,113,084)	(1,565,000)	1,108,894	1,347,298
Other Activities:													
Research Office	459,930	447,539	443,531	439,930	427,540	423,531	20,000	19,999	20,000	20,000	19,994	0	6
Agriculture	562,784	674,360	773,939	795,783	970,174	832,435	(232,999)	(295,814)	(58,496)	(464,639)	(188,736)	73,936	130,240
Continuing Education	1,316,642	1,953,439	1,263,538	1,195,279	1,470,570	915,351	121,363	482,869	348,187	592,384	145,020	23,097	203,167
FDN Program-Unrestricted	(4,016)	115,125	193,088	46,464	115,125	136,855	(50,480)	0	56,233	155,471	0	56,233	56,233
TOTAL OTHER	2,335,340	3,190,463	2,674,096	2,477,456	2,983,409	2,308,172	(142,116)	207,054	365,924	303,216	(23,722)	153,266	389,646
TOTAL SURPLUS (DEFICIT)	12,022,386	12,746,278	12,966,815	12,200,096	13,657,913	12,832,388	(177,710)	(911,635)	134,427	5,742,356	4,160,986	(4,997,238)	(4,026,559)
LO-Housing Distribution												0	0
TOTAL FOUNDATION Net	12,022,386	12,746,278	12,966,815	12,200,096	13,657,913	12,832,388	(177,710)	(911,635)	134,427	5,742,356	4,160,986	(4,997,238)	(4,026,559)



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
For period ending September 30, 2017 and 2016

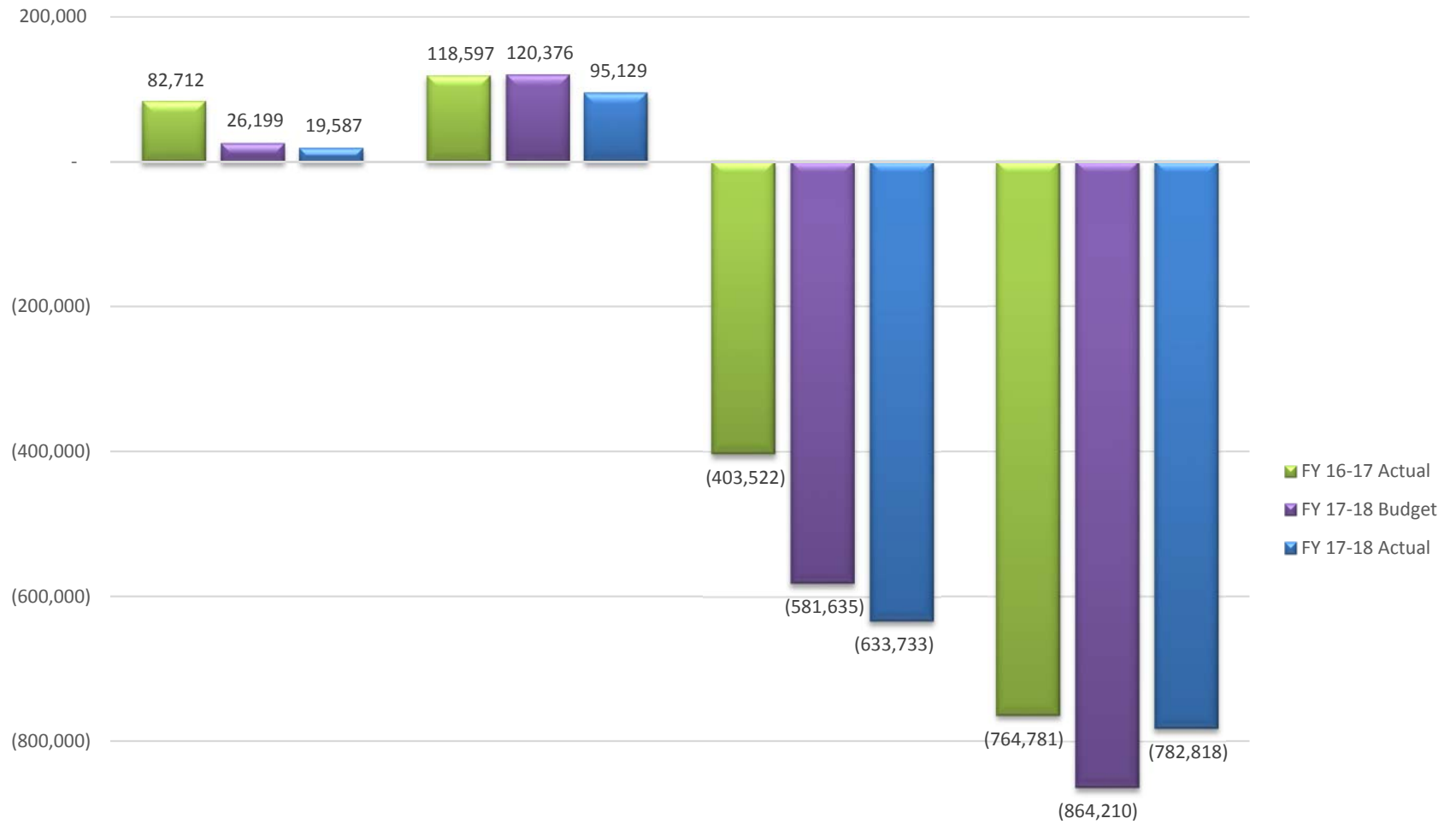
Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			FY 16-17 Actual	FY 17-18 Budget	Forecast (Not) Realized	YTD Budget (Not) Realized
	FY 16-17	FY 17-18 YTD		FY 16-17	FY 17-18 YTD		FY 16-17	FY 17-18 YTD					
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual				
Restricted:													
Endowments/Investments	4,070,937	1,171,937	4,257,760	117,332	3,962,013	4,112,202	3,953,605	(2,790,076)	145,558	10,570,811	781,851	0	(636,293)
Foundation Programs	910,437	5,929,556	5,435,156	2,335,851	4,256,532	2,515,278	(1,425,414)	1,673,024	2,919,878	3,268,871	3,494,831	0	(574,953)
TOTAL RESTRICTED	4,981,374	7,101,493	9,692,916	2,453,183	8,218,545	6,627,480	2,528,191	(1,117,052)	3,065,436	13,839,682	4,276,682	-	(1,211,246)
Grants and Contracts	3,913,155	4,163,155	3,722,159	3,913,155	4,163,155	3,722,159	0	0	0	60,930	0	0	0
Transfers to the University	-	-	-	114,571	0	107,052	(114,571)	0	(107,052)	(1,053,433)	0	0	0
TOTAL FOUNDATION NET	20,916,915	24,010,926	26,381,890	18,681,005	26,039,613	23,289,079	2,235,910	(2,028,687)	3,092,811	18,589,535	8,437,668	(4,997,238)	(5,237,805)

Investments, Surplus (Deficit) FY 16/17 vs 17/18 - Sep 2017



	General	Endowment
FY 16-17 Actual	1,050,917	3,946,547
FY 17-18 Budget	357,515	(2,911,827)
FY 17-18 Actual	1,092,028	45,626

The Four Enterprises, Surplus (Deficit) FY 16/17 vs 17/18 - Sep 2017



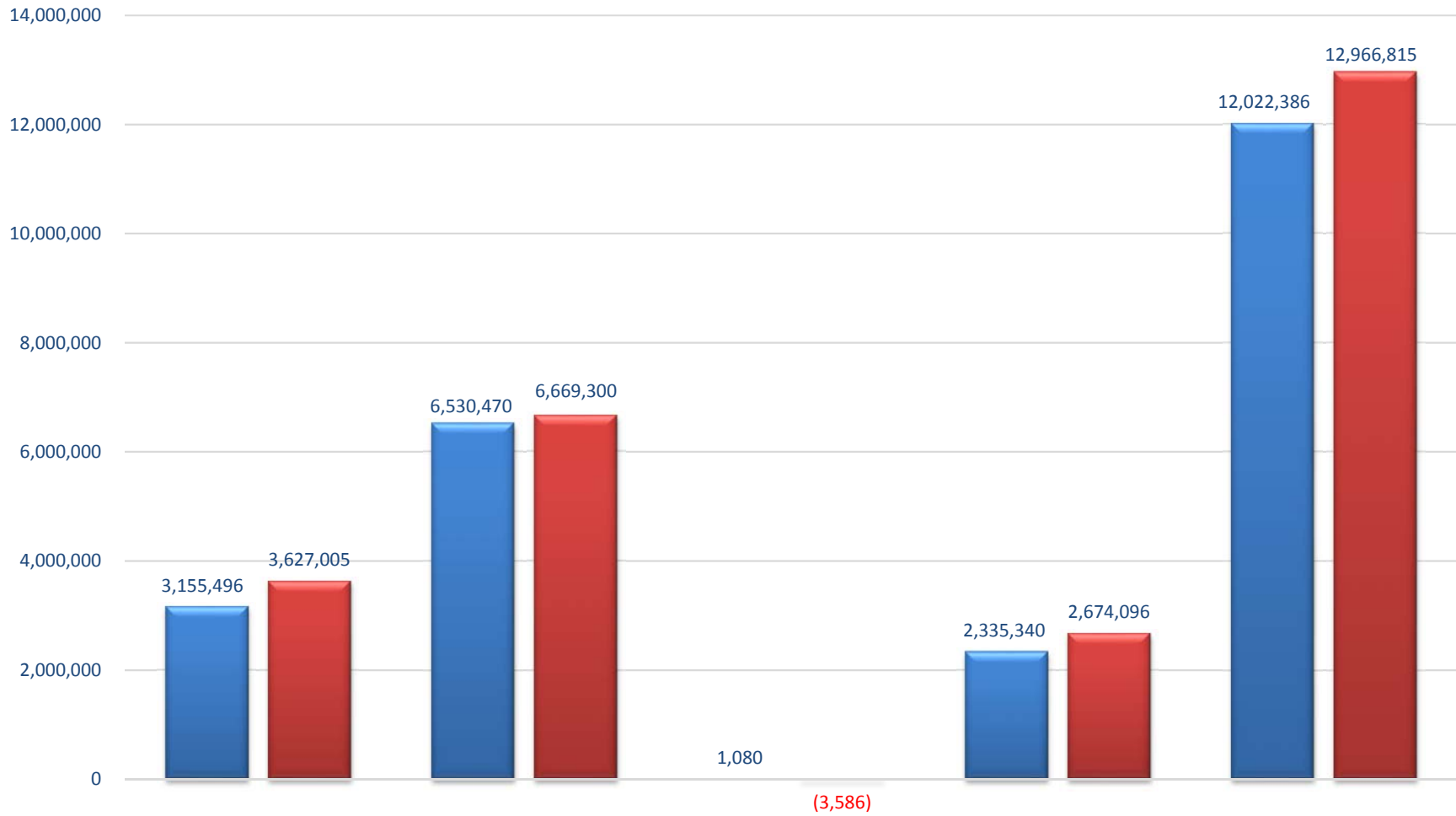
	Kellogg West	Bookstore	Dining Services	Village
■ FY 16-17 Actual	82,712	118,597	(403,522)	(764,781)
■ FY 17-18 Budget	26,199	120,376	(581,635)	(864,210)
■ FY 17-18 Actual	19,587	95,129	(633,733)	(782,818)

Surplus (Deficit) FY16/17 vs FY17/18



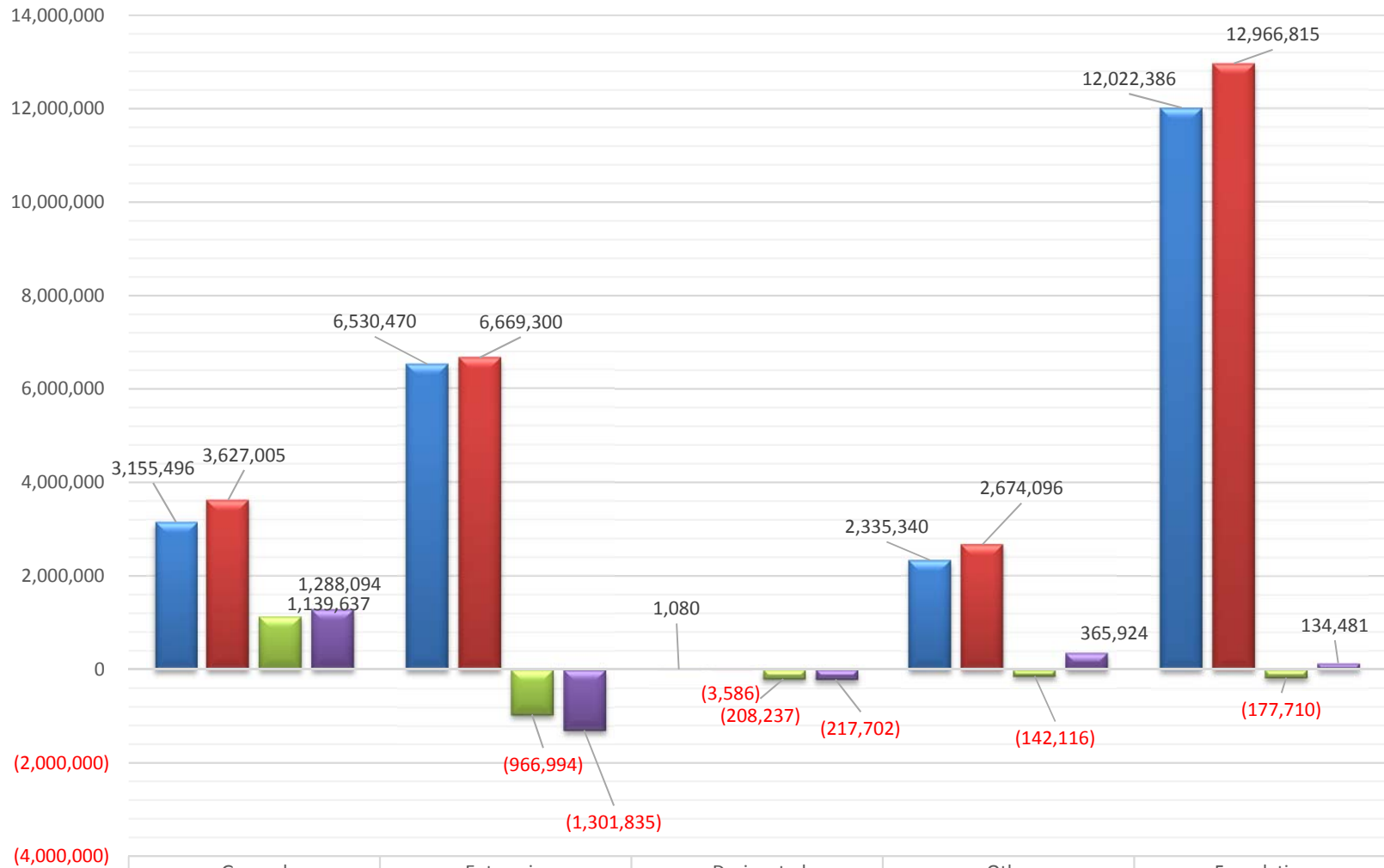
	General	Enterprise	Designated	Other	Foundation
■ FY 16/17 Surplus (Deficit)	1,139,637	(966,994)	(208,237)	(142,116)	(177,710)
■ FY 17/18 Surplus (Deficit)	1,288,094	(1,301,835)	(217,702)	365,924	134,481

Revenue FY16/17 vs FY17/18



	General	Enterprise	Designated	Other	Foundation
■ FY 16/17 Rev	3,155,496	6,530,470	1,080	2,335,340	12,022,386
■ FY 17/18 Rev	3,627,005	6,669,300	(3,586)	2,674,096	12,966,815

Revenue vs Deficit FY16/17 vs FY17/18



	General	Enterprise	Designated	Other	Foundation
■ FY 16/17 Rev	3,155,496	6,530,470	1,080	2,335,340	12,022,386
■ FY 17/18 Rev	3,627,005	6,669,300	(3,586)	2,674,096	12,966,815
■ FY 16/17 Surplus (Deficit)	1,139,637	(966,994)	(208,237)	(142,116)	(177,710)
■ FY 17/18 Surplus (Deficit)	1,288,094	(1,301,835)	(217,702)	365,924	134,481

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

DESCRIPTION	2015-16	2015-16	2015-16	2016-17	2016-17	2016-17	2017-18 YTD	2017-18 YTD
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	Actual 9/30/17	Approved Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	(18,989)	(77,165)	(86,353)	52,351	(7,712)	(92,490)	258,999	192,998
220010 Innovation Village - see Note 1	548,108	521,914	335,653	807,091	784,239	740,517	229,248	208,103
220050 Innovation Village/American Red Cross	(7,024)	-	-	(6,635)	-	-	8,993	-
220052 Innovation Village/Tramel Crow	(1,775)	-	-	326	-	-	523	-
220070 Innovation Village Common Areas	-	-	4	-	-	2	(28,745)	(38,848)
220250 Trammel Crow/I.V. Phase IV	(1,106)	-	-	(488)	-	-	1,287	-
459540 Spadra Solar Farm	(350)	(500)	-	-	-	-	-	-
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	79,264	-	-	(1,275)	-	-	1,916	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	(499,999)	(500,000)	(500,000)	(499,999)	(500,000)	(500,000)	(126,977)	(96,350)
Total Real Estate Development	98,129	(55,751)	(250,696)	351,371	276,527	148,029	345,244	265,903
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	126,731	99,924	94,124	148,510	153,807	131,358	41,744	43,269
190970 Building # 97 - Offices	128,226	127,407	121,509	143,925	139,767	130,638	37,316	32,716
200220 CTTi Building # 220A - College of ENV Studio	(139,510)	(141,710)	(137,600)	(135,343)	(146,924)	(149,632)	(31,503)	(41,613)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	115,447	85,621	78,033	157,092	146,650	112,364	47,557	34,372
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	223,331	263,331	193,382	302,853	221,243	71,938	14,932	52,069
Total Faculty/Staff Housing	223,331	263,331	193,382	302,853	221,243	71,938	14,932	52,069
GRAND TOTAL REAL ESTATE	436,907	293,201	20,719	811,316	644,420	332,331	407,733	352,344

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

DESCRIPTION	2015-16 Actual	2015-16 Forecast	2015-16 Approved Budget	2016-17 Actual	2016-17 Forecast	2016-17 Approved Budget	2017-18 YTD Actual 9/30/2017	2017-18 YTD Approved Budget
016200 Agronomy Farms	(123,581)	233,984	24,341	(86,728)	(130,393)	125,668	(154,930)	(171,359)
260200 Arabian Horse Show	(82,952)	(160,454)	686	(320,070)	(311,996)	(270,908)	(74,785)	7,837
020010 Beef Unit	5,264	6,142	2,150	(2,666)	762	582	(8,664)	21,089
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	(24,274)	1,244	4,184	(30,769)	17,820	4,054	13,958	(374)
300010 Meat Lab	(537)	-	982	18,290	20,121	3,154	-	404
320300 Ornamental Horticulture	13,411	28,429	2,393	19,431	9,082	33,095	(6,132)	(26,992)
193040 Pine Tree Ranch	132,112	42,140	1,996	159,641	35,154	4,396	93,291	(29,116)
420010 Sheep Unit	(13,149)	1,928	841	(9,082)	1,705	2,286	8,566	(20,240)
430010 Swine Unit	3,565	908	9,074	(6,472)	1,452	2,836	127	2,314
260220 Farm Store at Kellogg Ranch	18,896	24,354	(4,665)	33,510	19,569	3,919	(13,471)	(26,978)
460360 Danny's Farm	(1,189)	-	-	(894)	-	-	(233)	-
350810 Truck and Trailer	-	-	-	1,128	-	-	-	-
428460 Vet Clinic	(8,667)	2,463	4,210	(4,845)	5,558	12,839	10,351	196
350820 Pomona Organics St Project	-	-	-	721	-	-	-	-
462300 Pumpkin Festival	5,036	3,811	(3,516)	36,191	118,401	64,192	(12,431)	(23,424)
462530 Westwind Ranch	(42,617)	-	-	(265,632)	93,820	-	100,705	(18,553)
462540 Wasmansdorff House - Pine Tree	102,447	102,227	-	(10,617)	(523)	-	(989)	2,781
462610 Agriscapes	971	-	-	342	(12,964)	4,935	(13,859)	(13,399)
Total	(15,264)	287,176	42,676	(468,521)	(132,432)	(8,952)	(58,496)	(295,814)

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

DESCRIPTION	2015-16	2015-16	2015-16	2016-17	2016-17	2016-17	2017-18	2017-18
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/17	YTD Approved Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	531,386	202,339	139,794	365,917	113,921	86,471	(117,821)	(39,548)
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	-	-	-	-	-	-	-	-
283080 English Language Inst.	-	-	-	-	-	-	-	-
283600 CEU International Training	-	-	-	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	24,951	16,232	7,824	11,387	16,881	21,570	7,138	3,143
283630 Professional Project Management Program	12,560	3,219	11,765	6,451	6,763	3,667	20,598	7,977
283790 On Site Training Programs	8,529	8,897	10,333	15,763	6,394	7,276	(1,692)	(1,150)
283060 Start-Up Programs	-	-	-	(54)	-	-	(119)	-
283076 Technical Programs	(5,440)	(5,840)	29,996	-	-	114	-	-
283073 Test Prep Programs	21,108	11,247	12,584	31,594	30,977	542	51,731	33,280
460280 SUMMER SUPPORT @ CEU	(568)	(810)	(9,174)	(1,103)	(436)	(1,661)	(923)	(6,540)
460920 Business Comm & Grant Writing	(108)	-	-	517	-	-	7,427	-
460930 Accounting & Finance	(1,234)	(1,234)	15,707	(500)	-	-	-	-
460940 Math & Science	(275)	763	(2,908)	7,451	8,698	(3,601)	371	829
460950 Hospitality & Service Industry	6,986	14,654	(1,336)	1,549	438	6,363	21,455	2,065
460960 Supply Chain Management	(110)	(1,680)	(1,374)	-	-	378	-	-
460970 Human Resources Management	1,858	2,656	2,365	12,343	11,511	2,714	8,296	1,100
460980 Building & Construction Management	16,231	15,725	15,091	18,194	21,650	13,693	52,762	6,493
460990 Ed2Go	6,872	7,700	(11,355)	13,841	860	7,697	7,650	(168)
461000 Art, Media, & Design	(1,110)	(1,110)	-	9,107	-	-	(6,545)	-
461010 Global Ed Programs Standard	56,563	136,104	132,415	95,722	130,509	115,149	171,778	223,706
461020 Global Ed Programs Camps	75,289	55,500	-	81,984	16,275	83,070	14,758	46,407
461030 CPELI Camps	84,995	5,686	57,539	45,179	11,716	42,921	36,898	9,970
461040 CPELI Standard	168,437	147,400	188,745	31,188	180,046	194,043	122,116	306,583
461820 Program Development	(232,680)	(282,375)	(380,959)	(259,504)	(272,524)	(381,894)	(67,246)	(79,619)
461840 Summer Camps	10,164	12,121	-	25,282	4,439	15,705	(1,191)	(35,282)
461950 IT, Web & Social Media	(1,301)	438	-	-	-	(18,600)	-	-
462120 CEU CPP Aviation Hospitality	160,247	55,114	20,391	40,071	24,408	66,124	(14,214)	-
462660 CEU Marketing Research	-	(2,668)	-	1,500	-	1,462	(360)	-
462760 CEU Academic Studies Program	-	-	-	15,525	1,105	48,576	46,411	8,192
Total College of Extended Univ Programs	943,350	400,078	237,443	569,404	313,631	311,779	359,278	487,438

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

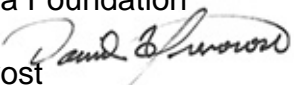
DESCRIPTION	2015-16 Actual	2015-16 Forecast	2015-16 Approved Budget	2016-17 Actual	2016-17 Forecast	2016-17 Approved Budget	2017-18 YTD Actual 9/30/17	2017-18 YTD Approved Budget
COLLEGE OF ENGINEERING								
381500 Non-Credit Learning Admin	1,530	38	48	807	(125)	38	1,187	-
381675 Civil Engineering Review	5,739	909	6,064	22,162	4,989	881	(12,279)	-
Total College of Engineering	7,269	947	6,112	22,969	4,864	919	(11,092)	-
COLLEGE OF SCIENCE								
406440 Chemistry Agilent Project	-	6,595	2,388	-	6,595	2,383	-	(4,569)
Total College of Science	-	6,595	2,388	-	6,595	2,383	-	(4,569)
COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES								
362030 GIS Certificate Program	5,785	-	-	-	-	-	-	-
Total College of Letters, Arts, and Social Sciences	5,785	-	-	-	-	-	-	-
COLLEGE OF ENVIRONMENTAL DESIGN								
460200 CCLAWS CERTIFICATE L+RS	320	-	-	-	-	-	-	-
Total College of Environmental Design	320	-	-	-	-	-	-	-
GRAND TOTAL CONTINUING EDUCATION	956,724	407,620	245,943	592,373	325,090	315,081	348,186	482,869

Memorandum



Date: November 1, 2017

To: Finance Committee
Cal Poly Pomona Foundation

From: David F. Prenovost 
Senior Managing Director/CFO

Subject: Status of Property & Liability Risk Management Issues

Below is a status of risk management issues regarding property and liability.

1. Property Losses – No property losses occurred within fiscal year 2016-17
2. Four General Liability Losses (excluding employment practices) occurred during fiscal year 2016-17. One claim is still open:
 - Auto liability property damage - \$12,244 (3 closed)
 - Slip, Trip and Fall - \$7 (1 open)

We will continue to keep you apprised as necessary at our regularly scheduled meetings.



