

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

**FINANCE COMMITTEE**

**Thursday, November 29, 2018  
3:00 pm – 4:00 pm  
Building #55 – Executive Conference Room**

**AGENDA**

- I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC** who may or may not be commenting on a specific item or making a general comment.

**II. 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 September 17, 2018<br>ACTION: Approval | Danielle Manning | 2 – 3 |
|----|--|------------------|-------|

**III. ACTION ITEMS**

- |    |  |                               |        |
|----|--|-------------------------------|--------|
| 2. | Capital Budget Requests - Lighting at Kellogg West<br>ACTION: Approval | David Prenovost               | 4 - 6  |
| 3. | Medical Insurance Program<br>ACTION: Approval                          | David Prenovost/Dennis Miller | 7 - 18 |

**IV. 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.  | 1 <sup>st</sup> Quarter Financial Highlights   | David Prenovost               | 19 - 29   |
| 5.  | Minimum Wage Updates                           | David Prenovost               | 30 - 31   |
| 6.  | Capital Budget Update 2018-2019                | David Prenovost               | 32 - 65   |
| 7.  | Insurance Summaries and Updates                | David Prenovost/Dennis Miller | 66 - 119  |
| 8.  | Tax Return Process                             | David Prenovost               | 120 - 129 |
| 9.  | Wells Fargo P-Card & Payment Processing Update | David Prenovost               | 130 - 145 |
| 10. | Kellogg Legacy Endowment Update                | David Prenovost               | 146 - 149 |
| 11. | Philanthropic Organization Update              | Dan Montplaisir               |           |
| 12. | Dining Building 97 Upgrades                    | David Prenovost/Aaron Neilson | 150 - 151 |

**V. OPEN FORUM**

The open proceedings of this meeting are being recorded.

**CAL POLY POMONA FOUNDATION, INC.**  
**Finance Committee Meeting Minutes**  
**September 17, 2018**

Present: Dr. Sylvia Alva, Mr. Michael Burkhardt, Dr. U.J. Fan, Ms. Jenny Greenburg, Ms. Danielle Manning, Mr. John McGuthry, Mr. Dan Montplaisir, Mr. Oliver Santos, Ms. Julie Shen and Mr. Joe Simoneschi

Absent: Ms. Rachel Dominguez and Dr. Lea Jarnagin

Visitors: Ms. Jenny Dennis, Ms. Debra Poe, Mr. David Prenovost, Ms. Karen Sandoval and Ms. Sandra Vaughan-Acton

**CALL TO ORDER**

Danielle Manning called the meeting to order at 2:00 pm.

**CONSENSUS ACTION ITEMS**

1. Approval of Minutes for May 10, 2018

The Minutes for May 10, 2018 were approved by consent.

**ACTION ITEMS**

2. Capital Budget Requests – Onion Shed Roof Repair

David Prenovost presented the Foundation's Agricultural-Aid-to-Instruction request for a capital budget amendment of \$33,500 for needed roof repairs to the Onion Shed at Spadra Farm due to the extensive roof damage from the winter and spring storms.

A motion was made by Dan Montplaisir to approve the capital budget amendment request of \$33,500 for the needed roof repairs to the Onion Shed at Spadra Farm to be forwarded to the Board of Directors for review and approval. The motion was seconded by U.J. Fan and approved 10-Ayes, 0-Nays and 0-Abstentions.

3. Capital Budget Requests – Lighting at Kellogg West

David Prenovost presented Kellogg West's request for a capital budget amendment of \$73,200 for additional upgrades to the LED Lighting. The original capital budget request for 2018-19 was for \$125,000 to replace all of the fluorescent lights to LED lighting in the conference areas and meeting rooms. After further discussion with the contractor, it was decided upgrades should be made to other areas as well. The contractor quoted an additional price of \$73,200 for the extra areas.

The Committee asked for further discussion before moving forward with the capital budget amendment.

4. Capital Budget Requests – Software Licenses

David Prenovost presented Foundation's Employment Services request for a capital budget amendment of \$33,000 to purchase an additional 250 software licenses for its Human Capital Management System (Kronos).

A motion was made by Dan Montplaisir to approve the above capital budget amendment request, and to forward to the Board of Directors for their review and consideration at their next regularly scheduled meeting. The motion was seconded by John McGuthry and approved 10-Ayes, 0-Nays and 0-Abstentions.

### **DISCUSSION ITEMS**

None presented.

### **INFORMATION ITEMS**

5. **Financial Highlights – Fiscal Year 2017-2018**

David Prenovost summarized the fiscal year 2017-2018 financial highlights.

6. **Faculty/Staff Housing Update**

Sandra Vaughan-Acton presented updates to the Faculty/Staff housing program.

### **OPEN FORUM**

Meeting was adjourned at 3:05 pm.

Respectfully submitted,



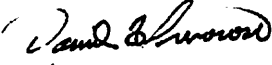
Danielle Manning,  
Finance Committee, Chair

# Memorandum



Date: October 11, 2018

To: Finance Committee  
Cal Poly Pomona Foundation, Inc.

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

Subject: **2018-2019 Capital Budget Amendment – Kellogg West – LED Lighting**

As you may recall from our last meeting, Kellogg West requested approval for a capital budget amendment of \$73,200 for additional upgrades to the LED Lighting. After further discussions with Cameron Edmonds, Director of Kellogg West, the actual costs for the additional upgrades is \$54,000.

In the original capital budget request for 2018-19, we included \$125,000 to replace all the fluorescent lights to LED lighting in Buildings 76 (Auditorium, Kellogg West Lower and Upper Levels conference areas and meeting rooms), Building 78 (Hillside corridors) and Building 78B (Woodview Corridor) and parking lot/roadway. We received 3 bids ranging from \$110,000 to \$121,000.

After further discussions with the contractors, that had put bids in, and with the Foundation Facilities Manager expertise and input, it was decided to go with Multin Electric, even though their bid was slightly higher, due to the fact that they have done multiple electrical jobs for the Foundation and historically have a proven excellent track record for doing the job right, on time and following up quickly if or when needed. As work began, several issues were encountered by the contractor due to the age of the facilities including:

- the fiberglass wire coating used in the 1970's had broken down - rewired;
- higher wattage was required for LED lights - rewired;
- additional framing was required to accommodate LED fixtures;
- several areas in various ceiling areas need to be opened up and/or changed;
- several ceiling light fixtures in several areas needed to be relocated in order to fit;
- timers and dimmers needed to be added, removed and or replaced.

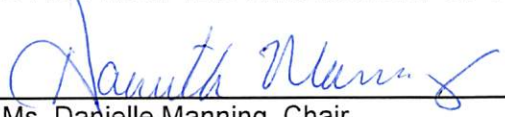
As such, knowing that the final costs would be more, it was decided to not upgrade the parking lot/roadway but rather complete the interior work completely and in the best possible way. Additional bids were not requested due simply to the fact that the Contractor had already started the work and with their proven track record of fair and reasonable pricing and excellent work history of completed past Foundation and KW electrical projects it was decided that it would be in the best interest of Kellogg West Clients and Customers to keep the work going, get it done and done right as quickly as possible.

**NOW, THEREFORE,** Foundation management is requesting the Finance Committee's approval to forward this request to the Board of Directors for their consideration.

**RESOLVED**, that the Finance Committee approves a capital budget amendment request of \$54,000 be forwarded to the Board of Directors for their review and consideration at their next regularly scheduled meeting.

**PASSED AND ADOPTED THIS 29th DAY OF NOVEMBER 2018.**

By: \_\_\_\_\_

  
Ms. Danielle Manning, Chair  
Finance Committee

### Cal Poly Pomona Fixture Takeoff

Location	2X4's	6"Pot	8"Pot	10"Pot	4" Soffits	Exterior Lights	Parking (Poles/ Fixtures)
Hillside West Meeting Room 1, 2, 3	40						
Hillside Central Meeting Room 1, 2, 3	31						
Hillside East Meeting Room 1, 2, 4	32						
Hillside 3rd Floor Corridor			24		2		
Hillside 2nd Floor Corrdior			14				
Hillside 1st Floor Corrdior			11				
Woodview Corridor			8				
Woodview Exterior						5	
Kellogg Main Conference Room	10			20			
Kellogg Lower Floor Corridor	5	54					
Kellogg Cameron Office	4						
Kellogg Jeanette Parker Office	4						
Kellogg Sales Office (Laura)	4						
Kellogg Sales Office (Sarah)	4						
Kellogg Back Office	4						
Kellogg Executive Meeting Room 1		11					
Kellogg Upper Floor Corridor		45					
Kellogg Poly Vista Meeting Room 1&2	18						
Kellogg Mountain Vista Meeting Room 1&2	44						
Kellogg Campus Vista Meeting Room	25						
Kellogg Executive Meeting	4						
Kellogg Garden Vista Meeting Room		18					
Kellogg Valley Vista Meeting Room		20					
Exterior Parking Poles/ Fixtures							45
Missing Poles/Fixtures							13
New Pole Base							12 Base only
<b>Total Count</b>	<b>229</b>	<b>148</b>	<b>57</b>	<b>20</b>	<b>2</b>	<b>5</b>	<b>58</b>

# Memorandum



Date: November 29, 2018

To: Finance Committee  
Cal Poly Pomona Foundation, Inc.

From: Dennis Miller, Chief Employment Officer

A handwritten signature in dark ink, appearing to read "D. Miller", is written over the printed name of Dennis Miller.

**Subject: REVISED HEALTHCARE RATES FOR 2019 ANNUAL BENEFITS RENEWAL**

During our annual healthcare renewal process in 2012, Foundation management determined the best healthcare options to offer its employees and retirees at that time was the Kaiser HMO plans and the EPO plan (which is partially self-insured with stop-loss insurance) for active employees and early retirees, and United Healthcare and Kaiser for those retirees eligible to enroll in Medicare benefits. Those are the plans currently offered for 2018.

Stop-loss insurance protects Foundation against large medical claims, and protects Foundation if the EPO plan were to experience an unusual high number of smaller claims. Stop-loss insurance pays for all individual claims that exceed \$75,000 in single plan year, and the plan has an aggregate limit of about \$1,200,000 for all claims in a plan year.

However, the participation of employees and early retirees in the EPO plan has been on a steady decline since its inception. In 2012, there were slightly fewer than 100 participants enrolled in the EPO plan, which at the time, was an adequate number of participants. Each year we lost a few participants and currently there are 40 participants in the EPO plan. We are aware of at least 4 participants who will leave the plan in the coming months since they are early retirees and will turn 65 years old, thereby making them eligible for Medicare.

Unfortunately, during the first week of October 2018 our broker informed us the EPO plan for 2019 is in serious jeopardy - due to a lack of participant enrollment, and possibly / likely losing stop-loss insurance. In short, the EPO plan is "uninsurable" by any common measure. Stop-loss insurance carriers have a minimum number of participants in order to sell a given entity their stop-loss insurance, and a common minimum threshold is 50 participants. Our current stop-loss insurance carrier has a minimum threshold of 35 participants, and they are the only stop-loss carrier that did not decline to give us a preliminary quote on our plan. Our stop-loss carrier has the contractual option to change the terms and conditions of the plan, which includes plan termination, if the enrollment increases or decreases by more than 10%, and we are facing that exact scenario.

Therefore, due to the lack of participation, it is necessary to retire the EPO plan and move to a fully insured PPO plan.

During the meeting of the Board of Director's held on October 2, 2018, the Board approved the Foundation's contribution for 2019 healthcare benefits. To provide at least one alternative to the Kaiser HMO model we are adding a PPO plan for our employees and early retirees.

We have discussed with our broker the possibility of moving away from our EPO plan to a fully insured PPO plan for several years. However, all the carriers have declined to provide us a quote due to our declining EPO membership. Because we have an HMO plan with Kaiser with over 160 participants, we were able to secure a quote from Kaiser for their PPO.

The premiums for the Kaiser PPO are quite high and reflect the risk for those who are likely to participate in that plan. Still, it is appropriate to offer a choice of plans whenever possible, and employees currently enrolled in the EPO have strongly requested we offer such a plan.

Additionally, for more than 3 decades the Foundation has had a practice to limit increasing its share of the healthcare premium by 5%. When this practice began in the 1994 / 1995 time period, our historical records show that the decision was in response to the actuarial cost of post-retirement medical costs, Financial Accounting Standards Board, FASB 106. Prior to the enactment of FASB 106, employers were able to account for Other Post-Employment Benefits, OPEB expenses on a pay-as-you go method. After FASB 106 became effective, employers offering OPEB plans were required to account for the OPEB expense by accruing the actuarial cost on their financial statement, which had a far-reaching impact to all organizations offering an OPEB plan.

At that time, in direct response to FASB 106, the Foundation Board determined the best course of action was to place a limit on the amount of the cost we would contribute to the healthcare premiums by limiting the Foundation's annual increases of the premium to 5%.

That action has minimized the long-term financial impact of FASB 106 to the Foundation. While the results of that decision have been successful, there has also been an obvious unanticipated negative impact to employees, and retirees, by requiring them to share a larger portion of the premiums for healthcare insurance over that same time. In fact, when reviewing CalPERS and Foundation's healthcare plans during the last 18 years, healthcare premiums have increased on average of 150% - 260% depending on which plan reviewed. Notably, the contribution levels effected by the CSU to cover health premiums for CSU employees has increased by 265%, while the contribution levels contributed by Foundation to cover employee and retiree premiums has increased only 141% over that same 18 year period, please see the following charts for further information.

This illustrates the Board's decision made in the mid-nineties to minimize long-term costs initiated in direct response to FASB 106 has been successful. It also illustrates the inequity upon employees and retirees by requiring those members to contribute a larger portion of the healthcare premium than any CSU employee, and most if not all CSU auxiliary employees. As Foundation did in 1999 and 2000, we are requesting an adjustment - to the amount Foundation contributes to healthcare premiums which was previously approved by the Board during its October 2018 meeting.

We have examined the financial impact of this request and estimate the annual increase to Foundation's share of the healthcare plan will be approximately \$350,000. We have also consulted with our actuarial,



and the cost of this one-time adjustment to the OPEB obligation is approximately \$580,000 or 4.0% increase to the OPEB obligation of \$13.8 million due to the following:

- the total Plan Fiduciary Net Position (assets of \$7.3 million) as a percentage of the Total OPEB Liability (obligation of \$13.8 million) is 53% funded as of June 2017;
- the Board approved a withdrawal from the CalPERS healthcare plan in 2004 and approved changes to the eligibility for postretirement healthcare benefits for employees hired before October 1, 2004 and thereafter;
- the Board approved discontinuing postretirement healthcare benefits for employees hired on or after March 1, 2009; and
- eligible employees for retiree healthcare benefits has decreased since March of 2009 from approximately 200 to approximately 80 employees now, please see the following charts for further information.

The Personnel Committee members have reviewed this request and approved moving this forward to the Finance Committee for your review and approval.

Therefore, Foundation management is requesting a one-time “reset” of the baseline of its portion of healthcare premiums, as outlined below.

	<u>2019 Approved</u>	<u>Revised Premium</u>
Employee (or Annuitant)	\$485	\$553
Employee (or Annuitant) + 1	\$919	\$1,107
Employee (or Annuitant) + 2 or more Dependents	\$1,174	\$1,566

**PROPOSED ACTION:**

The following resolution is recommended for approval:

**RESOLVED**, that the Finance Committee of the Board of Directors discussed the Foundation’s revised monthly contribution to the 2019 health plan premiums up to \$553 for employee or annuitant, up to \$1,107 for an employee or annuitant with one dependent, and up to \$1,566 for an employee or annuitant enrolled for self and 2 or more dependents and recommends the request be forwarded to the Board of Directors for their review and approval.

**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 29<sup>th</sup> DAY OF NOVEMBER 2018.**



Danielle Manning, Chair  
Finance Committee

## **Enclosure (1)**

### **Timeline of Significant Events Related to Medical Insurance for Foundation Employees and Retirees**

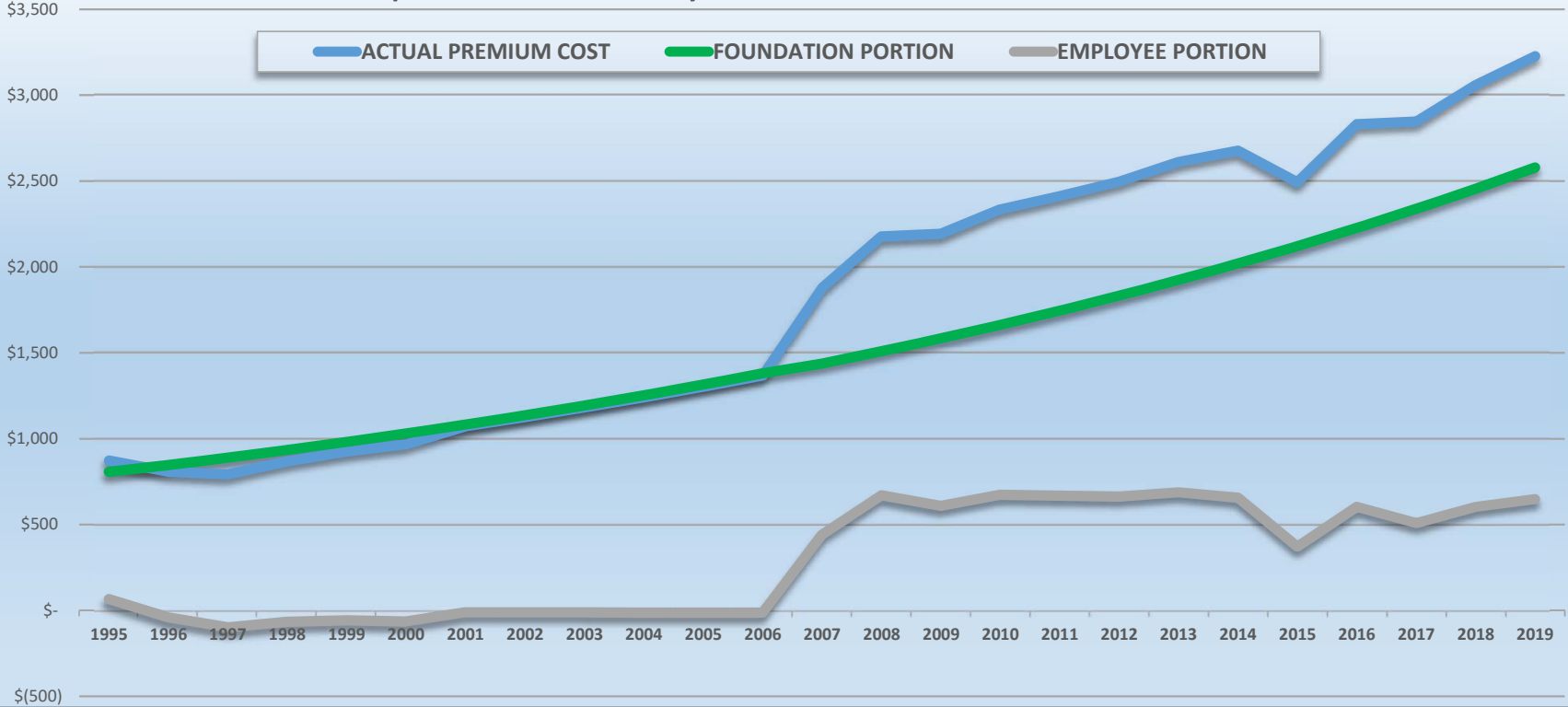
1. July 1, 1966. Foundation joins CalPERS pension and medical benefits.
2. July 1, 1993. FAS 106 becomes effective.
3. Mid 1995. In response to FAS 106, Foundation limits annual increases to 5% of its share of the medical premiums.
4. January 1, 2000. Foundation waives the 5% cap and allows the Foundation's share of the premium to increase beyond 5%.
5. July 1, 2004. Foundation ends its contract with CalPERS for healthcare insurance.
6. March 1, 2009. Foundation discontinues offering retiree healthcare benefits to employees hired on or after this date.
7. March 28, 2009. Foundation adopts Longevity Pay Plan designed to allow Foundation to make contributions directly into an employee's 457 plan of behalf of employee based on years of service and rate of pay. Minimum full time employment is 10 years. First payments expected to be made in 2020.
8. October 1, 2010. Foundation makes its first payment into the AOA sponsored VEBA trust designed for retiree healthcare benefits for CSU auxiliary members. The VEBA Trust was created and enacted by David Prenovost to help all CSU auxiliaries with this issue.
9. January 1, 2012. Foundation departs from the traditional health carrier for PPO plans and creates its own partially self-insured healthcare plan (the "EPO" plan).

10. April 1, 2013. Foundation retires its opt out program and creates a “flex dollars” program whereby employees can take a monthly \$50 credit and apply it toward medical insurance premiums or annual parking expenses. This amount is currently \$70 per month.
11. November 2014. Foundation allows employees to convert unused vacation time to help pay for rising increases in premiums.
12. December 31, 2018. Foundation retires its EPO plan due.

Note: All dates are approximations.