“Quality Service Supporting Quality Education”



Cal Poly Pomona Foundation 2017/2018 CSURMA AORMA Renewal Report



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

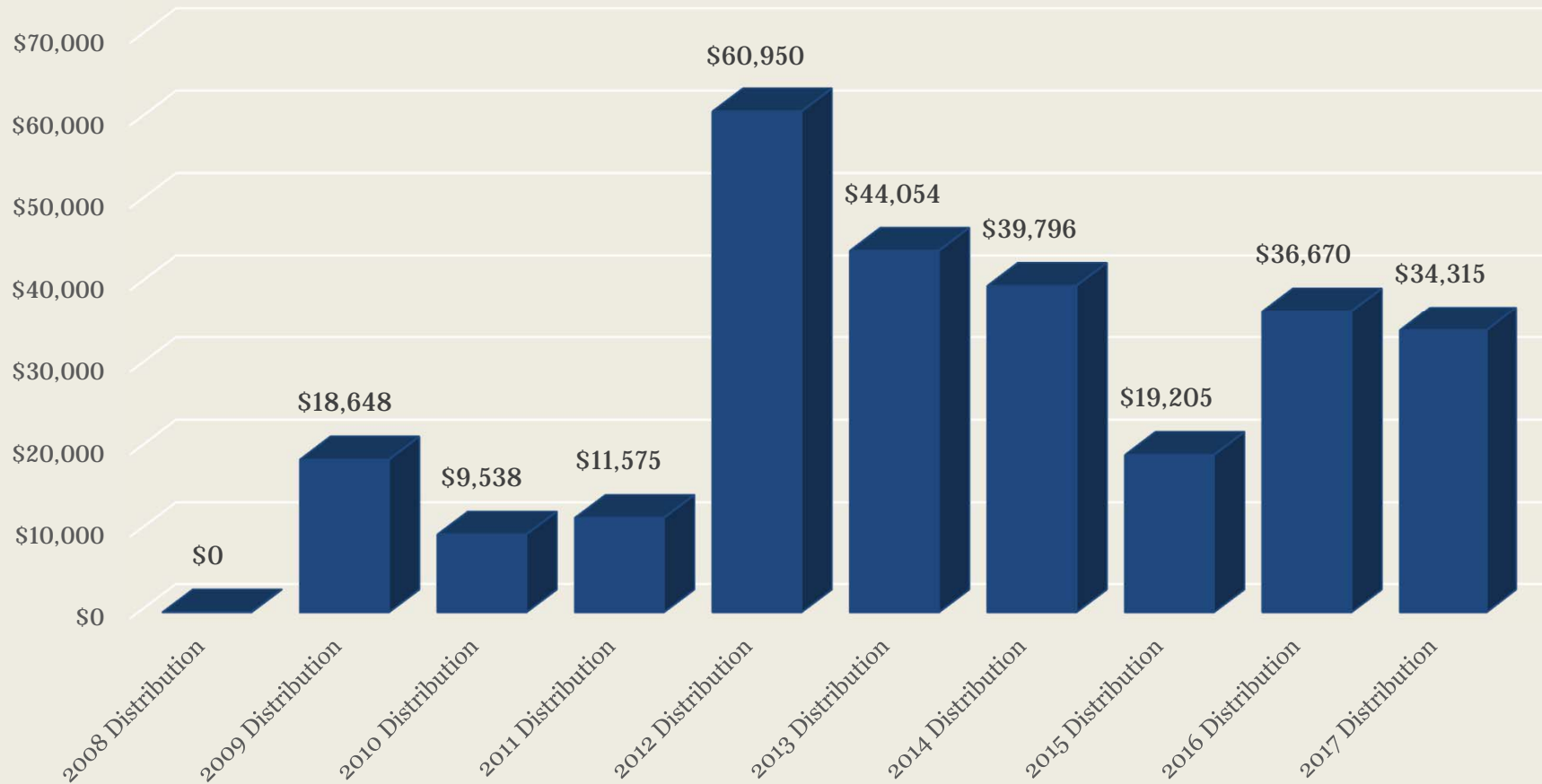
Cal Poly Pomona Foundation Dividend History



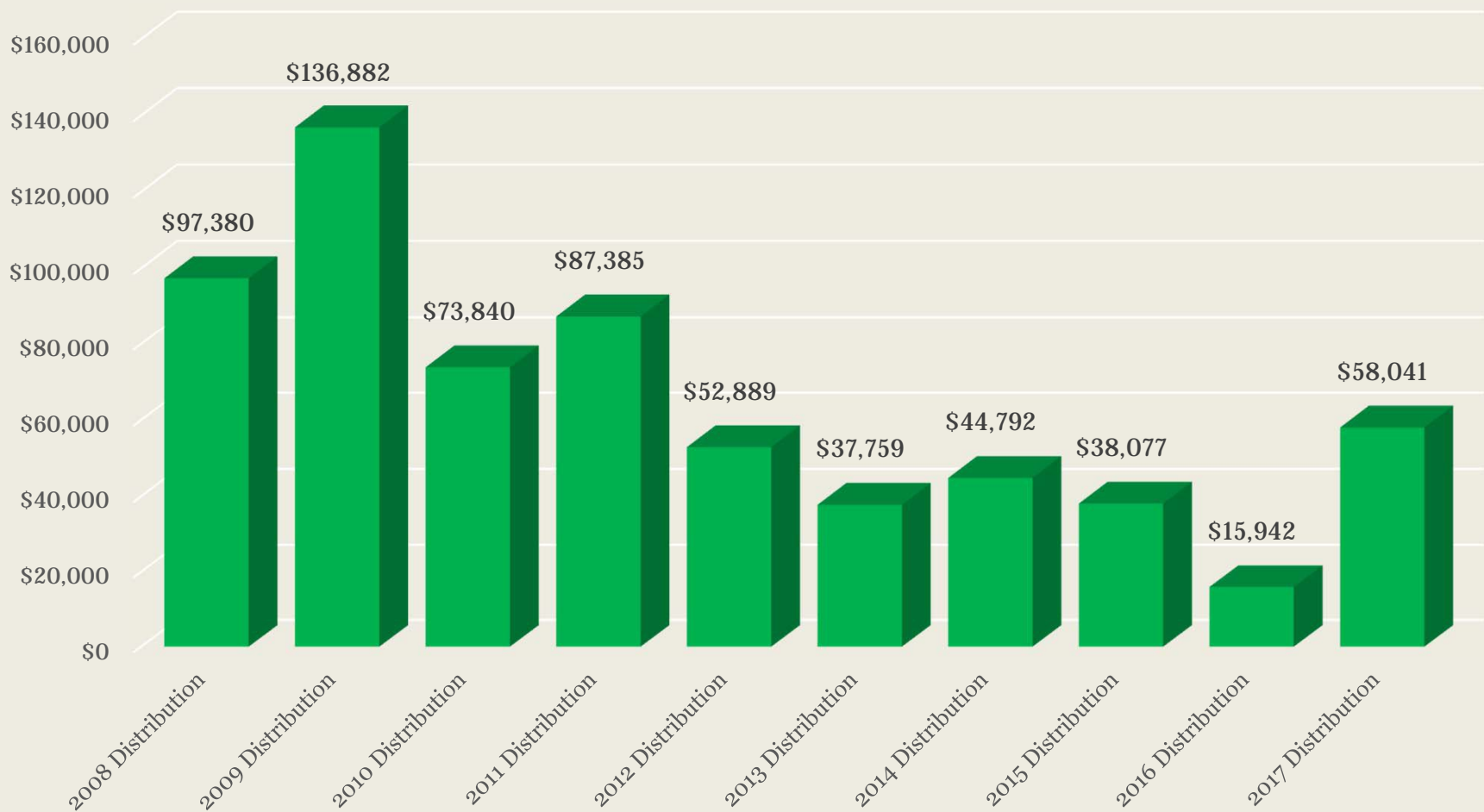
For Policy Yr.	Liability	Workers' Compensation
2007-2008	N/A	\$97,380
2008-2009	\$18,648	\$136,882
2009-2010	\$9,538	\$73,840
2010-2011	\$11,575	\$87,385
2011-2012	\$60,950	\$52,889
2012-2013	\$44,054	\$37,759
2013-2014	\$39,796	\$44,792
2014-2015	\$19,205	\$38,077
2015-2016	\$36,670	\$15,942
2016-2017	\$34,315	\$58,041
Total	\$274,751	\$642,987

Total of \$917,738 returned as Dividends to Cal Poly Pomona Foundation in last 10 years.

Cal Poly Pomona Foundation Liability Dividends



Cal Poly Pomona Foundation Workers' Compensation Dividends



2017/2018 Insurance Cost



AORMA Insurance Program	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Liability	\$151,062	\$135,157	\$142,332	\$154,060	\$168,783	\$215,712	\$232,042
Workers' Compensation	\$221,460	\$200,972	\$273,920	\$310,658	\$326,760	\$347,849	\$314,265
Property	\$148,548	\$175,094	\$149,167	\$110,334	\$102,918	\$48,802	\$51,233
Crime	\$4,338	\$5,195	\$7,410	\$6,659	\$8,834	\$8,036	\$6,970
Cyber Risk Liability	\$622	\$666	\$711	\$812	\$923	\$2,576	\$2,591
Identity Fraud Expense Reimbursement	\$511	\$1,191	\$1,164	\$1,230	\$1,093	\$1,444	\$1,168
Foreign Travel	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	\$526,541	\$518,275	\$574,704	\$583,753	\$609,311	\$624,419	\$608,269

2017/2018 Insurance Cost



AORMA Individual Purchase Programs	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Public Entity Physical Damage	\$1,086	\$1,948	\$4,455	\$5,095	\$6,565	\$6,565	\$7,258
Participant Accident Insurance	N/A	N/A	N/A	\$848	N/A	N/A	N/A
Fiduciary Liability Insurance*	*	*	*	*	*	*	*
Inland Marine Floater	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$1,086	\$1,948	\$4,455	\$5,943	\$6,565	\$6,565	\$7,258

* *Fiduciary liability coverage is included within the AORMA Liability Program.*

Loss information – Total Incurred



AORMA Insurance Program	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Liability	\$3,361	\$377,034	\$0	\$3,391	\$25,692	\$168,832	\$7,348
Workers' Compensation	\$97,548	\$288,346	\$122,218	\$72,346	\$74,991	\$166,093	\$78,847
Property <i>(excess of deductible)</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Workers' Compensation Experience Modification Loss Comparison



Losses Used by the Actuary in Calculating the Experience Modification Factor

Loss Valuation	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total	Exp Mod
@ 6/30/11	\$16,775	\$27,931	\$77,817						\$122,523	.79 for FY 12/13
@ 6/30/12		\$24,246	\$92,301	\$160,952					\$277,499	.97 for FY 13/14
@ 6/30/13			\$97,726	\$243,571	\$74,867				\$416,164	1.07 for FY 14/15
@ 6/30/14				\$296,690	\$122,168	\$85,844			\$504,702	1.37 for FY 15/16
@ 6/30/15					\$137,062	\$86,205	\$87,209		\$310,476	1.19 for FY 16/17
@ 6/30/16						\$78,658	\$90,170	\$80,236	\$249,064	1.20 for FY 17/18

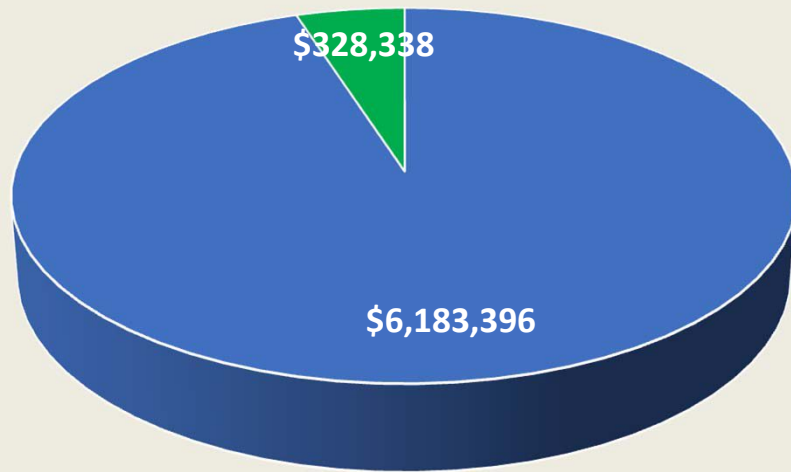
Future Financial Benefits of CSURMA AORMA Membership



Cal Poly Pomona Foundation Potential Share of Program Equity

AORMA Workers' Compensation Program

AORMA Liability Program



- Total Program WC Surplus Reserves at 6/30/16
- Pomona Foundation



- Total Program Liability Surplus Reserves at 6/30/16
- Pomona Foundation

Questions?

Contact your CSURMA AORMA Program
Administrators

Mimi Long

mlong@alliant.com

(415) 403-1423

Van Rin

vrin@alliant.com

(415) 403-1408



Memorandum



Date: October 24, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/Chief Financial Officer

Subject: **2017-18 Insurance Coverage**

As you may know, the Foundation participates in the Auxiliary Organization Risk Management Alliance (AORMA), a Committee of the California State University Risk Management Authority (CSURMA), a joint powers authority and Alliant Insurance Services is the Program Administrator. The Foundation's schedule of insurance premiums, coverage, limits and deductibles for the fiscal year 2017-18 is provided in the following document.

This coverages exclude earth quake insurance that the insurance program determined was not economically feasible to purchase this year.

In addition to the insurance coverage the Foundation established an Insurance Reserve policy # 174 in February 2006, attached for your reference. The insurance reserve currently has a balance of \$134,303. The Insurance Reserve was established to pay the deductible amounts greater than \$10,000.

INSURER:
Auxiliary Organization
Risk Management
Alliance (AORMA)

POLICY TERM:
July 1, 2017 to
July 1, 2018



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERAGE:

The AORMA Liability Program will pay on behalf of the Member those sums the Member shall be obligated to pay by reason of liability imposed by law because of bodily injury, property damage, errors or omissions, unfair employment practices liability, personal injury or media wrongful acts.

THE PARTIES COVERED:

1. All of the CSU Auxiliary Organizations who have joined the CSURMA Joint Powers Authority (the Members)
2. When acting solely within the scope of their duties, office or employment for the Member, the governing board, officers, employees and authorized individuals acting as volunteers
3. Any person using an auto with permission of the Member.
4. Additional covered parties to whom the Member is obligated by virtue of any written contract to provide coverage
5. Any employee pension benefits or employee welfare benefits trust formed under U.S. Internal Revenue Code Section 501(c)(9), including the Board of Trustees of the trust when acting solely within the scope of the duties, office or employment for the trust
6. Auxiliaries Multiple Employer VEBA
7. Auxiliary Organizations Association

LIMITS:

\$5,000,000	Any one Occurrence or Wrongful Act Non-Salaried Employees (of the California State University) Auto Liability –
\$5,000,000	Each Accident
\$250,000	California Uninsured or Underinsured Motorist (Bodily Injury Only) – Each Accident
\$50,000	Domestic Hired Automobile Physical Damage – Each Accident
\$350,000	Fiduciary Liability, including Employee Benefits Liability Coverage (Claims Made Coverage Basis) – Each Occurrence
\$250,000	Funds, Grants or Appropriations (Defense Only) – Each Occurrence
\$250,000	Land Use (Defense Only) – Per Ultimate Net Loss
\$250,000	Nuclear Materials (Limited Coverage) – Each Occurrence
\$1,100,000	Mold – Each Occurrence
\$1,350,000	Mold – Aggregate for Each Member

Note: AORMA's pooled layer limit is \$500,000 per claim. Evanston Insurance Company & Great American Insurance Company reinsures AORMA's limit - \$4,500,000 excess of \$500,000.

DEDUCTIBLE:

\$0	All coverages except;
\$25,000	Employment Practices Liability (all Member except as shown below)
\$50,000	University Enterprises, Inc., CSU Sacramento
\$75,000	California State University, Fresno Foundation
	California State University, Long Beach Research Foundation,
\$100,000	The Cal Poly Pomona Foundation, Inc.
	San Diego State University Research Foundation
	San Jose State University Research Foundation
\$1,000,000	Non-Salaried Employees (of the California State University) Auto Liability – Each Occurrence
\$1,000	Domestic Hired Automobile Physical Damage – Comprehensive and Collision
\$5,000	Domestic Hired Automobile Physical Damage – Comprehensive and Collision when the use of the hired vehicle on a non-paved road violates the rental car agreement

RETROACTIVE DATES:

Fiduciary Liability, including Employee Benefits Liability Coverage

7/01/05	Associated Students of CSU Chico
7/01/08	CSU Long Beach Research Foundation
7/01/07	Associated Students Inc. CSU Los Angeles
10/01/91	The University Corporation, CSU Northridge
10/01/99	University Student Union, CSU Northridge
4/15/10	Capital Public Radio, CSU Sacramento
7/01/02	San Jose University Research Foundation
2/01/98	Spartan Shops, Inc.
7/01/10	Auxiliaries Multiple Employer VEBA
7/01/10	All other insureds

WHAT'S COVERED:

1. General Liability
2. Automobile Liability (Owned, Non-owned, and Hired)
3. Errors & Omissions, including Directors & Officers Liability, and Media Wrongful Acts
4. Employment Practices Liability
5. Domestic Hired Automobile Physical Damage
6. Liquor Liability
7. Watercraft Liability, under 50 feet, or while on shore
8. Employee Benefits Liability
9. Fiduciary Liability

EXCLUSIONS:

1. Aircraft (the exclusion does not apply to Unmanned Aerial Vehicles)
2. Asbestos
3. Aviation Activities
4. Bodily Injury to the Member's employees arising in the course of employment
5. Contractual Obligation; except for liability assumed in a contract or agreement
6. Dams
7. Employee Benefits Liability; except as provided under Fiduciary Liability Endorsement
8. Eminent Domain and Inverse Condemnation
9. ERISA; except as provided under Fiduciary Liability Endorsement
10. Fiduciary Liability; except as provided under Fiduciary Liability Endorsement
11. Funds, Grants, or Appropriations; but defense is provided up to \$250,000
12. Insolvency
13. Intentional Conduct
14. Lack of Occurrence
15. Land Use; but defense is provided up to \$250,000
16. Lead
17. Medical Malpractice; limited coverage is added back for your employees who are nurses, paramedics, EMTs, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomists or physical therapists
18. Mold (limited coverage)
Non-Compensatory Amounts and/or Damages
19. Nuclear, except materials for instructional or research activities up to \$250,000
20. Office of Foreign Assets Control
21. Pollution
22. Property Damage (ADA accommodations)
23. Silica
24. Subsidence
25. Terrorism
26. War
27. Watercraft 51 feet or over

Wrongful Acts (Exclusions):

1. Labor disputes or labor negotiations
2. Injunctions, equitable relief, non-monetary damages
3. Crime, dishonest, fraudulent or malicious act
4. Illegal remuneration or willful violation of a penal statute; etc.

Media Wrongful Acts (Exclusions):

1. Infringement of any patent
2. Violation of any law or regulation regarding communication including telephone calls, facsimiles and electronic mail
3. Illegal remuneration or willful violation of a penal statute; etc.

Fiduciary Liability (Exclusions):

1. Fines, Penalties or Taxes
2. Payments due under a benefit plan or trust, unless recovery is based on a covered wrongful act
3. Personal injury or bodily injury, contractual obligation, illegal remuneration or discrimination in violation of any law
Any wrongful act which was reported to a prior insurer, any wrongful act known to the insured prior to inception of this policy or any deliberately fraudulent or dishonest act; willful violation of a statute or regulation

PUBLIC ENTITY EXCESS LIABILITY:

Carrier: Ironshore Specialty Insurance Company
Limits: \$5,000,000 Excess of \$5,000,000

Carrier: Allied World Assurance Company
Limits: \$10,000,000 Excess of \$10,000,000

EXCESS FIDUCIARY LIABILITY:

Carrier: Lloyd's of London
Limits: \$4,650,000 Excess of \$350,000

HOW TO REPORT A CLAIM:

Carl Warren & Company
Mauri McGuire
(805) 650-7020 x1003
mmcquire@carlwarren.com

INSURER:
Auxiliary Organization
Risk Management
Alliance (AORMA)

POLICY TERM:
July 1, 2017 to
July 1, 2018



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERAGE:

Worker's Compensation and Employers' Liability

LIMITS:

Primary - AORMA

\$750,000	Workers' Compensation - each accident
\$750,000	Employer's Liability - each accident
\$750,000	Employer's Liability – each employee for disease

Excess

Statutory	Workers' Compensation - each accident
\$5,000,000	Employer's Liability - each accident
\$5,000,000	Employer's Liability – each employee for disease

EXTENSION(S):

1. Allocable Loss Adjustment Expense ("defense costs") included as loss to satisfy the retention
2. All States Coverage
3. USL&H (Incidental Only)
4. Maritime Coverage (Incidental Only)

HOW TO REPORT A CLAIM:

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

Sedgwick CMS
Brian Montagnese
(916) 851-4441
Brian.montagnese@sedgwickcms.com

INSURER:
Alliant Property
Insurance Program
(APIP) – Various
Insurers

POLICY TERM:
July 1, 2017 to
July 1, 2018



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERED ENTITY:

California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance Members

COVERAGE:

The AORMA Property Program insures all property of every description both real and personal (including improvements, betterment and remodeling), of the Member, or property of others in the care, custody or control of the Member, for which the Member is liable, or under obligation to insure – subject to all terms, conditions and exclusions.

PERILS COVERED:

All risk of direct physical loss or damage occurred during the policy period, subject to the policy exclusions.

MEMBER DEDUCTIBLE:

All Risk Perils

\$5,000	Per Occurrence (Personal Property & Business Interruption/Rents) <i>Per Occurrence (Real Property)</i>
\$5,000	Buildings with a TIV of \$10,000,000 of Less
\$10,000	Buildings with a TIV of between \$10,000,001 and \$25,000,000
\$25,000	Buildings with a TIV of between \$25,000,001 and \$50,000,000
\$50,000	Buildings with a TIV of \$50,000,001 or more

Flood Insurance

\$250,000	Flood - Zones A & V
\$100,000	Flood - All Other Zones

Public Entity Pollution Liability

\$50,000	Per Pollution Condition
3 Days	Per Pollution Condition - Business Interruption
\$100,000	Per Pollution Condition - Catastrophe Management Expense

If two or more of the deductible amounts noted above apply to a single occurrence, the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. This deductible statement does not apply to the Cyber Liability or Fine Arts, Artifacts and Archives deductibles noted below.

Cyber Liability

\$25,000	Per Occurrence
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Fine Arts, Artifacts and Archives

\$0	Per Occurrence
10% of TIV	10% of the value of the item damaged for losses due to earthquake

Note: TIV means Total Insurable Value

LIMITS:

\$1,000,000,000	Per Occurrence
\$50,000,000	Flood Limit (Combined with Campus)
\$100,000,000	Boiler and Machinery Limit
\$100,000,000	Combined Business Interruption, Rental Income, Tax Interruption (<i>for scheduled locations – for unscheduled locations - \$500,000 per member, \$2,500,000 per occurrence, \$5,000,000 per occurrence for Tax Interruption</i>)
	Combined Business Interruption, Rental Income, Tax Interruption (<i>for unscheduled locations</i>)
180 Days	<i>Extended Period of Indemnity</i>
\$50,000,000	Extra Expense
\$25,000,000	Miscellaneous Unnamed Location
\$25,000,000	Automatic Acquisition – subject to policy limitations
\$1,000,000	Unscheduled Landscaping
\$5,000,000	Scheduled Landscaping
\$50,000,000	Errors & Omissions
\$25,000,000	Course of Construction and Additions
\$2,500,000	Money & Securities
\$2,500,000	Unscheduled Fine Arts
\$250,000	Accidental Contamination
\$500,000	Tunnels, Bridges, Streets
\$25,000,000	Increased Cost of Construction
\$25,000,000	Transit
\$2,500,000	Unscheduled Animals; \$50,000 per Animal
\$2,500,000	Unscheduled Watercraft; up to 27 feet
\$25,000,000	Off Premises Services Interruption including Extra Expense (<i>\$10,000,000 for Boiler and Machinery</i>)
\$3,000,000	Contingent Business Interruption, Contingent Rental Values
\$5,000,000	Earthquake for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts
\$5,000,000	Flood for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts
\$1,000,000	Claim Preparation Expenses
\$50,000,000	Expediting Expenses
\$500,000	Furs, Jewelry, Precious Metals and Precious Stones
\$800,000,000	Terrorism Annual Aggregate (shared by all members)
\$1,000,000	Personal Property Outside the U.S.A.
	<u><i>Public Entity Pollution Liability</i></u>
\$7,000,000	Per Pollution Condition (Covered under two separate policies)
\$7,000,000	Per Pool Aggregate
\$7,000,000	Business Income & Extra Expense
\$500,000	Catastrophe Management Expense
\$4,500,000	Fungi and Legionella
	<u><i>Cyber Liability</i></u>
\$20,000,000	Annual Aggregate
\$2,000,000	Information Security & Privacy Liability - Aggregate
\$500,000	Privacy Notification Costs - Aggregate
\$2,000,000	Penalties for Regulatory Defense and Penalties - Aggregate
\$100,000	PCI Fines and Penalties
\$2,000,000	Website Media Content Liability – Aggregate
\$2,000,000	Cyber Extortion Loss – Aggregate
	<u><i>Fine Arts, Artifacts and Archives</i></u>
\$25,000,000	Per Occurrence
\$2,500,000	For Each Unscheduled Item
\$5,000,000	Transit (per conveyance)

MAJOR PERILS EXCLUDED:

Consult the policy for a complete list of peril excluded.

1. Moths, vermin, termites, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear and tear
2. Normal settling, shrinkage or expansion
3. Delay or loss of market
4. Inventory shortage, dishonest acts of employees
5. Damage to personal property from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless caused by named perils
6. Damage to personal property in the open caused by rain, sleet or snow
7. War
8. Earthquake

LOSS VALUATION BASIS:

Repair or Replacement Cost

Actual Loss Sustained for Time Element Coverages

Contractor's Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV).

PUBLIC ENTITY POLLUTION LIABILITY SUMMARY – ATTACHED

CYBER LIABILITY SUMMARY – ATTACHED

BOILER AND MACHINERY SUMMARY – ATTACHED

FINE ARTS, ARCHIVES AND ARTIFACTS - ATTACHED

HOW TO REPORT A CLAIM:

Notify Alliant:

Sheila McClenaghan

(415) 403-1492

smcclenaghan@alliant.com

Elaine (Kim) Tizon

(415) 403-1458

etizon@alliant.com

After Hours Reporting:

Robert Frey

(415) 403-1445

(415) 518-8490 (Cell)

rfrey@alliant.com

cc McLaren's Young:

Cathryn O'Meara

(949) 757-1413

(949) 757-1692 (Fax)

cathryn.omeara@mclarensyoung.com

INSURER:
Alliant Property
Insurance Program
(APIP) – Various
Insurers

POLICY TERM:
July 1, 2017 to
July 1, 2018



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERED ENTITY:

California State University Risk Management Authority –
Auxiliary Organizations Risk Management Alliance Members

COVERAGE:

The AORMA Boiler & Machinery Program insures all property of every description both real and personal (including improvements, betterment and remodeling), of the Member, or property of others in the care, custody or control of the Member, for which the Member is liable, or under obligation to insure – subject to all terms, conditions and exclusions.