Actual increases per year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Employee	166.5	151	148	170	180	181	201	211	222	233	244	257	333	389	391	417	431	432	450	462	503	485	488	525	554
Employee + 1	314.5	287	282	314	333	344	382	401	421	442	464	488	667	778	783	834	862	863	901	923	972	971	977	1049	1107
Employee + Family	392	369	362	384	411	441	488	512	538	565	593	623	878	1011	1018	1085	1120	1201	1261	1292	1018	1374	1382	1485	1566
<b>ACTUAL PREMIUM COST</b>	<b>873</b>	<b>807</b>	<b>792</b>	<b>868</b>	<b>924</b>	<b>966</b>	<b>1071</b>	<b>1125</b>	<b>1181</b>	<b>1240</b>	<b>1302</b>	<b>1367</b>	<b>1878</b>	<b>2178</b>	<b>2192</b>	<b>2336</b>	<b>2413</b>	<b>2496</b>	<b>2612</b>	<b>2677</b>	<b>2493</b>	<b>2830</b>	<b>2847</b>	<b>3059</b>	<b>3227</b>
Actual % Increases	92.44%	90.72%	109.60%	106.45%	104.55%	110.87%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	136.09%	115.97%	100.64%	106.57%	103.30%	103.44%	104.65%	102.49%	93.13%	113.52%	100.60%	107.45%	105.49%
Assuming a 5% increase per year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Employee	151	159	166	175	184	193	202	212	223	234	246	258	270	284	298	313	328	345	362	380	399	419	440	462	485
Employee + 1	287	301	316	332	349	366	385	404	424	445	467	491	512	538	564	593	622	653	686	720	756	794	834	876	919
Employee + Family	369	387	407	427	449	471	494	519	545	572	601	631	654	687	721	757	795	835	876	920	966	1015	1065	1119	1174
<b>FOUNDATION PORTION</b>	<b>807</b>	<b>847</b>	<b>890</b>	<b>934</b>	<b>981</b>	<b>1030</b>	<b>1081</b>	<b>1136</b>	<b>1192</b>	<b>1252</b>	<b>1315</b>	<b>1380</b>	<b>1436</b>	<b>1508</b>	<b>1583</b>	<b>1662</b>	<b>1745</b>	<b>1833</b>	<b>1924</b>	<b>2021</b>	<b>2122</b>	<b>2228</b>	<b>2339</b>	<b>2456</b>	<b>2579</b>
Actual % Increases	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%	105.00%
Actual versus 5% cap	66	(40)	(98)	(66)	(57)	(64)	(10)	(11)	(12)	(12)	(13)	(13)	442	670	609	674	668	663	688	656	371	602	508	603	648
<b>EMPLOYEE PORTION</b>	<b>66</b>	<b>(40)</b>	<b>(98)</b>	<b>(66)</b>	<b>(57)</b>	<b>(64)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(12)</b>	<b>(13)</b>	<b>(13)</b>	<b>442</b>	<b>670</b>	<b>609</b>	<b>674</b>	<b>668</b>	<b>663</b>	<b>688</b>	<b>656</b>	<b>371</b>	<b>602</b>	<b>508</b>	<b>603</b>	<b>648</b>

# Snapshot of History of Healthcare Premiums



**Initial Renewal With EPO**

**January 1, 2019 - December 31, 2019**

Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost
Foundation EPO	(1)	\$719.82	\$485.10 67%	\$234.72 33%
	(2)	\$1,435.84	\$919.49 64%	\$516.36 36%
	(3)	\$1,974.12	\$1,174.16 59%	\$799.96 41%
Kaiser - HMO 227585	(1)	\$527.39	\$485.10 92%	\$42.29 8%
	(2)	\$1,054.78	\$919.49 87%	\$135.30 13%
	(3)	\$1,492.52	\$1,174.16 79%	\$318.36 21%
Kaiser - Deductible 6125	(1)	\$479.91	\$485.10 101%	\$0.00 0%
	(2)	\$959.82	\$919.49 96%	\$40.33 4%
	(3)	\$1,358.16	\$1,174.16 86%	\$184.00 14%

**Revised Renewal With Kaiser PPO Option**

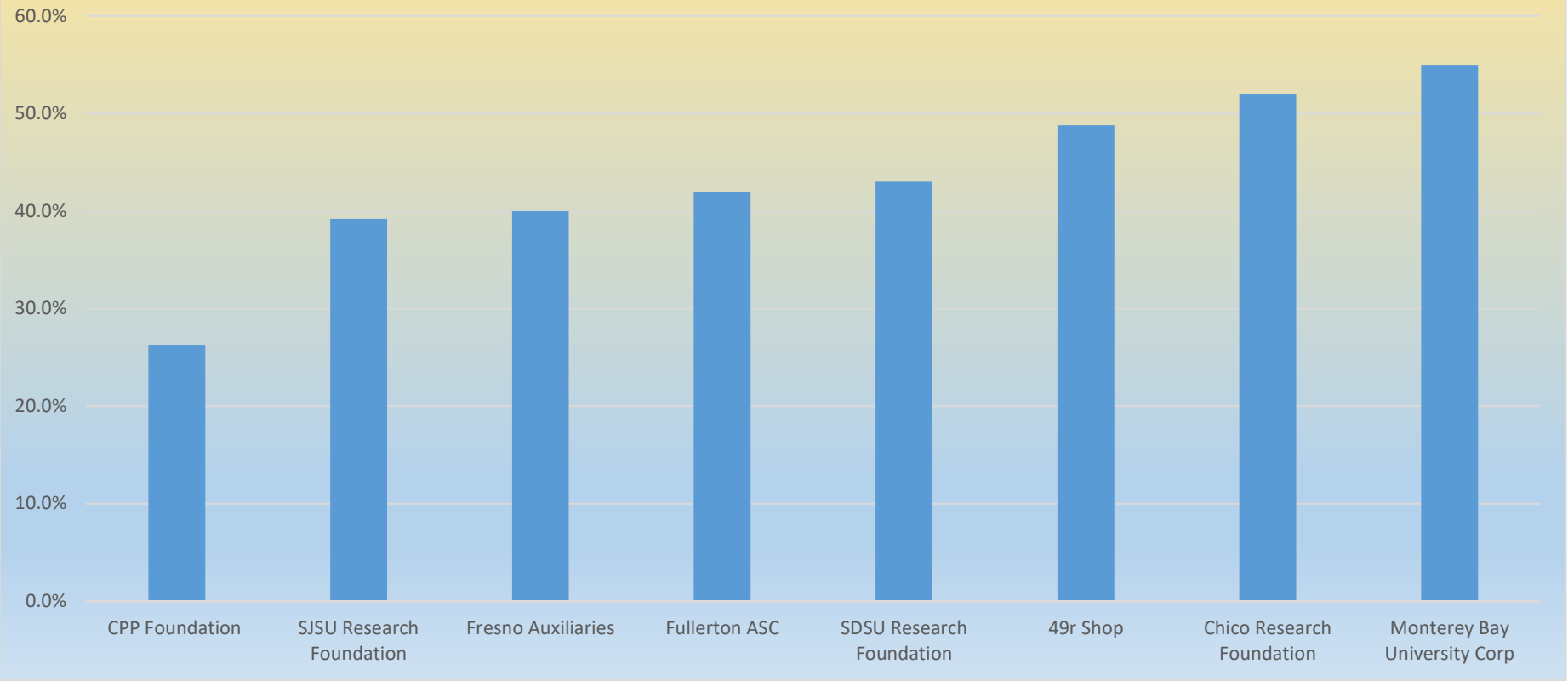
**January 1, 2019 - December 31, 2019**

Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost
Kaiser PPO	(1)	\$1,100.32	\$553.50 50%	\$546.82 50%
	(2)	\$2,200.64	\$1,107.00 50%	\$1,093.64 50%
	(3)	\$3,133.91	\$1,566.42 50%	\$1,567.49 50%
Kaiser - HMO 227585	(1)	\$553.50	\$553.50 100%	\$0.00 0%
	(2)	\$1,107.00	\$1,107.00 100%	\$0.00 0%
	(3)	\$1,566.42	\$1,566.42 100%	\$0.00 0%
Kaiser - Deductible 6125	(1)	\$503.73	\$553.50 110%	\$0.00 0%
	(2)	\$1,007.46	\$1,107.00 110%	\$0.00 0%
	(3)	\$1,425.55	\$1,566.42 110%	\$0.00 0%

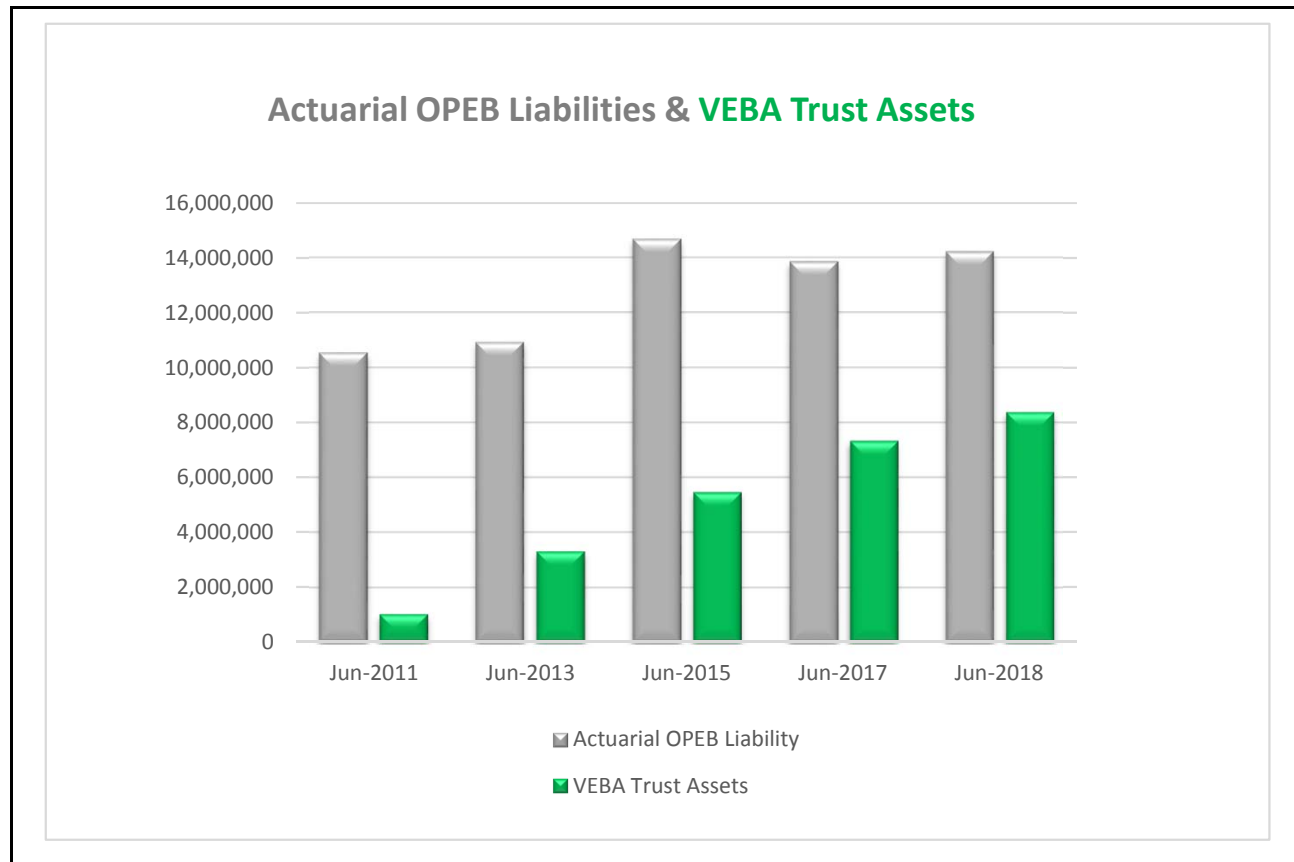
**CSU Rates 2019**

	<b><u>Monthly</u></b>
One Person	\$734
Two Party	\$1,398
Family	\$1,788

### Fringe Rates for CSU Auxiliaries Compared to Foundation

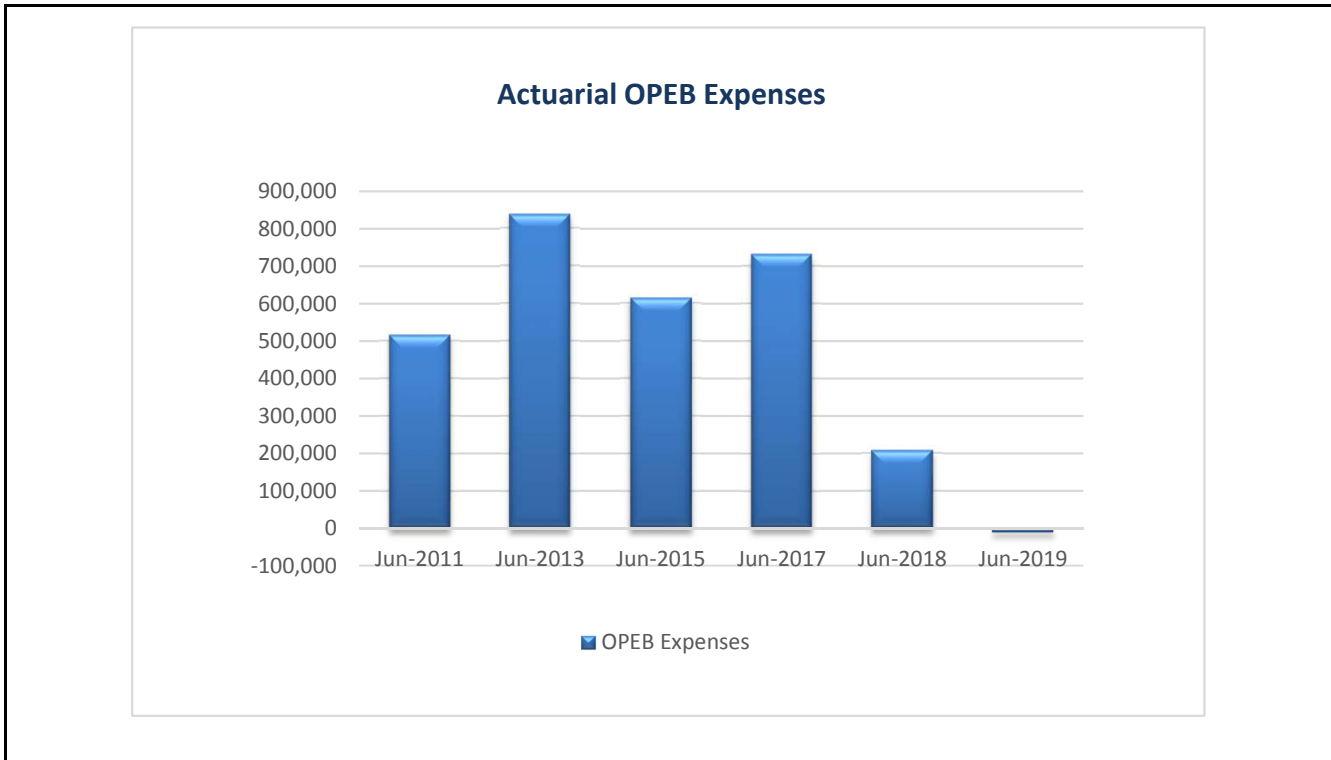


OPEB Asst&Liab





## OPEB Expense



## Cal Poly Pomona Foundation, Inc.

### Estimates of Total OPEB Liability at Alternative COLAs

November 1, 2017

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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

# Memorandum



Date: November 9, 2018

To: Finance Committee  
Cal Poly Pomona Foundation, Inc.

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

Subject: **FINANCIAL HIGHLIGHTS – SEPTEMBER 2018**

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

	Budget	Actual	Variance
Administrative Activities	\$ (38,273)	\$ (230,573)	\$ (192,300)
Enterprise Activities	973,310	808,645	(164,665)
Use of Designated Funds	(422,511)	(267,171)	155,340
Other Activities	119,374	1,047,689	928,315
General Portfolio	541,432	697,169	155,737
Endowment Portfolio/Contributions	(2,954,761)	(2,520,213)	434,548
Restricted Activities	2,334,543	2,252,427	(82,116)
Transfer of Assets	-	(53,529)	(53,529)
<b>Total Surplus (Deficit)</b>	<b>\$ 553,114</b>	<b>\$ 1,734,444</b>	<b>\$ 1,181,330</b>

For the fiscal quarter ended September 2018 revenues of \$28.6 million were 95% or \$1.5 million short of budget. Expenditures of \$26.9 million are 91% or \$2.7 million short of budget. The variances are explained in the following analysis of each activity.

## **ADMINISTRATIVE ACTIVITIES**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (38,273)	\$ (230,573)	\$ (192,300)

Administrative activities includes the supporting operations and revenues are 90% or \$134,000 short of budget mainly due to Bookstore and University Village revenues less than budget and expenditures exceed budget by 4% or \$58,000 mainly due to audit service fees generating a deficit greater than budgeted.

## **ENTERPRISES ACTIVITIES**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 973,310	\$ 808,645	\$ (164,665)

Enterprise revenues of \$12 million are 95% or \$700,000 short of budget mainly due to bookstore sales; expenditures of \$11.2 million are 95% or \$530,000 short of budget resulting in a surplus less than budgeted mainly due to Bookstore and Village Housing. Following is the summary of each Enterprise Activities:

### **DINING SERVICES**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 159,853	\$ 185,119	\$ 25,266

Dining Service revenues are 41% of Enterprise Activities and exceed budget by 1% or \$70,000, cost of goods is 27% versus 29% of budget and payroll and expenditures are 69% versus 67% 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 0.76% or \$24,717; cost of goods is 32% versus 33% of budget and payroll and expenditures are 72% versus 71% of budget generating a deficit of \$133,150 versus a budgeted deficit of \$121,401. Tapingo, our mobile ordering platform implemented last spring generated \$109,550 in retail revenue for the quarter ending 9/30/18.

Board Operations - This reporting unit includes the Board Operations at Los Olivos. Revenues exceed budget by 3% or \$44,859; costs goods are 17% versus 22% of budget, payroll and expenditures are 64% versus 61% of budget generating a surplus of \$318,272 versus \$281,255 budgeted. As you can see, cost of goods is lower than budgeted due to our new systems and procurement strategy approved by the Foundation Board last fall as part of our Dining Master Plan update. This procurement strategy combines our purchasing dollars with the UC system and participating CSU campuses and provides more advantageous terms with many of our existing distributors. The systems strategy provides us with the tools and resources necessary to control costs in a more effective manner.

### **BOOKSTORE**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 333,429	\$ 250,713	\$ (82,716)

Bookstore revenues are 26% of Enterprise revenues and are 83% or \$631,800 short of budget mainly due to new and used textbook sales/rentals, digital books and supply sales and \$690,000 over the same time last year. Cost of goods is 71% versus 69%; expenditures and payroll are 21% versus 22% of budget generating a surplus of 8% versus 9% budgeted versus prior year's surplus of 4%. We continue to focus on used and rental books as well as digital textbook options to reduce the increasing costs for textbooks. This is the start of our second year with the Instant

Access program for the College of Engineering. We have over 600 participating student enrolled in classes with access to their digital textbooks and related online homework/tutorial/assessment programs. The cost of the course materials is billed to their student accounts and the bookstore collect the funds from the University's cashier's office and pays the publishers. Students have the choice to opt out of the program before the end of the drop/add period. The Presidential Order also continues to support the sales in the bookstore.

**KELLOGG WEST**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 29,583	\$ 6,182	\$ (23,401)

Kellogg West Conference Center & Hotel includes room and conference center activities. Kellogg West revenues are 4% of Enterprise Activities and are 89% or \$56,200 short of budget; payroll and expenditures are 99% versus 94% of budget generating a surplus less than budgeted.

**UNIVERSITY VILLAGE**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 219,338	\$ 135,403	\$ (83,935)

University Village - Revenues are 16% of Enterprise Activities and are 92% or \$176,000 short of budget due to vacancies over the summer. Payroll and expenditures are 93% versus 90% budgeted resulting in a surplus less than budgeted. As we began the academic year occupancy is at 98% versus 98% budgeted. We continue to increase our outreach to area colleges and universities as well.

**Real Estate/Building Rentals**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 231,107	\$ 231,228	\$ 121

Real Estate/Building Rentals includes Innovation Village, CTTi, faculty/staff housing and rental facilities in Bookstore and Campus Center Marketplace facilities. Revenues are 12% of Enterprise Activities and exceed budget by 7% or \$99,680 and expenditures exceed budget by 9% or \$99,559.

**DESIGNATED FUND**

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (422,511)	\$ (267,171)	\$ 155,340

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	20,000	20,000	-
Agriculture-Aid-to-Instruction	(179,912)	(141,378)	38,534
Continuing Education	279,286	1,075,137	795,851
Foundation Programs-Unrestricted	-	93,930	93,930
Total Other Activities	\$ 119,374	\$ 1,047,689	\$ 928,315

**Sponsored Research** has generated a year to date surplus of \$20,000 versus a budgeted surplus of \$20,000; year to date indirect revenues are 85% or \$64,510 short of budget and direct grant expenditures are short of budget by 3% or \$97,353 generating an effective rate of 10.19% versus the budgeted rate of 11.5%.

**Agriculture-Aid-to-Instruction** year to date revenues are 86% or \$99,200 short of budget, costs of goods are 17% versus 21% of budget and payroll and expenditures are 106% versus 104% of budget generating a year to date deficit less than the budgeted deficit due to Agronomy Farm, Pine Tree Ranch, Ornamental Horticulture, Fruit Industries and Sheep Unit.

**Continuing Education** year to date revenues exceed budget by 29% or \$452,300 mainly due to Engineering & Manufacturing Program, Summer Support Program, Building & Construction Management, Global Ed Program, Aviation Hospitality Program and American Semester Program; payroll and expenditures are 46% versus 82% of budget generating a year to date surplus exceeding budget.

**Foundation Programs-Unrestricted** includes the activities that are not third party donor imposed stipulations. Year to date revenues exceed budget by 41% or \$64,437; expenditures (excluding Transfers to the University # 7344) are 57% versus 100% of budget, generating a year to date surplus versus a zero budgeted.

	Budget	Actual	Variance
Endowment/Investments	(2,954,761)	(2,520,213)	434,548
Foundation Programs Restricted	2,334,543	2,252,427	(82,116)
Total Other Activities	\$ (620,218)	\$ (267,786)	\$ 352,432

**Endowment/Investment** – unrealized/realized investment earnings are \$1.8 million versus a budgeted earnings of \$1.3 million and expenditures are in line with budget and include the endowment earnings distribution of \$4.2 million resulting in a deficit less than the budgeted deficit.

**Foundation Programs-Restricted** - revenues are 73% or \$2.0 million short of budget, expenditures are 62% or \$1.9 million short of budget resulting in a surplus less than budgeted.



# CAL POLY POMONA FOUNDATION, INC.

## STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2018

	Unrestricted					Restricted				Current Year Total	June 30, 2018 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
<b>CURRENT ASSETS:</b>											
Cash:											
On hand and in commercial accounts	(828,918)	700	400	62,924	(764,894)	0	9,900	0	9,900	(754,994)	(624,310)
Due to/(from)	(107,200,334)	21,544,715	3,155,873	43,033,802	(39,465,944)	2,665,174	36,779,210	21,560	39,465,944	0	0
Investments	54,969,345	182,062	0	0	55,151,407	0	200,103	817,703	1,017,806	56,169,213	56,939,084
Marketable securities	19,308,252	0	0	0	19,308,252	0	1,212,630	96,380,341	97,592,971	116,901,223	117,583,415
<b>Total cash and cash equivalent</b>	<b>(33,751,655)</b>	<b>21,727,477</b>	<b>3,156,273</b>	<b>43,096,726</b>	<b>34,228,821</b>	<b>2,665,174</b>	<b>38,201,843</b>	<b>97,219,604</b>	<b>138,086,621</b>	<b>172,315,442</b>	<b>173,898,189</b>
Receivables:											
Accounts and notes receivable	3,065,455	13,246	7,551	4,398,580	7,484,832	489,925	5,065,113	0	5,555,038	13,039,870	12,175,500
Interfund loans (net)	789,088	0	0	0	789,088	0	50,000	0	50,000	839,088	1,139,088
<b>Less-Allowance for doubtful accounts</b>	<b>3,854,543</b>	<b>13,246</b>	<b>7,551</b>	<b>4,398,580</b>	<b>8,273,920</b>	<b>489,925</b>	<b>5,115,113</b>	<b>0</b>	<b>5,605,038</b>	<b>13,878,958</b>	<b>13,314,588</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>(53,177)</b>	<b>(53,177)</b>	<b>0</b>	<b>(64,235)</b>	<b>0</b>	<b>(64,235)</b>	<b>(117,412)</b>	<b>(112,677)</b>
<b>Total receivables</b>	<b>3,854,543</b>	<b>13,246</b>	<b>7,551</b>	<b>4,345,403</b>	<b>8,220,743</b>	<b>489,925</b>	<b>5,050,878</b>	<b>0</b>	<b>5,540,803</b>	<b>13,761,546</b>	<b>13,201,911</b>
Inventories	655,230	0	0	3,321,499	3,976,729	0	89,218	0	89,218	4,065,947	2,591,415
Prepaid expenses and deferred charges	282,165	53,083	21,251	116,350	472,849	500	40	0	540	473,389	249,174
OPEB asset	0	0	0	0	0	0	0	0	0	0	0
<b>Total current assets</b>	<b>(28,959,717)</b>	<b>21,793,806</b>	<b>3,185,075</b>	<b>50,879,978</b>	<b>46,899,142</b>	<b>3,155,599</b>	<b>43,341,979</b>	<b>97,219,604</b>	<b>143,717,182</b>	<b>190,616,324</b>	<b>189,940,689</b>
<b>FIXED ASSETS</b>											
Land	14,582,859	0	0	212,000	14,794,859	0	1,861,948	0	1,861,948	16,656,807	16,656,807
Buildings and improvements	15,274,867	0	532,412	50,706,380	66,513,659	0	2,181,949	0	2,181,949	68,695,608	68,431,991
Equipment, furniture and fixtures	1,575,312	0	27,408	8,595,345	10,198,065	0	675,833	0	675,833	10,873,898	10,830,871
Orchards	0	0	0	143,638	143,638	0	0	0	0	143,638	143,638
Works of Art	0	0	0	0	0	0	170,600	0	170,600	170,600	170,600
Construction in progress	984,766	0	20,639	1,263,461	2,268,866	0	578,252	0	578,252	2,847,118	1,410,947
<b>Less-Accumulated depreciation</b>	<b>32,417,804</b>	<b>0</b>	<b>580,459</b>	<b>60,920,824</b>	<b>93,919,087</b>	<b>0</b>	<b>5,468,582</b>	<b>0</b>	<b>5,468,582</b>	<b>99,387,669</b>	<b>97,644,854</b>
	<b>(13,293,781)</b>	<b>0</b>	<b>(559,821)</b>	<b>(38,797,915)</b>	<b>(52,651,517)</b>	<b>0</b>	<b>(968,254)</b>	<b>0</b>	<b>(968,254)</b>	<b>(53,619,771)</b>	<b>(52,771,771)</b>
<b>Total fixed assets</b>	<b>19,124,023</b>	<b>0</b>	<b>20,638</b>	<b>22,122,909</b>	<b>41,267,570</b>	<b>0</b>	<b>4,500,328</b>	<b>0</b>	<b>4,500,328</b>	<b>45,767,898</b>	<b>44,873,083</b>
Restricted Funds	0	0	0	0	0	137,175	0	0	137,175	137,175	241,110
<b>Total assets</b>	<b>(9,835,694)</b>	<b>21,793,806</b>	<b>3,205,713</b>	<b>73,002,887</b>	<b>88,166,712</b>	<b>3,292,774</b>	<b>47,842,307</b>	<b>97,219,604</b>	<b>148,354,685</b>	<b>236,521,397</b>	<b>235,054,882</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>											
Unamortized loss on debt refunding				340,744	340,744					340,744	350,437
Net OPEB Obligation		3,325,170			3,325,170					3,325,170 <sup>3</sup>	2,325,170
Net pension obligations - contributions	4,913,557				4,913,557					4,913,557	4,913,557



# CAL POLY POMONA FOUNDATION, INC.

## STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2018

	Unrestricted					Restricted				Current Year Total	June 30, 2018 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
<b>LIABILITIES:</b>											
Accounts payable	984,485	3,121	11,706	1,387,689	2,387,001	268,658	574,783	0	843,441	3,230,442	2,278,912
Accrued liabilities	619,610	(149,705)	28,222	891,844	1,389,971	224,896	27,856	22,500	275,252	1,665,223	2,348,080
Receipts in excess of expenditures on specific sponsored programs	0	0	0	0	0	2,799,220	0	0	2,799,220	2,799,220	2,840,774
Deferred income	1,405,658	0	55,000	1,207,341	2,667,999	0	0	0	0	2,667,999	1,775,333
Deposits held in custody for others	0	0	0	0	0	0	875,111	0	875,111	875,111	870,024
Inter-fund loans	789,088	0	0	0	789,088	0	50,000	0	50,000	839,088	1,139,088
<b>Total current liabilities</b>	<b>3,798,841</b>	<b>(146,584)</b>	<b>94,928</b>	<b>3,486,874</b>	<b>7,234,059</b>	<b>3,292,774</b>	<b>1,527,750</b>	<b>22,500</b>	<b>4,843,024</b>	<b>12,077,083</b>	<b>11,252,211</b>
<b>Long-term liabilities:</b>											
Notes and contracts payable	8,000,000	0	0	0	8,000,000	0	0	0	0	8,000,000	7,102,204
Unitrust liability	0	0	0	0	0	0	577,859	0	577,859	577,859	577,859
Lease obligations	1,764,411	0	0	21,893,741	23,658,152	0	0	0	0	23,658,152	24,656,092
OPEB Liability	0	6,529,718	0	0	6,529,718	0	0	0	0	6,529,718	6,529,718
Pension liability	9,589,146	0	0	0	9,589,146	0	0	0	0	9,589,146	9,589,146
<b>Total long-term liabilities</b>	<b>19,353,557</b>	<b>6,529,718</b>	<b>0</b>	<b>21,893,741</b>	<b>47,777,016</b>	<b>0</b>	<b>577,859</b>	<b>0</b>	<b>577,859</b>	<b>48,354,875</b>	<b>48,455,019</b>
<b>Total liabilities</b>	<b>23,152,398</b>	<b>6,383,134</b>	<b>94,928</b>	<b>25,380,615</b>	<b>55,011,075</b>	<b>3,292,774</b>	<b>2,105,609</b>	<b>22,500</b>	<b>5,420,883</b>	<b>60,431,958</b>	<b>59,707,230</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>											
Deferred inflow	62,056				62,056				0	62,056	64,413
Net pension obligation	911,035				911,035				0	911,035	911,035
Net OPEB obligation		2,190,313			2,190,313				0	2,190,313	2,190,313
<b>Net Assets Beginning</b>	<b>(28,515,637)</b>	<b>15,545,169</b>	<b>3,016,856</b>	<b>46,471,263</b>	<b>36,517,651</b>	<b>0</b>	<b>43,536,085</b>	<b>99,717,317</b>	<b>143,253,402</b>	<b>179,771,053</b>	<b>167,995,132</b>
<i>change in net Assets</i>	<i>(531,990)</i>	<i>1,000,361</i>	<i>93,931</i>	<i>1,491,750</i>	<i>2,054,052</i>	<i>0</i>	<i>2,200,611</i>	<i>(2,520,214)</i>	<i>(319,603)</i>	<i>1,734,449</i>	<i>11,775,922</i>
<b>Total liabilities and Net Assets</b>	<b>(4,922,138)</b>	<b>25,118,977</b>	<b>3,205,715</b>	<b>73,343,628</b>	<b>96,746,182</b>	<b>3,292,774</b>	<b>47,842,305</b>	<b>97,219,603</b>	<b>148,354,682</b>	<b>245,100,864</b>	<b>242,644,045</b>





**CAL POLY POMONA FOUNDATION, INC.**  
**Statement of Activities**  
**For period ending September 30, 2018 and 2017**

Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			FY 17-18 Actual	FY 18-19 Budget
	FY 17-18	FY 18-19 YTD		FY 17-18	FY 18-19 YTD		FY 17-18	FY 18-19 YTD			
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual		
<b>General Activities:</b>											
Administration	972,574	1,392,793	1,258,647	1,184,295	1,431,066	1,489,220	(211,721)	(38,273)	(230,573)	925,807	(804,936)
<b>TOTAL GENERAL</b>	<b>972,574</b>	<b>1,392,793</b>	<b>1,258,647</b>	<b>1,184,295</b>	<b>1,431,066</b>	<b>1,489,220</b>	<b>(211,721)</b>	<b>(38,273)</b>	<b>(230,573)</b>	<b>925,807</b>	<b>(804,936)</b>
<b>Enterprise Activities:</b>											
Campus Center	102,607	345,572	358,289	141,707	297,860	300,969	(39,100)	47,712	57,320	270,574	375,459
Bronco Student Center	526,824	640,238	717,558	423,150	537,332	563,785	103,674	102,906	153,773	566,481	504,322
CStore	308,164	667,033	706,088	377,524	618,989	626,526	(69,360)	48,044	79,562	509,976	427,054
Retail	304,650	866,095	777,967	467,554	864,285	906,368	(162,904)	1,810	(128,401)	(148,336)	185,658
Los Olivos	789,040	1,611,958	1,656,817	1,053,634	1,330,703	1,338,545	(264,594)	281,255	318,272	705,287	786,185
KW Dining	806,715	733,121	713,359	637,027	666,293	631,549	169,688	66,828	81,810	652,512	317,337
Vending	19,125	15,221	18,737	18,256	15,852	18,508	869	(631)	229	19,042	15,755
Dining Mgt/Overhead	62			371,590	388,071	377,446	(371,528)	(388,071)	(377,446)	(1,463,369)	(1,440,115)
<i>Total Dining Services</i>	<i>2,857,187</i>	<i>4,879,238</i>	<i>4,948,815</i>	<i>3,490,442</i>	<i>4,719,385</i>	<i>4,763,696</i>	<i>(633,255)</i>	<i>159,853</i>	<i>185,119</i>	<i>1,112,167</i>	<i>1,171,655</i>
BookStore	2,447,990	3,769,800	3,137,989	2,352,861	3,436,371	2,887,276	95,129	333,429	250,713	438,399	319,852
KW Conference Center	429,905	498,665	442,465	410,318	469,082	436,283	19,587	29,583	6,182	122,361	70,161
University Village	934,217	2,161,020	1,985,088	1,717,035	1,941,682	1,849,685	(782,818)	219,338	135,403	2,755,810	3,038,874
Real Estate/Building Rentals	1,529,799	1,360,776	1,460,456	1,122,066	1,129,669	1,229,228	407,733	231,107	231,228	781,134	169,451
<i>Total Enterprise</i>	<i>8,199,098</i>	<i>12,669,499</i>	<i>11,974,813</i>	<i>9,092,722</i>	<i>11,696,189</i>	<i>11,166,168</i>	<i>(893,624)</i>	<i>973,310</i>	<i>808,645</i>	<i>5,209,871</i>	<i>4,769,993</i>
<b>TOTAL GENERAL &amp; ENTERPRISE</b>	<b>9,171,672</b>	<b>14,062,292</b>	<b>13,233,460</b>	<b>10,277,017</b>	<b>13,127,255</b>	<b>12,655,388</b>	<b>(1,105,345)</b>	<b>935,037</b>	<b>578,072</b>	<b>6,135,678</b>	<b>3,965,057</b>
<b>Uses of Designated Funds:</b>											
Designated Funds	(3,586)	0	3,969	214,592	422,511	271,138	(218,181)	(422,511)	(267,171)	(1,197,449)	(1,679,500)
<b>Other Activities:</b>											
Research Office	443,531	434,030	369,520	423,531	414,030	349,520	20,000	20,000	20,000	20,000	20,000
Agriculture	773,939	703,500	604,280	832,435	883,412	745,658	(58,496)	(179,912)	(141,378)	(299,575)	106,333
Continuing Education	1,263,538	1,546,830	1,999,152	915,351	1,267,544	924,015	348,187	279,286	1,075,137	480,877	535,170
FDN Program-Unrestricted	193,088	157,544	221,981	136,855	157,544	128,051	56,233	0	93,930	(4,701)	(2)
<b>TOTAL OTHER</b>	<b>2,674,096</b>	<b>2,841,904</b>	<b>3,194,933</b>	<b>2,308,172</b>	<b>2,722,530</b>	<b>2,147,244</b>	<b>365,924</b>	<b>119,374</b>	<b>1,047,689</b>	<b>196,601</b>	<b>661,501</b>
<b>OPERATING SURPLUS DEFICIT</b>	<b>11,842,182</b>	<b>16,904,196</b>	<b>16,432,362</b>	<b>12,799,781</b>	<b>16,272,296</b>	<b>15,073,770</b>	<b>(957,602)</b>	<b>631,900</b>	<b>1,358,590</b>	<b>5,134,830</b>	<b>2,947,058</b>
Investments-General Portfolio	1,124,632	576,454	735,928	32,604	35,022	38,759	1,092,028	541,432	697,169	1,068,771	1,837,929
<b>UNRESTRICTED SURPLUS (DEFICIT)</b>	<b>12,966,814</b>	<b>17,480,650</b>	<b>17,168,290</b>	<b>12,832,385</b>	<b>16,307,318</b>	<b>15,112,529</b>	<b>134,426</b>	<b>1,173,332</b>	<b>2,055,759</b>	<b>6,203,601</b>	<b>4,784,987</b>
<b>Restricted:</b>											
Endowments/Investments	4,257,760	1,545,912	1,907,067	4,112,203	4,500,673	4,427,280	145,557	(2,954,761)	(2,520,213)	3,542,017	1,824,618
Foundation Programs	5,435,156	7,371,608	5,381,102	2,515,279	5,037,065	3,128,675	2,919,877	2,334,543	2,252,427	3,552,529	4,346,338
<b>TOTAL RESTRICTED</b>	<b>9,692,916</b>	<b>8,917,520</b>	<b>7,288,169</b>	<b>6,627,482</b>	<b>9,537,738</b>	<b>7,555,955</b>	<b>3,065,434</b>	<b>(620,218)</b>	<b>(267,786)</b>	<b>7,094,546</b>	<b>6,170,956</b>
<b>Grants and Contracts</b>	<b>4,047,854</b>	<b>3,722,177</b>	<b>4,171,712</b>	<b>4,047,854</b>	<b>3,722,177</b>	<b>4,171,712</b>					
Transfers to the University				107,051	0	53,529	(107,051)		(53,529)	(1,522,226)	
<b>TOTAL FOUNDATION NET</b>	<b>26,707,584</b>	<b>30,120,347</b>	<b>28,628,171</b>	<b>23,614,772</b>	<b>29,567,233</b>	<b>26,893,725</b>	<b>3,092,809</b>	<b>553,114</b>	<b>1,734,444</b>	<b>11,775,921</b>	<b>10,955,943</b>

**REAL ESTATE  
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 9/30/2018	2017-18 YTD Approved Budget
<b>REAL ESTATE DEVELOPMENT</b>								
220080 Center for Training Technology & Incubation	(18,989)	(77,165)	(86,353)	52,351	(7,712)	(92,490)	182,465	186,539
220010 Innovation Village - see Note 1	548,108	521,914	335,653	807,091	784,239	740,517	230,816	219,654
220050 Innovation Village/American Red Cross	(7,024)	-	-	(6,635)	-	-	7,232	-
220052 Innovation Village/Tramel Crow	(1,775)	-	-	326	-	-	1,304	-
220070 Innovation Village Common Areas	-	-	4	-	-	2	(29,095)	(38,751)
220250 Trammel Crow/I.V. Phase IV	(1,106)	-	-	(488)	-	-	(33)	-
459540 Spadra Solar Farm	(350)	(500)	-	-	-	-	(104,659)	(104,658)
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	79,264	-	-	(1,275)	-	-	4,037	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	(499,999)	(500,000)	(500,000)	(499,999)	(500,000)	(500,000)	(144,367)	(124,800)
<b>Total Real Estate Development</b>	<b>98,129</b>	<b>(55,751)</b>	<b>(250,696)</b>	<b>351,371</b>	<b>276,527</b>	<b>148,029</b>	<b>147,700</b>	<b>137,984</b>
<b>RENTAL Buildings</b>								
200660 Building # 66 - Classrooms & Offices	126,731	99,924	94,124	148,510	153,807	131,358	42,650	43,993
190970 Building # 97 - Offices	128,226	127,407	121,509	143,925	139,767	130,638	42,942	40,344
200220 CTTi Building # 220A - College of ENV Studio	(139,510)	(141,710)	(137,600)	(135,343)	(146,924)	(149,632)	(39,276)	(40,928)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
<b>Total Rental Buildings</b>	<b>115,447</b>	<b>85,621</b>	<b>78,033</b>	<b>157,092</b>	<b>146,650</b>	<b>112,364</b>	<b>46,316</b>	<b>43,409</b>
<b>FACULTY/STAFF HOUSING</b>								
Fund 11 Faculty/Staff Housing	223,331	263,331	193,382	302,853	221,243	71,938	37,212	49,714
<b>Total Faculty/Staff Housing</b>	<b>223,331</b>	<b>263,331</b>	<b>193,382</b>	<b>302,853</b>	<b>221,243</b>	<b>71,938</b>	<b>37,212</b>	<b>49,714</b>
<b>GRAND TOTAL REAL ESTATE</b>	<b>436,907</b>	<b>293,201</b>	<b>20,719</b>	<b>811,316</b>	<b>644,420</b>	<b>332,331</b>	<b>231,228</b>	<b>231,107</b>

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

<b>DESCRIPTION</b>	<b>2015-16 Actual</b>	<b>2015-16 Forecast</b>	<b>2015-16 Approved Budget</b>	<b>2016-17 Actual</b>	<b>2016-17 Forecast</b>	<b>2016-17 Approved Budget</b>	<b>2017-18 YTD Actual 9/30/18</b>	<b>2017-18 YTD Approved Budget</b>
016200 Agronomy Farms	(123,581)	233,984	24,341	(86,728)	(130,393)	125,668	(90,704)	(140,870)
260200 Arabian Horse Show	(82,952)	(160,454)	686	(320,070)	(311,996)	(270,908)	-	-
020010 Beef Unit	5,264	6,142	2,150	(2,666)	762	582	435	334
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	(24,274)	1,244	4,184	(30,769)	17,820	4,054	18,846	(19,960)
300010 Meat Lab	(537)	-	982	18,290	20,121	3,154	(161)	-
320300 Ornamental Horticulture	13,411	28,429	2,393	19,431	9,082	33,095	(3,293)	(21,748)
193040 Pine Tree Ranch	132,112	42,140	1,996	159,641	35,154	4,396	(10,220)	(19,246)
420010 Sheep Unit	(13,149)	1,928	841	(9,082)	1,705	2,286	(7,742)	(11,667)
430010 Swine Unit	3,565	908	9,074	(6,472)	1,452	2,836	(5,479)	4,437
260220 Farm Store at Kellogg Ranch	18,896	24,354	(4,665)	33,510	19,569	3,919	(7,474)	7,142
460360 Petting Farm	(1,189)	-	-	(894)	-	-	(8,946)	(10,687)
350810 Truck and Trailer	-	-	-	1,128	-	-	-	-
428460 Vet Clinic	(8,667)	2,463	4,210	(4,845)	5,558	12,839	(1,667)	801
350820 Pomona Organics St Project	-	-	-	721	-	-	-	-
462300 Pumpkin Festival	5,036	3,811	(3,516)	36,191	118,401	64,192	(19,352)	(18,234)
462530 Westwind Ranch	(42,617)	-	-	(265,632)	93,820	-	10,131	51,794
462540 Wasmansdorff House - Pine Tree	102,447	102,227	-	(10,617)	(523)	-	(629)	(593)
462610 Agriscapes	971	-	-	342	(12,964)	4,935	(15,120)	(1,414)
<b>Total</b>	<b>(15,264)</b>	<b>287,176</b>	<b>42,676</b>	<b>(468,521)</b>	<b>(132,432)</b>	<b>(8,952)</b>	<b>(141,375)</b>	<b>(179,911)</b>

**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 YTD	2017-18 YTD
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	Actual 9/30/18	Approved Budget
<b>COLLEGE OF EXTENDED UNIVERSITY - Programs</b>								
283500 Administration	531,386	202,339	139,794	365,917	113,921	86,471	(148,284)	(71,253)
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	12,849	-
283630 Professional Project Management Program	12,560	3,219	11,765	6,451	6,763	3,667	11,466	7,121
283790 On Site Training Programs	8,529	8,897	10,333	15,763	6,394	7,276	(733)	-
283060 Start-Up Programs	-	-	-	(54)	-	-	(50)	-
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	125,562	58,665
283800 Annual Giving Professional Network	-	-	-	-	-	-	-	-
460280 SUMMER SUPPORT @ CEU	(568)	(810)	(9,174)	(1,103)	(436)	(1,661)	11,887	(6,540)
460920 Business Comm & Grant Writing	(108)	-	-	517	-	-	5,534	1,676
460930 Accounting & Finance	(1,234)	(1,234)	15,707	(500)	-	-	-	-
460940 Math & Science	(275)	763	(2,908)	7,451	8,698	(3,601)	403	1,600
460950 Hospitality & Service Industry	6,986	14,654	(1,336)	1,549	438	6,363	37,932	42,052
460960 Supply Chain Management	(110)	(1,680)	(1,374)	-	-	378	(2,167)	86
460970 Human Resources Management	1,858	2,656	2,365	12,343	11,511	2,714	9,747	548
460980 Building & Construction Management	16,231	15,725	15,091	18,194	21,650	13,693	76,832	18,567
460990 Ed2Go	6,872	7,700	(11,355)	13,841	860	7,697	2,620	(2,190)
461000 Art, Media, & Design	(1,110)	(1,110)	-	9,107	-	-	-	-
461010 Global Ed Programs Standard	56,563	136,104	132,415	95,722	130,509	115,149	466,505	111,416
461020 Global Ed Programs Camps	75,289	55,500	-	81,984	16,275	83,070	(73)	-
461030 CPELI Camps	84,995	5,686	57,539	45,179	11,716	42,921	-	-
461040 CPELI Standard	168,437	147,400	188,745	31,188	180,046	194,043	245,659	115,724
461820 Program Development	(232,680)	(282,375)	(380,959)	(259,504)	(272,524)	(381,894)	(63,224)	(73,326)
461840 Summer Camps	10,164	12,121	-	25,282	4,439	15,705	(605)	(4,569)
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	233,492	61,462
462660 CEU Marketing Research	-	(2,668)	-	1,500	-	1,462	-	-
462760 CEU Academic Studies Program	-	-	-	15,525	1,105	48,576	49,783	22,816
<b>Total College of Extended Univ Programs</b>	<b>943,350</b>	<b>400,078</b>	<b>237,443</b>	<b>569,404</b>	<b>313,631</b>	<b>311,779</b>	<b>1,075,135</b>	<b>283,855</b>

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


<b>DESCRIPTION</b>	<b>2015-16 Actual</b>	<b>2015-16 Forecast</b>	<b>2015-16 Approved Budget</b>	<b>2016-17 Actual</b>	<b>2016-17 Forecast</b>	<b>2016-17 Approved Budget</b>	<b>2017-18 YTD Actual 9/30/18</b>	<b>2017-18 YTD Approved Budget</b>
<b><u>COLLEGE OF ENGINEERING</u></b>								
381500 Non-Credit Learning Admin	1,530	38	48	807	(125)	38	-	-
381675 Civil Engineering Review	5,739	909	6,064	22,162	4,989	881		
<b>Total College of Engineering</b>	<b>7,269</b>	<b>947</b>	<b>6,112</b>	<b>22,969</b>	<b>4,864</b>	<b>919</b>	-	-
<b><u>COLLEGE OF SCIENCE</u></b>								
406440 Chemistry Agilent Project	-	6,595	2,388	-	6,595	2,383	-	(4,569)
<b>Total College of Science</b>	<b>-</b>	<b>6,595</b>	<b>2,388</b>	<b>-</b>	<b>6,595</b>	<b>2,383</b>	-	<b>(4,569)</b>
<b><u>COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES</u></b>								
362030 GIS Certificate Program	5,785	-	-	-	-	-	-	-
<b>Total College of Letters, Arts, and Social Sciences</b>	<b>5,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-
<b><u>COLLEGE OF ENVIRONMENTAL DESIGN</u></b>								
460200 CCLAWS CERTIFICATE L+RS	320	-	-	-	-	-	-	-
<b>Total College of Environmental Design</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-
<b>GRAND TOTAL CONTINUING EDUCATION</b>								
	<b>956,724</b>	<b>407,620</b>	<b>245,943</b>	<b>592,373</b>	<b>325,090</b>	<b>315,081</b>	<b>1,075,135</b>	<b>279,286</b>

# Memorandum



Date: November 6, 2018

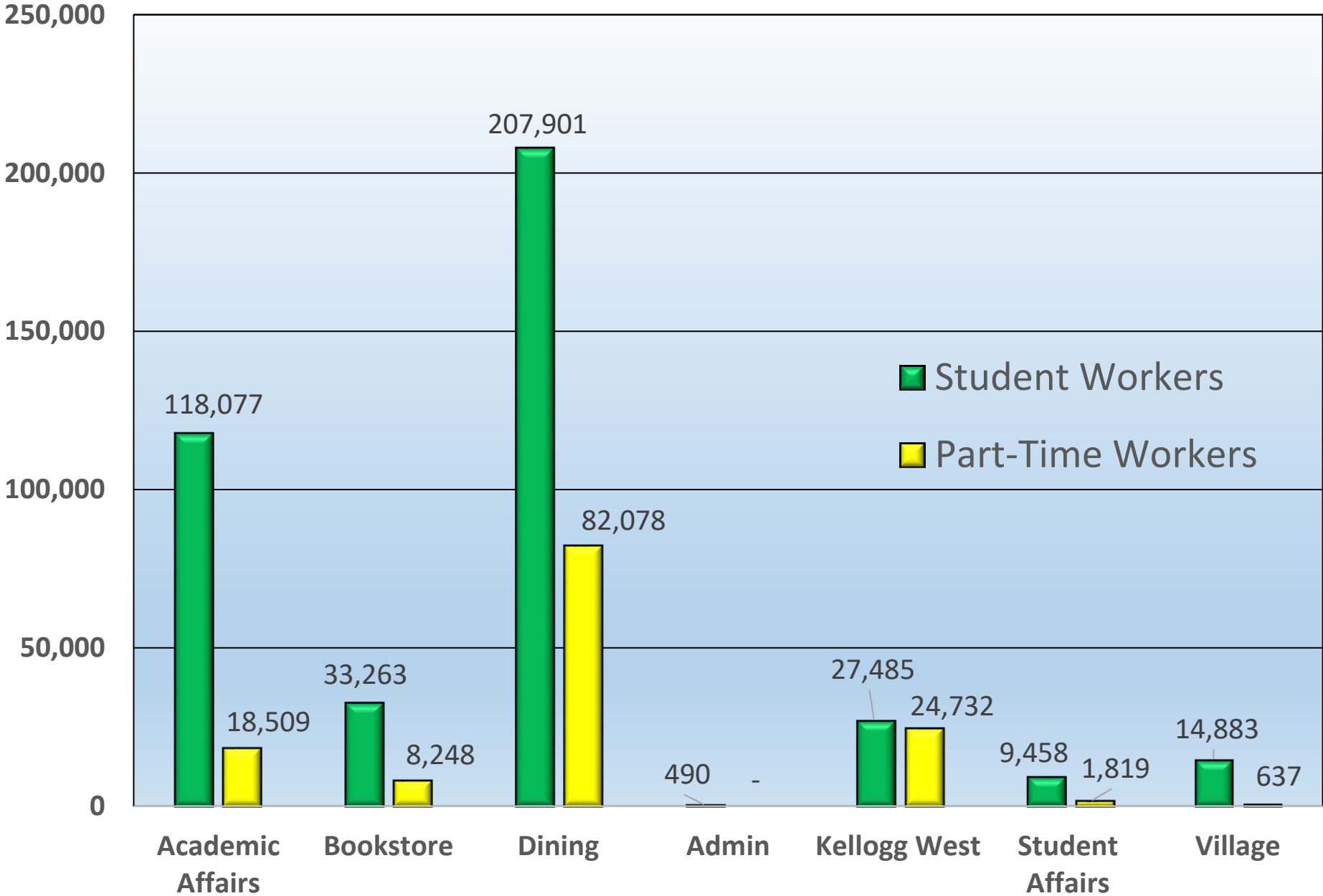
To: Finance Committee  
Cal Poly Pomona Foundation, Inc.