PERILS COVERED:

Boiler explosion and machinery breakdown

LIMITS:

\$100,000,000 Ultimate Net Loss for Each Member During the Policy Period; including Boiler Explosion and Machinery Breakdown as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:

\$10,000,000 Service/Utility/Off Premises Power Interruption
Included Consequential Damage/Perishable Goods/Spoilage
\$10,000,000 Electronic Data Processing Media and Data Restoration
\$10,000,000 Hazardous Substances/ Pollutants/Decontamination
Included Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

SUB-LIMITS:

\$10,000,000 Service/Utility/Off Premises Power Interruption
Included Consequential Damage/Perishable Goods/Spoilage
\$10,000,000 Electronic Data Processing Media and Data Restoration
\$10,000,000 Hazardous Substances/ Pollutants/Decontamination
Included Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

NEWLY ACQUIRED LOCATIONS:

\$25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

VALUATIONS:

Repair or Replacement except Actual Loss sustained for all Time Element coverages

MEMBER DEDUCTIBLE:

- \$5,000 Per Occurrence (Personal Property & Business Interruption/Rents) – All Members
- 1% of the Real Property Value Per Occurrence (Real Property) – Subject to minimum of \$5,000 and maximum of \$50,000 If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

EXCLUSIONS *(Including but not limited to):*

1. Testing
2. Explosion, except for steam or centrifugal explosion
3. Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED *(Including but not limited to):*

1. Insulating or refractory material
2. Buried Vessels or Piping
3. Furnace, Oven, Stove, Incinerator, Pot Kiln

HOW TO REPORT A CLAIM:

Notify Alliant:

Sheila McClenaghan
(415) 403-1492
smcclenaghan@alliant.com

Elaine (Kim) Tizon
(415) 403-1458
etizon@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

cc McLaren's Young:

Cathryn O'Meara
(949) 757-1413
(949) 757-1692 (Fax)
cathryn.omeara@mcclarensyoung.com

INSURER:
Alliant Property
Insurance Program
(APIP) – Lloyd's of
London

POLICY TERM:
July 1, 2017 to
July 1, 2018

TERRITORY:
Worldwide

RETROACTIVE DATE:
July 1, 2008



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERAGE:

Information Security & Privacy Insurance with Electronic Media Liability Coverage

NAMED COVER ENTITY:

California State University Risk Management Authority – Campuses

LIMITS:

Third Party Liability

\$2,000,000	Information Security & Privacy Liability - Aggregate
\$500,000	Privacy Notification Costs - Aggregate
\$2,000,000	Penalties for Regulatory Defense and Penalties - Aggregate
\$100,000	PCI Fines and Penalties
\$2,000,000	Website Media Content Liability – Aggregate
\$2,000,000	Cyber Extortion Loss – Aggregate

First Party Computer Security

\$2,000,000	Cyber Extortion Loss – Aggregate
\$2,000,000	Data Protection Loss and Business Interruption Loss - Aggregate First Party Business Interruption Sub-Limits of Liability
\$50,000	1) Hourly Sublimit
\$50,000	2) Forensic Expense Sublimit
\$150,000	3) Dependent Business Interruption Sublimit.

RETENTION:

\$25,000	CSU Auxiliary Organizations Eight hour waiting period for first party claims
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COINSURANCE:

10% For Public Relations Consultancy

OTHER SERVICES:

Unlimited Access to e-Place Solutions as per attached brochure

SPECIFIC COVERAGE PROVISIONS:

Information Security and Privacy Liability – Violation of a privacy law for:

1. Theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Member
2. Failure of computer security to prevent a security breach including
 - a. Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - b. Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - c. Participation in a denial of service attack directed against a third party computer system
3. The failure to timely disclose any of the above in violation of any breach notice law
4. The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
5. The failure to administer an identity theft prevention program

Privacy Notification Costs – Necessary costs to comply with a breach notice laws, including:

1. To hire security experts;
2. Notification provisions,
3. Public relations mitigation up to \$50,000 subject to Nil coinsurance
4. Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
 - a. Credit file monitoring,
 - b. Mailing and third party administrative costs

To provide notification to:

1. Individuals who are required to be notified under the applicable Breach Notice Law; and
2. In the Underwriters' discretion, to individuals affected by an incident in which their Personally Identifiable Non-Public Information has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

Regulatory Defense and Penalties - Regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.

Website Media Content Liability - The following acts committed in the course of media activities:

1. Defamation, libel, slander, trade libel
2. Privacy violation
3. Invasion or interference with publicity
4. Plagiarism, piracy, misappropriation of ideas under implied contract
5. Infringement of copyright
6. Infringement of domain name, trademark
7. Improper deep-linking or framing within electronic content

Cyber Extortion - Extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.

First Party Data Protection - Data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.

First Party Network Business Interruption - Interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

EXCLUSIONS (including but not limited to):

Coverage does not apply to any claim or loss from

1. Bodily Injury or Property Damage
2. Any employer-employee relations, policies, practices
3. Contractual Liability or Obligation
4. Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
5. Anti-Trust violations
6. Unfair trade practices
7. Unlawful collection or acquisition of Personally Identifiable Non-Public Information
8. Distribution of unsolicited e-mails, facsimile, audio or video recording
9. Prior knowledge or previously reported incidents
10. Incidents occurring prior to retroactive date/continuity date
11. Any act, error, omission, of computer security if occurred prior to policy inception
12. Collusion
13. Securities Act Violations
14. Fair Labor Act Violations
15. Discrimination
16. Intentional Acts with regard to Privacy and Security Breach
17. Infringement - Patent and Copyright
18. Federal Trade Commission and related state, federal, local and foreign governmental activities
19. Insured vs. Insured
20. Money/Securities/Funds Transfer
21. Broadcasting, Publications and Advertising
22. War and Terrorism
23. Radioactive Contamination
24. Pollution
25. Nuclear Incident

HOW TO REPORT A CLAIM:

IMMEDIATE NOTICE should be made to Beazley Group NY:

Beazley Group NY

Beth Diamond
(646) 943-5900

tmbclaims@beazley.com

Alliant:

Sheila McClenaghan

(415) 403-1492

smcclenaghan@alliant.com

Elaine (Kim) Tizon

(415) 403-1458

etizon@alliant.com

After Hours Reporting:

Robert Frey

(415) 403-1445 / (415) 518-8490 (Cell)

rfrey@alliant.com

POLICYHOLDER SERVICES

NEW SERVICES INCLUDE

- Training and Awareness Programs
- Animated Staff Training Programs
- Expanded HIPAA Compliance Tools

DATA SECURITY RISK MANAGEMENT

NoDataBreach.com provides risk management policies, procedures, training, and other tools to help insureds prevent a breach of confidential data.

As a Beazley Breach Response® policyholder, you have unlimited access to:

ON-LINE COMPLIANCE MATERIALS

Federal and state compliance materials regarding data security, data breaches, and data privacy, including:

- Quick Tips on many subjects; Summaries of federal/state laws
- Links to statutes & regulations; Sample policies & procedures
- Continuing updates and electronic notification of significant changes to the on-line materials

QUARTERLY NEWSLETTER & "INSTANT ALERTS"

Sent by email, learn about changes in federal and state laws regarding data security, data breach, and data privacy issues; Instant Alerts sent by email for events require immediate attention.

EXPERT SUPPORT ON-LINE

Experts support from consultants/attorneys on data security issues; including:

- Health care & HIPAA compliance issues
- Data breach prevention issues
- Data Security best practices
- Computer forensic issues

STEP-BY-STEP PROCEDURES TO LOWER RISK

Procedures and on-line forms help you:

- Understand the scope of "personal information" ("PI")
- Determine where PI is stored
- Collect and/or retain the minimum amount of PI as required for business needs
- Properly destroy PI that is no longer needed
- Implement an Incident Response Plan

TRAINING MODULES

- Comic Strip training
- Online training programs; Employee training bulletins
- Webinars for privacy compliance and IT staff
- Audio and PodCast training for managers and/or employees

HANDLING DATA BREACHES

Guidance provided to:

- Help prevent data security incidents
- Respond to a data breach



NoDataBreach.com

Powered by ePlace Solutions, Inc.

INSURER:
Lloyd's of London

POLICY TERM:
July 1, 2017 to
July 1, 2018

POLICY NO:
B0180PH1733938



QUESTIONS:

Robert Leong
(415) 403-1441
rleong@alliant.com

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

NAMED COVERED ENTITY:

California State University Risk Management Authority (CSURMA)
CSURMA Auxiliary Organizations Risk Management Alliance (AORMA)

LIMITS/SUB-LIMITS:

2,000,000 Notified Individuals - Aggregate
10% Of Notified Individuals residing outside of the United States – Sublimit
\$1,000,000 Computer Expert Services (includes credit monitoring & call center services),
Legal Services, and Public Relations & Crisis Management Expenses -
Aggregate Limit
[Privacy Breach Response Services](#) is separate from and in addition to the
Policy Aggregate Limit of Liability

RETENTION:

250 First 250 Notified Individuals for Each Incident – Notification Services, Call
Center Services, and Breach Resolution & Mitigation Services for each incident
involving at least:
\$5,000 Legal Services (part of and not in addition to combined retention below)
\$20,000 Computer Expert Services, Legal Services and Public Relations & Crisis
Management Expenses Combined

COVERAGE:

1. Information Security and Privacy Liability
2. Privacy Notification Costs

CLAIMS SERVICES:

1. Direct Reporting to Beazley Breach Response Service Team
2. Data Breach Investigation and Response
3. Sole Purpose to respond to data breach event
4. Information Security Incident Response Guide Provided

HOW TO REPORT A CLAIM:

IMMEDIATE NOTICE should be made to Beazley Breach Response of all potential claims and
circumstances (assistance, and cooperation clause applies)

Claim notification under this policy is to:
Beazley Breach Response
bbr.claims@beazley.com

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Robert Frey
(415) 403-1445
rfrey@alliant.com

INSURER:

Alliant Property
Insurance Program
(APIP) – Lloyd’s of
London

POLICY TERM:

July 1, 2017 to
July 1, 2018

RETROACTIVE DATE:

July 1, 2011



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERED LOCATION:

1. All locations included on the Member’s Property Schedule
2. Any non-owned disposal site – *for third-party claims only*

COVERED OPERATIONS:

Covered operations means transportation and any operations that are identified in the application and any supporting documentation provided prior to the inception date, which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Includes spraying operations, street construction and repair, utility construction and repair, and refuse collection.

COVERAGE:

This policy provides coverage for:

1. Third party bodily injury or property damage, remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date
2. Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date.
3. An actual business interruption loss resulting from the discovery of a covered pollution condition
4. Catastrophe management costs
5. Emergency response costs

LIMITS:

- \$7,000,000 Per Pollution Condition (Covered under two separate policies)
- \$7,000,000 Per Pool Aggregate
- \$7,000,000 Business Income & Extra Expense
- \$500,000 Catastrophe Management Expense
- \$4,500,000 Fungi and Legionella

SELF-INSURED RETENTION:

- \$50,000 Per Pollution Condition – Auxiliary Organizations (for the first \$5,000,000 of the loss)
- \$75,000 Per Pollution Condition – Auxiliary Organizations (for losses in excess of \$5,000,000 up to \$7,000,000)
- 3 Days Business Interruption (plus 4 additional days if the loss is in excess of \$5,000,000)
- \$100,000 Catastrophe Management Expense
- \$750,000 Underground Storage Tanks

EXCLUSIONS:

1. Asbestos
2. Contractual Liability
3. Divested Property
4. Employer's Liability
5. Failure to Follow Asbestos and/or LBP Management Plan
6. Fines and Penalties
7. First Party Property Damage – *Does not apply to remediation costs*
8. Fraud or Misrepresentation
9. Insured's Internal Expenses
10. Insured vs. Insured
11. Intentional Non-Compliance
12. Landfills and Recycling Facilities – *leased, owned or operated*
13. Lead-Based Paint
14. Material Change in Risk
15. Naturally Occurring Materials
16. Pre-Existing Conditions
17. Products Liability
18. Professional Liability
19. Regulatory Compliance
20. Underground Storage Tanks
21. Vehicles
22. War or Terrorism
23. Work Product

HOW TO REPORT A CLAIM:

IMMEDIATE NOTICE should be made to ACE Environmental Risk:

To: ACE Environmental Risk Claims Manager
ACE USA Claims
P.O. Box 5103
Scranton, PA 18505-0510
(888) 310-9553

casualtyriskenvironmentalfirstnotice@acegroup.com

cc: Alliant

Sheila McClenaghan
(415) 403-1492
smcclenaghan@alliant.com

Elaine (Kim) Tizon
(415) 403-1458
etizon@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

INSURER:
Lloyd's of London

POLICY TERM:
July 1, 2017 to
July 1, 2018



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

THE PARTIES COVERED:

All of the CSU Auxiliary Organizations who have joined the CSURMA Joint Powers Authority (the Members)

WHAT HAS GONE WRONG:

You have suffered a loss because of:

1. Employee dishonesty
2. Theft
3. Computer crime
4. Counterfeiting
5. Forgery
6. Faithful performance of duty for government employees

WHAT DOES THE POLICY PAY:

You have suffered a loss because of:

1. Direct financial loss sustained by you anywhere in the world
2. Direct financial loss sustained by another person or organization where you have responsibility for the care, custody and control of their money, securities or other property
3. Auditor's fees in order to quantify the covered loss

LIMITS:

Primary Layer (AORMA)

\$25,000 Any One Loss (including fidelity coverage required by ERISA)
\$100,000 Annual Aggregate for all Members

Excess Layer (Lloyd's of London)

\$5,000,000 Any One Loss
\$40,000,000 Annual Aggregate for all Members

MEMBER DEDUCTIBLE:

\$5,000 Any One Loss
\$0 Any One Loss applicable to fidelity coverage required by ERISA

EXCLUSIONS:

1. Fines or Penalties
2. Errors and omissions committed by you or your employees
3. Loss you discovered before the commencement of the policy period
4. Loss caused by anyone owing 10% or more of issued share capital
5. Loss caused by an employee after you are aware they have committed acts of fraud, dishonesty or criminal damages (unless the person who discovers is in collusion with employee)
6. Costs to establish value of a loss (except auditor's fees)
7. Indirect or consequential loss
8. Income or profit
9. Loss resulting from trading in securities, commodities, etc.
10. Extortion, unless caused by Employee Dishonesty or Computer Crime

MAJOR CONDITIONS:

1. All checks for amounts in excess of \$15,000 must include dual check signatures
2. Written notice of a loss must be provided within 45 days of discovery

HOW TO REPORT A CLAIM:

Notify Alliant:

Sheila McClenaghan
(415) 403-1492
smcclenaghan@alliant.com

Elaine (Kim) Tizon
(415) 403-1458
etizon@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

INSURER:
Travelers Excess and
Surplus Lines Company

POLICY TERM:
July 1, 2017 to
July 1, 2018

POLICY NO:
105960479



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERAGE:

1. Lost wages as a result of time taken off from work to deal with the fraud, including wrongful incarceration – up to \$500 per week for four weeks
2. Notary and certified mail charges for completing and delivering fraud affidavits
3. Fees to re-apply for loans that were denied as a result of erroneous credit information due to the identity theft
4. Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity theft
5. Attorney fees incurred, with Travelers Bond's prior consent, for:
 - a. Defending suits brought incorrectly by merchants or their collection agencies
 - b. Removing criminal or civil judgments wrongly entered against the victim
 - c. Challenging information in a credit report

**THIS BENEFIT APPLIES TO ANY INSURED PERSON -
INSURED PERSON MEANS:**

1. Any full-time or part-time employee of the Auxiliary Organization
2. The spouse, domestic partner, child under 25 years of age or parent of the employee (residing in the same household)

LIMITS:

\$10,000 Any one loss

DEDUCTIBLE:

None

EXCLUSIONS:

1. Fraud, dishonest or criminal act of any person acting in concert with the Insured Person;
2. Loss other than expenses;
3. Loss that occurred prior to or after being an employee of the covered CSURMA AORMA Member

HOW TO REPORT A CLAIM:

Travelers Bond & Financial Products
Claim Department
(800) 842-8496
bondclaimidfraud@travelers.com

INSURER:
AGCS Marine Insurance
Company

POLICY TERM:
July 1, 2017 to
July 1, 2018



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

COVERAGE:

All Risk equipment floater including earthquake and flood for equipment on the scheduled of equipment on file with the company

LIMITS:

As per individual member schedule as part of the policy

DEDUCTIBLE:

As per individual member schedule as part of the policy

PERILS INSURED:

All Risk of direct physical loss or damage, except as excluded

PERILS EXCLUDED:

1. Loss of use
2. Loss or damage to equipment while waterborne
3. Wear and tear, insects/vermin, mechanical breakdown
4. Infidelity of insured's employees
5. Equipment which the insured has loaned
6. Unexplained or mysterious disappearance
7. Nuclear reaction or nuclear radiation
8. Hostile or warlike actions
9. Terrorism

HOW TO REPORT A CLAIM:

Notify Alliant:

Sheila McClenaghan
(415) 403-1492
smcclenaghan@alliant.com

Elaine (Kim) Tizon
(415) 403-1458
etizon@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

October 24, 2017

To: CSURMA AORMA Members

From: Frank Mumford
CSURMA AORMA Chair

Re: CSURMA AORMA Update – including initial FY 18/19 Insurance Cost Preliminary Budget Information

This letter provides a detailed update to the membership regarding the program funding for FY 18/19, the dividends to be paid in July, 2018, and the long range goals for the upcoming year. Each member organization will receive its annual AORMA insurance budgeting letter in January 2018 that includes premiums specific to your organization based on your exposures and claims history. Included here, in Table 1, is a summary of the funding and dividend information within this memorandum.

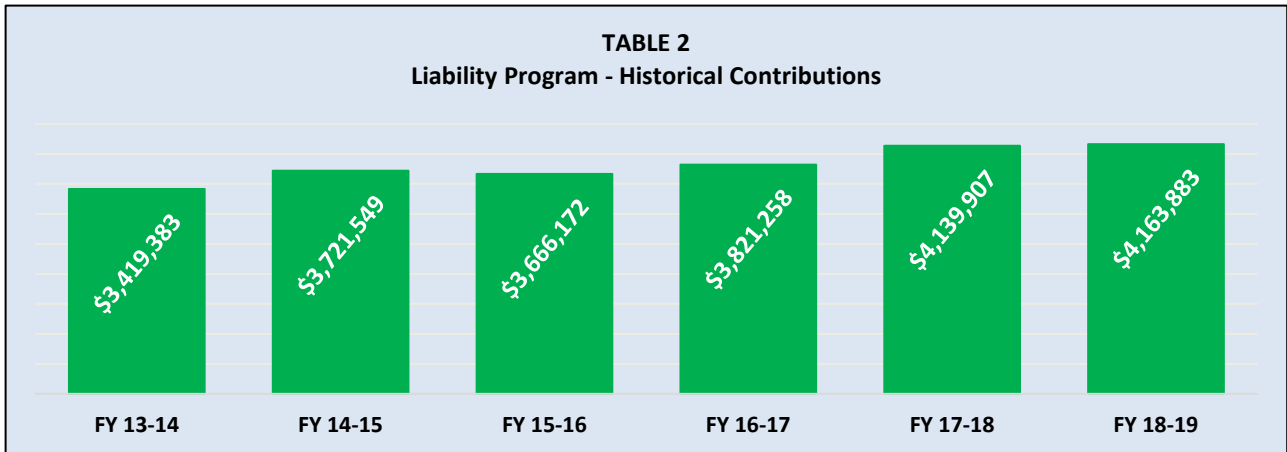
TABLE 1					
Total Funding Comparison					
Program	FY 17/18	FY 18/19	% Chg	\$ Chg	Program Changes
Liability	4,202,618	4,163,883	-1%	-38,735	Pooled layer funding increased from a 70% to a 75% confidence level
Workers' Compensation	4,648,294	5,135,326	10%	487,032	Pooled layer increased from \$500,000 to \$750,000
Property	2,263,689	2,134,679	-6%	-129,010	No significant changes
Crime	277,764	232,000	-16%	-45,764	No significant change
Dividend Comparison					
Program	FY 17/18	FY 18/19	% Chg	\$ Chg	Dividend Changes
Liability	824,133	1,118,476	36%	294,343	No change from the prior year; 25% of the maximum dividend available was declared
Workers' Compensation	888,622	531,921	-40%	-356,701	20% of the maximum dividend available was declared; the prior year was 25%

The above information provides a basic summary of the decisions made by the AORMA Committee at its meetings in September. Please review the detailed information below for additional details.

A. FY 18/19 Liability Program – Total Funding

As shown in Table 2, the AORMA Committee approved the FY 18/19 liability program total costs of \$4,163,883 which is a 1% decrease compared to the contributions paid into the liability program

for FY 17/18. The funding includes costs for the Fiduciary Liability and the Drone Insurance Program as well.



The pooled layer within the liability program will be funded at an actuarially determined 75% confidence level. A confidence level is the statistical projection that the actuary believes funding will be sufficient. For example, in simplified terms, a 70% confidence level means that the actuary believes funding will be sufficient in seven years out of ten. To protect against a potential funding shortfall, the AORMA Committee maintains adequate unencumbered funds in the liability program for those years when the funding is not sufficient to pay losses incurred within that funding period.

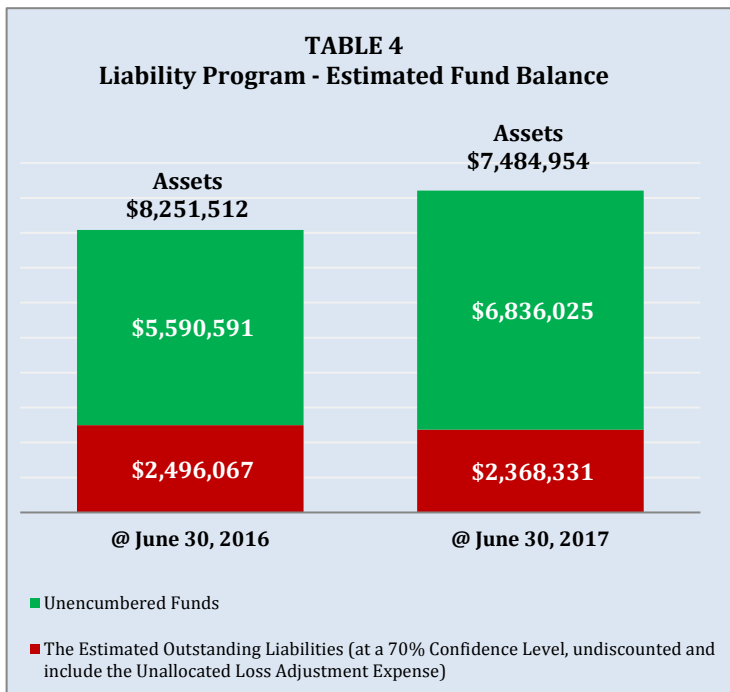


Table 4 shows a comparison of the liability program’s unencumbered funds. The Estimated Outstanding Liabilities are shown at a 70% confidence level for consistency.

A separate policy was purchased effective July 1, 2017, which covers on a blanket basis aviation liability from small drones that are owned, non-owned and hired and are operated for non-commercial purposes. Coverage is limited to \$50 Million and there is no deductible. Coverage is automatic and as such there is no need to report your drones; however, CSURMA AORMA will conduct an annual survey regarding drone usage.

Fiduciary Liability is also covered under the liability program. A maximum limit of \$5,000,000 is provided with no deductible applicable.

B. FY 18/19 Workers' Compensation Program – Total Funding

As shown in Table 5, the AORMA Committee approved the FY 18/19 workers' compensation total costs of \$5,135,326, which is a 10% increase over the contributions paid into the workers' compensation program for FY 17/18.

Effective July 1, 2017, the pooled layer was increased from \$500,000 to \$750,000. AORMA's loss experience, as shown below in Table 5-A, has increased to a level that necessitates a \$750,000 retention. Effective January 1, 2015, both the Campus and AORMA workers' compensation programs took action to a purchase reinsurance via the CSAC Excess Insurance Authority (EIA). Prior to July 1, 2017, the EIA pricing was less than what AORMA could self-insure the program with funding at a 70% confidence level. For FY 17/18, AORMA's pooled program rate decreased; however, EIA's rate increased by 13%. Staff will be working with EIA to negotiate pricing for FY 18/19 that takes into account AORMA's decreased pooled layer pricing.

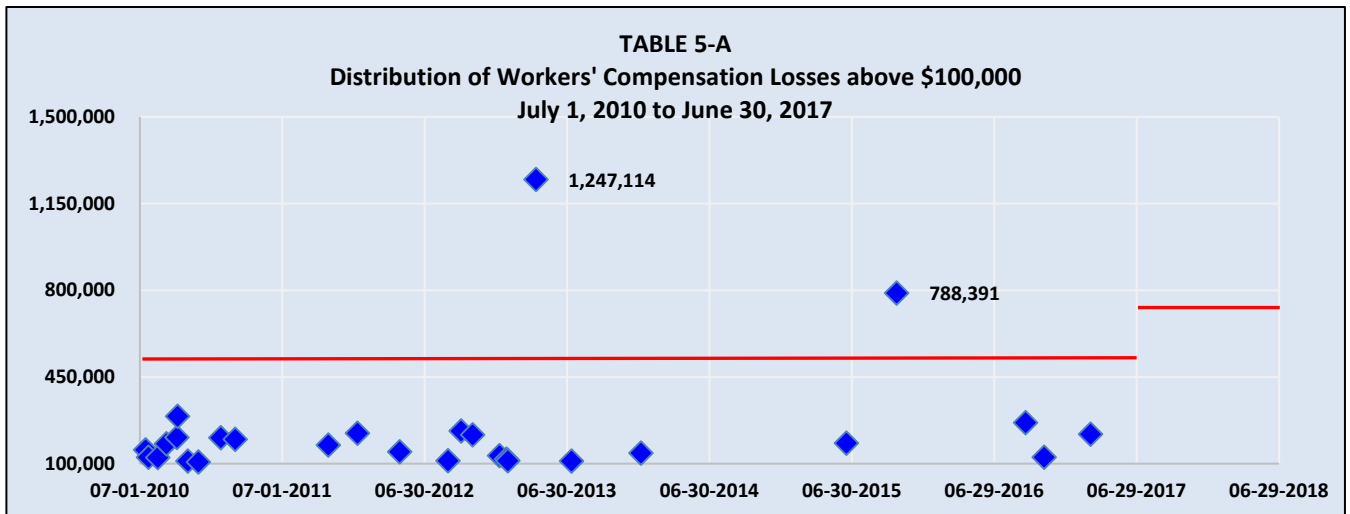
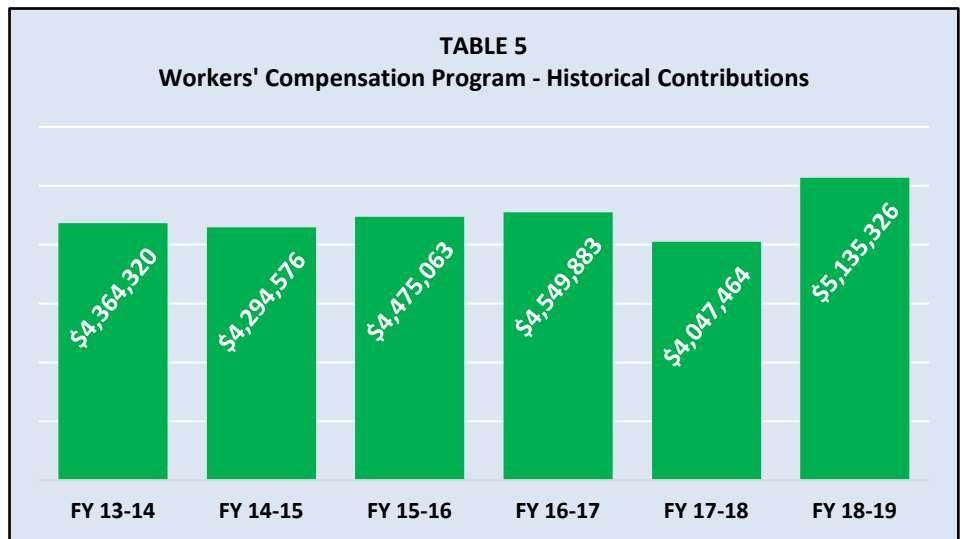
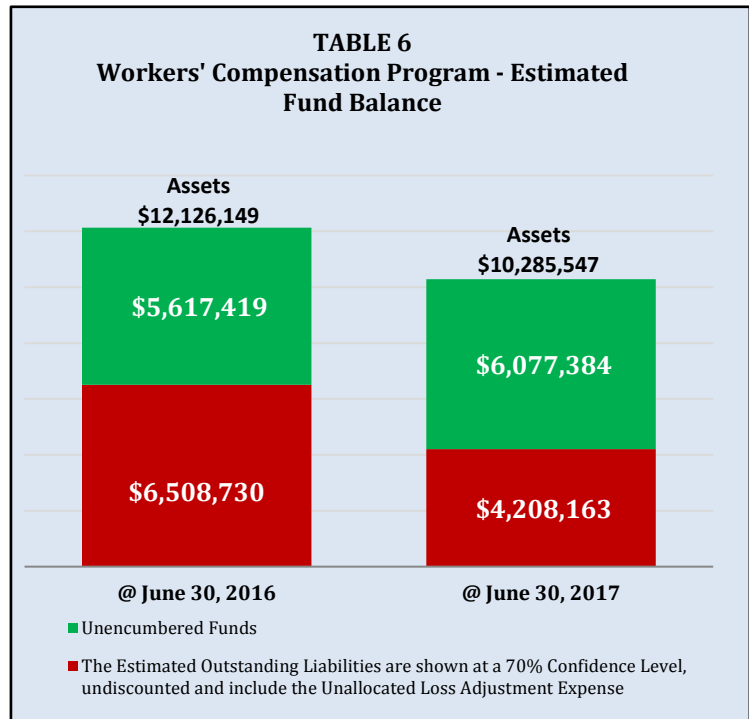


Table 6 shows a comparison of the unencumbered funds within the workers' compensation program.