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

Subject: **Minimum Wage Update**

As a follow up from our last meeting regarding the minimum wage question with respect to what is the cost to the Foundation for increasing the minimum wage to \$15 for students and part-time employees. We have developed the attached chart based upon the hours worked for the prior fiscal year ended June 30, 2018 for students and part-time employees. This chart shows the cost of a \$1 increase an hour for students and part-time employees on an annual basis.

### Cost of increasing pay rates by \$1 for 1 year




**TOTAL COST: \$548,000**

# Memorandum



Date: November 7, 2018

To: Finance Committee  
Cal Poly Pomona Foundation, Inc.

From:   
David F. Prenovost  
Senior Managing Director/CFO

**Subject: Status Report on the 2018-2019 Board-approved  
Capital Improvement Program**

A status update will be provided to the committee related to the 2018-2019 Board approved capital improvement budget as reflected in the attachment. The 2018-2019 revised capital improvement budget approved by the Board included \$2,484,635 new capital improvement requests, and \$814,444 in capital improvement carry forward from prior years and \$321,335 funding from Reserves.



**CAL POLY POMONA FOUNDATION, INC.  
2018-19 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Revised Proposed Detail 2018-19	Revised Proposed Total 2018-19	
	<b>Enterprise Activities</b>				
<b>Reserves</b>	<b>Foundation Housing</b>				
	University Village		400,000	<b>400,000</b>	Replace heating & cooling units in 230, 220, 210 (\$80,000), Stairway railings for 7 Phase II bldgs. (\$70,000), Phase III boiler tube bundles (\$30,000), Phase III hot water storage tanks (\$20,000), Various carpets (\$50,000), Furniture 6 apartments Phase I (\$65,000), Wi-Fi upgrade (\$85,000), Solar hot water system Phase III (\$40,000 paid from a grant)
	<b>Bronco Bookstore</b>				
	Bookstore		263,000	<b>263,000</b>	Inventory Control System and Point of Sale System upgrades (\$30,000), New floor for downstairs area of the bookstore (\$75,000), and Convert old lighting fixture to new energy saving LED lights (\$158,000)
	<b>Dining Services</b>				
	Dining	65,474	361,800		Food management system recipe coding project (\$10,000), Building 97 feasibility study (\$27,500), Building 70 feasibility study (\$27,500), Building 97 major refrigeration makeover (\$185,000), Building 97 electrical pm - preparation for campus infrastructure electrical upgrade (\$7,900), Analytics projects - enrollment, KPI dashboards (\$25,000), Leadership consulting and coaching (\$20,000), Cash register end-of-life replacement (\$28,900), POS/Micro market/Biometrics innovation initiatives (\$30,000)
	Campus Center Overhead		38,000		(2) End-of-life electric cart replacements (\$33,000), Hot food holding box (\$5,000)
	BSC Overhead		46,000		Catering van (\$25,000), Repair tile in kitchen (\$20,000), Hot food holding box for catering (\$1,000)
	Faculty Staff Café		29,000		Interior refresh - updated furniture, display equipment, décor
	Pony Express @ CLA		49,000		Store remodel - paint, flooring, cabinetry, equipment
	Brewing Education	25,000			Misc. Educational lab upgrades as classes develop
	Carl's Jr.	95,000	-		Carl's Jr. brand mandatory refresh
	Denny's	35,870	-		Misc. equipment - dish machine, grille, refrigeration
	H-café		27,500		Conversion of market to micro market (unstaffed)
	Innovation Brew Works	8,000	45,000		Increase brewing capacity to 713 barrels/year - (1) 10 bbl brite tank, (2) 10 bbl fermenters, grain mill upgrade
	Poly Fresh	40,000	-		Replace open aired coolers, enlarge storage space (\$30,000), Update shelving and register stations (\$10,000)
	Coffee Cart		40,000		Rework existing solar coffee cart to serve CLA Replacement Bldg.
	Kellogg West Dining	15,000	38,000		Lobby kiosk refrigeration unit for fresh food (\$15,000), Routine dining rooms floor replacements (\$5,000), Folding chairs - wedding routine replacement (\$6,000), Dance floor for Kellogg House weddings (\$12,000)
80,000	Los Olivos	80,000	-		Box truck (\$30,000), Equipment replacement (\$50,000)
	Subway		20,000		Replace front line cold table
	Round Table Pizza		45,000		Realign front counter space to accommodate customer ease of through put and mobile ordering, add 3 tap system - brewery kegs, add warmer to accommodate increase in catering services, replace existing display case
	Freshens		75,000		Starbucks conversion equipment and start up cost (\$20,000), Food equipment and small wares (\$15,000), Rebrand to Starbuck's WPS cabinetry, floor, paint, countertop, tile, furnishings (\$40,000)
	International Grounds		10,000		Espresso Machine - end-of-life espresso machine replacement
	SCE Coffee Shop	15,000			SCE Coffee Shop (\$75K approved at BM#369, projecting \$15K remaining)

**CAL POLY POMONA FOUNDATION, INC.  
2018-19 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Revised Proposed Detail 2018-19	Revised Proposed Total 2018-19	
	<b>Total Dining Services</b>			<b>824,300</b>	
	<b>Kellogg West Conference Center &amp; Hotel</b>				
	Kellogg West Rooms & Conference	41,400	250,000	<b>250,000</b>	Renovation & upgrades to all Bldg. 76 main conference center hallways & public areas (\$25,000), Renovation/upgrade of 10 guest room a/c & heating units in Bldg. 77 (\$25,000), Replace outdated Bldg. 76 heating & a/c control boards, sensors & airflow units (\$75,000), Replace all fluorescent lighting with LED lights in Bldgs. 76, 78, & 78B hallways, conference areas & meeting rooms (\$125,000)
	<b>Facilities</b>				
	Facilities		-	-	No capital budget requested
	<b>Real Estate Activities</b>				
	Bldg. 97	10,000			Entrance door replacement
132,835	Bldg. 66	165,000	132,835		HVAC replacement - 2 chilled water air handling units
	CTTI Buildings	5,000	70,000		Carpet replacement - tenant (\$10,000), DDC Thermostat retrofit building #A (\$30,000), DDC Thermostat retrofit building #B (\$30,000)
	<b>Total Real Estate Activities</b>			<b>202,835</b>	
	<b>Office of Research</b>				
	Research and Sponsored Prog			-	No capital budget requested
	<b>College of Agriculture</b>				
	Agronomy Farm	75,000			Replacement of irrigation mainlines (\$75,000)
33,500	Spadra Farm		33,500		Roof Repair - Onion Shed
75,000	Wasmansdorff House		75,000		Landscaping
	<b>Total College of Agriculture</b>			<b>108,500</b>	
	<b>College of Science</b>				
	Chemistry Agilent Project	-		-	None
	<b>College of Extended University</b>				
	CEU	20,000	80,000	<b>80,000</b>	Vehicle (\$30,000), Cart (\$10,000), and New carpet in Building A & B at CPELI (\$40,000)
	<b>Restricted Foundation Programs</b>				
	Arabian Horse Center	37,500	15,000	<b>15,000</b>	2 horse slant load trailer
	<b>Administration</b>				
	Human Resources		45,000		Kronos Dimensions - Upgrade HCM Platform
	Administration		25,000		Executive conference room furniture/carpet
	Administration		45,000		Bldg. 55 refresh
	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	5,000	15,000		Analytics Licensing and Consulting Services - To continue the buildout of business intelligence analytics dashboards for grants, enrollment, financial services and retail operations
	Management Info Systems		55,000		Financial System Improvements - The upgrade of OneSolution to version 18 and ongoing workflow development for vender data records, project agreements
	Management Info Systems		40,000		CDD to Cognos report conversion - The upgrade of Cognos to version 11 and full CDD to Cognos report conversion to enhance Enterprise reports with Business Intelligence improvements

**CAL POLY POMONA FOUNDATION, INC.  
2018-19 PROPOSED CAPITAL BUDGET**

		<b>Prior Years Remaining</b>	<b>Revised Proposed Detail 2018-19</b>	<b>Revised Proposed Total 2018-19</b>	
	Management Info Systems		30,000		Storage Workspace remodel - Enclose storage area in the east annex of building 55 for computer equipment storage, and remodel of cubical space for IT staff to provide more centralized support
	Management Info Systems	9,500			Mobile Device Management - Software system to provide mobile file access and security improvements
	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		B55 Fiber and Switch Upgrade - Installation of fiber and respective switches to provide smooth migration of data to the new data center POD, and improved services to the building
	Management Info Systems		15,000		Credit Card Monitoring Software - Software to provide real-time monitoring and alarms for all credit card transactions processing through the Foundation
	Management Info Systems		11,000		Odyssey Activity Module - Provides advanced monitoring and analytics capabilities in current Bronco Card system
	Management Info Systems	26,700	10,000		Travel Expense Management - Concur software installation, using yearly report count, buy in through university licensing agreement and concur SAE/p-card integration.
	<b>Total Administration</b>			<b>341,000</b>	
<b>Prior Years and Proposed Capital Budget</b>		<b>814,444</b>		<b>2,484,635</b>	
<b>Total Prior Years and Proposed Capital Budget</b>				<b>3,299,079</b>	
<b>321,335 Capital Funding from Reserves</b>				<b>(321,335)</b>	
<b>Capital Funding from Operations</b>				<b>2,977,744</b>	

**Note - the proposed capital budget assumes funding of \$132,835 from the Capital Reserve, \$80,000 from the Residential Board Meal Program Surplus Reserve, and \$75,000 from the Pine Tree Ranch Reserve.**

# University Village Capital Projects 2018-2019

Updated November 2018

# Wi-Fi Upgrade: \$85,000

Over the past two years wireless internet access has become the primary concern/complaint of Village residents, even surpassing the cost of rent. In the summer of 2017, Campus IT replaced all of the wireless access points with new hardware. This did not fully resolve the issue, as residents continued to report weak/intermittent signal quality and numerous drop-outs/lost connections. For Phase III, Campus IT added additional access points and repositioned some current access points, to improve wi-fi service. Wireless coverage surveys conducted post-installation have shown marked improvement, and there have been few complaints about the quality of the service.



## Replace heating and cooling units in Phase II: \$80,000

HVAC replacement began in 2016 with a pilot project for Phase II building 270. The project began with the need to replace the furnaces, and the discontinuation of the refrigerant R-22. With the success of that initial project, the HVAC units of buildings 240, 250, and 260 were completed in 2017. Buildings 210, 220, and 230 were completed in 2018. Units now use refrigerant R-410.

New Phase II HVAC



New Phase II condenser



## Repair stairway railings for seven Phase II buildings: \$70,000.

The supports under the stairs of the Phase II buildings were rusting out and in need of repair. The seven worst buildings were repaired in 2017. The remaining seven buildings were repaired in 2018. The repair consists of removing the rusted section of support and welding in a new support section.



# Replace hot water storage tanks: \$20,000

The hot water storage tanks in the Phase III buildings are approaching the end of their life expectancy. Four of the ten tanks have been replaced recently, and we are proposing replacing two more in 2018.

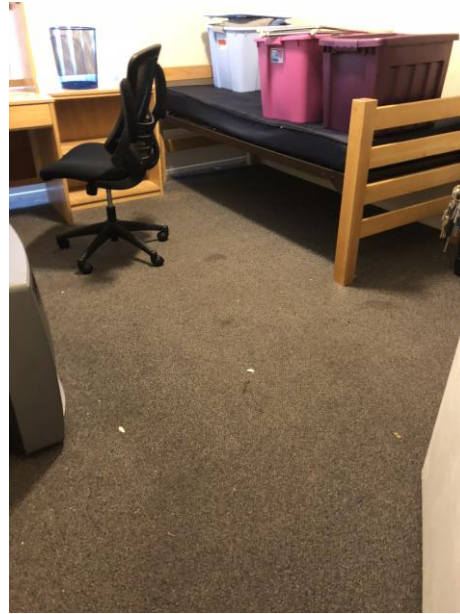
## Phase III Hot Water Storage Tanks





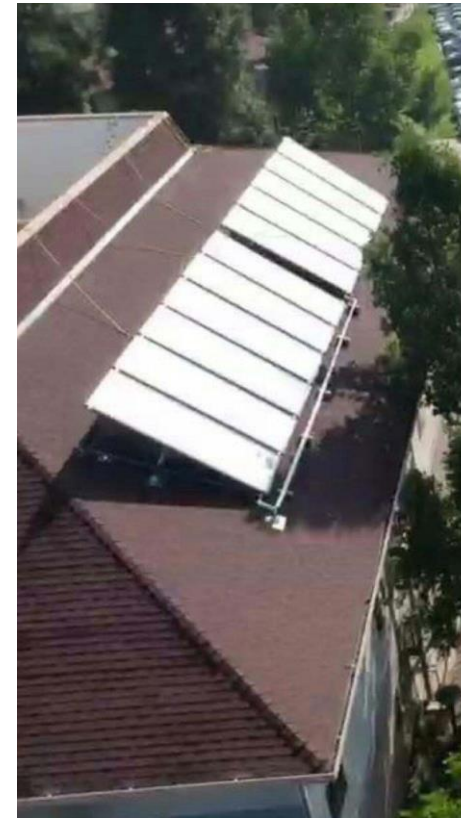
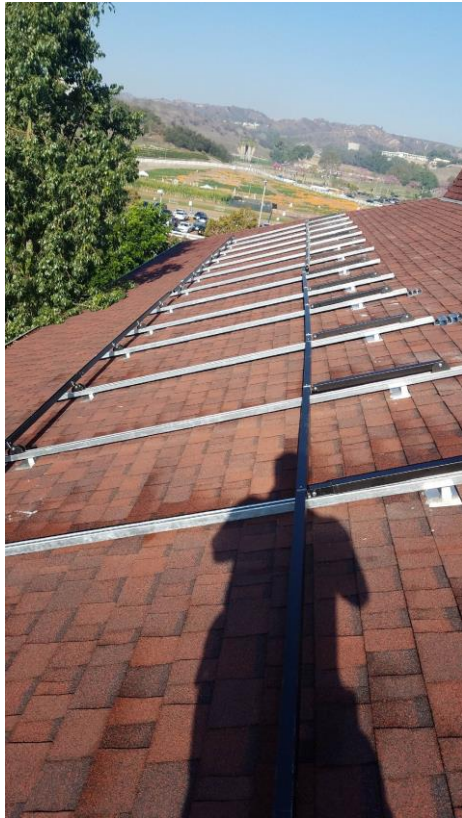
# Replace carpet with vinyl flooring: \$50,000

Due to normal, and occasionally excessive, wear and tear, we have to replace carpet/tile in the apartments on a yearly basis. Typically this means replacing carpet/tile in 26 apartments throughout the Village. This year we decided on a more sustainable solution: vinyl flooring, which is easier to clean and repair.



## Solar hot water heater system: \$40,000\* (grant covers cost)

The installation of a solar hot water heater system for our Phase III buildings is by a grant through the Southern California Gas Company. The work is being done by Evolution Building Systems at no cost to the Foundation. The estimated savings is \$2,143.60 per year, per building, for a savings of \$42,872 per building, over the 20+years lifespan of the system.



# Phase III Projects

## ▶ Boiler Tube Bundles: \$30,000

- ▶ The coils in the boilers through which water flows to be heated and stored are in constant use. They are subject to calcium build-up and constant wear and tear. Five of the twenty boiler tube bundles have been replaced, and we are proposing to replace five more in 2018.

## ▶ Furniture replacement, Phase I: \$65,000

- ▶ Last year we began a planned replacement of apartment furniture that will eventually result in uniform furniture throughout all phases. Seven Phase I apartments were done last year, and we are proposing to do six more Phase I apartments in 2018. The new furniture is smaller, giving residents more room, and more sustainable, because it is easy to repair, rather than replace.

## Bronco Bookstore 2018-2019 Capital Projects

Lighting - The Bookstore had many burned out light fixtures in locations that were difficult or nearly impossible to get safe access. Additionally, the existing light fixtures were dingy and not energy efficient. We replaced all existing fluorescent lighting with long lasting energy efficient LED lights. This both brightened up the store and is significantly more energy efficient. This capital project had a budget of \$135,675.00 and was completed in August 2018.



Flooring - The downstairs carpet was worn and stained beyond the ability to be cleaned. The flooring was updated to a more modern design of long lasting synthetic tiles. This project was budgeted for \$80,613.00 and was completed in August 2018.



Aaron P. Neilson  
Director, Foundation Dining Services

November 8, 2018

Re: 2016-2017 Capital Project Status



Dear Finance Committee:

Last May, the Foundation Board approved a number of capital projects for the dining division in FY 2018-2019. The status on a selection of the projects is as follows:

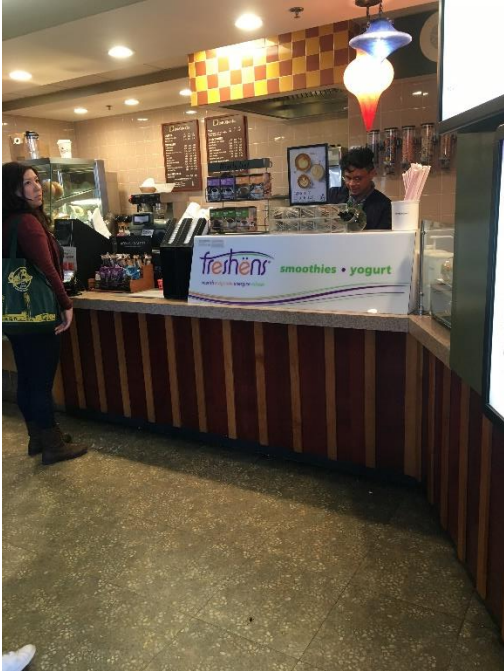
**Saddles Cafe (\$75,000)**

*Purpose:*

Replace the underperforming Peets/Freshen's concept at BSC as recommended by the board-approved dining master plan update in fall 2017.

*Status:*

Project completed at an expense of \$65,000.



## New Café to Open at Bronco Student Center

POSTED ON SEPTEMBER 5, 2018



Saddles Café will have a grand opening in September.

The Saddles Café promises to offer on-the-go eats with a gourmet flair.

The Bronco Student Center's newest addition officially opens on Sept. 13 with a grand opening event from 11:30 a.m. to 1 p.m.

The café will serve pastries, grab n' go items and specialty panini sandwiches, as well as the entire beverage menu from Starbucks.

The specialty panini menu will be posted on a chalkboard daily and will include fresh Cal Poly Pomona produce straight from the Huntley College of Agriculture and the Farm Store. Some of the produce that will be used in the panini program will include tomatoes, arugula, spinach, mushrooms and more.

### TAGS

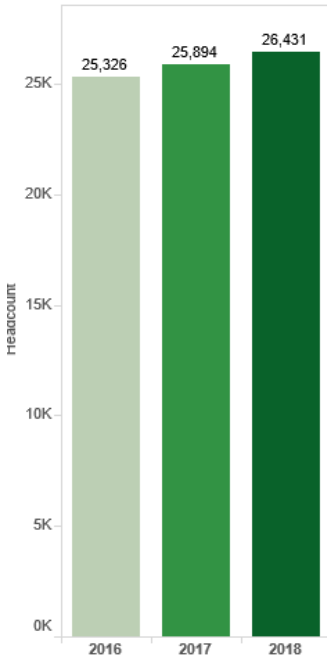
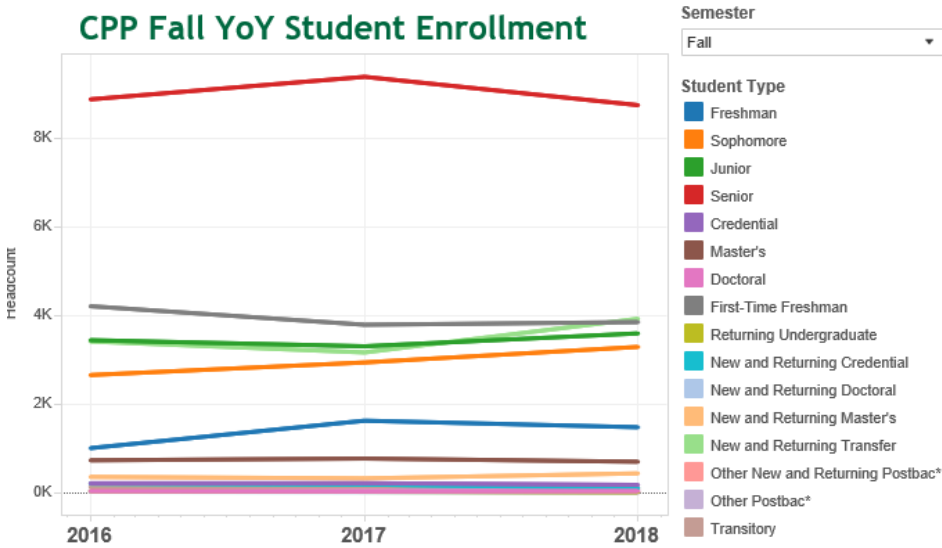
Bronco Student Center,  
Cal Poly Pomona  
Foundation, CPP Dining,  
Foundation Dining,  
Saddles Café, specialty  
panini sandwiches,  
Starbucks, Student and  
Campus Life



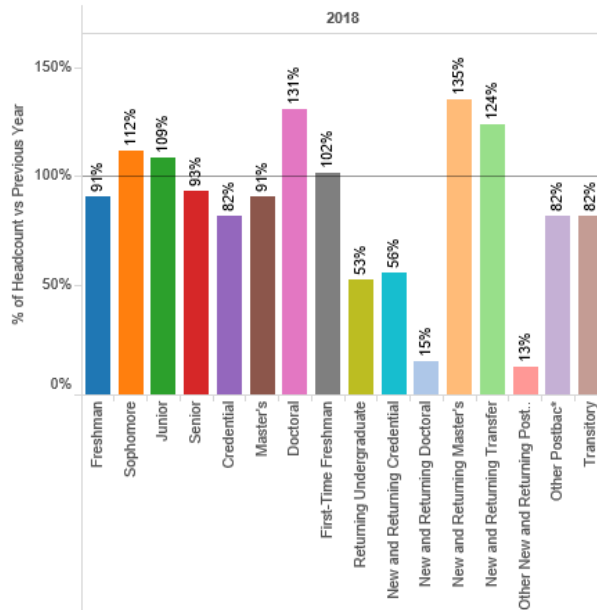
**Analytics Projects (\$25,000)**

Purpose:

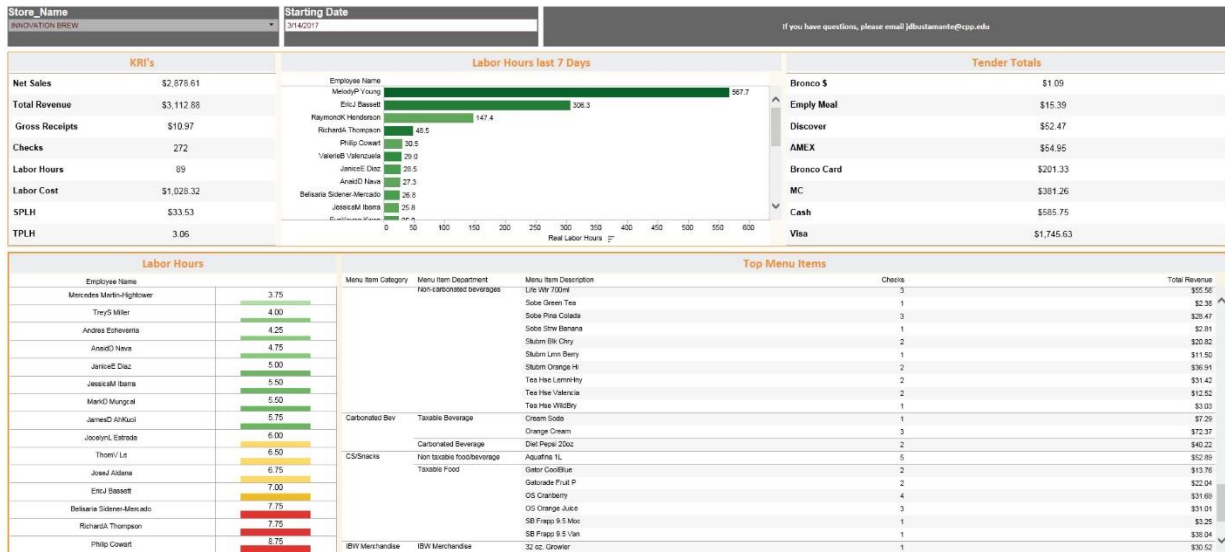
1. Provide real-time enrollment data in context with Semester Conversion
2. Provide executive and front-line supervisory KPI dashboards



### % of Headcount v.s. Previous Year



## FOUNDATION DINING STATS



### Poly Fresh Market @ BSC \$40,000

*Purpose:*

Refresh the market in context with its unique identity and location. Reserve funds to replace aging refrigeration.

*Status:*

May defer costly refrigeration upgrades to later time. Moderate cosmetic upgrades have been completed to align with the market's unique identity.



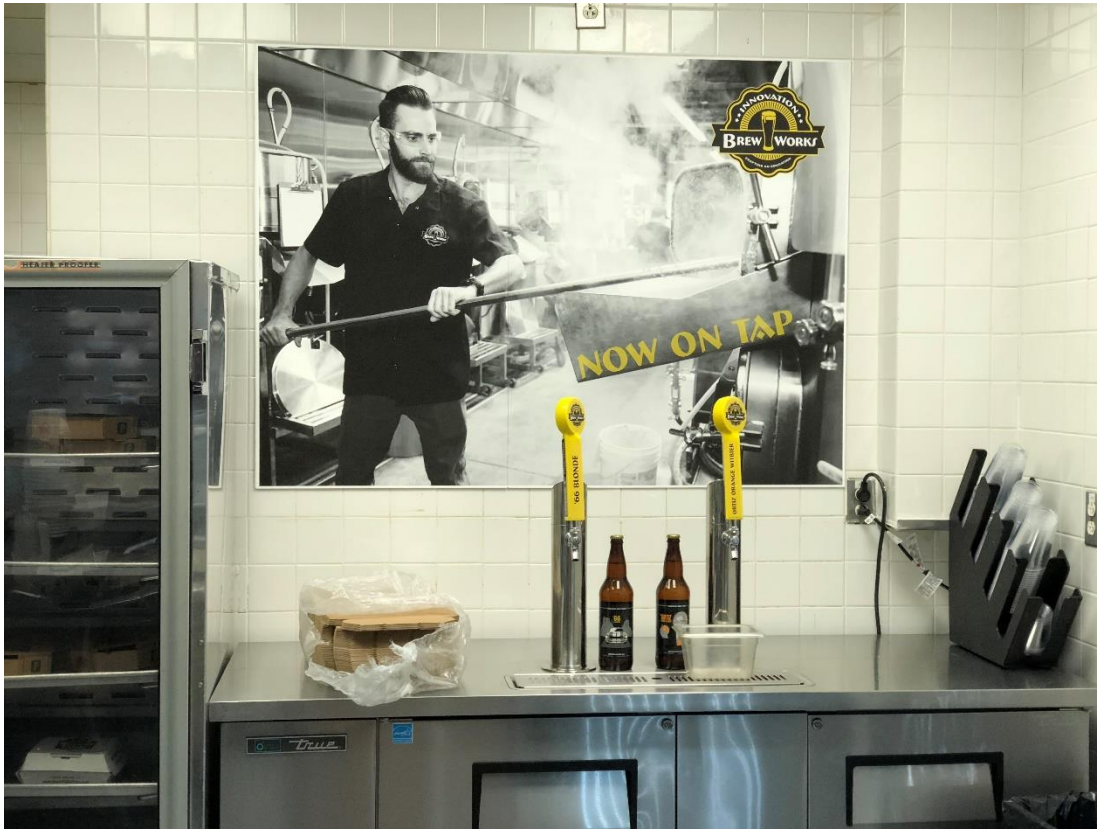
## **Round Table Pizza (\$45,000)**

### *Purpose:*

Provide exclusive fresh beer taps from Innovation Brew Works, modify counter to accommodate food pickup for mobile ordering initiative.

### *Status:*

Project complete @ \$11,500. We were able to save on expenses significantly by repurposing the existing cooler on front counter and modifying the cabinetry and plumbing scope of the project to achieve the purpose.



**Innovation Brew Works and Beer Education Program- \$78,000 (combined)**

*Purpose:*

Increase commercial brewing capacity and expand barrel aging program by purchasing an effective grain mill, barrels, kegs, and additional fermentation capacity. Provide the beer education program with state-of-the-art equipment consistent with a world-class brewing education facility.

*Status:*

Barrels, grain mill, and kegs have been purchased. Additional fermentation capacity in the form of 2 ea. 10 BBL fermenters are en route for installation prior to year-end. \$35k has been expended, primarily 50% deposit on the fermentation tanks.



60 x 1/2 bbl kegs. 15.5 gallon kegs used to hold, serve and sell beer. Helps grow our outside sales and increase our clientele platform. Kegs are on a lease to own agreement that will take 3 years to pay lease then buy out at end of lease. \$241 a month for all 60 x 1/2 and 40 x 1/6 kegs.



40 x 1/6 bbl kegs. 5.2 gallon kegs used to hold serve and sell beer. Helps grow our outside sales and increase the amount of clients we can sell to.



2 x 10 BBL fermenters to help increase production to meet our growing demand, and increase revenue. It should arrive in 1-2 weeks to the brewery and it will take 2-3 weeks for construction crew to install. Total cost for two new 10 BBL fermenter \$17,281.3



Mobile parts rack. Due to limited wall space in the brewery, the rack assists in creating more storage area. Easy to maneuver with each task needed throughout day and takes out less wall space. \$400



RO (Reverse Osmosis) water system. Helps remove all harsh chemicals and calcium in our hard well water. Greatly improves the quality of our beer and has been a turning point in the beer quality, increasing our volume sold YTD. An inline water softener is needed in order to reduce continuous replacement of the membrane. The cost of a membrane is \$200-400 as opposed to an inline water softener that costs \$1,000, a one-time purchase, and will save long term fees.



New mill to grind malted barley. Reduced time to mill grain by half from old mill. Also increase brewing efficiency so less grain is needed which decrease batch cost. Total price \$1,750



Exterior walk-in cooler. Increases our space to store kegs and separate fridge space from in-house sales to outside sales. Increases production ability and creates a safer environment for our staff. It will eliminate stacked kegs in current walk-in. Quoted price \$2,000-\$4,000 for cooler only.

Power survey is under way to see if building has enough to feed the cooler.

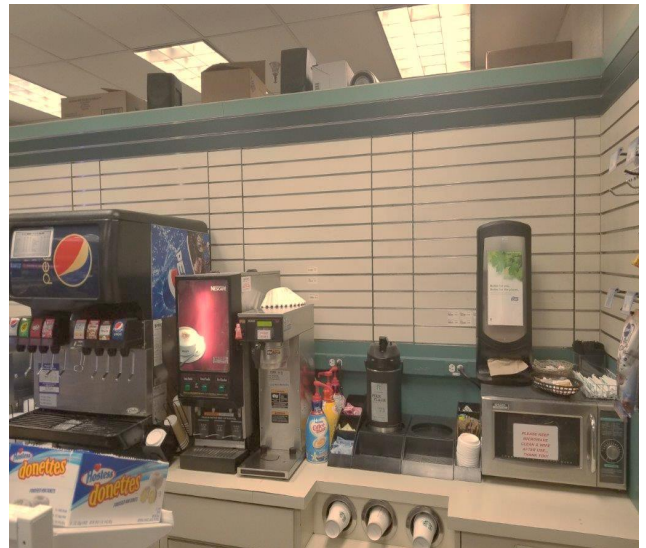
Working with real estate manager to where to cooler will be located and then construction of foundation will have to be quoted after this destination has been determined.



Cal Poly Pomona Foundation, dining vehicle plan for Los Olivos catering, dining, disaster plan. Refrigerated used for proper food distribution, safe food storage, when handling large catering and pick up and drop off deliveries.

<b>Proposed/Approved</b>	<b>2017-2018</b>		<b>\$80,000</b>
<b>Boxed Truck</b>			<b>(30,000)</b>
<b>Equipment Purchases</b>			<b>(50,000)</b>
<b>Actuals</b>			
Boxed Truck	Registration/Title	Vehicle	<b>-34,371</b>
		Difference (Capital)	45,629





Over the summer CLAs drink station was upgraded. CLA had a foundation drink, drip coffee and nestle specialty drink machine. We opted to remove them and add higher quality and specialty coffee drinks. We added the black and white Starbucks machine, which makes specialty drinks like lattes, cappuccinos, etc. We also added the Serena Starbucks coffee machine, it grinds and brews your choice of coffee on the spot. The benefits are that we provide a wide variety of specialty drinks instead of just your one choice brew coffee. Giving customers more options has increased the amount of coffee sold. Here you will see before and after pictures of the changes done at Pony Express @ CLA.



**Pony Express @ CLA (\$49,000)**



*Purpose:*

Add a Starbucks's self-serve hot beverage machine, enhance the overall appearance and offering of the store to align with customer desires and buying patterns.



*Status:*

All items have been completed under budget with \$33k expended.



Expanding our culinary vision to the changing environment of food by creating a diverse menu of international foods. Being that we serve our students and faculty, revamping menu items to welcome those with various food preferences while still keeping the integrity of the recipe is fundamental. By incorporating Vegan, Vegetarian, Gluten-Free, Kosher, and Dairy free items to the menu we welcome all food diversity within the Cal Poly Community. Being allergen sensitive to food items allows individuals with dietary restrictions to safely consume food.

Sincerely,

Aaron Neilson  
Director, Foundation Dining Services

## Real Estate Capital Budget Update 2018-2019

Real Estate has completed carpet replacement at CTTi for Mesa Engineering @\$7,800.



In addition, T-Stats have been installed in Building #C. 28 thermostats were installed at a cost of \$20,000 including installation, training, and programming of the units. These t-stats allow us to monitor and manage temperature and use of the a/c units for better occupant experience and energy management.



Agriculture  
Capital Budget Update 2018-2019

*Roof Repair Complete - Onion Shed*



## CEU 2018-2019 Capital Projects

Vehicle (\$30K) during the 2019 Spring term, CEU plans to purchase a vehicle to be used by eligible CEU staff and student assistants, that have completed the required driver training, to transport people or items around campus as needed, to meetings, etc. or to local facilities as part of their visit to CPP/CEU when we host guests. Research on possible vehicle options to purchase for this need and within the designated budget is currently underway.

Cart (\$10K) during the Spring term of 2019, CEU also plans to purchase a street eligible enclosed cart for eligible staff and student assistants, to use on a daily basis for transportation means to various locations on campus to deliver documents, attend meetings, etc. (CEU staff are located in three areas on campus (CTTi, Bldg. 86, and Bldg. 1) so a cart that can be easily parked temporarily on campus in designated areas, will improve our overall efficiency and production time while providing our staff with a safe mode of transportation during the various seasons. Research on possible vehicle options to purchase for this need and within the designated budget is also currently underway.

New carpet at CPELI in Building 86A and 86B (\$40,000) At the end of the Spring 2019 term and before the Summer 2019 begins, CEU plans to purchase and install the new carpet between 5/17/19 to 6/5/19. The existing carpet is more than 10 years old and is no longer providing a professional look to the classrooms. The carpet is starting to split or snag in many areas and every room has stains that have not been able to be removed during the end of term steam cleanings. Also, one of the classrooms in Building 86A, previously had red linoleum installed back when that room was being used as a general lunch room. Now due to the need for classroom space, it has been converted back into a classroom and is in need of carpet that matches the rest of that building to provide a more effective learning environment. During the Fall 2018 term, CEU is working to obtain new carpet quotes through campus facilities and schedule the work for the dates indicated above.



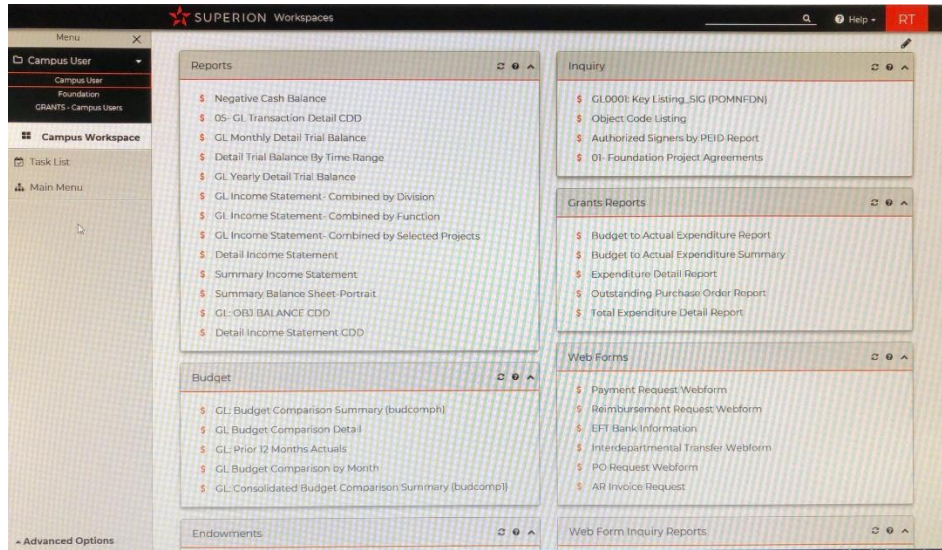
\$20K Prior Years Remaining - CEU plans to use these funds to purchase new carpet for the 4<sup>th</sup> modular building at CPELI (Bldg. 86C) as the condition of the carpet in these classrooms mirror that of what is indicated above for Bldgs. 86A & 86B. Since the main CPELI administration building was updated with new carpet in the prior fiscal year, taking care of the carpet these three classroom buildings in the current fiscal year, should provide an improved environment for the CPELI complex to support their needs over the next 7-10 years. This carpet installation will also be scheduled for the same timeframe as indicated above for Bldgs. 86A & 86B between Spring and Summer 2019.



# Foundation IT - Capital Budget Update (2018-2019)

## Randall Townsend, IT Director

- Windows 10 Desktop Upgrades – 75% complete, with 170 done and 43 left. Project wrapped up by yearend.
- OneSolution V18 upgrade is complete – Improvements include HTML5 Web interface, faster performance, updated workflows and reports.



- CDD to Cognos Report Conversion – 25 reports have been converted, staff have been trained on customizing and maintaining the reports. Next steps include analytics and visualizations.

Date	Subsystem	Reference	Secondary Reference	PE ID	Description	Debit	Credit	Balance
<b>10000 - FOUNDATION MISC</b>								
<b>1054 - ACCUM DEPR. BLDG IMPROVEMENTS</b>								
05/31/2018	FA	TJLEA		AmID: FADN Job: 2540903		40.03		(1,741,321.32) BT
06/30/2018	FA	TJLEA		AmID: FADN Job: 2533441		40.03		(1,801,371.32) BT
<b>Total ACCUM DEPR. BLDG IMPROVEMENTS</b>						<b>8,093.85</b>		<b>(8,093.85) BT</b>
<b>1054 - ACCUM DEPR. FURNITURE/FIXTURE</b>								
07/01/2017		BALEFD06131		Balance Forward 10-17Fwd 01		8,093.85		(8,093.85) BF
<b>Total ACCUM DEPR. FURNITURE/FIXTURE</b>						<b>8,093.85</b>		<b>(8,093.85) BT</b>
<b>1066 - ACCUM DEPR. EQUIPMENT</b>								
07/01/2017		BALEFD06131		Balance Forward 10-17Fwd 01		567,743.80		(567,743.80) BF
07/31/2017	FA	TJLEA		AmID: FADN Job: 2487987		12,446.77		(580,190.57) BT
08/31/2017	FA	TJLEA		AmID: FADN Job: 2417942		12,446.77		(592,637.34) BT
09/30/2017	FA	TJLEA		AmID: FADN Job: 2430483		12,446.77		(605,084.11) BT
10/31/2017	FA	TJLEA		AmID: FADN Job: 2441614		12,446.77		(617,530.88) BT
11/30/2017	FA	TJLEA		AmID: FADN Job: 2471443		12,446.77		(629,977.65) BT
12/31/2017	FA	TJLEA		AmID: FADN Job: 2444481		12,446.77		(642,424.42) BT
01/31/2018	FA	TJLEA		AmID: FADN Job: 2452414		12,446.77		(654,871.19) BT
02/28/2018	FA	TJLEA		AmID: FADN Job: 2492203		12,446.67		(667,317.86) BT
03/31/2018	FA	TJLEA		AmID: FADN Job: 2514023		11,540.05		(678,857.91) BT
04/30/2018	FA	TJLEA		AmID: FADN Job: 2523394		11,540.05		(690,397.96) BT
05/31/2018	FA	TJLEA		AmID: FADN Job: 2540903		11,539.99		(701,937.95) BT
06/30/2018	FA	TJLEA		AmID: FADN Job: 2533441		12,501.13		(714,439.08) BT
<b>Total ACCUM DEPR. EQUIPMENT</b>						<b>74,439.08</b>		<b>(74,439.08) BT</b>
<b>1066 - ACCUM DEPR. VEHICLES</b>								
07/01/2017		BALEFD06131		Balance Forward 10-17Fwd 01		3,283.17		(3,283.17) BF
07/31/2017	FA	TJLEA		AmID: FADN Job: 2487987		214.87		(3,498.04) BT
08/31/2017	FA	TJLEA		AmID: FADN Job: 2417942		214.87		(3,712.91) BT
09/30/2017	FA	TJLEA		AmID: FADN Job: 2430483		214.87		(3,927.78) BT



- IT Equipment Storage Space Remodel – Adding doors and reconfiguring the room for workstation repair. The work will be performed during the winter holiday to minimize disruption to the b55 office space.



- CollegeNet Space and Events Management software – Project is currently in the data-gathering phase. After which, a pre-production environment will be setup for testing in late November.
- Concur Travel Expense Management software - Project is moving from test into the pilot phase, starting for campus IT in November, then the Science College (including Foundation managed programs) in December, then full production in January.

# Memorandum



Date: November 13, 2018

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 2017-18
2. Seven General Liability Losses (excluding employment practices) occurred during fiscal year 2017-18. One claim is still open:
  - Auto liability property damage - \$5,929 (2 closed/2 open)
  - Slip, Trip and Fall - \$1,385 (1 open)
  - Bicycle wheel damaged - \$789 (1 closed)
  - Flooding - \$9,544 (1 open)

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

# Memorandum

Date: November 16, 2018  
To: Finance Committee  
Cal Poly Pomona Foundation, Inc.  
*D Miller*  
From: Dennis Miller, Chief Employment Officer



Subject: **STATUS OF WORKERS COMPENSATION & EMPLOYMENT RISK MANAGEMENT ISSUES**

Foundation takes an active role toward reducing the risk of injury and illness in the workplace. The key program in place to facilitate positive outcomes regarding safety is the Injury & Illness Prevention Program. The Foundation Safety Committee is the committee which initiates ideas and action steps toward reducing the risk of workplace injuries and illnesses. The Safety Committee has representatives from all major workplace units and typically meets once per quarter to review and discuss historical safety events within Foundation, and also receives updates from external resources on various techniques they can apply in their respective units to enhance safety and reduce workplace injuries.

Below is the status of employment based claims for FY 2015/16, 2016/17, & 2017/18.

Annual Overview of Workers Compensation Insurance (YTD for 2016/17):

Fiscal Year	Premium	Claims Opened	Closed	Pending
2015/16	\$326,760	23	16	0
2016/17	\$347,848	18	8	0
2017/18	\$317,656	10	7	0

Annual Overview of Employment Practices Liability:

Fiscal Year	Premium	Claims Opened	Closed	Pending
2015/16	\$32,400 (estimate)	0	0	0
2016/17	\$34,000 (estimate)	1	1	0
2017/18	\$33,000 (estimate)	1	0	0

# Memorandum



Date: November 13, 2018

To: Finance Committee  
Cal Poly Pomona Foundation, Inc.

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

Subject: **2018-19 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 2018-19 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 \$117,946 as of September 2018. During the last fiscal year and the 1<sup>st</sup> quarter of this fiscal year, the reserve paid the deductible for two claims totaling \$78,557 and received liability program dividends totaling \$85,516. The Insurance Reserve was established to pay the deductible amounts greater than \$10,000.