C. FY 18/19 Property Program – Total Funding

As shown in Table 7, the AORMA Committee approved the FY 18/19 property total costs of \$2,134,679, which is a 6% decrease compared to the contributions paid into the property program for FY 17/18. The funding includes the costs for the Cyber Liability Program as well.

The AORMA Committee revised the Property Program deductibles retrospectively to July 1, 2014 as follows:

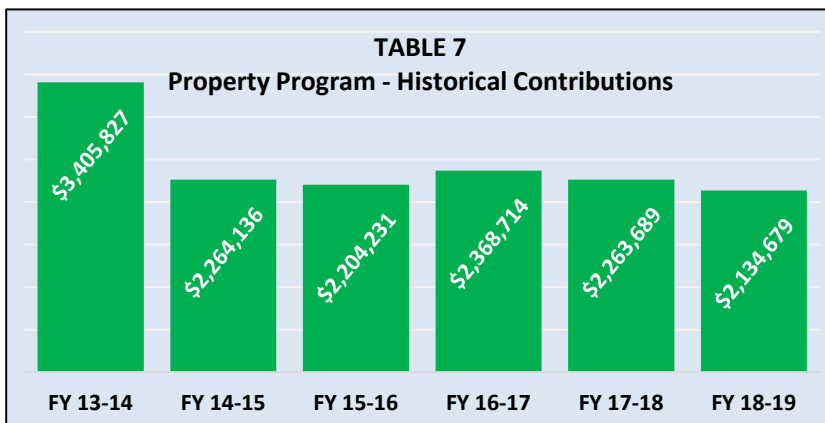


Real Property Value

Up to \$10,000,000.....	\$5,000
Between \$10,000,001 and \$25,000,000.....	\$10,000
Between \$25,000,001 and \$50,000,000.....	\$25,000
\$50,000,001 and above	\$50,000

Deductible

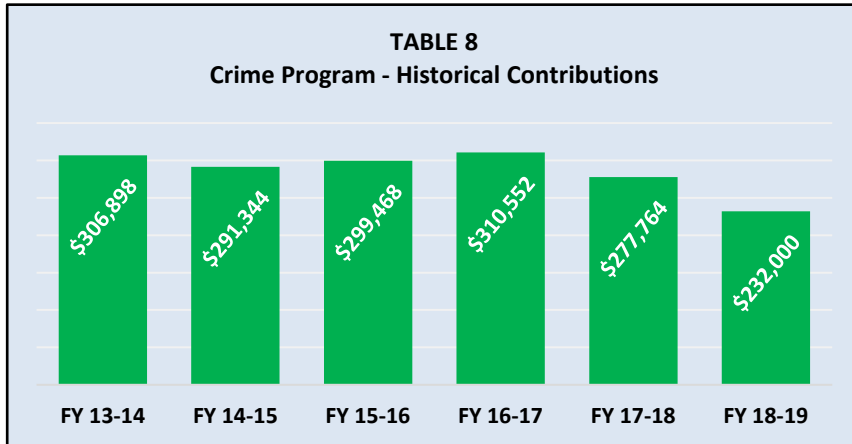
Personal Property and Business Interruption / Loss of Rents \$5,000



The Property Program also provides coverage for Cyber Liability which includes a \$17 MM annual limit. Coverage includes first and third party losses. There is a sublimit of \$10 MM for (1) public relations and crisis management expenses, (2) legal services, and (3) computer expert services, and the coverage is limited to 2,000,000 notified individuals should a breach occur.

D. FY 18/19 Crime Program – Total Funding

As shown in Table 8, the AORMA Committee approved the FY 18/19 crime program total costs of \$232,000, which is a 16% decrease as compared to the contributions paid into the crime program for FY 17/18.



E. Dividend – Payable in July, 2018

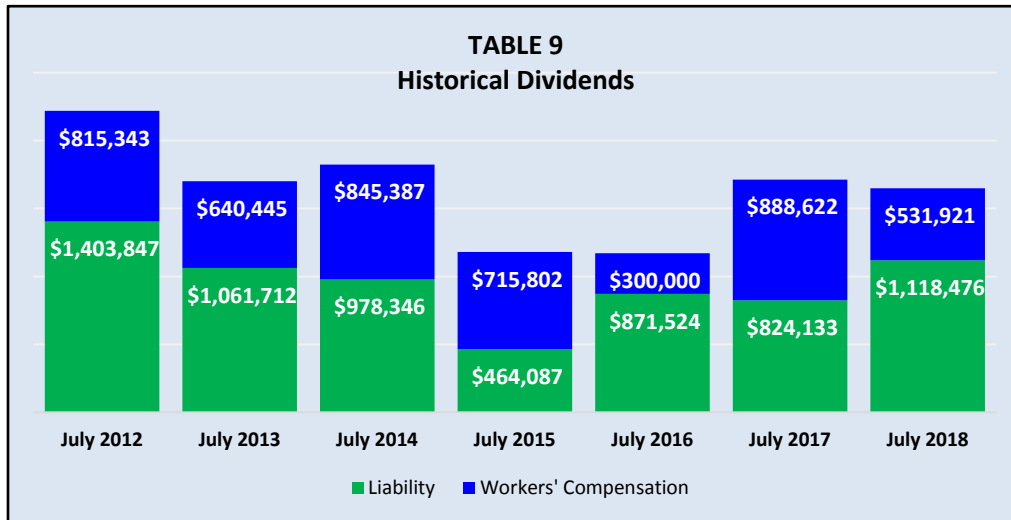
The AORMA liability and workers’ compensation programs have historically been conservatively funded at an 80% confidence level. Currently, because both programs are adequately funded, the Committee has begun approving funding below an 80% confidence level.

The goal of the conservative funding, and conservative return of dividends, has been to preserve surplus in the funds in order reduce the possibility of assessments. Because of the nature of self-insured pools, a few consecutive bad years, could reduce surplus by several million dollars. The workers’ compensation program now has a \$750,000 pooled layer. Three catastrophic claims could reduce surplus by \$2,250,000. Similarly, the liability program has a \$500,000 pooled layer. Three bad claims could reduce surplus by \$1,500,000. As claims within the pooled layer increase, so does the excess/reinsurance premium. This also impacts the surplus within the pooled programs.

The AORMA Committee follows Policy and Procedure Nos. A-3 and A-4 in evaluating whether to declare a dividend. These policies and procedures apply insurance industry funding measures to indicate whether a dividend or assessment is appropriate. The AORMA Committee approved a Workers’ Compensation Program dividend of \$531,921 which is 20% of the maximum dividend available and a Liability Program dividend of \$1,118,476, which is 25% of the maximum dividend available from the Liability Program.

Due to losses piercing the excess workers’ compensation layer, the pooled layer was increased from \$500,000 to \$750,000. Program Administrators continue to be concerned that the excess commercial market may demand a \$1,000,000 workers’ compensation pooled layer in the very near future. Based on this information, it was recommended that five times the potential pooled layer of \$1,000,000 be maintained in the workers’ compensation pool as the “indicated minimum surplus” rather than \$3,750,000 which is based on the current pooled layer of \$750,000. The “target surplus goal” is \$6,356,127. By returning 20% of the maximum dividend available, or \$531,921, the Program still maintains surplus in excess of the “target surplus goal.”

Noted within Table 9 are AORMA’s historical dividends.



F. FY 17/18 Long Range Action Plan

The AORMA Committee approved the following long range action plan items for FY 17/18:

1. Continued Workers’ Compensation Program Growth
2. Student Clubs Insurance Program
3. Evaluation of Participation in the CSU Captive Vehicle
4. Development of Recreation Center Good Practices
5. Formation of an AORMA Benefits Program
6. Preparation and Distribution of the CSURMA 20th Anniversary Report
7. Disseminate Availability of CSAC EIA Risk Management / Safety Services

G. CSURMA AORMA Committee 2018 Meeting Calendar

The AORMA Committee adopted the following AORMA Committee meeting dates for 2018:

- March 8, 2018 at 10:00 AM.....AORMA Committee
- April 25, 2018 at TBDAORMA Committee
- September 5, 2018 at 9:00 AM.....AORMA Committee New Member Orientation
- September 5, 2018 at 10:00 AM.....AORMA Committee Long Range Planning Session
- September 6, 2018 at 9:00 AM.....AORMA Committee
- October 25, 2018 at 10:00 AMAORMA Committee
- December 6, 2018 at 10:00 AM.....AORMA Committee

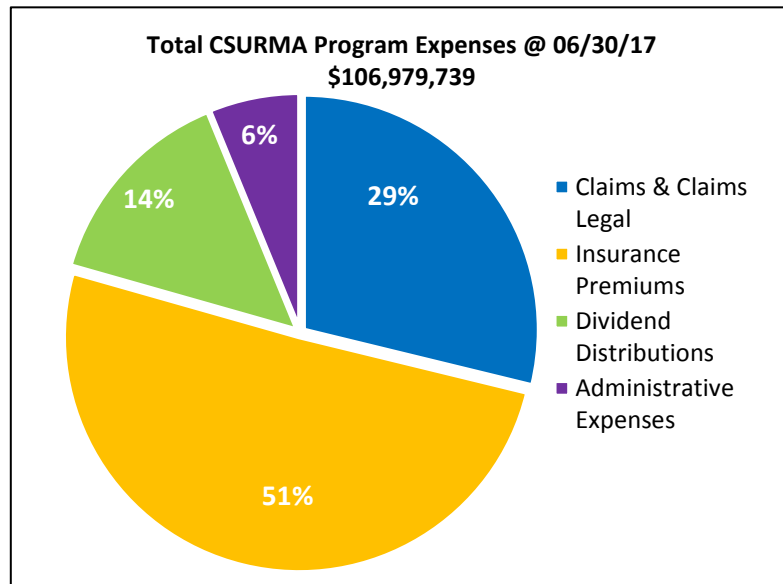
H. 2018 AOA Conference Sponsorship Amount and Attendees

Participation in the AOA Annual Conference has been the AORMA Program’s best opportunity for member outreach and we are pleased to continue to support the conference. The conference allows multiple opportunities to promote risk management practices at auxiliary organizations and has been a differentiator that demonstrates to our insurers the continuous professional development of CSU auxiliary organization management. The committee renewed the sponsorship of \$20,000 for the 2018 Auxiliary Organizations Association (AOA) Conference.

CSURMA AORMA will participate in the following sessions:

1. Workers’ Compensation Joint Session with Human Resources and Commercial Services
2. Foreign Travel
3. Activities Involving Minors
4. Overview of New Special Events Manual

I. CSURMA Program Expenses as of June 30, 2017 - Table 10 below demonstrates “your premium dollars at work”.



J. Liability Program Claims Administration

Yumi Augustus from Carl Warren and Company has replaced Mauri McGuire as the AORMA Liability Program claims administrator. Her contact information is shown below:



Yumi Augustus, Litigation Manager

Carl Warren & Company
PO Box 2411
Tustin, CA 92781
yaugustus@carlwarren.com
Tel: 818-265-6765

Carl Warren and Company has set up an email address for claims reporting. Claims going to this address will be set-up and forwarded to Yumi for further action. **csurma@carlwarren.com**

K. AORMA Liability Program Claims Administration Audit Report

In August, 2017, Bickmore Risk Services completed the audit of the third-party claims administrator for the AORMA Liability Program. Bickmore finds the overall performance of Carl Warren at 95%, indicating a Commendable performance level.

L. Maximum Allowable Hourly Rate for Legal Counsel

Policy and Procedure L-3 – Legal Counsel Selection, stipulates that Carl Warren and Company (AORMA’s liability third party claims administrator) will survey legal counsel compensation, at least every 36 months, and recommend to the AORMA Committee a fair and equitable maximum allowable hourly rate. Carl Warren and Company believes that they have an acceptable list of employment attorneys at who are willing to work at a rate of \$225 per hour. Currently, most non-employment attorneys are billing \$185 per hour.

Recently, Members have been involved in litigation that required attorneys with legal specialties. These attorneys often will not work at a rate of \$225 per hour. The AORMA Committee approved a maximum hourly rate of \$275 for specialty legal counsel for current open litigation and future litigation. What is considered “specialty litigation” will be at the discretion of the CSURMA Secretary-Auditor and CSURMA Legal Counsel.

M. AORMA Workers’ Compensation Program Claims Administration Audit Report

CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator for the AORMA Workers’ Compensation Program. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for AORMA was completed by Jacki Graf, CSURMA’s Workers’ Compensation Claims Consultant, in June 2017. This is the 4th audit of the AORMA Workers’ Compensation program. Sedgwick’s overall score was 88% which is a 2% increase over the 2014 audit.



N. Auxiliary Organization Employee Benefits Program

The AOA BUG conducted an insurance brokerage services RFP in Spring 2017 and selected Alliant Insurance Services as the program's insurance broker. One of the strategies the program may take is to join the CSAC Excess Insurance Authority's benefits program via CSURMA. As a group of auxiliary organizations, the AOA BUG would not be able to access CSAC EIA; however, as a member of CSURMA, AORMA is able to access CSAC EIA; therefore, the AORMA Committee approved the formation of an AORMA Benefits Program.

Thank you for your continued support of the CSURMA AORMA. If you have any questions, please do not hesitate to contact me, one of the AORMA Committee Members, or Mimi Long (mlong@alliant.com, 415-403-1423).



**CSURMA AORMA Committee Member
July 1, 2017 to June 30, 2018**

Seat	Member	Position	Type of Auxiliary	E-Mail	Telephone Number
Chair	Frank Mumford	Executive Director	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
First Vice Chair	Dwayne Brummett	Director of Business Services	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
Second Vice Chair					
At Large	Dave Nakamura	Executive Director	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
At Large	Todd Summer	CEO	Aztec Shops, Ltd.	todd.summer@sdsu.edu	619-594-7539
At Large	Bella Newberg	Associate Vice President, Business Development & Executive Director	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700
At Large	Trina Knight	Human Resources Director	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
At Large	Starr Lee	Director of Administration & Legal /Associate Executive Director	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000
At Large	Bill Olmsted	Interim Executive Director	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

Memorandum



Date: October 27, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost
Senior Managing Director/CFO

**Subject: Status Report on the 2017-2018 Board-approved
Capital Improvement Program**

A status update will be provided to the committee related to the 2017-2018 Board approved capital improvement budget as reflected in the attachment. The 2017-2018 revised capital improvement budget approved by the Board included \$3,142,448 for new capital improvement requests, and \$745,740 in capital improvement carry forward from prior years.

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		Prior Years Remaining	Revised Detail 2017-18	Revised Total 2017-18	
	Enterprise Activities				
Reserves	Foundation Housing				
	University Village		361,200	361,200	Interior painting 135, 240-270, 40A-40D, 50A-50C (\$120,000), Replace heating and cooling units in 240-260 (\$70,000), Carpet/tile - Various Apts. (\$48,000), Furniture 40A-40D, 50A-50C 3 7 apts (\$63,000), Stairway railings for 5 PII bldgs (\$50,000), Duct cleaning bldg 135 (\$10,200)
	Bronco Bookstore				
	Bookstore	310,000	55,000		New registers (\$30,000), Office furniture (\$25,000)
	Bookstore		18,000	73,000	Replacement and upgrade of security surveillance camera system (Request for BM#372)

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		Prior Years Remaining	Revised Detail 2017-18	Revised Total 2017-18	
	Dining Services				
20,000	Dining	58,000	80,000		Manager+ implementation (\$20,000), Envision strategies master planning consulting (\$35,000), Cbord card readers (\$25,000)
	<i>Dining</i>		118,674		<i>Purchasing and Food management systems software (Request for BM#372)</i>
	Poly Trolley		60,000		Truck remodel and upgrades
	Brewing Education	27,700	25,000		Misc. lab upgrades
	Carl's Jr.		95,000		Carl's Jr. brand mandatory refresh
	Denny's		49,000		Misc. equipment - dish machine, grille, refrigeration, panini press, milkshake machine, misc. utilites
	Einsteins	25,000			Bagel oven rebuild (\$10,000), Digital menu boards (\$15,000)
	Innovation Brew Works		20,000		Misc FOH upgrades - patio, games, etc.
	Poly Fresh		45,000		Replace open aired coolers, enlarge storage space (\$35,000), Update shelving and register stations (\$10,000)
	Kellogg West Dining	15,000	40,000		Milk truck vehicle #219 upgrade (\$9,000), Heavy duty 6 burners stove (\$10,000), Folding chairs (wedding) replacement (\$6,000), Industrial meat slicer (\$9,000), Dining rooms carpet repairs (\$6,000)
80,000	Los Olivos	30,000	50,000		Equipment replacement
	Round Table Pizza		14,000		Sound system, digital menu boards, umbrellas
	Starbucks	10,000	400,000		Design and construction
	SCE Coffee Shop	75,000			SCE Coffee Shop (approved at BM#369)
	Total Dining Services			996,674	

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		Prior Years Remaining	Revised Detail 2017-18	Revised Total 2017-18	
	Kellogg West Conference Center & Hotel				
34,000	Kellogg West Rooms & Conference	34,000	496,000	496,000	Conference center public restrooms (6) remodel/upgrade (\$277,000), Security cameras (18) - KW front desk, bldg 77 & parking areas (\$100,000), Remodel/renovation of interior guestroom hallways - Hillside & Woodview bldgs (\$40,000), Replacement conference tables (\$34,000), Repair/replacement of cement areas & walkway areas at south end exterior area of Hillside bldg. (\$45,000)
	Facilities				
	Facilities		-	-	No capital budget requested
	Real Estate Activities				
	Bldg 97		10,000		Entrance door replacement
	Bldg 66	31,000	580,000		Restroom renovation (\$280,000), Lighting, paint and flooring (\$160,000), Entry way improvements (\$140,000)
	CTTI Buildings	55,800	58,500		DDC thermostat retrofit building #C (\$30,000), Bathroom painting and repair (\$20,000), Carpet replacement - tenant (\$8,500)
	Total Real Estate Activities			648,500	
	Office of Research				
	Research and Sponsored Prog			-	No capital budget requested
	College of Agriculture				
	Spadra/Westwind Ranch		75,000		Replacement of irrigation mainlines (\$75,000)
	Westwind Ranch		27,646		Well repairs at Westwind Ranch (Request for BM#372)
	Pine Tree Ranch		50,000		Demo 5 acres of avocado to plant 5 acres of lemons
14,750	Swine Unit	14,750	-		Purchase of Kawasaki quad
	Arabian Horse Center		50,000		Utility tractor - at least 45 hp (\$25,000), Utility vehicle - 4x4 (\$25,000)
	Farmstore		100,000		Permanent orange juice area
	Total College of Agriculture			302,646	
	College of Science				
	Chemistry Agilent Project	10,000		-	Computer Equipment
	College of Extended University				
	CEU	20,000	20,000		Reconfigure 105A to workstations/reception area
	CEU		34,428		Roof repairs to modular buildings (A & B) at the English Language Institute (Request for BM#372)
	Total CEU			54,428	

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

	Prior Years Remaining	Revised Detail 2017-18	Revised Total 2017-18	
Administration				
Marketing	6,990			OkiDate printer
Management Info Systems	12,500			PCI 3.2 updates - Follow-up penetration testing, consulting on Gap mitigation, PCI training, and quarterly external scanning.
Management Info Systems	10,000	15,000		Windows 10/desktop updates - Rollout of new operating system to enterprise units through VDI. Some hardware refreshes to improve speed, automation, and security, including continued SSD disk upgrades where needed.
Management Info Systems		25,000		Analytics Licensing and Consulting Services - To continue the buildout of business intelligence analytics dashboards for grants, marketing, financial services and retail operations
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		30,000		Financial System Improvements - The upgrade of OneSolution to version 17.1 and initial CDD to Cognos report conversion to enhance Enterprise reports with Business Intelligence improvements
Management Info Systems		10,000		POS Private Network Buildout - Hardware updates to build an isolated POS network for Foundation retail services to improve PCI compliance mandates.
Management Info Systems		30,000		POS VM Infrastructure update - Hardware and VM software updates to provide a next generation virtual server platform dedicated to isolated POS systems across the Foundation retail services.
Management Info Systems		10,000		Mobile Device Management - Software system to provide mobile file access and security improvements
Management Info Systems		10,000		Staff Training Hardware - Hardware/software upgrade of moveable all-in-one training computers to provide flexible classroom setup for staff training
Management Info Systems		30,000		Event and Space Management - License/upgrade buy-in to a software system providing campus wide space management. The vendor will either be EMS or CollegeNet.
Management Info Systems		35,000		Travel Expense Management - Concur software installation, using yearly report count, buy-in through university licensing agreement.
Total Administration			210,000	
Prior Years and Proposed Capital Budget	745,740		3,142,448	Total YTD through 10/31/2017 and forecasted through June 2018
Total Prior Years and Proposed Capital Budget			3,888,188	
148,750 Capital Funding from Reserves			(148,750)	
Capital Funding from Operations			3,739,438	

Note - the proposed capital budget assumes funding of \$54,000 from the Capital Reserve, \$80,000 from the Residential Board Meal Program Surplus Reserve, and \$14,750 from the Agriculture Program Reserve.

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	Enterprise Activities					
Reserves	Foundation Housing					
	University Village	337,922	48,000	385,922	<p>Foundation Housing/University Village capital requests for 2017-2018 centered on scheduled or necessary maintenance of Village residential facilities. Building 135 was painted, completing the scheduled painting of all five Phase III buildings. The painting of Phase II began with four of the 14 buildings: 240, 250, 260, and 270. Phase I painting began with apartments 40A-40D, 50A-50C. Phase II heating and cooling units are in need of replacement and the process was successfully piloted in building 270 last year. This year scheduled replacement of Phase II heating and cooling units continued with buildings 240, 250, 260. Carpet and tile are replaced annually as needed. This year 38 apartments across all three phases received new carpet and/or tile. Currently each of the different phases in the Village has a different style of furniture in their respective building. In order to promote efficiency and sustainability, the Village is moving towards one style of furniture for all phases. Furniture replacement began with the seven apartments in Phase I that were also painted this year. The building stairways in Phase II require repair. Seven Phase II buildings were done this year: 270, 260, 250, 240, 200, 190, 140, with the remaining buildings scheduled to be completed next year. Duct cleaning of building 135 completes the duct cleaning of all Phase III buildings. Phase I and II were completed in previous years. These capital projects add to the longevity and sustainability of Village facilities and increase prospective resident interest and retention of current residents. As of October 2017, all projects have been billed, except for the carpet and tile. Painting, replacement of heating and cooling units, and furniture exceeded the requested budget by \$24,722.</p>	



Student workspace
Bldg 105



Phase 1 Bedroom



Phase 3 living/kitchen

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	Bronco Bookstore					
	Bookstore	321,843	61,157	383,000	Build and install new cash wrap for registers-demo old offices to increase sales floor space. Move store network connections and move POS server to building # 55. Plumbing and wiring for 20 pos registers. Demo old offices to increase sales floor and build new offices in stock room. Move intergrated office furniture, workstations network ports, and phones. New wall fixtures and displays	
	Bookstore	19,171		19,171	The new camera system allows us to remotely view the cameras from smart phones, tablets, and provide high definition vandal resistant IP cameras with night vision, increase the storage from 6 Terabyte to 16 Terabyte and an increase the channels from 8 to 32 encoded.	



Bronco Bookstore renovation in progress





getting there....



TEXTBOOKS & COURSE MATERIALS UPSTAIRS



KEEP IN PROGRESS

START YOUR SCHOOL FROM
LANYARDS
WHILE SUPPLIES LAST

30%

DURAY



ta da!