“Quality Service Supporting Quality Education”



# Cal Poly Pomona Foundation 2018/2019 CSURMA AORMA Renewal Report



California State University Risk Management Authority  
Auxiliary Organizations Risk Management Alliance

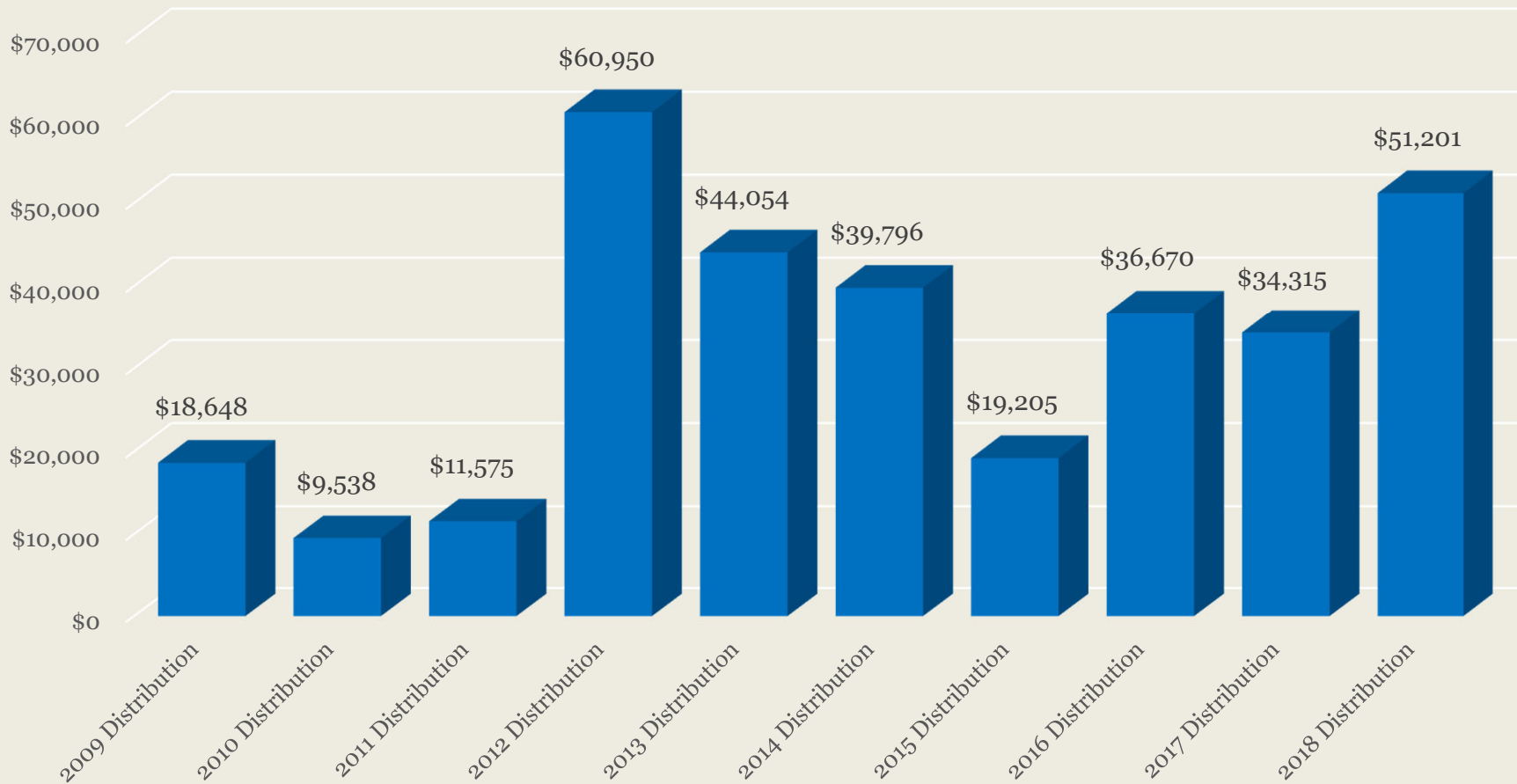
# Cal Poly Pomona Foundation Dividend History



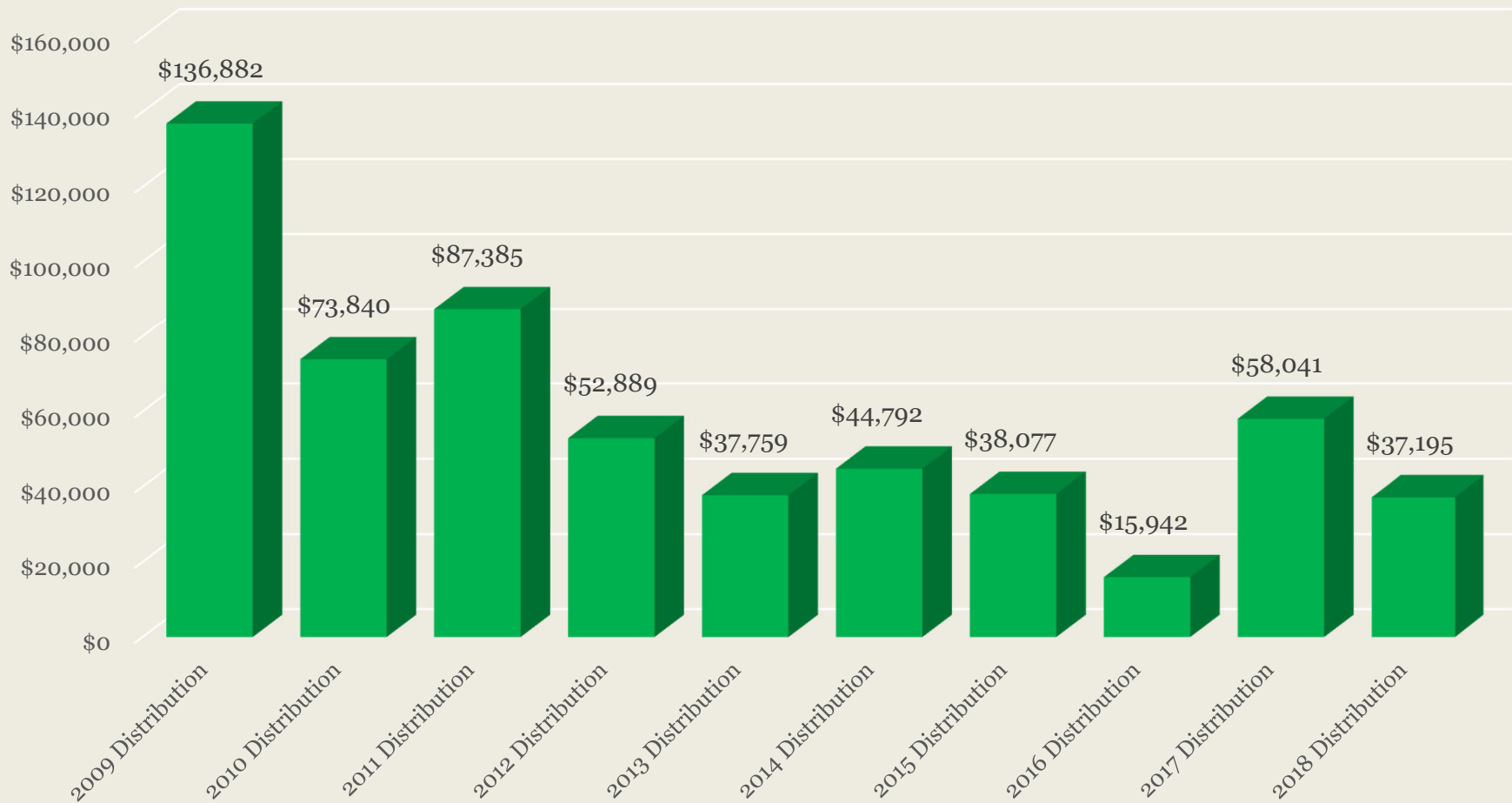
For Policy Yr.	Liability	Workers' Compensation
2008-2009	\$18,648	\$136,882
2009-2010	\$9,538	\$73,840
2010-2011	\$11,575	\$87,385
2011-2012	\$60,950	\$52,889
2012-2013	\$44,054	\$37,759
2013-2014	\$39,796	\$44,792
2014-2015	\$19,205	\$38,077
2015-2016	\$36,670	\$15,942
2016-2017	\$34,315	\$58,041
2017-2018	\$51,201	\$37,195
<b>Total</b>	<b>\$325,952</b>	<b>\$582,802</b>

**Total of \$908,754 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





# 2018/2019 Insurance Cost



AORMA Insurance Program	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Liability	\$151,062	\$135,157	\$142,332	\$154,060	\$168,783	\$215,712	\$232,042	\$203,882
Workers' Compensation	\$221,460	\$200,972	\$273,920	\$310,658	\$326,760	\$347,849	\$314,265	\$359,540
Property	\$148,548	\$175,094	\$149,167	\$110,334	\$102,918	\$48,802	\$51,233	\$51,035
Crime	\$4,338	\$5,195	\$7,410	\$6,659	\$8,834	\$8,036	\$6,970	\$6,128
Cyber Risk Liability	\$622	\$666	\$711	\$812	\$923	\$2,576	\$2,591	\$2,255
Identity Fraud Expense Reimbursement	\$511	\$1,191	\$1,164	\$1,230	\$1,093	\$1,444	\$1,168	\$1,199
Foreign Travel	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$526,541</b>	<b>\$518,275</b>	<b>\$574,704</b>	<b>\$583,753</b>	<b>\$609,311</b>	<b>\$624,419</b>	<b>\$608,269</b>	<b>\$624,039</b>

# 2018/2019 Insurance Cost



AORMA Individual Purchase Programs	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Public Entity Physical Damage	\$1,086	\$1,948	\$4,455	\$5,095	\$6,565	\$6,565	\$7,258	\$7,472
Participant Accident Insurance	N/A	N/A	N/A	\$848	N/A	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	N/A
<b>Total</b>	<b>\$1,086</b>	<b>\$1,948</b>	<b>\$4,455</b>	<b>\$5,943</b>	<b>\$6,565</b>	<b>\$6,565</b>	<b>\$7,258</b>	<b>\$7,472</b>

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

# Loss information – Total Incurred



<b>AORMA Insurance Program</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
Liability	\$3,361	\$377,034	\$0	\$3,391	\$25,692	\$171,878	\$13,484	\$67,496
Workers' Compensation	\$97,548	\$286,036	\$122,153	\$72,169	\$75,015	\$164,599	\$82,609	\$131,788
Property <i>(excess of deductible)</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

# Workers' Compensation Experience Modification Loss Comparison



<b>Losses Used by the Actuary in Calculating the Experience Modification Factor</b>												
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	FY 16/17	FY 17/18	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
@ 6/30/17							\$74,991	\$166,093	\$78,847		\$319,931	1.31 for FY 18/19
@ 6/30/18								\$164,599	\$82,609	\$131,788	\$378,996	

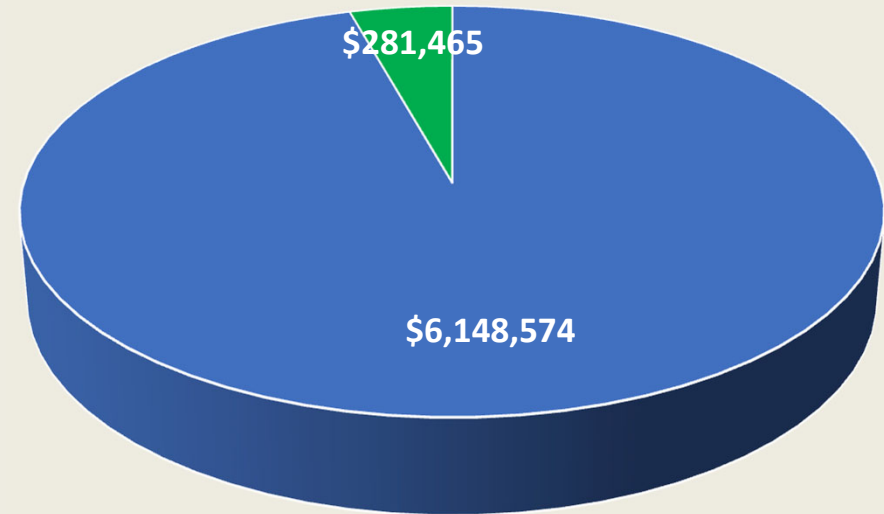
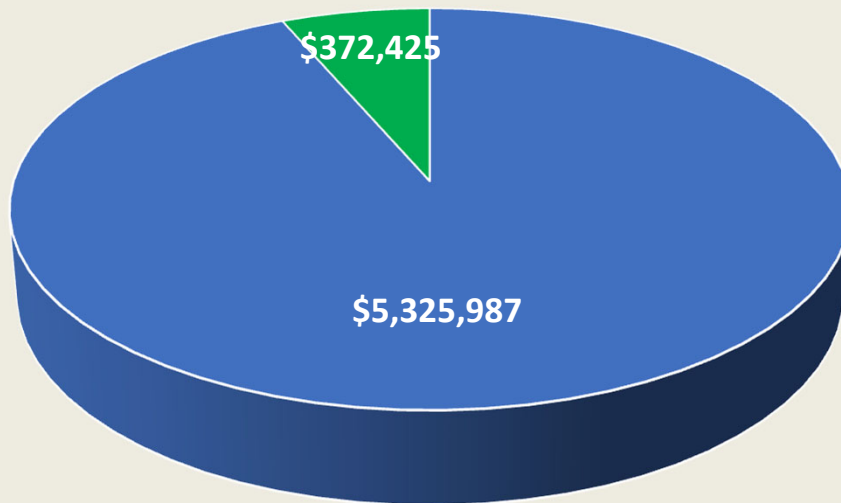
# Future Financial Benefits of CSURMA AORMA Membership



## Cal Poly Pomona Foundation Potential Share of Program Equity

*AORMA Workers' Compensation Program*

*AORMA Liability Program*



■ Total Program WC Surplus Reserves at 6/30/18 ■ Pomona Foundation

■ Total Program Liability Surplus Reserves at 6/30/18 ■ Pomona Foundation

# Questions?

Contact your CSURMA AORMA Program  
Administrators

*Mimi Long*

[mlong@alliant.com](mailto:mlong@alliant.com)

*(415) 403-1423*

*Van Rin*

[vrin@alliant.com](mailto:vrin@alliant.com)

*(415) 403-1408*



October 16, 2018

**To:** CSURMA AORMA Members

**From:** Dwayne Brummett   
CSURMA AORMA Chair

**Re:** CSURMA AORMA Update – including initial FY 19/20 Insurance Cost Preliminary Budget Information

This letter provides a detailed update to the membership regarding the program funding for FY 19/20, the dividends to be paid in July 2019, and the long range goals for the upcoming year. Each member organization will receive its annual AORMA insurance budgeting letter in January 2019 which will include premiums specific its organization based on exposures and claims history. Included here, in Table 1, is a summary of the funding and dividend information within this memorandum.

**TABLE 1**

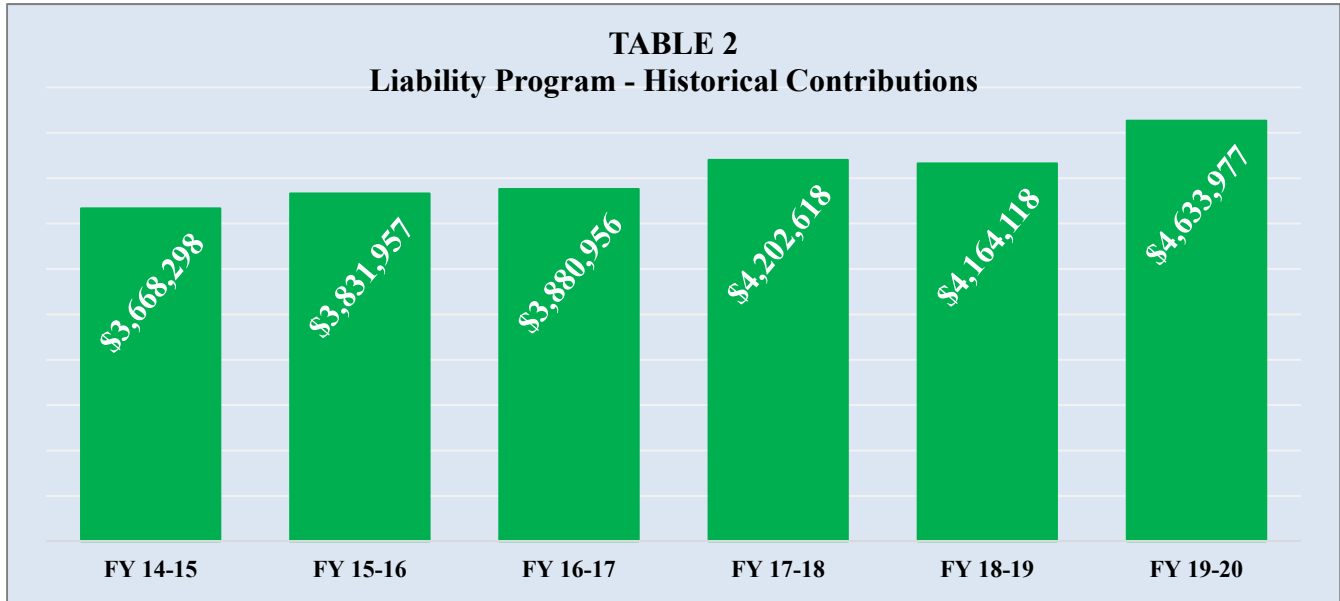
Total Funding Comparison				
Program	FY 18/19	FY 19/20	% Chg	\$ Chg
Liability	4,164,118	4,633,977	11%	469,859
Workers' Compensation	4,730,109	5,019,600	6%	289,491
Property	2,392,396	2,371,095	-1%	-21,301
Crime	231,875	230,000	-1%	-1,875
Dividend Comparison				
Program	July, 2018	July, 2019	% Chg	\$ Chg
Liability	888,622	942,030	6%	53,408
Workers' Compensation	531,921	393,680	-26%	-138,241

The above information provides a basic summary of the decisions made by the AORMA Committee at its September meeting. Please review the detailed information below.

**A. FY 19/20 Liability Program – Total Funding**

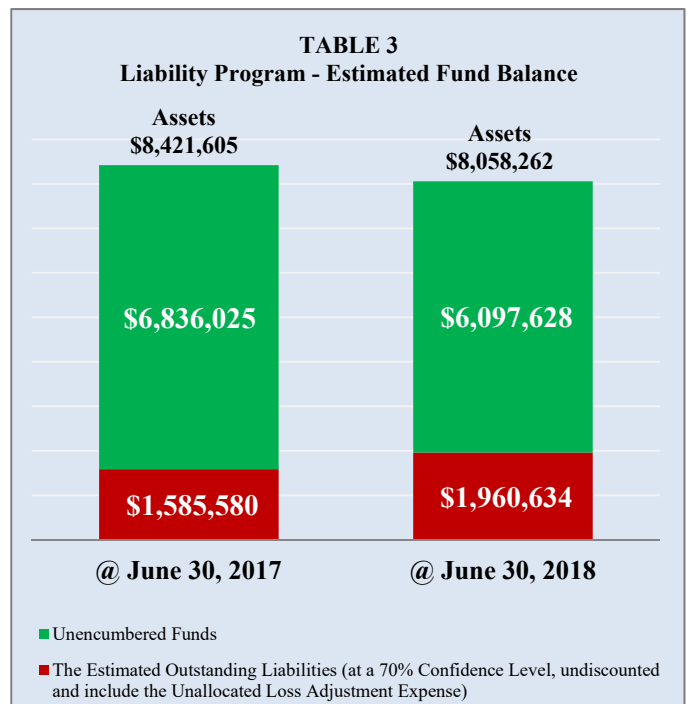
The AORMA Liability Program has a self-insured layer (often referred to as a pooled layer) of \$500,000 per claim. This means that all claim costs up to \$500,000 are self-insured through CSURMA AORMA. The claim costs in excess of \$500,000 are insured through reinsurance and/or excess insurance. As shown in Table 2, the AORMA Committee approved the FY 19/20 liability program total costs of \$4,633,977 which is an 11% increase compared to the contributions paid into the liability program for FY 18/19. The funding includes costs for the Fiduciary Liability and the Drone Insurance Program as well. The rate for the self-insured layer increased due to

anticipated growth of the AORMA members; the excess/reinsurance premium also increased due to the overall hardening of the commercial liability insurance market.



The self-insured layer within the liability program continues to be conservatively funded. To protect against a potential funding shortfall, the AORMA Committee maintains adequate unencumbered funds within the program for those years when the funding for the self-insured layer is not sufficient to pay losses incurred within that funding period.

Table 3 compares the liability program’s unencumbered funds (in green) to the estimated outstanding liabilities (in red). The estimated outstanding liabilities at June 30, 2018 increased by 24% as a new year of self-insured losses were added to the pool, and the assets decreased by 4%. The AORMA Committee keeps a close watch on the trend of the pool, and currently the pool is financially very healthy.





**B. FY 19/20 Workers' Compensation Program – Total Funding**

All workers' compensation claims costs up to \$750,000 continue to be reinsured through CSAC EIA and claim cost excess of \$750,000 are insured through commercial excess insurance. As shown in Table 4, the AORMA Committee approved the FY 19/20 workers' compensation total costs of \$5,019,600, which is a 6% increase over the contributions paid into the workers' compensation program for FY 18/19. This increase is primarily due to the total anticipated increase to the members' payroll.

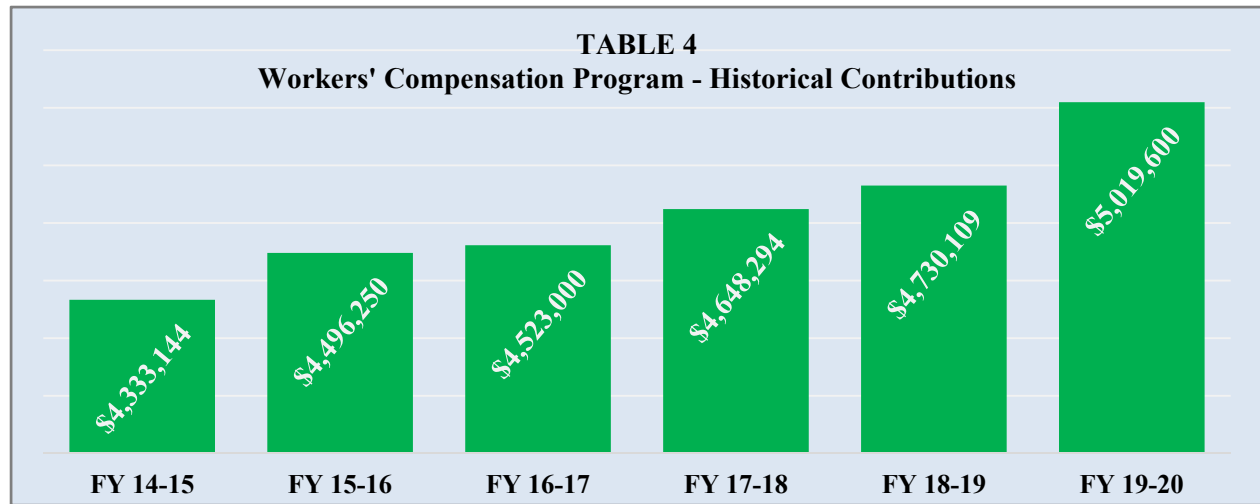
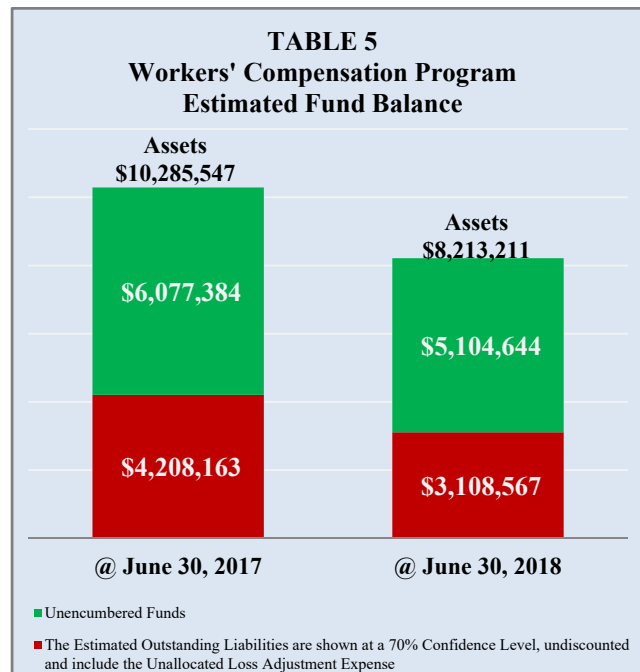


Table 5 shows a comparison of the workers' compensation program's unencumbered funds (in green) and the estimated outstanding liabilities (in red). Included in the estimated outstanding liabilities are the anticipated costs of all open and future self-insured claims. The estimated outstanding liabilities at June 30, 2018 decreased by 26% primarily due to the reinsurance agreement with CSAC EIA which became effective January 1, 2015. The Workers' Compensation Program is not accumulating additional outstanding liabilities as those claims are reinsured by CSAC EIA. The assets have decreased as well (20%) in order to fund the deposit premium for the CSAC EIA primary reinsurance program.