**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	Dining Services					
20,000	Dining	91,000	47,000	138,000	Dining Master plan update 2017-2022 complete. Began 9 month engagement with leadership development consulting firm for dining managers. Implementation of kitchen equipment management system (Manager+) to assist in capital planning and scheduling routine equipment maintenance. Conversion of cash register systems in convenience stores to standardize and align systems across campus. This upgrade will enhance our ability to apply analytics and continue to stay ahead of credit card security regulations (PCI).	58,000
	<i>Dining</i>	118,674	-	118,674	As recommended in our 2017-2022 Dining Master Plan update- Implementation of C-Bord food management system at Los Olivos to position ourselves to develop the innovative dining programs required when the Los Olivos replacement facility begins operating.	-
	Poly Trolley	54,219	5,000	59,219	Replaced interior fiberglass reinforced panel (FRP) walls with stainless steel, added exterior LED floodlights.	-
	Brewing Education	-	25,000	25,000	\$25k for educational brewery laboratory enhancements related to Brewing Science Certificate programs being offered though the College of the Extended University.	10,000
	Carl's Jr.	4,179	90,000	94,179	Awaiting direction from Carl's on mandatory franchise brand refresh. Periodic refresh of franchise branding is routine in the industry, and are generally required every 5-10 years depending on the franchise.	20,000
	Denny's	13,130		13,130	Menu enhancements related to new franchise panini program	-
	Einsteins	13,485	3,000	16,485	Replaced malfunctioning bagel oven, digital menu boards installed	-
	Innovation Brew Works	-	20,000	20,000	Planning to enhance game area, patio furniture, and replant hops around patio	10,000
	Poly Fresh	3,395	35,000	38,395	Gondola food display purchased, planning end-of-life (EOL) replacement of open-air food merchandising coolers	15,000
	Kellogg West Dining	17,250	37,750	55,000	Replacement of refrigeration unit in KW kitchen above Auditorium (leaking issue). Presidential request to replace refrigeration unit at Kellogg house. Waiting for slow wedding season (Jan-Feb 2018) to implement remaining routine end-of-life Furniture, Fixtures, and Equipment (FF&E) replacement expenditures.	10,000
80,000	Los Olivos		80,000	80,000	Currently assessing need to use \$30k carryover for cargo van approved BOD 16-17 budget. Equipment failures during summer 2017 (hot well, freezer, and fryer) will generate ~ \$50k in additional equipment expenses.	
	Round Table Pizza	3,613	10,000	13,613	Digital menu boards installed, spring replacement of exterior umbrellas and window branding	5,000
	Starbucks	396,247	12,000	408,247	Doubled seating capacity, added Nitro Cold Brew options, updated furniture and finishes, addition of "chill wall" merchandiser, relieved congestion at hand-off station by reconfiguring access to back of house away from hand off area	
	SCE Coffee Shop		75,000	75,000	Anticipate SCE to sign operating agreement ~12/2017 which will initiate expenditures for equipment.	-
	Total Dining Services					

Einstein Bros. Bagels Menu boards

The menu boards are divided into several sections:

- Leftmost board:** Features a circular logo with 'THE SON' and 'SIPS'. It lists 'PUMPKIN SWEET CREAM COLD BREW' with an image of a drink and bagels. Below this is the 'HAND-CRAFTED SIPS' section with a list of drinks and prices.
- Middle board:** Features the 'HOT AND TOASTY' section with a list of bagel and sandwich options.
- Right board:** Features 'GOURMET CREATIONS' and 'GLUTEN-FREE EGGS' sections.
- Far right board:** Features the 'PREPARED BAGELS' section with a list of bagel varieties.



Poly Trolley Exterior and Interior renovation





Create a Salad
\$4.99
per ounce

Soup

Small (8 oz)	\$2.69
Medium (12 oz)	\$3.99
Large (16 oz)	\$4.99

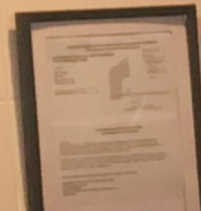
Dinner Roll \$0.69

Drinks

Water (20 oz)	\$1.74
Tea	\$2.29
Juice	\$2.29

2,000 calories a day is used for general nutrition advice but calorie needs vary. Additional nutritional information is available upon request.

Fresh Escapes Menu boards





Campus Catering truck and van





KW kitchen Warmers, Steamers and Dish Machine





Starbucks Renovation



**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	Kellogg West Conference Center & Hotel					
	Kellogg West Rooms & Conference				All four Main Conference Center restrooms were remodeled/ upgraded with new flooring, plumbing, countertops, sinks, toilets, urinals, mirrors, partitions, wall coverings. Overage due to demo of two flooring layers. Security cameras installed and functional. Remodel/renovation of Hillside & Woodview interior guestroom hallways underway. Replacement of conference tables not yet purchased. Overage due to removal and replacement of contaminated oil in Hillside elevator shaft due to water leaking into hydraulic system.	
34,000		437,375	87,750	525,125		
	Facilities					
	Facilities					



KW men's rest room renovation





KW men's rest room renovation



**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	Real Estate Activities					
	Bldg 97		10,000	10,000	Should occur by end of fiscal year.	
	Bldg 66	340,000	55,000	395,000	Complete remodel of all public restrooms on the classroom side of the building, paint and replace carpet in classrooms, paint atrium and hallways and upgrade lighting in atrium and hallways	
	CTTI Buildings	183,824	58,500	242,324	New HVAC system installation for building #A at CTTI completed along with the Glycol machine relocation from interior room to exterior of building.	
	Total Real Estate Activities					

Bldg. 66 men's rest room renovation





Bldg. 66 women's rest room renovation



Bldg. 66 new drinking fountain/
bottle filler

Building 66 Bookstore
Atrium
Second Floor



Building 66 Bookstore
Offices Hallway
Second Floor



CTTI new HVAC Unit



CTTI-Glycol Unit



**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	Office of Research					
	Research and Sponsored Prog					
	College of Agriculture					
	Spadra/Westwind Ranch		75,000	75,000	Not started, waiting for agreement with 3rd party.	
	Westwind Ranch	27,646		27,646	Replaced well pump that failed.	
	Pine Tree Ranch	44,882	5,118	50,000	Brokaw Nursery demo'd avocado trees, mulched and replanted Lemon Trees	
					Plan on purchasing John Deere Mule (utility vehicle) in 2nd quarter, will be approx \$3k less though discount educational plan with Deere-allows for efficient feeding and checking of	
14,750	Swine Unit		14,750	14,750	livestock across campus	
	Arabian Horse Center		50,000	50,000	Current equipment end of life. Will initiate purchase paperwork 2nd quarter.	
	Farmstore				- The permanent juice area is no longer needed. We have decided to not do this.	
	Total College of Agriculture					



**New Lemon Trees Planted at Pine Tree Ranch
in Santa Paula-2017**



New Lemon Trees Planted at Pine Tree Ranch
in Santa Paula-2017

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

		YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
	College of Science					
	Chemistry Agilent Project		10,000	10,000	Waiting on communications with Agilent to commence purchase of computer equipment in order to re-start the program	
	College of Extended University					
	CEU	20,000		20,000	Completed to allow for a more efficient environment for administration.	
	CEU	34,428		34,428	Completed to allow for a safer educational environment for learning.	
	Total CEU					



CPELI renovated conference room and hallway





CPELI renovated exterior, student workspace and employee office



**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

	YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
Administration					
Marketing			-		
Management Info Systems	-	12,500	12,500	Testing will begin in 2nd quarter.	
Management Info Systems	-	25,000	25,000	Upgrades are ongoing.	
Management Info Systems	-	25,000	25,000	Dashboards for Foundation Grants are in development.	
Management Info Systems	-	15,000	15,000	Phase II will begin in the 3rd quarter.	
Management Info Systems	14,900	15,100	30,000	Workflows and Cognos reports are in process. Upgrade will happen in 3rd quarter.	
Management Info Systems	-	10,000	10,000	Upgrades are ongoing.	
Management Info Systems	2,000	28,000	30,000	Hardware has been partially installed, still waiting on billing.	
Management Info Systems	-	10,000	10,000	Waiting on DEP certification from Apple to begin Mobile automation and monitoring.	
Management Info Systems	-	10,000	10,000	New equipment will be acquire in 2nd quarter.	
Management Info Systems	-	30,000	30,000	Waiting for university project initiation, and billing for license costs.	
Management Info Systems	-	35,000	35,000	Waiting for university project completion, and billing for license costs.	
Total Administration					

**CAL POLY POMONA FOUNDATION, INC.
2017-18 REVISED CAPITAL BUDGET**

	Prior Years Remaining	Revised Detail 2017-18	Revised Total 2017-18	YTD Through 10/31/2017 Actual	Forecast Through Jun-18	Total	Capital Budget Summary Update	Transfer to University
Prior Years and Proposed Capital Budget	745,740		3,142,448	2,499,183	1,130,625	3,629,808		
Total YTD through 10/31/2017 and forecasted through June 2018								
Total Prior Years and Proposed Capital Budget			3,888,188					
148,750 Capital Funding from Reserves			(148,750)					
Capital Funding from Operations			3,739,438					

Note - the proposed capital budget assumes funding of \$54,000 from the Capital Reserve, \$80,000 from the Residential Board Meal Program Surplus Reserve, and \$14,750 from the Agriculture Program Reserve.


Reserve Allocation	Capital Reserve	Resid Bd Meal Prog Surplus	Research & Spon Prqms	Pine Tree Ranch	Agriculture Program
-	-	-	-	-	-
20,000	20,000	-	-	-	-
-	-	-	-	-	-
80,000	-	80,000	-	-	-
34,000	34,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,750	-	-	-	-	14,750
148,750	54,000	80,000	-	-	14,750

Memorandum



Date: October 24, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/Chief Financial Officer

Subject: **2017-18 Commercial Card Account Review**

As you may know, the Foundation participates in the Wells Fargo Commercial Card (pcard) program that allows the Foundation and University employees to more efficiently purchase goods and services as they transaction business on behalf of the Foundation. The Foundation is projected to earn a revenue share of approximately \$38,400 based upon the estimated number of transactions and average transaction size. The Foundation participates with other Universities in the WellsOne Commercial Card program of the Higher Education Consortium of clients and as such we benefit from higher revenue share as all entities benefit from combined spend.

Following is a presentation of the Foundation's activity in this program by Sarah Pennywitt, Commercial Card Account Manager with Wells Fargo.

Cal Poly Pomona Foundation, Inc.

Sarah Pennywitt
Commercial Card Account Manager

Charu Gorrepati
Relationship Manager

Michael Tomimoto
Treasury Management Sales Consultant

September 27, 2017



Cal Poly Pomona Foundation, Inc.

- Cal Poly Pomona Foundation participates in the WellsOne Commercial Card program as part of the Higher Education Consortium of clients
- As a member of this Consortium, Cal Poly benefits from higher revenue share as all entities benefit from combined spend.
- In addition to the individual revenue share, a component of the payment from Wells Fargo each year is driven by overall growth in the Consortium. In 2016, each participant received an additional 22 basis points in revenue share.
- There are 26 programs in the Consortium with programs that vary in size from \$2,000,000 to \$50,000,000 in annual spend
- Reports which follow highlight the Cal Poly Pomona Foundation program
 - Purchase volume, or annual spend over the past two years
 - Various program metrics such as number of transactions and average transaction size
 - Most common types of merchants frequented as measured by Merchant Category Codes (MCC)
 - Annual data represented in Foundation's fiscal year period
 - Options for the Foundation to increase program spend and therefore revenue share

Commercial Card – Program Overview

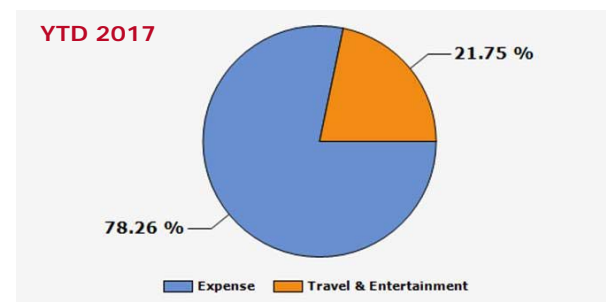
General Program Statistics

Program Established: Aug, 2009	2015	2016	YTD 2017 [as of Aug]	Est 2017 [as of Aug]	% Change Based on Est 2017
Purchase Volume	\$3,884,062	\$3,951,301	\$2,952,198	\$4,428,296	12.07%
Avg Monthly Purchases	\$323,672	\$329,275	\$369,025	\$369,025	12.07%
Number of Transactions	21,632	21,120	13,922	20,883	-1.12%
Avg Monthly # of Trans	1,803	1,760	1,740	1,740	-1.12%
Avg Transaction Size	\$209	\$211	\$230	\$230	9.15%
Highest Card Count	331	343	365	365	6.41%
Revenue Share		\$35,290			

Top 20 MCCs by Purchase Volume

As of Aug, 2017	Purchase Volume	Txns	Average Txn Size
BOOK STORES [5942]	\$325,475	3,104	\$105
DIRECT MARKETING - OTHER DIRECT MARKETERS [5969]	\$207,611	274	\$758
BUSINESS SERVICES NOT ELSEWHERE CLASSIFIED [7399]	\$111,945	367	\$305
DENTAL/LABORATORY/MEDICAL/OPHTHALMIC [5047]	\$101,690	431	\$236
STATIONERY OFFICE SUPPLIES/ PRINTING [5111]	\$97,472	395	\$247
EATING PLACES RESTAURANTS [5812]	\$83,921	703	\$119
LODGING HOTELS MOTELS/ RESORTS [7011]	\$74,690	135	\$553
AMUSEMENT PARKS - CARNIVALS ETC. [7996]	\$59,706	40	\$1,493
BOOKS PERIODICALS AND NEWSPAPERS [5192]	\$59,367	121	\$491
COLLEGES/UNIVERSITIES/PROFESSIONAL SCHOOLS [8220]	\$55,284	240	\$230
NONDURABLE GOODS NOT ELSEWHERE CLASSIFIED [5199]	\$53,408	189	\$283
COMPUTERS SOFTWARE [5045]	\$52,024	88	\$591
GROCERY STORES SUPERMARKETS [5411]	\$50,353	817	\$62
ORGANIZATIONS MEMBERSHIP [8699]	\$46,716	110	\$425
INDUSTRIAL SUPPLIES NOT ELSEWHERE CLASSIFIED [5085]	\$46,289	191	\$242
SOUTHWEST AIRLINES [3066]	\$45,869	155	\$296
COMMERCIAL EQUIPMENT NOT ELSEWHERE CLASSIFIED [5046]	\$44,174	94	\$470
HOLIDAY INNS [3501]	\$42,294	33	\$1,282
MISCELLANEOUS AND SPECIALTY RETAIL STORES [5999]	\$41,921	251	\$167
SCHOOLS AND EDUCATIONAL SERVICES [8299]	\$41,016	102	\$402

Volume Breakdown



Decline Details

General Statistics:

- 226 declines in a 60 day period
- 2,762 trans in a 60 day period
- 8.2% estimated decline rate

Top 5 Decline Reasons:

- Exceeds single transaction dollar limit allowed per transaction (46)
- Not enough money available (33)
- Pick-up (Fraud Code - F1) (32)
- Account Closed (28)
- Card expired (19)

Inactive accounts

- 34 open with no activity for 6+ months
- 20 open that have never had activity
 - 5 of these accounts were opened in the last 30 days

Commercial Card – Account Statistics

Statement Frequency: Monthly
Credit Limit: \$ 800,000

Cal Poly Pomona Foundation, Inc.						
	Net Purchase Volume	Transactions (Debits + Credits)	Net Transactions (Debits - Credits)	Average Transaction Size	Total Cards	
Jan, 2017	\$310,518	1,755	1,581	\$196	346	
Feb, 2017	\$356,280	1,761	1,609	\$221	350	
Mar, 2017	\$434,438	2,099	1,933	\$225	353	
Apr, 2017	\$353,482	1,617	1,479	\$239	358	
May, 2017	\$434,467	1,926	1,834	\$237	363	
Jun, 2017	\$422,083	1,754	1,646	\$256	363	
Jul, 2017	\$317,861	1,480	1,378	\$231	362	
Aug, 2017	\$323,069	1,530	1,384	\$233	365	
Grand Total: 2017	\$2,952,198	13,922	12,844	\$230		

Fiscal Year Review

Program Established: August 2009	FY12	FY13	FY14	FY15	FY16	FY17	% Change
Purchase Volume	2,587,056.94	2,914,952.51	3,388,013.11	3,874,669.96	3,991,320.50	\$4,171,280.53	4.51%
Monthly Average Purchases	215,588.08	242,912.71	282,334.43	322,889.16	332,610.04	347,606.71	4.51%
Number of Transactions	12,497	14,961	16,311	17,999	18,398	19,457	5.76%
Avg Number of Monthly Transactions	1,041.44	1,246.79	1,359.28	1,499.96	1,533.19	1,621.46	5.76%
Avg Transaction Size	207.01	194.83	207.71	215.27	216.94	214.38	-1.18%
Highest Historical Card Count	274	285	304	328	331	363	9.67%
Revenue Share*	10,348.23	11,659.81	13,552.05	35,646.96	36,720.15	38,375.78	
*Revenue share estimated for FY calculation							

Account Statistics

	Spend	Transaction Volume (D + C)	Calc_Net Transactions (D - C)	Average Transaction	Cards	
Relationship Name: Cal Poly Pomona Foundation, Inc.						
Cal Poly Pomona Foundation, Inc.			Client Since: Aug,2009			
<i>EBC/AcctMgr: Magin / Pennywitt</i>						
<i>Technology: CCER - Customized</i>						
3739/1681	July, 2016	\$323,167.59	1,351	1,263	\$255.87	331
3739/1681	August	\$344,466.82	1,578	1,468	\$234.65	334
3739/1681	September	\$293,170.66	1,850	1,548	\$189.38	336
3739/1681	October	\$350,413.05	1,924	1,748	\$200.46	341
3739/1681	November	\$285,058.67	2,001	1,657	\$172.03	343
3739/1681	December	\$263,736.48	2,031	1,691	\$155.96	341
3739/1681	January, 2017	\$310,517.71	1,755	1,581	\$196.40	346
3739/1681	February	\$356,280.47	1,761	1,609	\$221.42	350
3739/1681	March	\$434,437.72	2,099	1,933	\$224.74	353
3739/1681	April	\$353,481.80	1,617	1,479	\$239.00	358
3739/1681	May	\$434,467.06	1,926	1,834	\$236.89	363
3739/1681	June	\$422,082.50	1,754	1,646	\$256.42	363
YTD 2017		\$4,171,280.53		19,457	\$214.38	

Commercial Card – Optimization Checklist & Next Steps

Feature / Initiative	Utilized / Implemented
GL Mapping	✓
Custom Fields	✓
Validation Tables	✓
GL Downloads	
Out-of-Pocket ACH Origination	✓ ✓
Receipt Imaging	
CCER Mobile	
Supplier Analysis	
AP Payments	
ERP Integration	
Strategic Reporting	

Supplier Analysis

Required Fields

- Supplier name
- Street address
- City
- State
- Postal code
- Annual volume
- Annual payment count

Optional Fields

- Phone
- Payment terms
- Supplier ID

Step one:

Prepare a vendor file in excel using the template provided.

Step two:

Submit your vendor file to your Account Manager for review and analysis.

Step three:

Start paying vendors with a Commercial Card.

Common Card Category Examples


- Telecom/Communications
- Information Technology
- Office/Business/Building/Hardware Supplies
- Construction Materials/Landscaping/Equipment/Rentals
- Auto Parts/Supplies
- Printing/Publishing/Advertising/Shipping/Courier
- Associations/Memberships
- Temporary Agencies
- Waste Removal
- Worker's Compensation
- Uniforms

Memorandum



Date: October 24, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/Chief Financial Officer

Subject: **2017-18 Payment Processing Credit Card Account Review**

As you may know, the Foundation processes our merchant credit card sales through Wells Fargo Payment Processing for our customers to more efficiently purchase goods and services from the Foundation as they transaction business with the Foundation.

Following is a presentation of the Foundation's activity in this program by Sandra Thompson, Senior Account Manager Government Specialist with Wells Fargo.

Payment processing review

**CAL POLY POMONA FOUNDATION FISCAL YEAR
2016 - 2017**

Presented by Sandra Thompson

October 10, 2017

Together we'll go far



Agenda

- Wells Fargo updates
- Industry Update
- Reporting
- Payment processing activity summary
- Interchange & downgrades
- Payment processing activity detail
- Payment Card Industry Data Security Standards (PCI DSS)
- Appendix

Your Wells Fargo Merchant Services support team and directory

Account management

- Your Account Manager (AM) is here to help you manage your business, including assistance with:
 - Identifying business efficiencies and solutions.
 - Additional products and services.
 - Managing PCI.
 - Keeping you up-to-date on items that impact your business.
 - Industry and association updates.
 - Ongoing support.

AM Manager:
Janet Mendenhall
Phone: 623-587-3972
Email: janet.m.mendenhall@wellsfargo.com

Account Manager:
Sandra Thompson
Phone: 623-207-0116
Email: sandra.i.thompson@wellsfargo.com

Account Associate:
Miguel Haller
Phone: 301-745-7002
Email: Miguelj.haller@wellsfargomercanterservicesllc.com

Industry Update

Chargeback management – Dispute Manager

- Manage sales disputes swiftly and securely with Dispute ManagerSM
- Fraud and chargebacks can be time-consuming and costly. With Dispute Manager, you can manage sales disputes while reducing risk.
- Dispute Manager offers chargeback and retrieval processing and management in a highly secure and automated, online environment.
- Dispute Manager lets you work chargebacks and retrievals online, reducing the time and expense of faxing and mailing, and eliminating the need for paper files. In addition, this service provides you increased control and audit functionality over your back office workflow.

Visa and MasterCard Dispute Changes

- Reduction of dispute (chargeback) response times:
 - Today merchants have 20 days to respond to a dispute
 - October 2017 reduced to 15 days
 - April 2018 reduced to 10 days



Visit Visa for more information on Chargebacks:
<https://usa.visa.com/content/dam/VCOM/download/merchants/chargeback-management-guidelines-for-visa-merchants.pdf>

Reporting

ClientLine®

Now Introducing Business Track™

The enhanced web tool for tracking, analyzing, and monitoring payment processing information

Home



Have an Account?

Merchant Login

Non-Merchant Login

Omaha Client Login

Create an Account

Analyze payment processing with an easy-to-use suite of online tools, gaining greater insight to quickly and effectively manage your electronic transactions.

Your future success requires that you have the business insight today to make informed business decisions tomorrow.

Enroll



[ClientLine Demo](#)

Learn more about card processing solutions to assist in managing your business.



[Tax Information Update](#)

Access tools and resources to assist in validating and/or updating your tax information.

BusinessTrack/Dispute Manager

800-285-3978

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Business Track

How to enroll in Business Track

- Go to *www.businesstrack.com*
 - Under Create An Account, click Enroll.
 - Select Begin Enrollment.
 - Fill in all information that's designated as required and click Next.
 - Review the terms and conditions, select agree if you wish to continue, and click Next.
 - Check the appropriate boxes for the various Business Track applications to which you want to have access and click Next.
 - You will receive notice of your approval status:
 - If you are automatically approved, an onscreen approval message will appear with your assigned user ID and temporary password. Make note of this information, click Login to complete your enrollment, and update to a new password as directed.
 - If you are not automatically approved, an onscreen pending approval message will appear. You will receive an email within 48 hours providing you with additional instruction.

How to enroll in Dispute Manager

- Go to www.businesstrack.com and sign in
 - From the dropdown menu
 - Select Applications
 - Dispute Manager
 - Follow the directions to enroll
 - If you are automatically approved, an onscreen approval message will appear with your assigned user ID and temporary password. Make note of this information, click Login to complete your enrollment, and update to a new password as directed.
 - If you are not automatically approved, an onscreen pending approval message will appear. You will receive an email within 48 hours providing you with additional instruction.



Payment processing activity summary

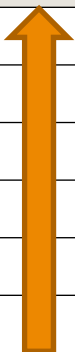
Account activity summary

- Client since 2015
- Visa and MasterCard, Disc, Amex & Debit
- Merchant IDs – 29
- MCC
 - 8220 Education
 - 5812 Caterer
 - 7011 Lodging
- PCI Level 3
- Pricing
 - 0.0005% discount and \$.05 auth \$.08 debit
- Equipment
 - FD410/FD130
- Software and Gateways
 - Shift4/Authorize.net/Monetra/FreedomPay/Tender Retail/Datacap Net
epay/Payflopro



Account activity summary

	Jul 2015 - Jun 2016	Jul 2016 - Jun 2017	Year over year change	
Payment processing activity				
Gross payment processing \$ sales volume	\$17,801,390	\$27,274,502	+53.2%	+\$9,473,112
Total \$ sales refunds volume	\$57,184	\$442,688	+674.1%	+\$385,504
Net payment processing \$ sales volume	\$17,744,206	\$26,831,815	+51.2%	+\$9,087,609
Gross sales # transactions	812,811	1,041,120	+28.1%	+228,309
Total sales refunds # transactions	698	5,701	+716.8%	+5,003
Net sales # transactions	812,113	1,035,419	+27.5%	+223,306
Average \$ transaction size ("ticket size")	\$21.90	\$26.20	+19.6%	+\$4.30
Card dispute activity*				
Card dispute ("chargeback") volume	\$800	\$7,065	+783.4%	+\$6,266
% of total card payment volume disputed	0.01%	0.03%	+200.0%	--
Disputed transactions	18	41	+127.8%	+23
% of total transactions disputed	0.0%	0.0%	+100.0%	--
Interchange activity*				
% of payment processing volume which downgraded to a higher interchange rate	2.86%	2.32%	-18.9%	--



*This information is only available for full service transactions (i.e., the authorization, processing, and settlement is performed through Wells Fargo Merchant Services).