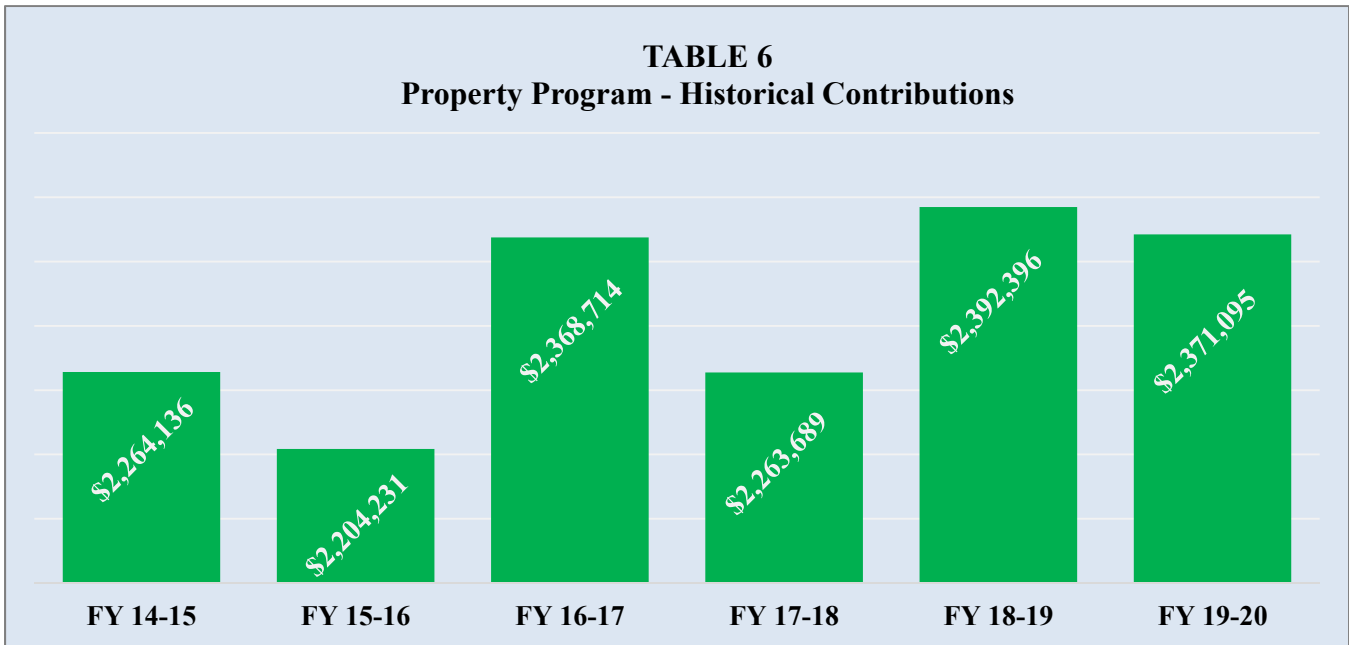


**C. FY 19/20 Property Program – Total Funding**

As shown in Table 6, the AORMA Committee approved the FY 19/20 property total costs of \$2,371,095, which is a 1% decrease as compared to the contributions paid into the property program for FY 18/19. The funding includes the costs for cyber liability, limited earthquake, and pollution coverage as well. The AORMA Property Program deductibles are as follows:

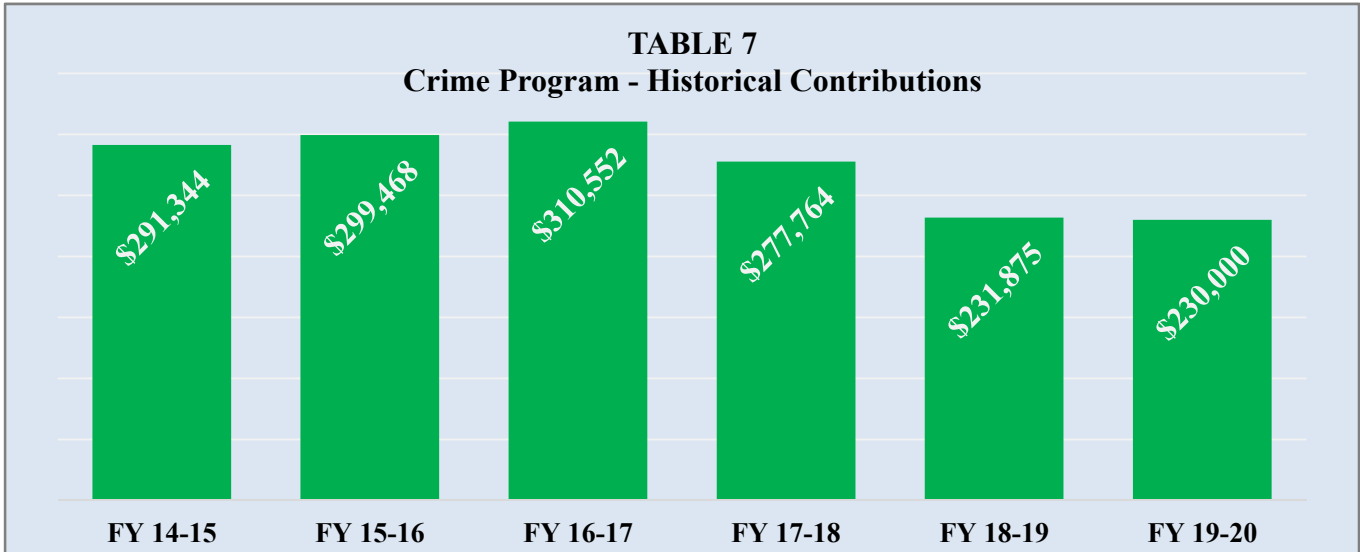
<u>Real Property Value</u>	<u>Deductible</u>
Up to \$10,000,000.....	\$5,000
Between \$10,000,001 and \$25,000,000.....	\$10,000
Between \$25,000,001 and \$50,000,000.....	\$25,000
\$50,000,001 and above .....	\$50,000
 Personal Property and Business Interruption / Loss of Rents.....	 \$5,000

The Cyber Liability Coverage within the property program provides a \$17,000,000 annual limit.

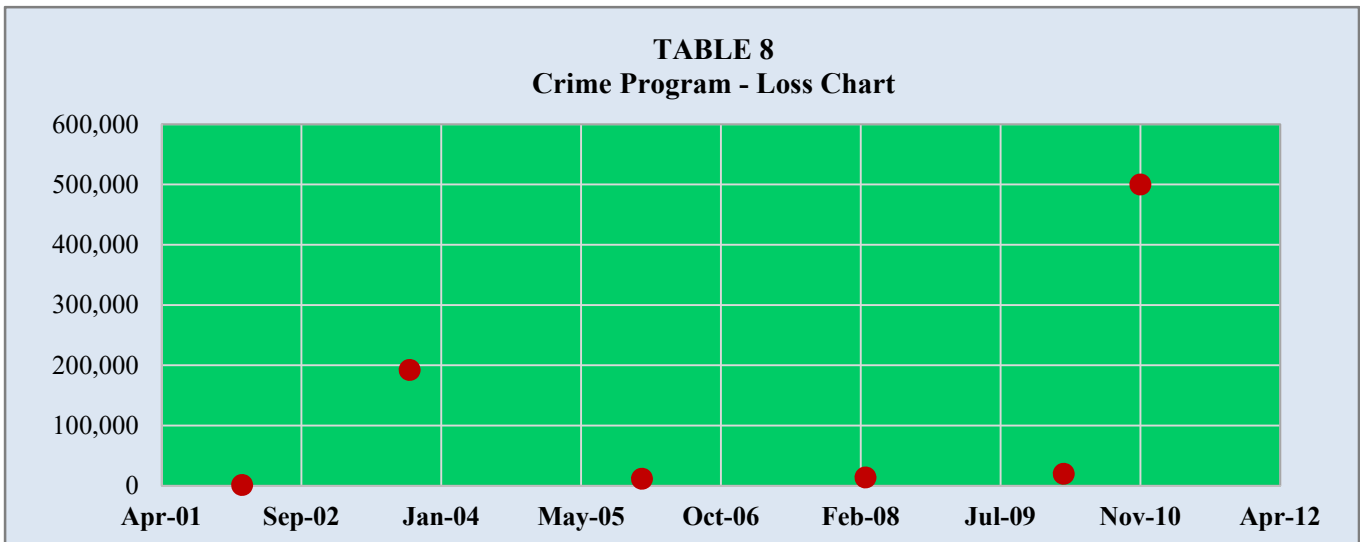


**D. FY 19/20 Crime Program – Total Funding**

As shown in Table 7, the AORMA Committee approved the FY 19/20 crime program total costs of \$230,000, which is a 1% decrease as compared to the contributions paid into the crime program for FY 18/19.



The red dots in Table 8 below represent the claims which have been paid through the AORMA Crime Program. Due to the Program’s very favorable claims experience, premium has declined over the past few years.



**E. Dividend – Payable in July, 2019**

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 \$394,680 and a Liability Program dividend of \$942,030, which is 25% of the maximum dividend available.

The AORMA Committee has maintained the practice of conservative funding and dividend distribution to preserve surplus in the programs in order to reduce the possibility of assessments. The AORMA Committee annually evaluates its adopted surplus ratio guidelines when deciding on the appropriate dividend to declare. These guidelines create benchmarks that measure the Programs’ financial stability compared to industry standards and past experience, as well as expose deteriorating experience before it has an adverse impact on the Programs.

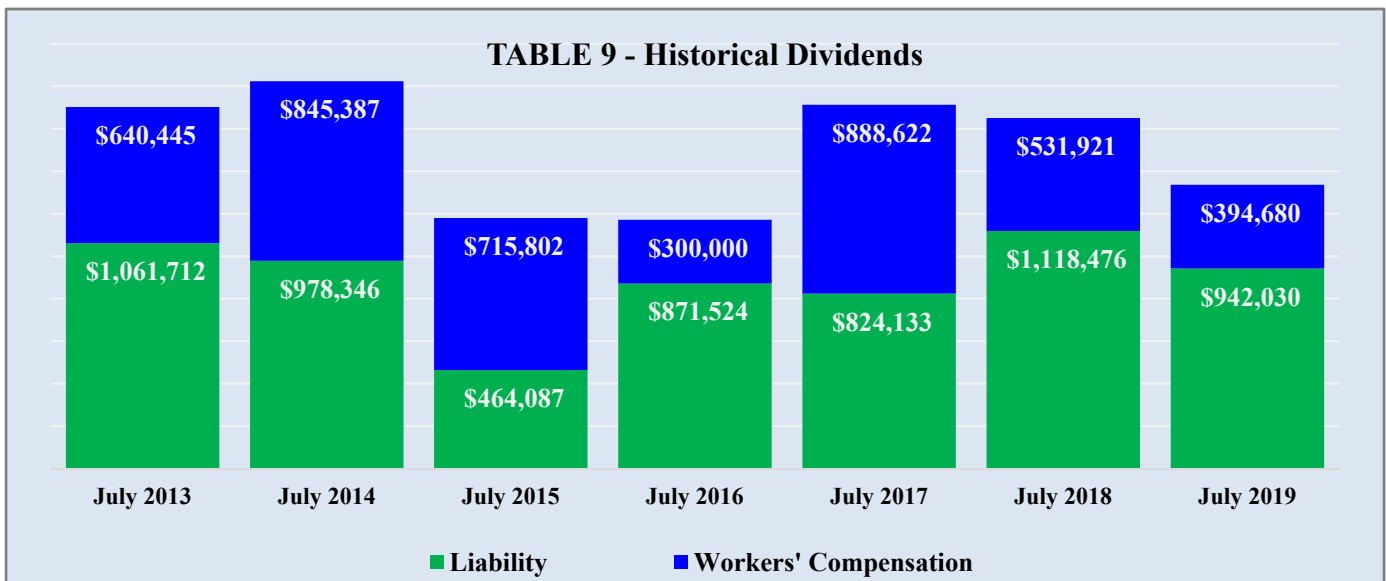
**Surplus Ratio Guidelines**

Premium to Surplus Ratio (1.5 to 1) – An indication of how surplus is leveraged against possible pricing inaccuracies.

Surplus to Retention Ratio (5 to 1) – This ratio measures how many maximum losses AORMA could pay from its surplus.

Outstanding Reserves to Surplus Ratio (1.5 to 1) – An indication of how surplus is leveraged against possible reserve inaccuracies.

Both the Workers’ Compensation and Liability Programs are in a very positive financial position. However, because of the nature of self-insured pools, a few consecutive bad years could reduce surplus by several million dollars. In response, the AORMA Committee plans for possible volatility in the future and always maintains positive surplus ratios. Noted within Table 9 are AORMA’s historical dividends.



**F. FY 18/19 Long Range Action Plan**

The AORMA Committee approved the following long range action plan items for FY 18/19:

1. Target Surplus Analysis Ratio Review
2. Workers’ Compensation Program Volunteer Coverage
3. Workers’ Compensation Program Growth (continued from FY 17/18)
4. Creation of a Fully Insured Primary Liability Program
5. Expansion of the Liability Program to include non-CSU higher education entities
6. Evaluation of Participation in the CSU Captive Insurance Vehicle (continued from FY 17/18)
7. Development of Recreation Center Good Practices (continued from FY 17/18)
8. Formation of the AORMA Benefits Program (continued from FY 17/18)
9. Theatre Inspection Common Findings Report
10. Verify and/or Place Coverage for CSU Alumni Associations
11. Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs

**G. CSURMA AORMA Committee 2019 Meeting Calendar**

The AORMA Committee adopted the following AORMA Committee meeting dates for 2019:

- March 7, 2019 at 10:00 AM.....AORMA Committee
- May 2, 2019 at 10:00 AM.....AORMA Committee
- September 4, 2019 at 9:00 AM.....AORMA Committee New Member Orientation
- September 4, 2019 at 10:00 AM.....AORMA Committee Long Range Planning Session
- September 5, 2019 at 9:00 AM.....AORMA Committee
- October 24, 2019 at 10:00 AM.....AORMA Committee (*Cancelled*)
- December 5, 2019 at 11:00 AM.....AORMA Committee (*San Francisco*)

**H. AORMA Programs Committee**

The AORMA Committee made the decision to terminate the Programs Committee (PC). The work of the PC over the past several years has resulted in extremely comprehensive program policies and procedures which have streamlined the underwriting and premium allocation process for all of the AORMA coverage programs. The PC was also instrumental in establishing loss control programs, formalizing methods of communication, and overseeing the development of “value-added” services. Now that the heavy lifting is complete, the AORMA Committee oversees and approves the programs that were put in place by the PC. The ongoing projects that the PC is currently overseeing will be merged into the AORMA Committee. From time to time, the AORMA Committee Chair may appoint an ad hoc committee to work on an underwriting project that requires additional time and/or expertise.

**I. Workers’ Compensation Payroll (automatic 6% increase)**

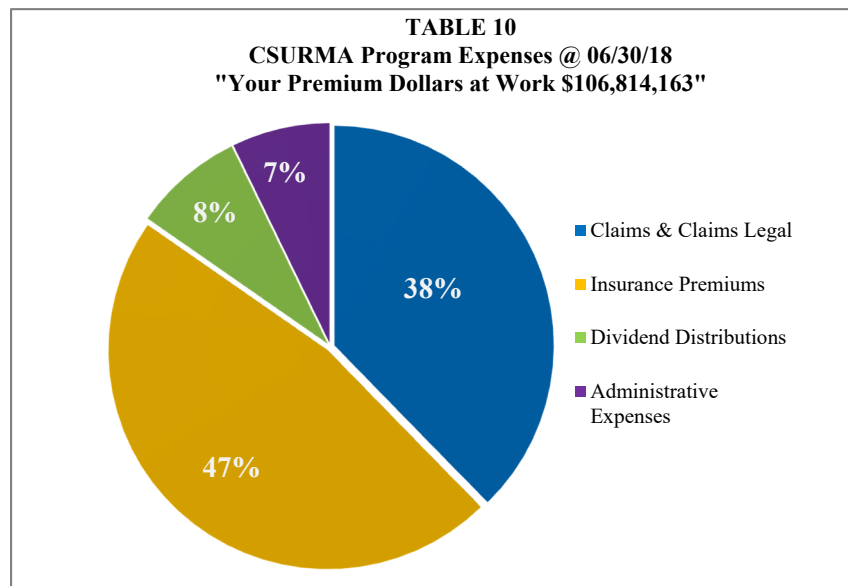
Annually in July, members report their actual payroll for the fiscal year ending on June 30<sup>th</sup>. In August/September, members report their estimated payroll for the upcoming fiscal year. In order to eliminate one of the two payroll requests, the AORMA Committee approved a new procedure which would automatically calculate the Member’s estimated payroll by trending up the actual payroll by 6% (3% for each year.) As an example, in July 2019, members will report their actual payroll for FY 18/19. The actual payroll for FY 18/19 will be trended up by 6% and used as the estimated payroll for FY 20/21. Of course, Members can provide a different estimated payroll amount. This procedure was put together as a process improvement to eliminate extra work for the Members.

**J. 2019 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 2019 Auxiliary Organizations Association (AOA) Conference.

CSURMA AORMA will participate in a session entitled “Understanding the CSURMA Club Liability Insurance Program”.

**K. CSURMA Program Expenses as of June 30, 2018 - Table 10 below demonstrates “your premium dollars at work”.**



## **L. AORMA Workers' Compensation Program Claims Administration Audit Report**

CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers' Compensation Risk Pool claims. 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 was completed in May/June, 2018 by Jacki Graf, CSURMA's Workers' Compensation Claims Consultant. This is the fifth audit of the AORMA workers' compensation program. Sedgwick's audit score for this review is 86% overall. This is a decrease of 2% from the 2016 audit; however, it still exceeds the CSURMA AORMA compliance standard of 85%.

A brief summary of the audit findings follows:

1. A 17.5% sample of the open indemnity/future medical inventory was reviewed.
2. Overall score 86%. This is a 2% decrease compared to the 2016 result.
3. Category results - Initial Contact/Documentation: 84%, Claims Management: 86%, Process Control 87%.

## **M. Unemployment Insurance Program Member Excess Funds**

The AORMA Committee suggested changes to the formula for determining the Unemployment Insurance Program (UIP) annual deposit. UI claims are trending up slightly; therefore, the Committee felt that maintaining the same minimum fund balance requirement of two times the member's average annual claims was prudent. The requirement was put into place to prevent the UIP from going into a negative position should multiple Members have significant workforce layoffs. Out of the 37 UIP members, 26 have a fund balance in excess of the required two-times average annual losses. Only one member has a negative fund balance. Once finalized, additional information will be forwarded regarding changes to the Program.

## **N. Auxiliary Organization Employee Benefits Program**

The AORMA Committee approved the CSURMA AORMA Benefits Program participation agreement which has been forward to all AOA Benefits User Group members.

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](mailto:mlong@alliant.com), 415-403-1423).



**CSURMA AORMA Committee Member  
 July 1, 2018 to June 30, 2019**

Seat	Member	Position	Type of Auxiliary	E-Mail	Telephone Number
Chair	Dwayne Brummett	Associate Executive Director	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
First Vice Chair	Dave Nakamura	Executive Director	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
Second Vice Chair	Starr Lee	Director of Administration & Legal /Associate Executive Director	The University Corporation at Monterey Bay	stlee@csUMB.edu	831-582-3000
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	Chuck Kissel	Executive Director	CSU Fullerton Auxiliary Services Corporation	ckissel@fullerton.edu	657-278-4990
At Large	Cecilia Ortiz	Director	Donald P. and Katherine B. Loker University Student Union, Incorporated	cortiz@csudh.edu	310-243-3854
At Large	Russell Wittmeier	Human Resources Director	The CSU, Chico Research Foundation	rwittmeier@csuchico.edu	530-898-5731
At Large	Trina Knight	Human Resources Director	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
At Large	Leslie Levinson	Chief Financial Officer	San Diego State University Research Foundation	llevinson@mail.sdsu.edu	619-594-8941
At Large	Bill Olmsted	Interim Executive Director	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744



**INSURER:**

Auxiliary Organization  
Risk Management  
Alliance (AORMA)

**POLICY TERM:**

July 1, 2018 to  
July 1, 2019

**MOC NO:**

AORMA-LIAB-1819



**QUESTIONS:**

**Mimi Long**

(415) 403-1423

[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto: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
- \$600,000 Mold – Each Occurrence
- \$850,000 Mold – Aggregate for Each Member

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

Markel Global Reinsurance Company – AM Best Rating A XV

Reinsurance Certificate Number: MPEREV00781602

Limit: \$2,250,000 part of \$4,500,000 excess of \$500,000

Great American Insurance Company – AM Best Rating A+ XV

Reinsurance Certificate Number: 1827309

Limit: \$2,250,000 part of \$4,500,000 excess of \$500,000

**INSURER:**

Auxiliary Organization  
Risk Management  
Alliance (AORMA)

**POLICY TERM:**

July 1, 2018 to  
July 1, 2019

**MOC NO:**

AORMA-LIAB-1819



**QUESTIONS:**

**Mimi Long**

(415) 403-1423

[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**DEDUCTIBLE:**

\$0	All coverages except;
\$25,000	Employment Practices Liability (all Member except as shown below)
\$50,000	California State University, Long Beach Research Foundation, University Enterprises, Inc., CSU Sacramento Associated Students, San Diego State University
\$75,000	California State University, Fresno 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

**INSURER:**  
Auxiliary Organization  
Risk Management  
Alliance (AORMA)

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**MOC NO:**  
AORMA-LIAB-1819



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**EXCLUSIONS:**

1. Aircraft
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

**INSURER:**  
Auxiliary Organization  
Risk Management  
Alliance (AORMA)

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**MOC NO:**  
AORMA-LIAB-1819



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**PUBLIC ENTITY EXCESS LIABILITY:**

Carrier: Ironshore Indemnity – AM Best Rating A XV  
Limits: \$5,000,000 Excess of \$5,000,000  
Policy Number: 000541308

Carrier: Argonaut & Hiscox / ATL – AM Best Rating A XIII  
Limits: \$10,000,000 Excess of \$10,000,000  
Policy Number: 290210500 & B0180PN1802965

**EXCESS FIDUCIARY LIABILITY:**

Carrier: Lloyd's of London  
Limits: \$4,650,000 Excess of \$350,000  
Policy Number: B0621PCSUR000118

**HOW TO REPORT A CLAIM:**

**Carl Warren & Company**  
[csurma@carlwarren.com](mailto:csurma@carlwarren.com)

**INSURER:**

Auxiliary Organization  
Risk Management  
Alliance (AORMA) -  
Primary

Safety National Casualty  
Corporation - Excess

**POLICY TERM:**

July 1, 2018 to  
July 1, 2019

**POLICY NO:**

AORMAWC1819  
SP4058389



**QUESTIONS:**

**Mimi Long**

(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**NAMED COVER ENTITY:**

California State University Risk Management Authority (CSURMA)

**COVER MEMBERS:** See Page Two.

**COVERAGES:**

1. Self Insured Under Layer Workers Compensation
2. Specific Excess Workers' Compensation & Employer's Liability Insurance

**LIMITS:**

Primary – AORMA (The layer is 100% reinsured by CSAC EIA)

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

Excess (This layer is insured by Safety National Casualty Corporation)

- Statutory Workers' Compensation - each accident
- \$4,250,000 Employer's Liability - each accident
- \$4,250,000 Employer's Liability – each employee for disease

**COVERAGES:**

1. Allocable Loss Adjustment Expense (“defense costs”) included as loss to satisfy the retention
2. All States Coverage
3. USL&H (Incidental Only)
4. Jones Act (Incidental Only)
5. Ninety (90) days’ notice to Insured if policy is cancelled by carrier; except for non-payment of premium.