The Value in Your Rate

Wells Fargo Merchant Services believes in taking care of it's clients with a personal touch and value added services such as –

- Integrated with banking services products – Wells Fargo Payment Gateway, eBill, eBox and more
- Next day funding to WF depository account
- Dedicated relationship team and account manager
- Chargeback management / training
- Interchange optimization / Best practices
- Industry updates
- Onsite payment processing reviews
- Reliable, secure partner
- Integration with First Data & various Gateways
- Free online reporting options (Clientline)
- Free online dispute manager
- Special analytical report – Report included. Provides monthly transaction and fee reporting details
- Zero internet set up fees and Zero account set up fees
- PCI compliance support including complimentary access to TrustWave for L3/4
- \$50K in breach protection per mid up to \$500,000 for enrolled Trustwave customers

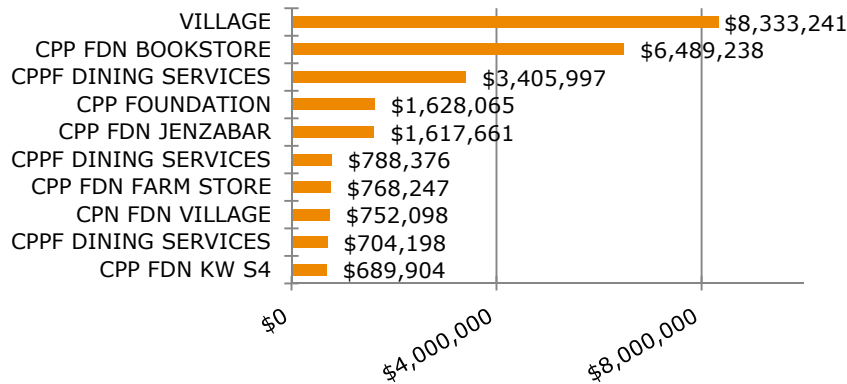


Location ranking

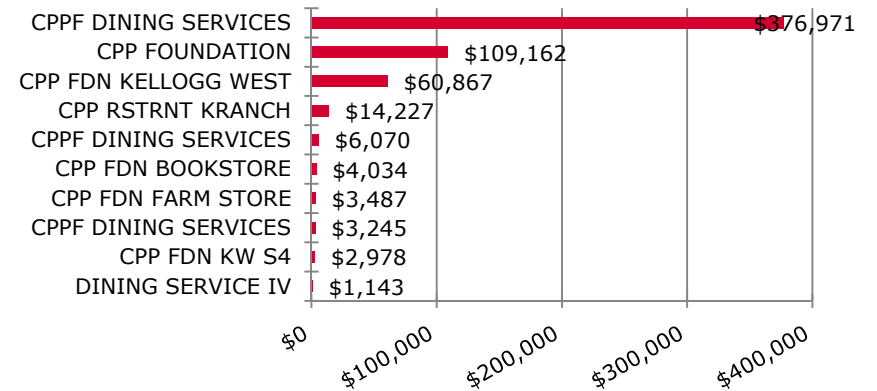
Ranked by volume, downgrades, chargebacks and refunds

July 2016 - June 2017

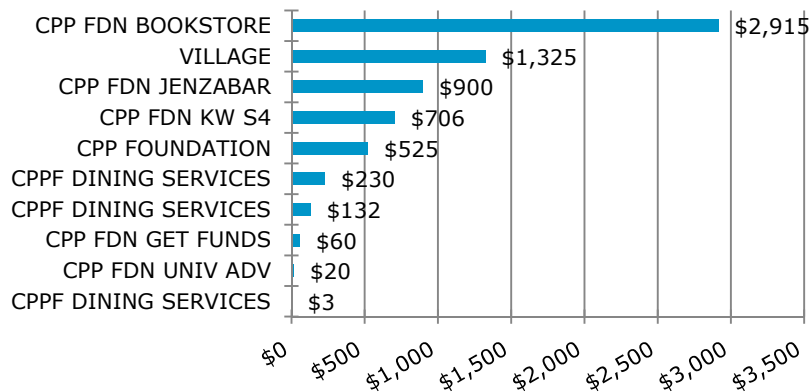
Total gross sales volume
\$25,177,026*



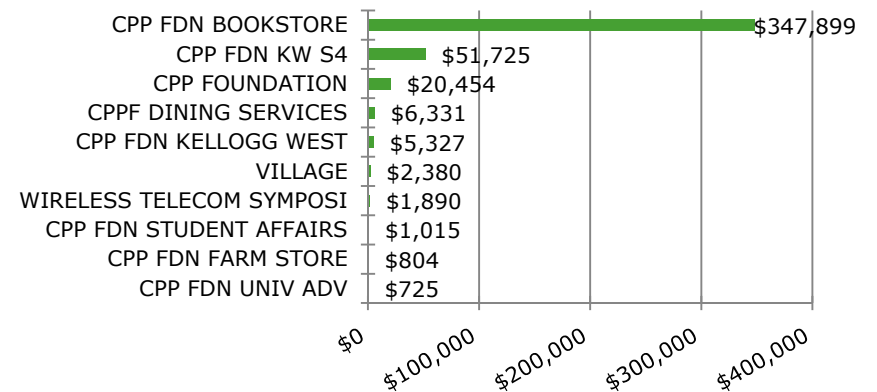
Total downgrades (gross)
\$582,186*



Total gross chargebacks
\$6,815*



Total refunds
\$438,549*

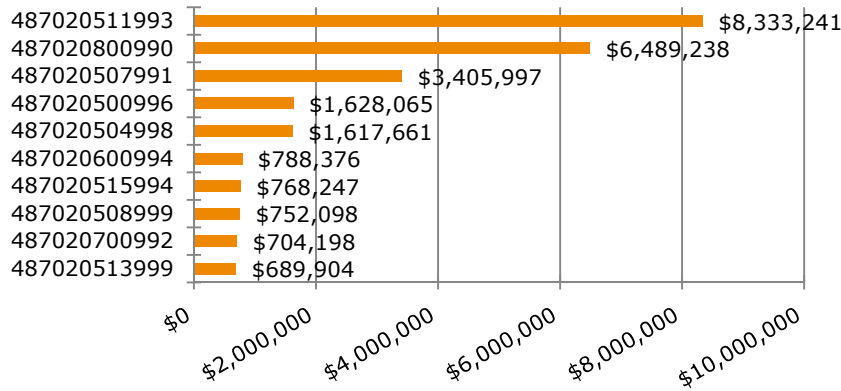


*Does not include chargebacks or reversals or sales volume from sales locations which may have closed

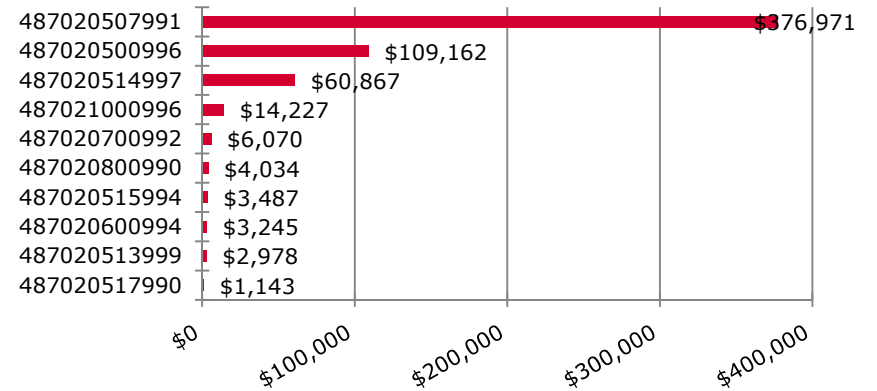
Location ranking

Ranked by volume, downgrades, chargebacks and refunds
July 2016 - June 2017

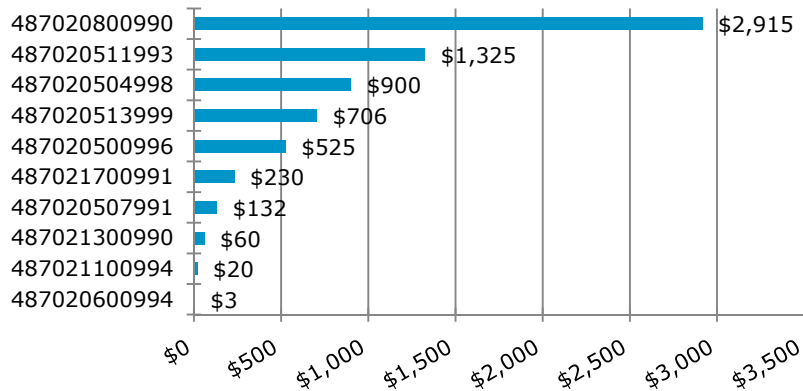
Total gross sales volume
\$25,177,026*



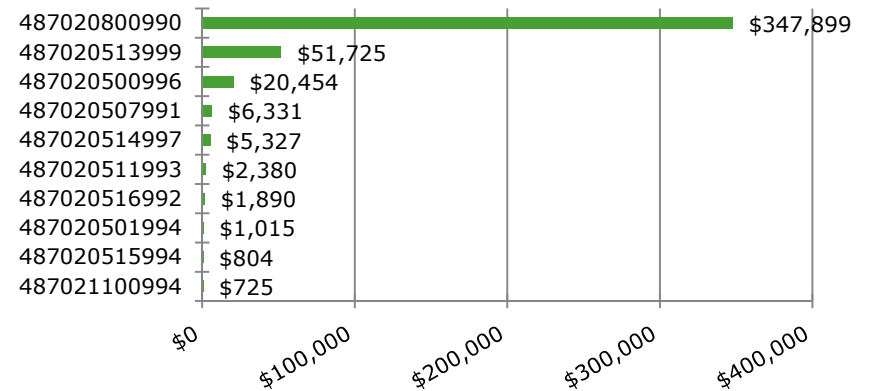
Total downgrades (gross)
\$582,186*



Total gross chargebacks
\$6,815*



Total refunds
\$438,549*



*Does not include chargebacks or reversals or sales volume from sales locations which may have closed

Interchange and downgrades

Most Common Causes of Downgrades

Savings - \$3,671.49

Card type	Causes of downgrades
MC and Visa	Level 2 data not provided on commercial card transactions (see below for definition of level 2 data).
MC and Visa	\$0 tax amount provided in Level 2 data. This can be corrected by either: 1) Providing a value greater than \$0 if the correct tax amount is greater than \$0 or 2) Providing Level 3 data on MC (all commercial products) and Visa (corporate and purchase card only)
MC and Visa	Exceeding the authorization and settlement tolerance. The percentage tolerance varies by MCC and IC (interchange) program.
MC and Visa	Not settling in a timely manner. Auto-settle, ensure vendors are settling files daily, multiple batch option
MC and Visa	Exceeding the timeframe allowed between authorization and settlement dates. This time varies by MCC and IC program.
MC and Visa	Unattended terminal. Cannot clear at CPS rates
Visa	Keyed transaction without AVS code. Ensure Address information is captured.
Visa	Reclasses MSI (Market Specific auth Indicator) is being populated at auth 'E' in settlement/unattended terminals. MSI should be blank at auth and settlement. Nothing should be in that field.
Visa	Providing incorrect recurring indicator on recurring transactions to take the AVS requirement for correct CNP clearing out of the IC equation.

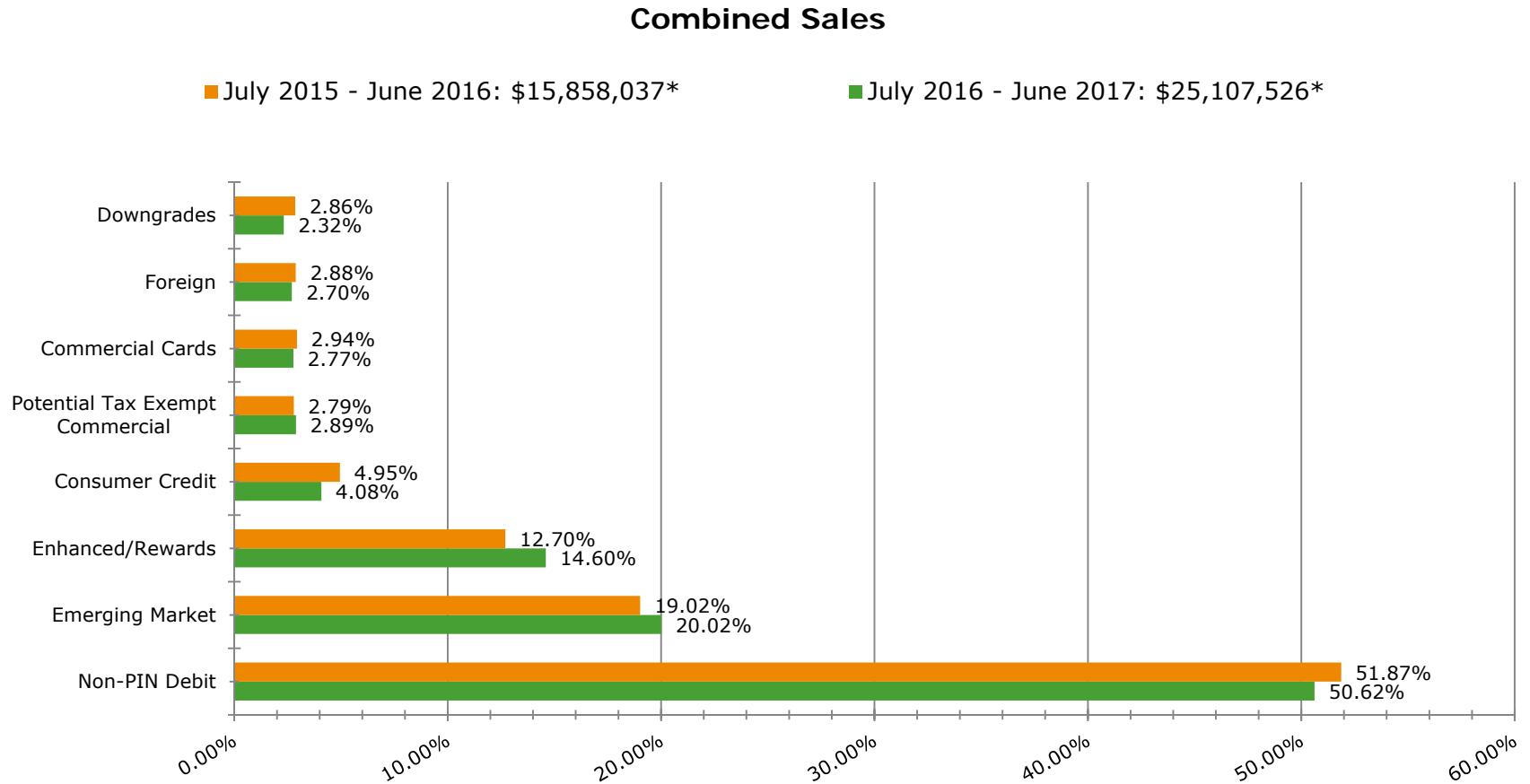
Fees

How do I know what they mean?

- **Wells Fargo Fees** – Service Charges, also known as Discount Rate; amounts charged to authorize, process and settle card transactions.
- **Other Fees** - A range of transaction-based and/or fixed amounts for specific card processing services, which may include: statement fees, chargeback fees, monthly internet fees, equipment, etc.
- **Assessment Fees** – Fees passed along by the card associations in addition to interchange, which may include: voice auth fees, processing integrity fees, misuse fees, etc.
- **Interchange Fees** – These variable amounts are established by the Card Associations for processing transactions. Factors that influence Interchange charges include card type, information contained in the transaction, and how/when the transactions was processed.

Interchange statistics

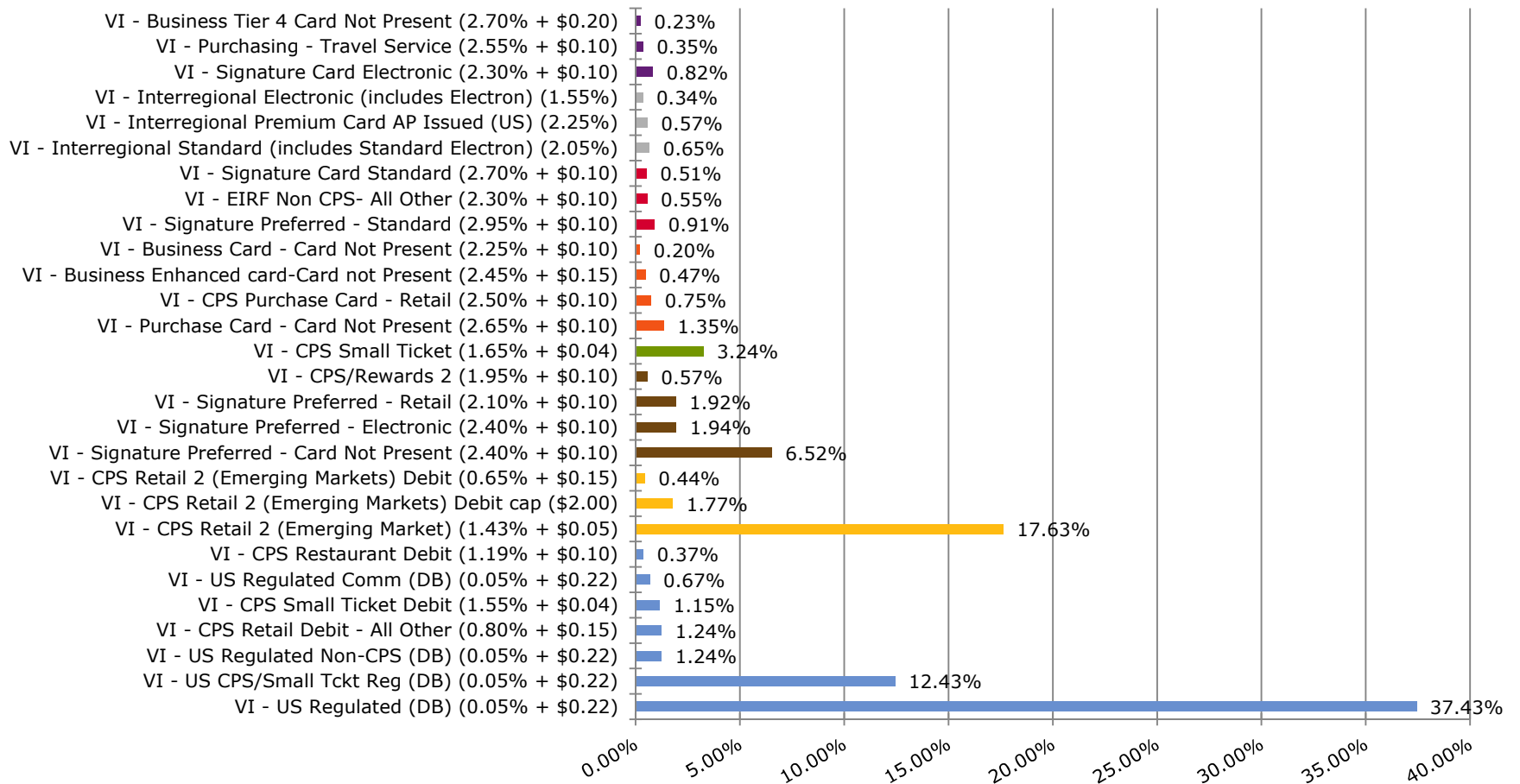
Combined sales volume for Visa, MasterCard, and Discover



*Data calculated based on gross sales minus chargebacks plus reversals.

Visa interchange

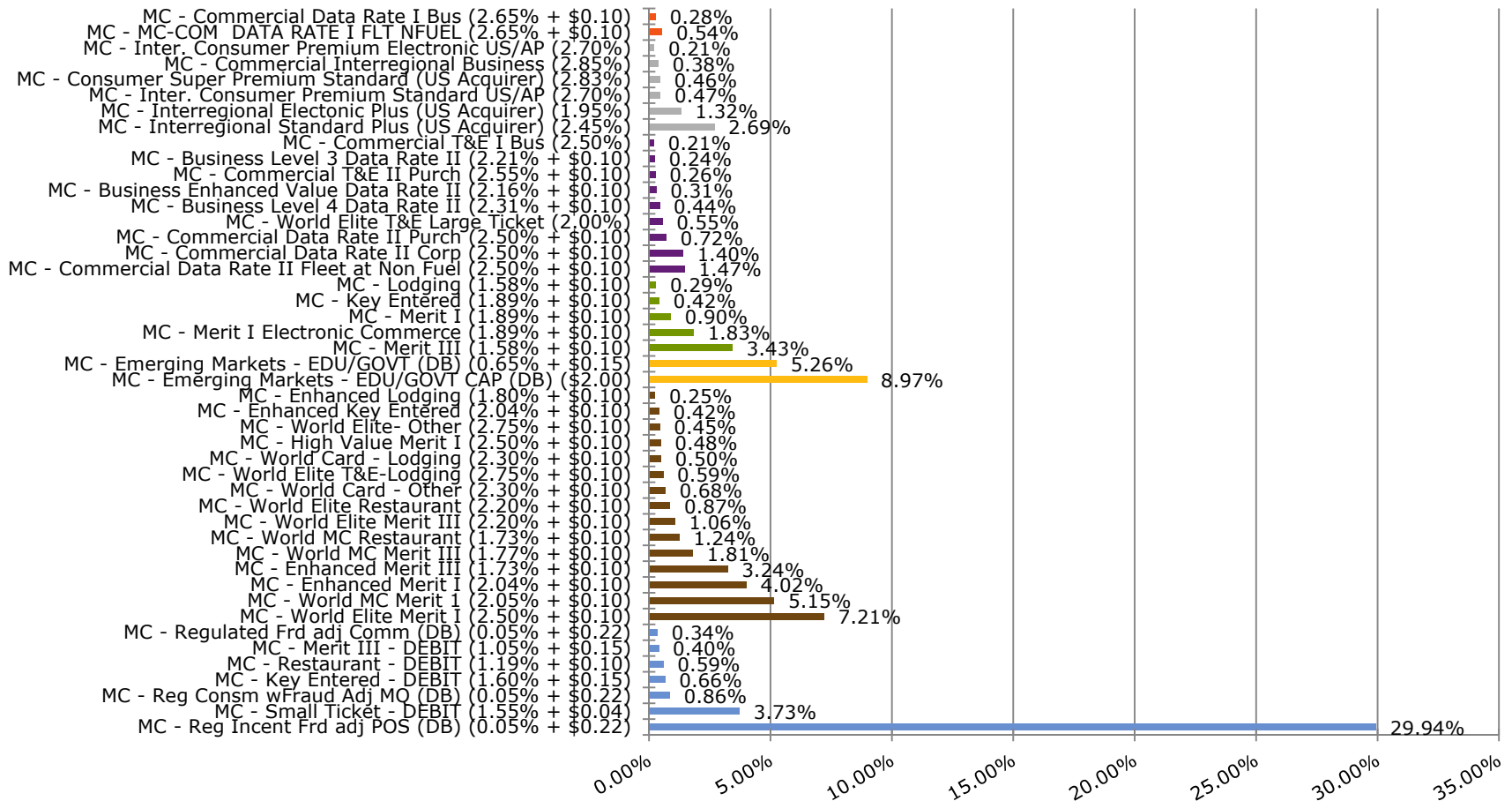
July 2016 - June 2017
Total sales volume: \$20,049,066*



*Data calculated based on gross sales minus chargebacks plus reversals. Category reasons not displayed if <0.20% of volume.

MasterCard interchange

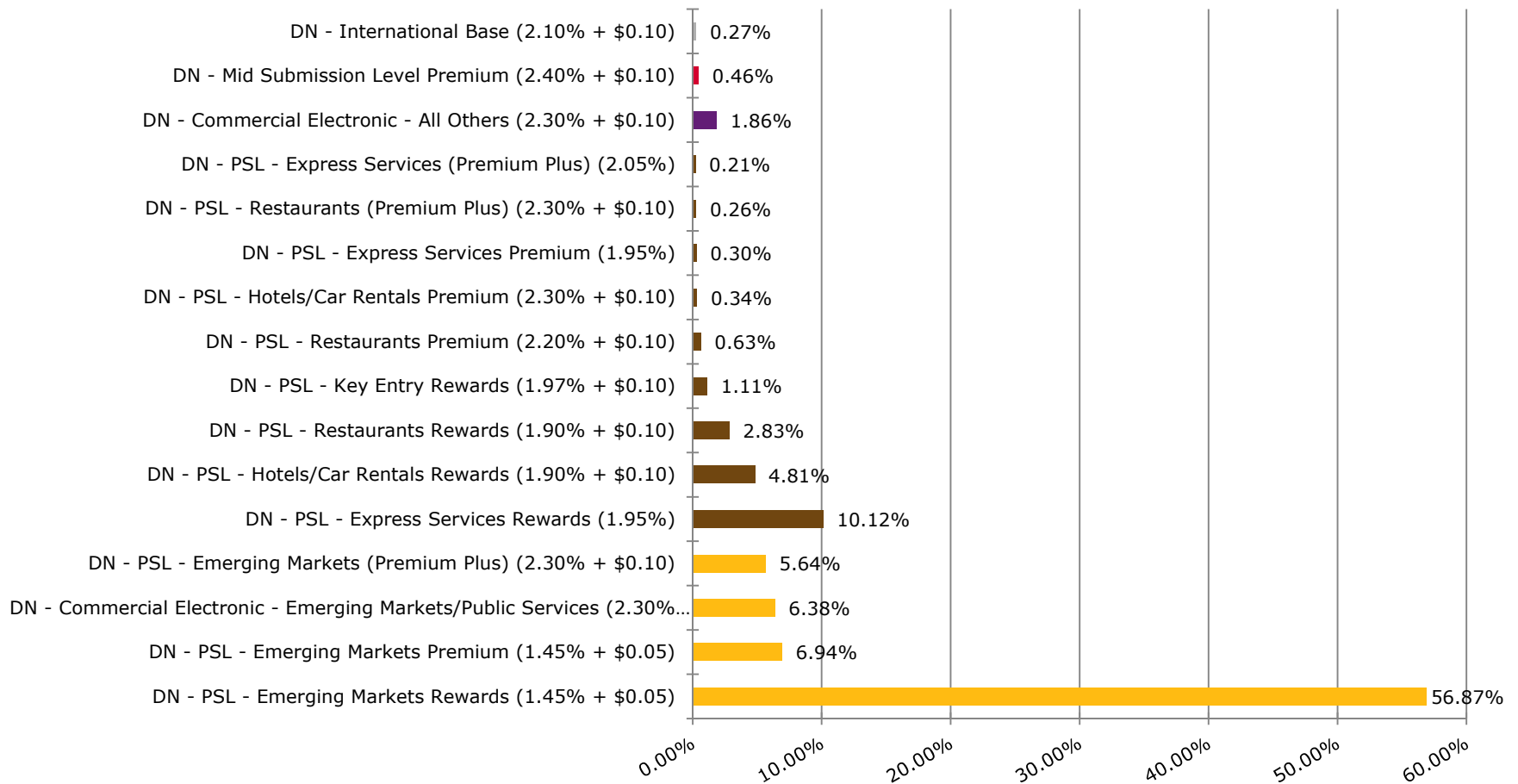
July 2016 - June 2017
Total sales volume: \$4,524,294*



*Data calculated based on gross sales minus chargebacks plus reversals. Category reasons not displayed if <0.20% of volume.

Discover interchange

July 2016 - June 2017
 Total sales volume: \$534,166*

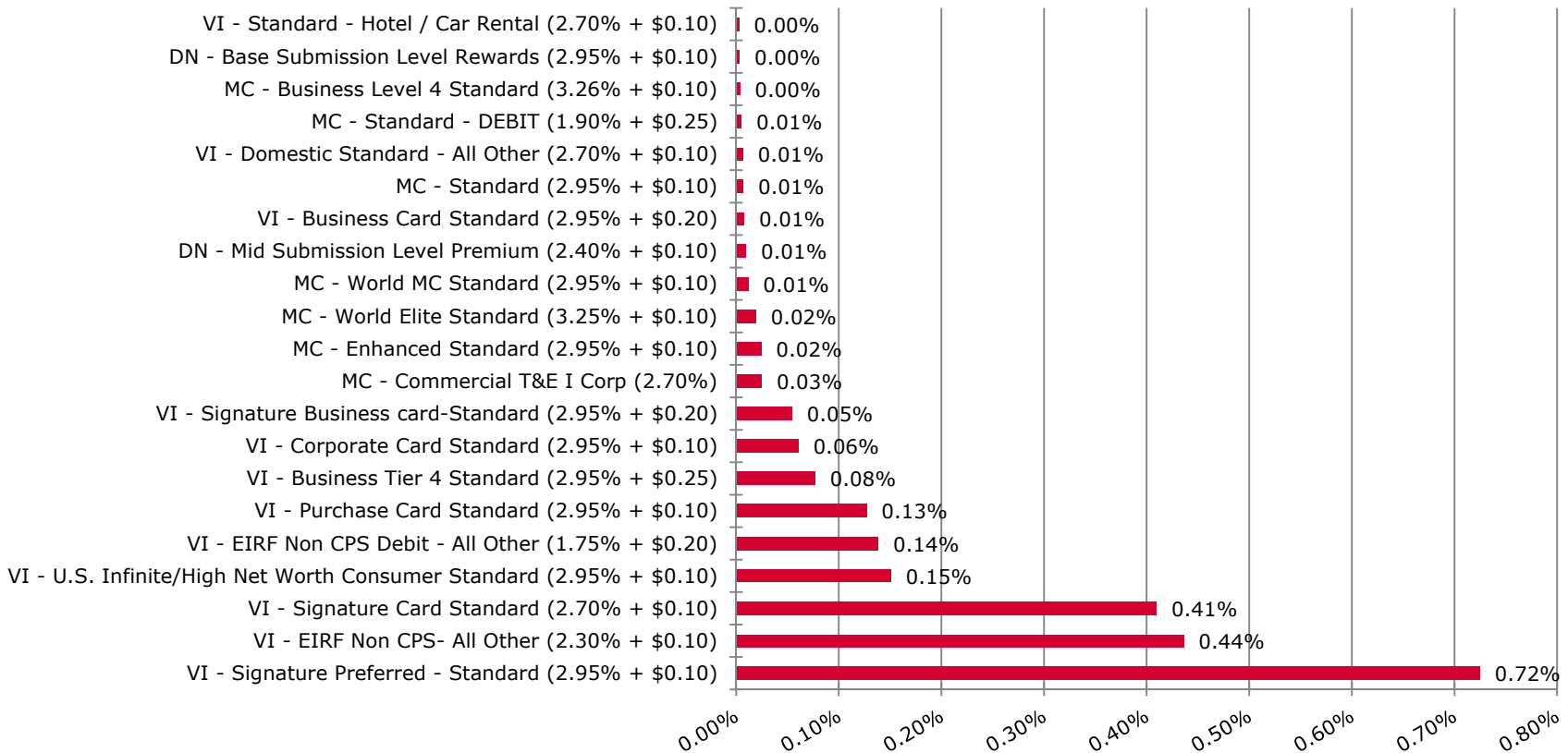


*Data calculated based on gross sales minus chargebacks plus reversals. Category reasons not displayed if <0.20% of volume.

Downgrades

Combined sales volume for Visa, MasterCard, Discover, and American Express

July 2016 - June 2017
 Total sales volume: \$582,959*
 Percentage of sales: 2.32%



*Data calculated based on gross sales minus chargebacks plus reversals.

Payment processing

Activity detail

Gross sales data

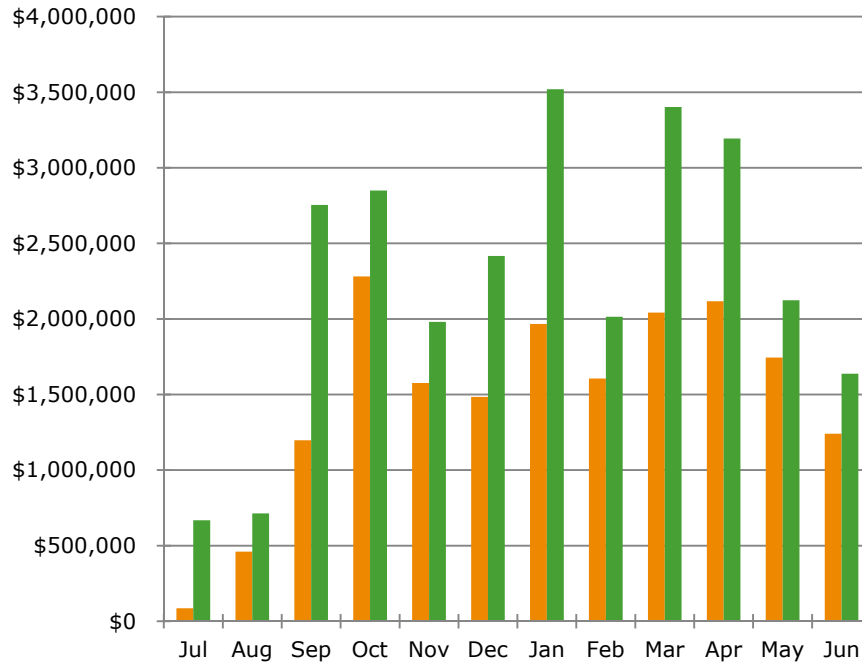
Presented for all card brands and payment types

Gross sales volume

Change: \$9,473,112 (53.22%)

July 2015 - June 2016: \$17,801,390*

July 2016 - June 2017: \$27,274,502*

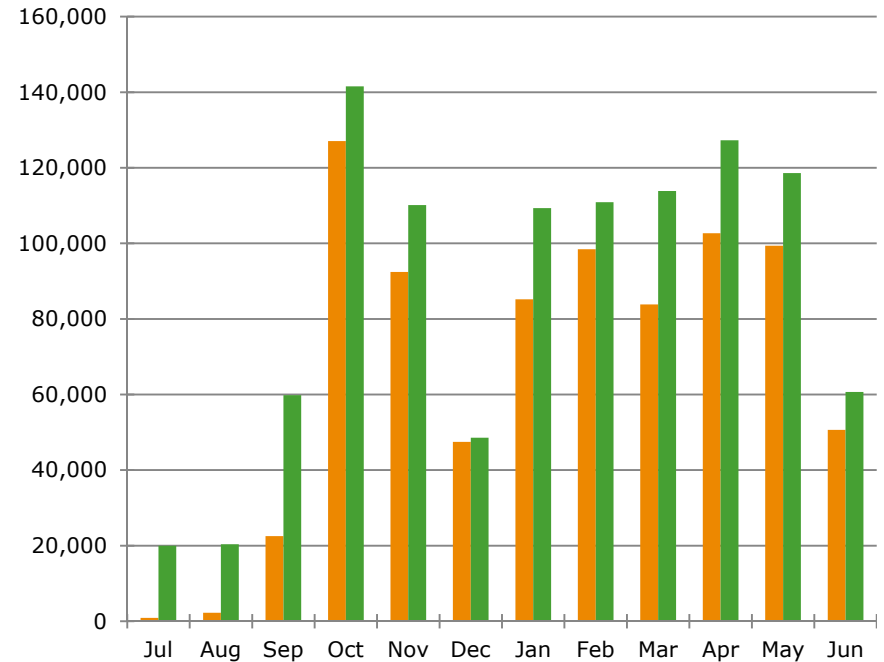


Gross sales transaction volume

Change: 228,309 (28.09%)

July 2015 - June 2016: 812,811*

July 2016 - June 2017: 1,041,120*

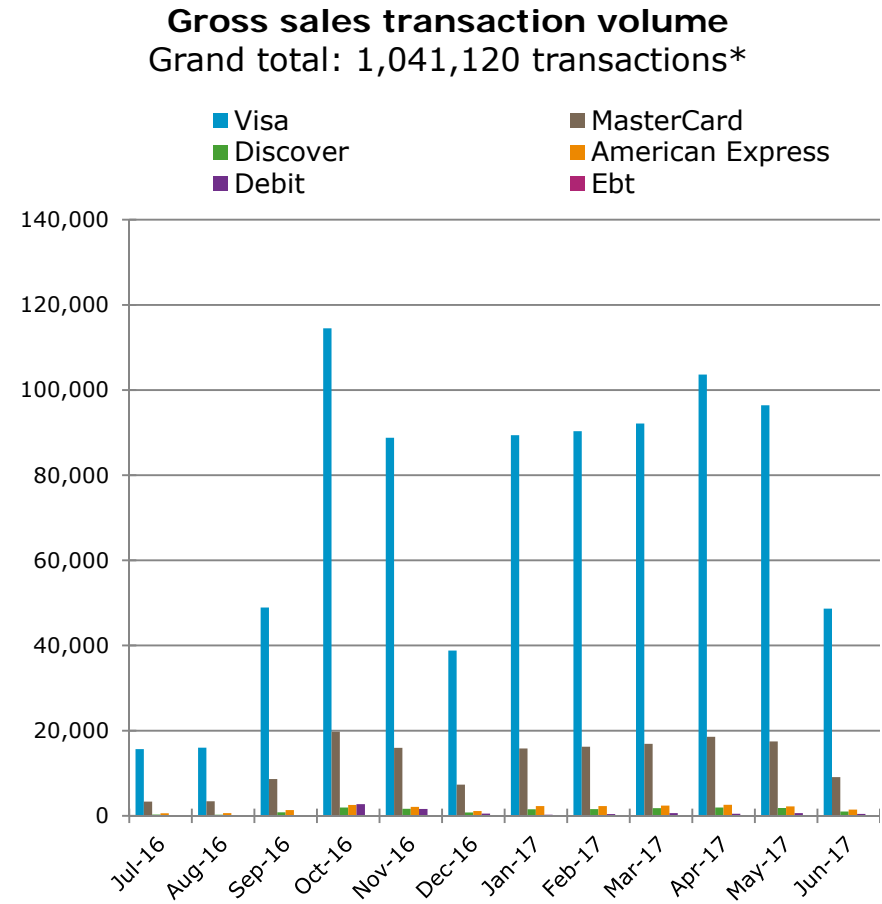
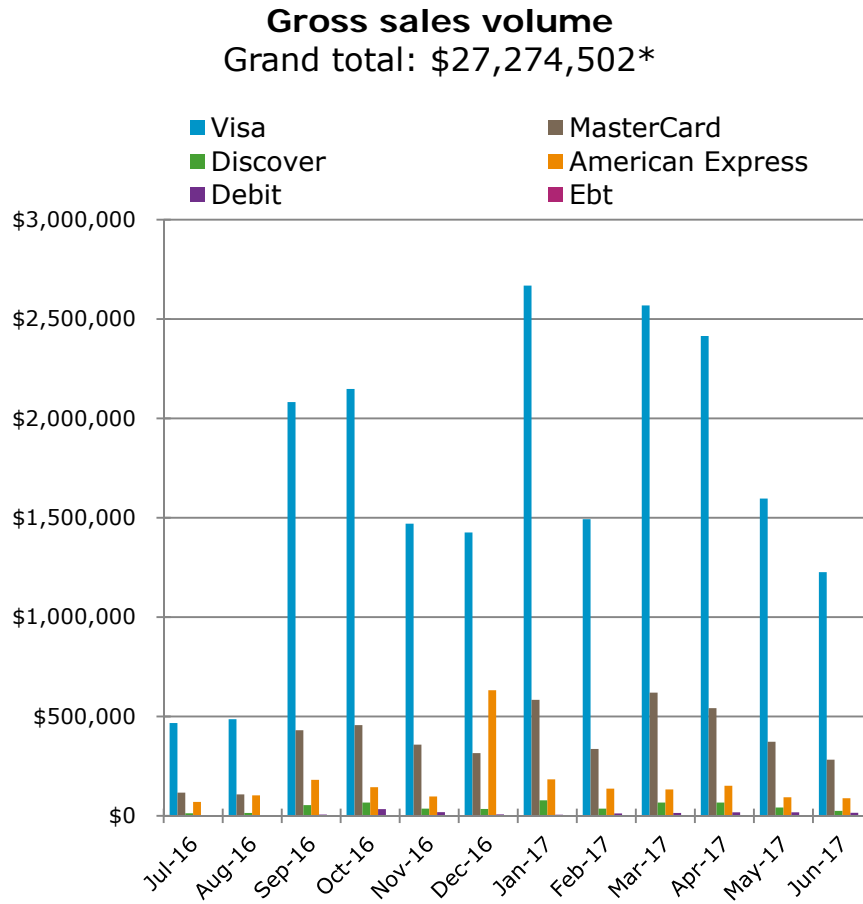


*Does not include chargebacks or reversals.

Gross sales data

Presented by card brand and payment type

July 2016 - June 2017



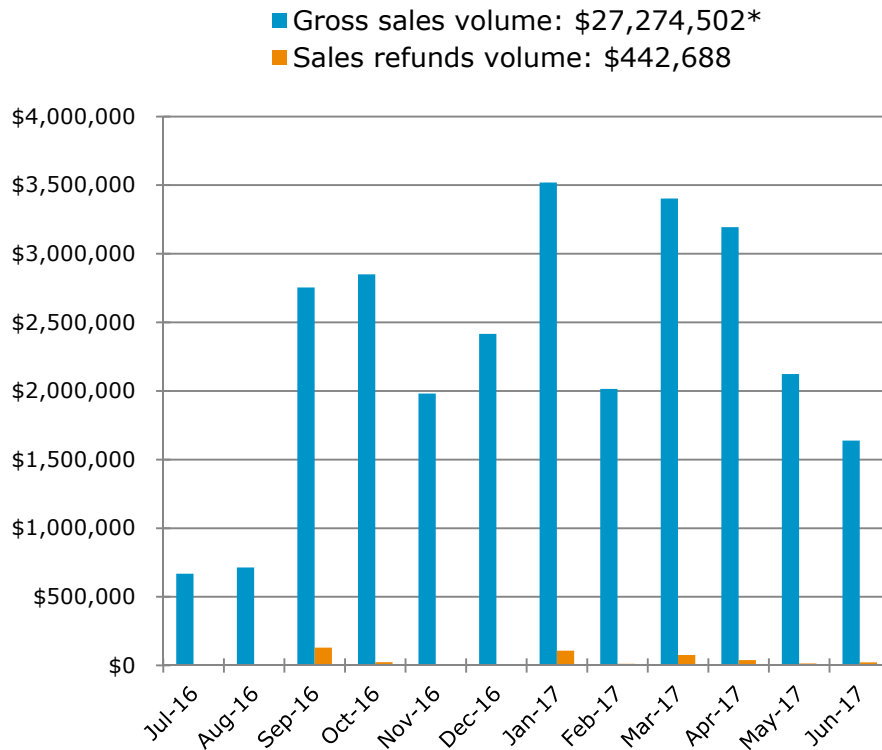
*Does not include chargebacks or reversals.

Gross sales and sales refunds data

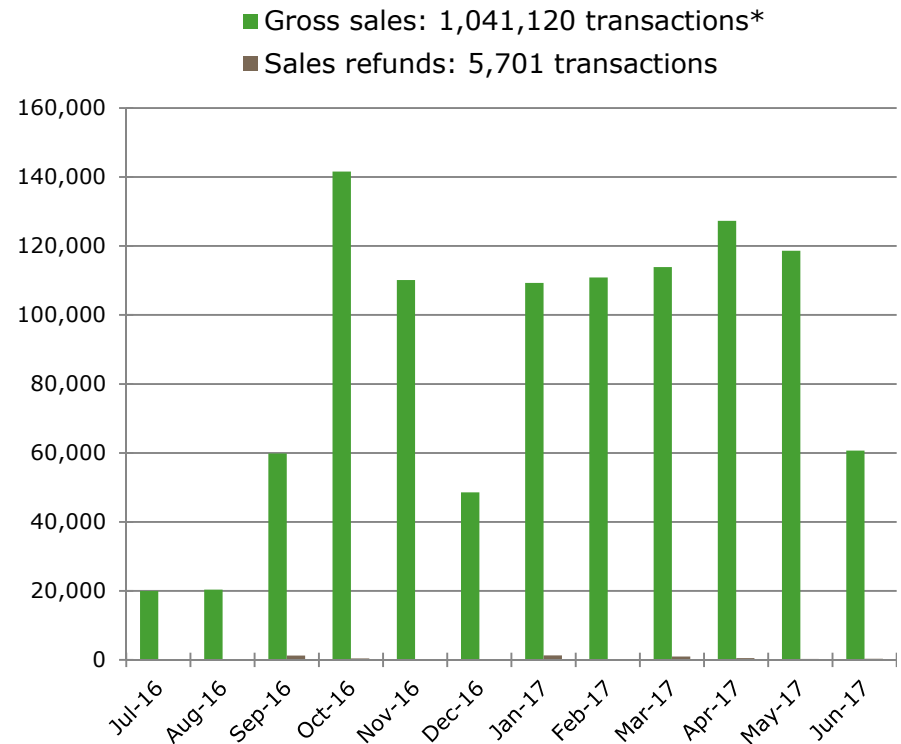
Presented for all card brands and payment types

July 2016 - June 2017

Gross sales and sales refunds volume



Gross sales and sales refunds transaction volume



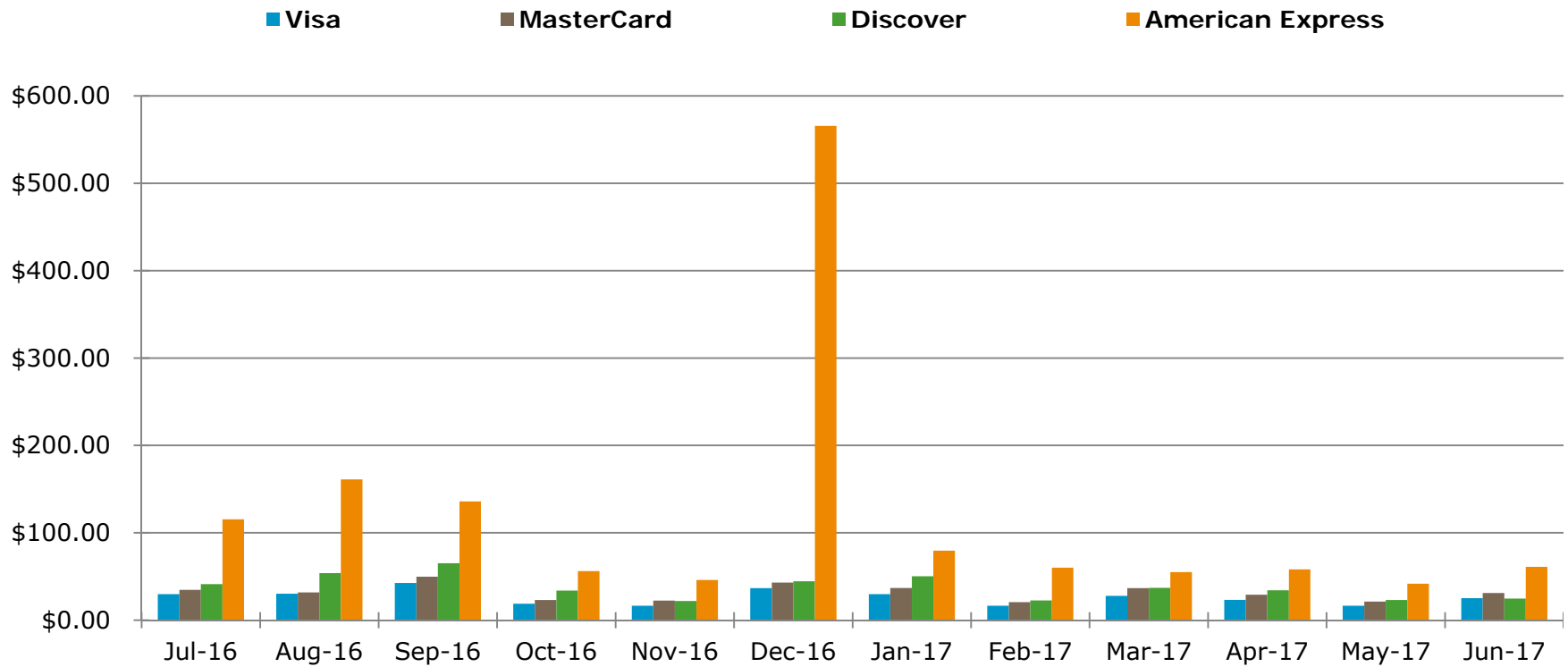
For the date range shown, your sales refunds volume represents 1.62% of your gross sales volume.

*Does not include chargebacks or reversals.

Average ticket size

Presented for Visa, MasterCard, Discover, and American Express

July 2016 - June 2017
12 month average: \$26.25*



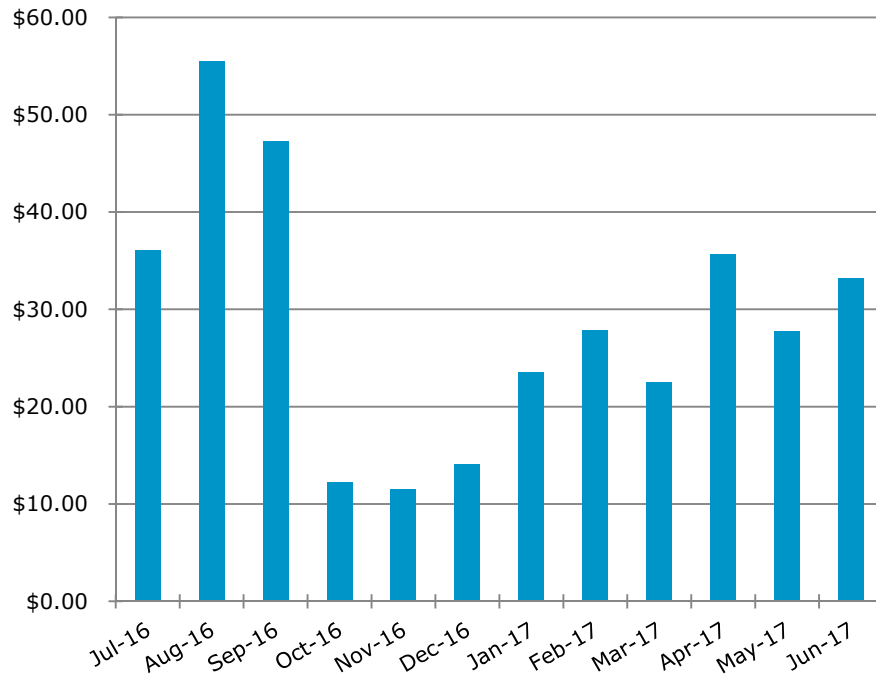
*Based on gross sales.

Average ticket size data

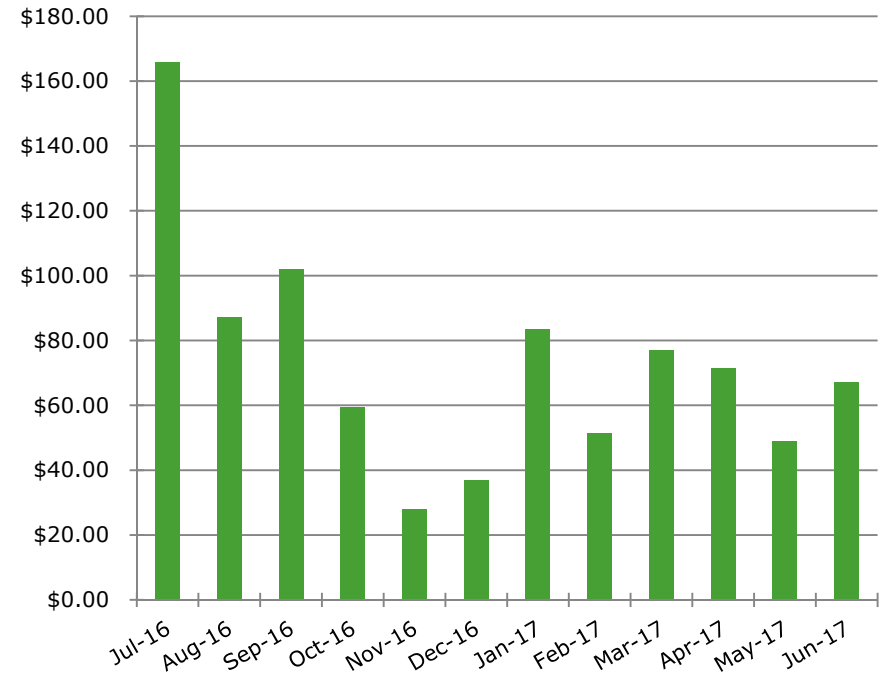
Presented for all card brands

July 2016 - June 2017

PIN Debit
12 month average: \$18.99¹



Refunds average ticket size²
12 month average: \$77.65¹



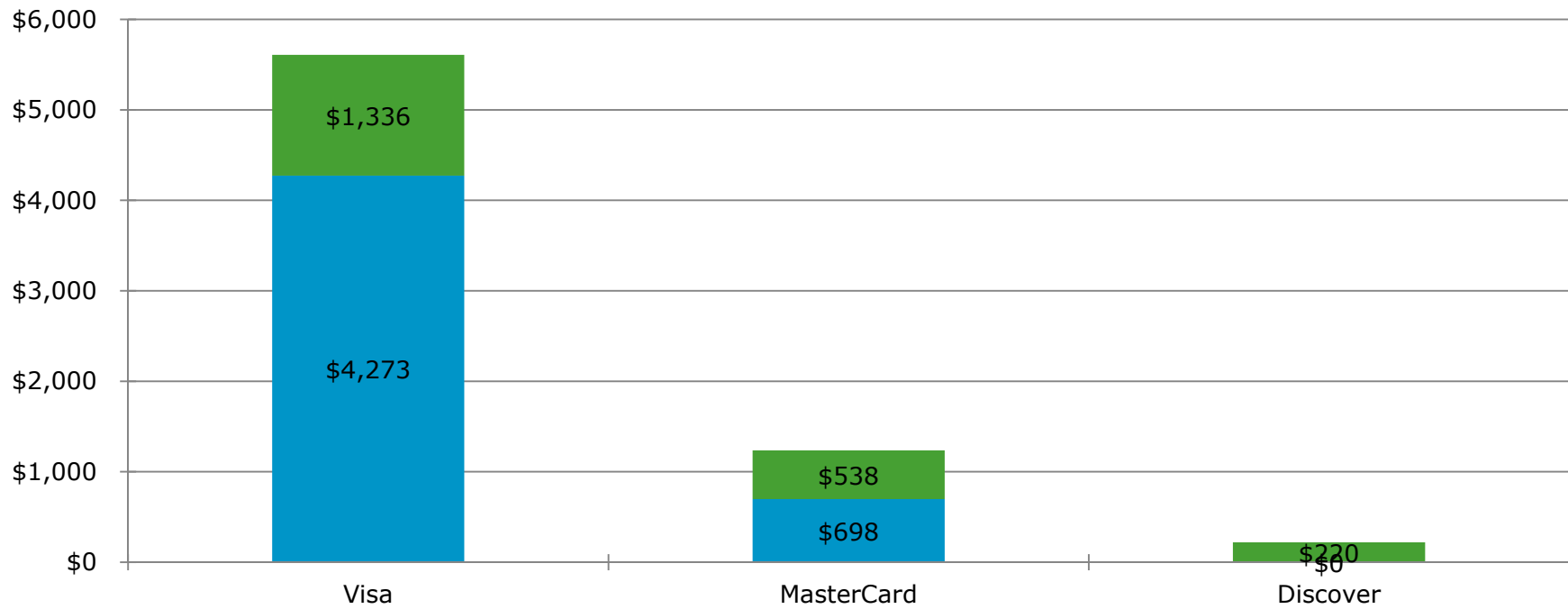
1: Based on gross sales.

2: For all payment types

Chargebacks and reversals

July 2016 - June 2017

- Net chargeback volume: \$4,971 - 19 transactions
- Reversals volume: \$2,094 - 22 transactions



Chargeback ratios

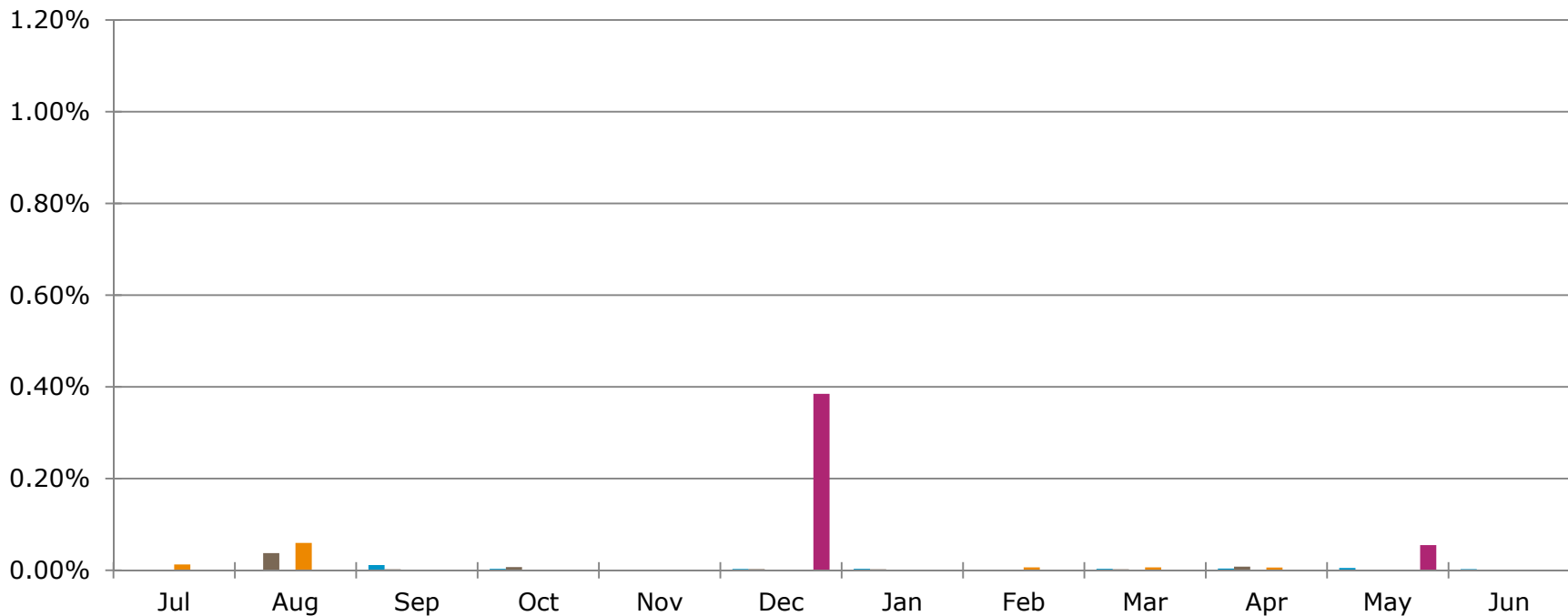
Based on gross transaction volume

CB ratio threshold 1%

Visa, MasterCard, and Discover chargeback ratios

Change: \$6,266 (783.40%)

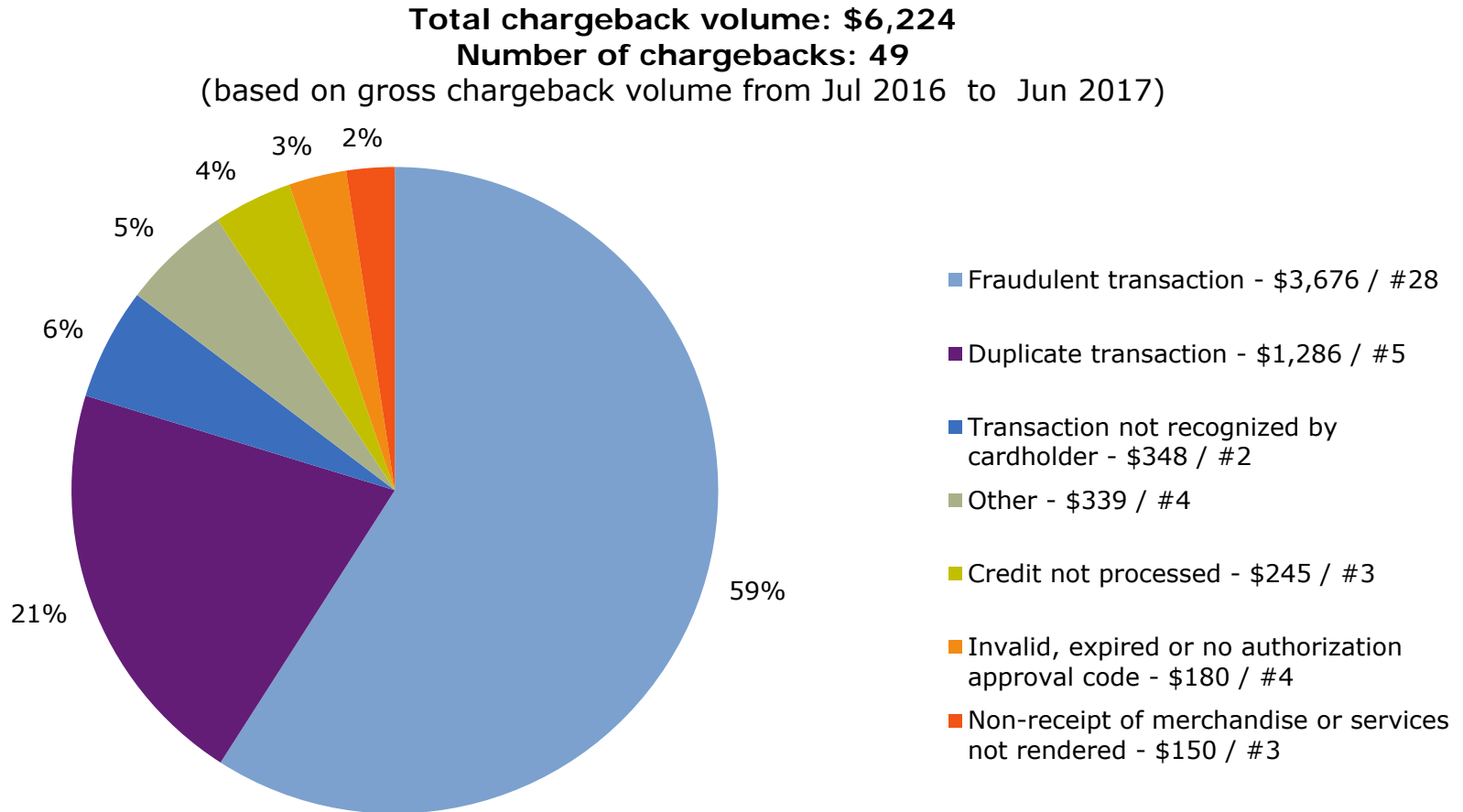
- Visa: July 2015 - June 2016: 0.00%
- Visa: July 2016 - June 2017: 0.00%
- MasterCard: July 2015 - June 2016: 0.00%
- MasterCard: July 2016 - June 2017: 0.00%
- Discover: July 2015 - June 2016: 0.00%
- Discover: July 2016 - June 2017: 0.03%



*The Visa and Discover Network chargeback ratio is calculated by dividing the number of chargebacks in a month by the number of sales transactions processed the same month. The MasterCard chargeback ratio is calculated by dividing the number of chargebacks in a month by the number of sales transactions processed the previous month.

Top chargeback reasons

Presented for Visa, MasterCard, and Discover Network combined



Note: Chart excludes chargeback data for reason codes that are less than 1% of the chargeback total.

Payment Card Industry Data Security Standard (PCI DSS)

PCI DSS Merchant Levels

For Visa, MasterCard and Discover

1,041,120 Transactions

PCI levels	Merchant levels	Compliance validation requirements
1	<ul style="list-style-type: none"> Over 6 million Visa, MasterCard or Discover transactions per year (all channels) Global merchants meeting the Level 1 criteria of another payment card brand 	<ul style="list-style-type: none"> Annual Report on Compliance (ROC) completed by a Qualified Security Assessor (QSA)* Quarterly network scan by an Approved Scan Vendor (ASV) Attestation of Compliance Form
2	<ul style="list-style-type: none"> 1 million to 6 million Visa, MasterCard or Discover transactions per year (all channels) 	<ul style="list-style-type: none"> Annual Self-Assessment Questionnaire (SAQ) completed by an Internal Security Assessor (ISA) or a Report on Compliance (ROC) completed by a QSA Quarterly network scan by an Approved Scan Vendor (ASV) Attestation of Compliance Form
3	<ul style="list-style-type: none"> 20,000 to 1 million e-commerce Visa, MasterCard or Discover transactions per year 	<ul style="list-style-type: none"> Annual SAQ Quarterly network security scan by an ASV Annual signed Attestation of Compliance Form
4	<ul style="list-style-type: none"> Less than 20,000 e-commerce Visa, MasterCard or Discover transactions per year OR up to 1 million card-present Visa, MasterCard or Discover transactions per year 	<ul style="list-style-type: none"> Annual SAQ required by Wells Fargo Merchant Services for VAR and e-commerce merchants Quarterly network security scan by an ASV if applicable

Important note on transaction volumes: PCI levels are based on the gross transaction threshold *per payment network* per year.

Abbreviations: ROC = Report on Compliance, QSA = Qualified Security Assessor, ASV = Approved Scanning Vendor, SAQ = Self Assessment Questionnaire, PCI SSC = Payment Card Industry Security Standards Council

*For non-compliant businesses only, an annual signed "Attestation of non-storage of non-compliant data" is required

Resources

Your Wells Fargo Merchant Services support team and directory

Client Services Center

800-451-5817

- Customer Service is available 24 hours a day, 7 days a week and handles general inquiries regarding:
 - Statements
 - Chargebacks
 - Deposit and fee inquiries / research
 - On file merchant information
 - Supply order desk
 - BusinessTrack & Dispute Manager

Voice Authorization Center

(Please have your Merchant number available.)

- Visa® / MasterCard®: 800-626-4480
- American Express®: 800-528-2121
- Novus / Discover®: 800-347-1111

Terminal/Software

Help Desk available 24/7

800-622-0842

(Please have your Merchant number available.)

Non Bankcard

Customer Service

- JCB: 800-366-4522
- American Express: 800-528-5200
- Discover: 800-347-2000

BusinessTrack/Dispute Manager

- 800-285-3978



WFMS online resources for merchants

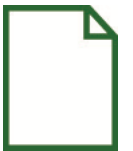
Wells Fargo Merchant Connect™:

Delivered via email every quarter, this information bulletin covers topics of importance to merchant customers, including:

- payment network news,
- new payment solutions,
- card payment data security updates,
- PCI compliance, and
- regulations and important best practices in payment processing.

Wells Fargo Merchant Services newsletters and educational videos available at:

- <https://www.wellsfargo.com/biz/merchant/service/newsletters>



Online reporting, cost management, and chargeback tools

24/7 reporting and chargeback information

BusinessTrack - Reporting, chargebacks, transaction details, etc.

- www.businessstrack.com

Electronic Integrated Dispute System (Dispute Manager) - View and resolve chargebacks

- www.businessstrack.com

More chargeback prevention resources

- http://www.wellsfargo.com/biz/merchant/service/manage/chargeback_tips
- <http://www.wellsfargo.com/biz/merchant/service/manage/prevent>

Wells Fargo Merchant Services Program Guide

- www.wellsfargo.com/biz/programguide

Tips to Manage Your Card Payment Processing Costs (PDF)

- wellsfargo.com/biz/managecosts

Additional online resources

- Understanding non-qualified fees and processing guidelines
 - <http://www.wellsfargo.com/biz/merchant/service/manage/nonqualified>
- Qualification criteria
 - <http://www.wellsfargo.com/biz/merchant/service/manage/qualification>



Data security and compliance resources

- PCI Security Standards Council

<https://www.pcisecuritystandards.org>

- List of validated PCI-DSS applications

https://www.pcisecuritystandards.org/security_standards/vpa/

- Visa USA

<https://usa.visa.com/partner-with-us/info-for-partners/info-for-acquirers.html#2>

- MasterCard International

http://www.mastercard.com/us/merchant/security/sdp_program.html

- Discover Network

<http://www.discovernetwork.com/fraudsecurity/disc.html>

- American Express

<http://www.americanexpress.com/datasecurity>




CAL POLY POMONA FOUNDATION, INC.

Memorandum

Date: November 7, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: David F. Prenovost 
Senior Managing Director/
Chief Financial Officer

Subject: Tax Return Process



The Foundation is required to file the following returns:

1. Form 990 Return of Organization Exempt from Income Tax
2. Form 990-T Exempt Organization Business Income Tax Return
3. Form 199 California Exempt Organization Annual Information Return
4. Form 109 California Exempt Organization Business Income Tax Return
5. RRF-1 Annual Registration Renewal Fee Report

The filing deadline for these returns are November 15th, the 15th day of the 5th month after the end of the accounting period.

After the audit season and closing out the fiscal year, Foundation staff begins the tax return process. Various reports are run and requests for information are sent out to various departments in the Foundation and the University. The information gathered is then entered into the tax software.

The completed returns are provided to the following parties, in sequence, for review:

1. Foundation's Chief Financial Officer;
2. External CPA firm; and
3. Foundation Board of Directors – the returns are uploaded to a secure website for a 2-week period to download and review, per policy # 124 – Form 990 Review Policy, attached for your reference.

Due to the filing deadline of November 15th and the practice of presenting the 990 Return to the members of the Board at a regularly scheduled meeting, an extension of time to file is usually required.

Any comments and/or questions are reviewed and appropriate changes are made to the returns. After the review process, the returns are filed with the IRS and other appropriate agencies. The returns are posted to the Foundation's website except for Schedule B – Schedule of Contributors, which is not a public document.

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

Subject: FORM 990 REVIEW POLICY
Reference: 340-III-C-1

Policy No. 124
Date: 09/29/09
Revision:

PURPOSE

Procedures for the Foundation to comply with the annual 990 Tax Form.

I. BACKGROUND

Each year, the Foundation prepares and submits its Form 990 to the Internal Revenue Service in compliance with Internal Revenue Code rules and requirements. Staff shall gather the information necessary for the preparation of the form to collaboratively prepare a complete and accurate document for filing.

II. POLICY

At least two (2) weeks prior to filing of the annual Form 990, the Chief Financial Officer shall distribute the final draft of the form to each member of the Foundation's Board of Directors for their review and comment. Comments or changes suggested by such Board member shall be forwarded to the Foundation's Chief Financial Officer, who shall revise the form if necessary and thereafter submit it to the Internal Revenue Service for filing.

III. REPORTS TO THE BOARD

The Executive Director shall periodically report to the Board on compliance subject to this policy statement.

IV. IMPLEMENTING GUIDELINES

The Executive Director is authorized to establish written management guidelines consistent with and in implementation of this policy statement.

**David F. Prenovost CPA
3801 W. Temple Ave., Bldg # 55
Pomona, CA 91768
909-869-2948**

November 1, 2017

CONFIDENTIAL

CAL POLY POMONA FOUNDATION INC
3801 WEST TEMPLE AVENUE BLDG # 55
POMONA, CA 91768-4038

Dear David:

We have prepared the enclosed extension forms from information submitted by you without verification or audit. We suggest that you examine these forms carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements. Attached to each form is an instruction sheet for signing and filing. Please follow those instructions carefully.

In order that we may properly advise you of tax considerations, please keep us informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities.

If you have any questions or if we can be of assistance in any way, please do not hesitate to call.

Sincerely,

David F. Prenovost CPA

Filing Instructions

CAL POLY POMONA FOUNDATION INC

Application for Extension for Form 990

Taxable Year Ended June 30, 2017

Date Due: November 15, 2017

Remittance: None is required. Your 2016 Form 8868 for Form 990 shows no balance due.

Other: Your extension is being filed electronically with the IRS and is not required to be mailed. Mailing a paper copy of Form 8868 to the IRS will delay the processing of your extension.

The extension for Form 990 is valid until February 15, 2018; therefore, the return must be filed on or before this date. We will be contacting you in advance of this date with the completed return.

Form **8868**

(Rev. January 2017)

Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for *Charities and Non-Profits*.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions. CAL POLY POMONA FOUNDATION INC	Employer identification number (EIN) or 95-2417645
	Number, street, and room or suite no. If a P.O. box, see instructions. 3801 WEST TEMPLE AVENUE BLDG # 55	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. POMONA CA 91768-4038	

File by the due date for filing your return. See instructions.

Enter the Return Code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**DAVID F. PRENOVOST CPA
3801 W. TEMPLE AVE**

• The books are in the care of **u POMONA** **CA 91768**

Telephone No. ▶ **909-869-2948** Fax No. ▶ **909-869-4549**

• If the organization does not have an office or place of business in the United States, check this box ▶

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box If it is for part of the group, check this box and attach

a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **02/15/18**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning **07/01/16**, and ending **06/30/17**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2017)

Filing Instructions

CAL POLY POMONA FOUNDATION INC

Application for Extension for Form 990-T

Taxable Year Ended June 30, 2017

Date Due: November 15, 2017

Remittance: None is required. Your 2016 Form 8868 for Form 990-T shows no balance due.

Other: Your extension is being filed electronically with the IRS and is not required to be mailed. Mailing a paper copy of Form 8868 to the IRS will delay the processing of your extension.

The extension for Form 990-T is valid until February 15, 2018; therefore, the return must be filed on or before this date. We will be contacting you in advance of this date with the completed return.

Form **8868**

(Rev. January 2017)

Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

OMB No. 1545-1709

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profit, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. CAL POLY POMONA FOUNDATION INC	Enter filer's identifying number, see instructions Employer identification number (EIN) or 95-2417645
	Number, street, and room or suite no. If a P.O. box, see instructions. 3801 WEST TEMPLE AVENUE BLDG # 55	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. POMONA CA 91768-4038	

Enter the Return Code for the return that this application is for (file a separate application for each return) 07

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**DAVID F. PRENOVOST CPA
3801 W. TEMPLE AVE**

• The books are in the care of **u POMONA** **CA 91768**

Telephone No. ▶ **909-869-2948** FAX No. ▶ **909-869-4549**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box If it is for part of the group, check this box and attach

a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **05/15/18** to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning **07/01/16**, and ending **06/30/17**

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2017)

Acknowledgement and General Information for Taxpayers Who File Returns Electronically

Thank you for taking part in the IRS e-file Program.

CAL POLY POMONA FOUNDATION INC
3801 WEST TEMPLE AVENUE BLDG # 55
POMONA, CA 91768-4038

- [X] Your Form 8868, Application for Extension of Time to File an Exempt Organization Return for tax year June 30, 2017 is being filed electronically with the IRS by the services of David F Prenovost CPA.
- [X] Your extension was accepted by the IRS on _____ and the Submission Identification Number assigned to your return is 33572020173050006905.

Since you are filing your return electronically, PLEASE DO NOT SEND A PAPER COPY OF YOUR RETURN TO THE IRS. IF YOU DO, IT WILL DELAY THE PROCESSING OF THE RETURN.

Acknowledgement Process

The IRS will notify your electronic return originator when they accept your return, usually within 48 hours. If your return was not accepted, IRS will notify your electronic return originator of the reasons for rejection.

Acknowledgement and General Information for Taxpayers Who File Returns Electronically

Thank you for taking part in the IRS e-file Program.

CAL POLY POMONA FOUNDATION INC
3801 WEST TEMPLE AVENUE BLDG # 55
POMONA, CA 91768-4038

- [X] Your Form 8868, Application for Extension of Time to File an Exempt Organization Return for tax year June 30, 2017 is being filed electronically with the IRS by the services of David F Prenovost CPA.
- [X] Your extension was accepted by the IRS on _____ and the Submission Identification Number assigned to your return is 33572020173050006894.

Since you are filing your return electronically, PLEASE DO NOT SEND A PAPER COPY OF YOUR RETURN TO THE IRS. IF YOU DO, IT WILL DELAY THE PROCESSING OF THE RETURN.

Acknowledgement Process

The IRS will notify your electronic return originator when they accept your return, usually within 48 hours. If your return was not accepted, IRS will notify your electronic return originator of the reasons for rejection.

Filing Instructions

CAL POLY POMONA FOUNDATION INC

Payment Voucher for Automatic Extension of Time to File Form 199

Taxable Year Ended June 30, 2017

Date Due: November 15, 2017

Remittance: Your Form 3539 (for Form 199) for the tax year ended 6/30/17 shows a balance due of \$10. Include a check payable to the Franchise Tax Board and write "E.I.N. 95-2417645, FTB 3539 (for Form 199) Balance Due for the year ended 6/30/17" on the check.

Mail To: Franchise Tax Board
P.O. Box 942857
Sacramento, CA 94257-0531

If a private delivery service is used, mail to:
Franchise Tax Board
Sacramento, CA 95827

Other: The extension is valid until May 15, 2018; therefore, the return must be filed on or before this date. We will be contacting you by May 15, 2018 with the completed return.

Form at bottom of page.



IF PAID ELECTRONICALLY: DO NOT FILE THIS FORM

WHERE TO FILE: Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the corporation number or FEIN and "2016 FTB 3539" on the check or money order. Detach form below. Enclose, but **do not** staple, payment with form and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: **Calendar year C corporations — File and Pay by April 18, 2017**
Calendar year S corporations — File and Pay by March 15, 2017
Calendar year exempt organizations — File and Pay by May 15, 2017
Employees' trust and IRA — File and Pay by April 18, 2017
Fiscal year filers — See instructions

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

Due to the federal Emancipation Day holiday observed on April 17, 2017, tax returns filed and payments mailed or submitted on April 18, 2017, will be considered timely.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to **ftb.ca.gov** for more information.

— DETACH HERE — — — — — IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM — — — — — DETACH HERE — —

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR

**Payment for Automatic Extension
for Corporations and Exempt Organizations**

CALIFORNIA FORM

3539 (CORP)

0505207 CALP 95-2417645 000000000000 16 FORM 3
 TYB 07-01-2016 TYE 06-30-2017
 CAL POLY POMONA FOUNDATION INC

3801 WEST TEMPLE AVENUE BLDG # 55
 POMONA CA 91768-4038

(909) 869-2948

Ext EFW 100

Amount of Payment

10.



034

6141166



FTB 3539 2016



Memorandum



Date: October 23, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/CFO

Subject: **Liquidity Access Line**

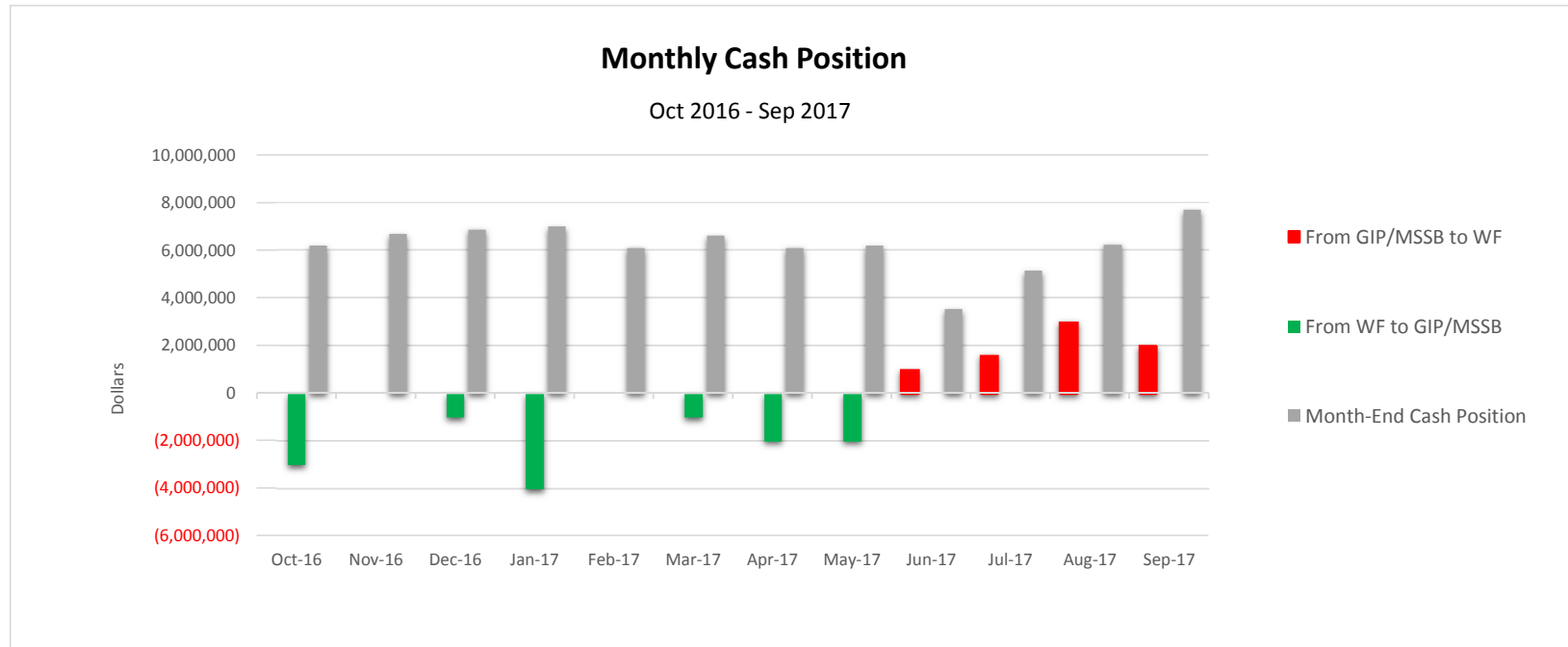
The majority of the Foundation's working capital is funded from our enterprise activities that are in direct relationship to our student's academic term. Currently under the quarter system, we are operating all four weeks during the months of October, February, March and May; three weeks in the months of November, January, April, and one week during the months of September, December and June. In addition, the Foundation enterprise activities operates during the summer academic term.

Accordingly, the Foundation may generate negative cash flows during the months we are not in full operations and as a result, we liquidate security positions in our General Investment Portfolio to cover our working capital needs. Previously, the Foundation had a liquidity access line and because of changes in pricing, we decided to cancel the line. Following is a graph that illustrates the monthly cash transfers to and from the General Investment portfolio and our cash position at month end.

Foundation management has been in contact with Finance and Treasury at the Chancellor's Office and with two institutions we currently have a working relationship with. As you may know, all financing we may enter into would be subordinate to the CSU System Wide Bond covenants.

Therefore, Foundation Management believes with more favorable pricing and with greater total return in the General Investment Portfolio, now is the time to re-enter into a liquidity access line to meet the working capital needs of the Foundation.

Monthly Cash Position - Oct 2016 - Sep 2017



	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Month-End Cash Position	6,199,371	6,677,126	6,878,210	6,990,953	6,116,830	6,616,782	6,112,108	6,190,315	3,539,722	5,151,718	6,259,129	7,696,267
Transfers of Funds												
From GIP/MSSB to WF	0	0	0	0	0	0	0	0	1,000,000	1,600,000	3,000,000	2,000,000
From WF to GIP/MSSB	(3,000,000)	0	(1,000,000)	(4,000,000)	0	(1,000,000)	(2,000,000)	(2,000,000)	0	0	0	0