**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](mailto:Brian.montagnese@sedgwickcms.com)

## **COVERED MEMBERS:**

1. California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
2. California State University, Bakersfield Foundation
3. CI University Auxiliary Services, Inc.
4. Associated Students of California State University, Chico
5. The CSU, Chico Research Foundation
6. Associated Students, California State University, Dominguez Hills
7. California State University, Dominguez Hills Foundation
8. Donald P. and Katherine B. Loker University Student Union, Incorporated
9. Associated Students, California State University, East Bay
10. California State University, Fresno Association, Inc.
11. The California State University, Fresno Athletic Corporation
12. Associated Students California State University, Fullerton, Inc.
13. CSU Fullerton Auxiliary Services Corporation
14. Associated Students, Humboldt State University
15. Humboldt State University Center Board of Directors
16. Humboldt State University Sponsored Programs Foundation
17. Associated Students, California State University, Long Beach
18. California State University, Long Beach Research Foundation
19. Forty-Niner Shops, Inc., CSU Long Beach
20. Cal State L.A. University Auxiliary Services, Inc.
21. University-Student Union at California State University, Los Angeles
22. University Corporation at Monterey Bay
23. Associated Students, California State University, Northridge, Inc.
24. The University Corporation, CSU Northridge
25. University Student Union of California State University, Northridge
26. Associated Students Inc., California State Polytechnic University, Pomona
27. The Cal Poly Pomona Foundation, Inc.
28. Associated Students of California State University, Sacramento
29. Capital Public Radio, Inc., CSU Sacramento
30. University Enterprises, Inc., CSU Sacramento
31. Associated Students Inc., California State University, San Bernardino
32. Santos Manuel Student Union of California State University, San Bernardino
33. University Enterprises Corporation at CSUSB
34. Associated Students, San Diego State University
35. Aztec Shops, Ltd.
36. Associated Students, Inc., San Francisco State University
37. The University Corporation, San Francisco State
38. Associated Student, San Jose State University

**COVERED MEMBERS:** *Continued*

39. San Jose State University Research Foundation
40. Spartan Shops, Inc., San Jose State University
41. The Student Union of San Jose State University
42. The Tower Foundation, San Jose State University
43. Associated Students, Inc., California Polytechnic State University at San Luis Obispo
44. Cal Poly Corporation
45. California State University San Marcos Corporation
46. Associated Students of Sonoma State University
47. Associated Students, Inc., California State University, Stanislaus
48. University Student Union of California State University, Stanislaus

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

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**Policy No:**  
017471590/05 (Dec 29)



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto: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 <b>(Combined with Campus)</b>
\$100,000,000	Boiler and Machinery Limit
\$100,000,000	Combined Business Interruption, Rental Income, Tax Interruption (for scheduled locations – for unscheduled locations - \$500,000 per member, \$2,500,000 per occurrence, \$5,000,000 per occurrence for Tax Interruption)
	Combined Business Interruption, Rental Income, Tax Interruption (for unscheduled locations)
180 Days	Extended Period of Indemnity
\$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
\$750,000	Unscheduled 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 (\$10,000,000 for Boiler and Machinery)
\$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
\$1,400,000,000	Terrorism Annual Aggregate (shared by all members)
\$1,000,000	Personal Property Outside the U.S.A.
	<u>Public Entity Pollution Liability</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>Cyber Liability</u>
\$25,000,000	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
\$2,000,000	PCI Fines and Penalties
\$2,000,000	Website Media Content Liability – Aggregate
\$2,000,000	Cyber Extortion Loss – Aggregate
	<u>Fine Arts, Artifacts and Archives</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](mailto:smcclenaghan@alliant.com)

**Elaine (Kim) Tizon**  
(415) 403-1458  
[etizon@alliant.com](mailto:etizon@alliant.com)

### After Hours Reporting:

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

### cc McLaren's Young:

**Cathryn O'Meara**  
(949) 757-1413  
(949) 757-1692 (Fax)  
[cathryn.omeara@mclarensyoung.com](mailto:cathryn.omeara@mclarensyoung.com)

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

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**Policy No:**  
017471590/05 (Dec 29)



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto: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

**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

**HOW TO REPORT A CLAIM:**

**Notify Alliant:**

**Sheila McClenaghan**  
(415) 403-1492  
[smcclenaghan@alliant.com](mailto:smcclenaghan@alliant.com)

**Elaine (Kim) Tizon**  
(415) 403-1458  
[etizon@alliant.com](mailto:etizon@alliant.com)

**After Hours Reporting:**

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

**cc McLaren's Young:**

**Cathryn O'Meara**  
(949) 757-1413  
(949) 757-1692 (Fax)  
[cathryn.omeara@mclarensyoung.com](mailto:cathryn.omeara@mclarensyoung.com)

**INSURER:**  
Lloyd's of London  
Beasley Syndicates

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019



**QUESTIONS:**

**Robert Leong**  
(415) 403-1441  
[rleong@alliant.com](mailto:rleong@alliant.com)

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**NAMED COVERED ENTITY:**

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

**TOTAL PROGRAM LIMITS:**

4,000,000 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](#)

**PRIMARY LAYER:**

**Insurer** Lloyd's of London / Beasley Syndicate  
**Rating** A.M. Best Rating: A XV / Standard and Poor's Rating: A+  
**Retroactive Date** July 1, 2008  
**Coverages and Limits** Annual Policy and Program Aggregate for All Insureds and Member Combined \$25,000,000  
Annual Aggregate each CSURMA Member \$17,000,000  
**Retention** CSU Auxiliary Organizations \$25,000  
CSU Campuses \$100,000  
8 Hour waiting period for first party claims

**FIRST PARTY LOSS  
CSURMA MEMBER ANNUAL AGGREGATE LIMITS**

Systems Failure \$750,000  
Dependent Business Loss - Dependent Security Breach \$2,250,000  
Media Liability - Website Media Content Liability \$2,000,000

**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 Beasley 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](mailto: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](mailto:rfrey@alliant.com)

**INSURER:**

Illinois Union Insurance Company

**POLICY NO.**

PPL G2716822A 006

**A.M. BEST RATING:**

A++ (Superior)  
XV (\$2Billion or greater)

**S&P RATING:**

AA, Very Strong

**POLICY TERM:**

July 1, 2018 to  
July 1, 2019

**RETROACTIVE DATE:**

July 1, 2011



**QUESTIONS:**

**Mimi Long**

(415) 403-1423

[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**POLICY TERM:**

July 1, 2018 to  
July 1, 2019

**This is a “claims-made and reported” policy:**

Claims are required to be discovered and reported within the policy period. Coverage only applies to pollution conditions or indoor environmental conditions that first commence, in their entirety, on or after the retroactive date (July 1, 2011) and prior to policy expiration.

**NAMED INSURED:**

California State University Risk Management Authority, the California State University, and all California State University Auxiliary Organization

**ADDITIONAL NAMED INSURED:**

All California State University campuses and auxiliary organizations

**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:**

**Pollution Conditions or Indoor Environmental Conditions:** Coverage for claims and first-party claims arising out of: A pollution condition on, at, under or migrating from a covered location; or an indoor environmental condition at a covered location.

**Transportation Coverage:** Coverage for claims and first-party claims arising out of a pollution condition resulting from transportation.

**Non-Owned Disposal Site Coverage:** Coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site.

**Covered Operations Coverage:** Coverage for claims and first-party claims arising out of a pollution condition or indoor environmental condition resulting from covered operations. Covered operations are defined as any operations specifically identified in the application and any supporting documentation provided to the Insurer by the Insured prior to policy inception which are performed by or on behalf of the Insured outside the physical boundaries of a covered location. Covered operations does not mean transportation.

**Products Pollution Coverage:** Coverage for claims arising out of product pollution.

**Indoor Environmental Condition definition** includes fungi and legionella.

**Pollution Condition definition** includes illicit abandonment.

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**RETROACTIVE DATE:**  
July 1, 2011



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**LIMITS:**

- \$7,000,000 Per Pollution Condition or Indoor Environmental Condition
- \$7,000,000 Policy Aggregate limit for all Pollution Conditions and Indoor Environmental conditions
- \$4,500,000 Per Indoor Environmental Condition Sublimit and Aggregate
- \$3,000,000 Per Indoor Environmental Condition (caused by bacteria or viruses) Sublimit and Aggregate
- \$7,000,000 Per Product Condition Sublimit
- \$7,000,000 Aggregate Product Conditions Sublimit
- \$7,000,000 Aggregate Operations Conditions Sublimit
- \$500,000 Catastrophe Management Costs Sublimit; however, \$250,000 of this limit may be eroded by other APIP member prior to CSURMA loss.

- \* Defense costs are inside (and will reduce) the total limit.
- \* The insurer has a duty to defend.

**SELF-INSURED RETENTION:**

- \$250,000 Per Pollution Condition or Indoor Environmental Condition
- \$250,000 Per Operations Conditions
- \$50,000 Per Pollution condition or Indoor Environmental Condition for location associated with Auxiliary services
- \$50,000 Per Pollution condition arising from Covered Operations for locations associated with Auxiliary services
- 3 Days Per Pollution Condition or Indoor Environmental Condition – Business Interruption

**EXTENDED REPORTING PERIOD:**

- 90 Days Automatic Basic Extended Reporting Period
- 33 Months Optional Extended Reporting Period available for not more than 200% of full policy premium



**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**RETROACTIVE DATE:**  
July 1, 2011



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**EXCLUSIONS:** *Including but not limited to:*

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

**POLICY TERM:**

July 1, 2018 to  
July 1, 2019

**RETROACTIVE DATE:**

July 1, 2011



**QUESTIONS:**

**Mimi Long**

(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**HOW TO REPORT A CLAIM:**

**IMMEDIATE NOTICE** should be made to CHUBB Environmental Risk:

**To: CHUBB Environmental Risk Claims Manager  
CHUBB USA Claims  
P.O. Box 5103  
Scranton, PA 18505-0510**

(888) 310-9553 – 24 Hour Emergency Response Hotline

[casualtyriskenvironmentalfirstnotice@chubb.com](mailto:casualtyriskenvironmentalfirstnotice@chubb.com)

cc: Alliant

**[CSURMAclaims@alliant.com](mailto:CSURMAclaims@alliant.com)**

**After Hours Reporting:**

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**POLICY NO:**  
PCSUR000318



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto: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](mailto:smcclenaghan@alliant.com)

**Elaine (Kim) Tizon**  
(415) 403-1458  
[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)

### After Hours Reporting:

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

**INSURER:**  
Travelers Excess and  
Surplus Lines Company

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**POLICY NO:**  
105960479



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto: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 \$1000 per week for five 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
6. Travel and accommodations expense up to 1000 per week up to five weeks which are incurred in the process resolving fraud.

**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](mailto:bondclaimidfraud@travelers.com)

**INSURER:**  
AGCS Marine Insurance  
Company

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**POLICY NO:**  
MXI93058679



**QUESTIONS:**

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Andrew Gaspari**  
(415) 403-1412  
[andrew.gaspari@alliant.com](mailto:andrew.gaspari@alliant.com)

**NAMED COVERED ENTITY:**

California State University Risk Management Authority  
CSURMA Auxiliary Organizations Risk Management Alliance (AORMA)  
(Participant Members List on File With The Company)

**COVERAGE:**

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

**LIMITS OF LIABILITY:**

As per individual member schedule as part of the policy

**ENHANCED COVERAGE SUBLIMITS:**

\$250,000	Additionally Acquired Equipment (45 days)
\$10,000	Temporary Transportation Rental Expense
\$1,000,000	Unscheduled Non-owned Vehicles and Equipment
total /	
\$500,000 any	one item

**DEDUCTIBLE:**

As per schedule on file

**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 action

**INSURER:**

*AGCS Marine Insurance  
Company*

**POLICY TERM:**

*July 1, 2018 to  
July 1, 2019*

**POLICY NO:**

*MXI93058679*



**QUESTIONS:**

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Andrew Gaspari**

(415) 403-1412

[andrew.gaspari@alliant.com](mailto:andrew.gaspari@alliant.com)

**HOW TO REPORT A CLAIM:**

**CLAIMS REPORTING**

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

Elaine Tizon  
(415) 403-1458

[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

This is a "claims-made" policy. Coverage is only provided for claims which are both: (1) first made against the Insured during the Policy Period; and (2) reported to the Insurer as soon as practicable, but not later than three years after the Policy Period.

**INSURED:**

California State University Risk Management Authority

**COVERED PARTIES:**

1. California State University (CSU)
2. All campuses of the CSU
3. Board of Trustees of the CSU
4. Employees, Faculty, Staff of the CSU
5. Elected/Appointed Officials of the CSU
6. CSU Auxiliary Organizations, and their Employees, Officers, Directors, Volunteers and Agents
7. All Student Clubs Officially Recognized by the CSU
8. All members in Student Clubs Officially Recognized by the CSU

***It is a requirement for CLIP coverage that all Officially Recognized Clubs be reported to the Program Administrator.***

**ADDITIONAL INSUREDS:**

Any affiliate institution to whom the Named Insured is obligated by written agreement to provide such coverage as is afforded by this policy.

***The Campus Risk Management department will be asked to verify that the club is officially recognized by the CSU prior to requesting a Certificate of Insurance.***

***The CLIP Insurer will indemnify and defend an additional insured third-party only if there is a written agreement requiring that the third-party be named as an additional insured.***

**COVERAGES:**

1. General Liability, claims-made

**COVERAGE DESCRIPTION:**

Covers General Liability Coverage for Officially Recognized Clubs (per Executive Order 1068\*) of the California State University. Coverage provided for both on and off campus activities.

\*<http://www.calstate.edu/eo/eo-1068.html>

**LIMITS:**

\$1,000,000 Each Loss  
\$5,000,000 Aggregate for all Covered Parties, and not per student



**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**MEMBER'S DEDUCTIBLE:**

\$0 Per Claim

**COST:**

\$153,000 To be allocated to the campuses based on its percentage of the total University payroll

**The campus allocation of the CLIP premium will be included within the total FY 19/20 liability premium. There will be no charge for FY 18/19. The campus allocation of the total CLIP costs will be included in the "early bird" letter that you will receive in the Fall of 2018.**

**COVERAGE EXTENSIONS:**

1. **Damage to Property of Others:** for damage caused accidentally by a Covered Party to the property of others at your location; \$1,000 per incident; \$100,000 aggregate
2. **Assault Coverage:** covers your medical expenses or reimburses you for damage to your property if you are assaulted at your location; \$5,000 per incident; \$100,000 aggregate
3. **Medical Payments:** reimbursement of medical expenses to others injured on your location; \$5,000 per incident; \$100,000 aggregate
4. **First Aid Expenses:** for expenses you incur in rendering first aid to others: \$1,000 per defendant; \$100,000 aggregate
5. **Defendant Expense Benefit:** reimburses you for lost wages and other expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim: \$1,000 per defendant; \$100,000 aggregate

**NO EXCLUSION FOR:**

1. Sexual Harassment
2. Abuse or Molestation
3. Corporal Punishment

**MAJOR EXCLUSIONS:**

1. Automobile Liability
2. Alcohol furnished at Club Activities / Events (unless served by a licensed third party provider)
3. Fraternal Organizations (men and women)
4. Hazing
5. Injuries to Participants while participating in athletic activities
6. Intentional Discrimination

**COMMENTS / CONDITIONS:**

1. This is a "claims-made" policy. Coverage is only provided for claims which are both:  
(1) first made against the Insured during the Policy Period; and  
(2) reported to the Insurer as soon as practicable, but not later than three years after the Policy Period.

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**HOW TO REQUEST A CERTIFICATE OF INSURANCE:**

Via CSURMA website – [www.csurma.org](http://www.csurma.org)

- Or -

Via email - [CSURMACOI@alliant.com](mailto:CSURMACOI@alliant.com)

1. The Campus Risk Management Department will be asked to verify that the club is officially recognized by the CSU prior to submitting a request for a certificate of insurance
2. Include an executed agreement with your request for an additional insured endorsement

**HOW TO REPORT A CLAIM:**

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

Via email – [CSURMAclaims@alliant.com](mailto:CSURMAclaims@alliant.com)

**INSURER:**  
Chubb / ACE  
Insurance

**POLICY TERM:**  
July 01, 2018 to  
July 01, 2019

**POLICY NO:**  
GLMN004950872R



**QUESTIONS:**

**Stacey Weeks**  
(415) 403-1448  
[sweeks@alliant.com](mailto:sweeks@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**  
(415) 403-1448  
[rleong@alliant.com](mailto:rleong@alliant.com)

**IN THE EVENT OF A MEDICAL ASSISTANCE, MEDICAL EMERGENCY, TRAVEL ASSISTANCE, AND/OR SECURITY ASSISTANCE, THE CSU PARTICIPANT SHOULD CONTACT THE TRAVEL ASSIST PROVIDER TO INITIATE ASSISTANCE:**

**ACE Travel Assistance Program**  
Assistance Provider: **AXA Assistance USA, Inc.**  
1-630-694-9764 (Direct Dial)  
Email: [medassist-usa@axa-assistance.us](mailto:medassist-usa@axa-assistance.us)

**INSUREDS:**

Trustees of the California State University - California State University Risk Management Authority (CSURMA)

**COVERED PARTIES (Eligible Persons):**

All employees and students of the CSU and its Auxiliary Organizations traveling outside of the United States

**COVERAGE TERRITORY:**

ANYWHERE IN THE WORLD excluding:

- the United States of America, Puerto Rico, (including its territories and possessions); and
- any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws regulations of the United States of America

**COVERED ACTIVITIES:**

Educational Travel – university/auxiliary business, academic credit while traveling outside the United States

**COVERAGES:**

**Primary General Liability**

- |             |  |
|-------------|--|
| \$5,000,000 | Coverage A – Bodily Injury/Property Damage Each Occurrence   |
| \$5,000,000 | Aggregate Limit/Products/Completed Ops   |
| \$1,000,000 | Premises Damage Limit  |
| \$5,000,000 | Coverage B–Personal Injury & Advertising Injury–Aggregate Limit  |
| \$ 10,000   | Coverage C – Medical Expense Limit (any one person)  |
| \$1,000,000 | Employee Benefits Liability Endorsement – each claim (subject to \$1,000 deductible) (Claims Made Coverage) and Annual Aggregate |

**Contingent Auto Liability (Excess)**

- |             |   |
|-------------|---|
| \$1,000,000 | Bodily Injury/Property Damage Liability each accident |
| \$100,000   | Hired Auto Physical Damage/any one policy period      |
| \$25,000    | Auto Medical Payments/each person/each accident       |

**Employers Responsibility Coverage Voluntary Compensation**

- |                |   |
|----------------|---|
| State of Hire  | North Americans – State of Hire             |
| Country Origin | Third Country Nationals – Country of Origin |
| Country Origin | Local Nationals – Country of Origin         |

**Employers Liability**

- |             |  |
|-------------|--|
| \$1,000,000 | Bodily Injury by Accident/each Accident                            |
| \$1,000,000 | Bodily Injury by Disease/each Employee (including Endemic Disease) |
| \$1,000,000 | Bodily Injury by Disease/Policy Limit (including Endemic Disease)  |

**INSURER:**  
Chubb / ACE  
Insurance

**POLICY TERM:**  
July 01, 2018 to  
July 01, 2019

**POLICY NO:**  
GLMN004950872R



**QUESTIONS:**

**Stacey Weeks**  
(415) 403-1448  
[sweeks@alliant.com](mailto:sweeks@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**  
(415) 403-1448  
[rleong@alliant.com](mailto:rleong@alliant.com)

**Primary Accident or Sickness Expense Benefit**

\$250,000 Primary travel accident/sickness expense benefit  
\$1,000 Maximum Dental Treatment (Injury Only)  
\$500 Dental Alleviation of Pain only  
Preexisting conditions – treated as any other medical condition  
Maximum for Room & Board Charges – average semi-private room rate  
\$2,000 Maximum for *Therapeutic Termination* of Pregnancy  
\$0 Deductible  
365 Maximum Period of Coverage  
60 days – Incurral Period after the date of the Covered Accident or Sickness

**Emergency Medical Benefits**

Up to \$10,000 Emergency Medical Benefit Maximum

**Emergency Medical Evacuation**

100% of Covered Expense Covered expenses for guarantee of payment to a medical provider hospital or treatment facility – **limited to \$250,000 from Antarctica and Greenland**  
Benefits Covered Expenses will not be payable unless the Doctor ordering the evacuation certifies the severity of Medical Emergency – covered expenses:

- Medical Emergency
- Require Emergency Medical Evacuation
- Medical Transport for Medically Necessary treatment
- Dispatch of a Doctor or Specialist – Doctor’s assessment/evaluation made by Travel Assistant Provider
- Transportation after Stabilization – Home Country or host country or join the group if moved on to different location

**Repatriation of Remains**

100% of Covered Expense Covered expenses for preparation and return of remains to home country if death is a result of a Medical Emergency while traveling. Benefits will not be payable unless authorized in writing by the Travel Assistance Provider – covered expenses include

- Expenses for embalming or cremation
- The least costly coffin or receptacle adequate for transporting the remains
- Transporting the remains
- Escort Services

**Emergency Reunion Benefit**

\$5,000 Benefit Maximum  
\$300 Daily Benefit Maximum  
10 days Maximum Number of Days  
Round Trip Ticket to fly to injured participant included in Maximum Benefit

**Emergency Hotel Convalescence Benefit – Enhancement FY 2018-2019**

Up to \$100 per day up to seven (7) days for hotel room convalescence should the treating Doctor determine this to be necessary immediately following a Hospital confinement during travel and prior to returning home

**INSURER:**  
Chubb / ACE  
Insurance

**POLICY TERM:**  
July 01, 2018 to  
July 01, 2019

**POLICY NO:**  
GLMN004950872R



**QUESTIONS:**

**Stacey Weeks**  
(415) 403-1448  
[sweeks@alliant.com](mailto:sweeks@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**  
(415) 403-1448  
[rleong@alliant.com](mailto:rleong@alliant.com)

**Home Country Extension Benefit – Enhancement FY 2018-2019**

Benefits for Covered Expenses if treatment for a covered Injury or Sickness while in Home Country provided treatment is rendered within Incurral Period. Benefits limited to benefits that would be otherwise payable under the Medical Expense Benefit if outside Home Country. Benefits are payable only to the extent that Covered Expenses are **not** payable under any other domestic health care plan

**Security Evacuation Expense Benefit**

Up to \$50,000 and no more than \$500,000 as the result of one Security Evacuation Occurrence that takes place during the Covered Activity and while traveling outside Home Country

**Trip Cancellation Benefit**

Up to \$2,500 Reimbursement for a non-refundable covered expenses paid if you are prevented from taking the Trip as the result of Injury, Sickness, or you or your Family Member's death prior to the scheduled Trip departure date. The Injury or Sickness must be so disabling as to reasonably cause a Trip to be canceled, or the condition is life-threatening, or because the Family Member requires the care of the participant. Family Member means spouse, child, brother, sister, parent, grandparent or immediate in-law

**Trip Interruption Benefit**

Up to \$2,500 Reimbursement of cost for one-way economy air and/or ground transportation ticket, if the Trip is interrupted as the result of 1) death of a Family Member; or 2) unforeseen Injury or Sickness of the participant or a Family Member. The Injury or Sickness must be so disabling as to reasonably cause a Trip to be interrupted; or 3) Medically Necessary covered Emergency Medical Evacuation to return to Home Country or to the area from which the initial evacuation for continued treatment, recuperation and recovery of an Injury or Sickness; or 4) substantial destruction of your principal residence by fire or weather related activity. Family Member means spouse, child, brother, sister, parent, grandparent or immediate in-law

**Trip Cancellation/Interruption Benefit (Self-Funded)**

Up to \$2,500 Limited self-insured coverage for trip cancellation/interruption, addressing the cost of cancelling or early return from travel triggered by critical events that may not be covered under the insurance program

**Trip Delay Benefit**

Up to \$200 per person per day up to 5 days \$1,000 Benefit Maximum Subject to \$1,000 Benefit Maximum - Reimbursement for Covered Expenses incurred if your Trip is delayed for more than 12 hours. Covered Expenses include charges incurred for reasonable additional accommodations and traveling expenses until travel becomes possible. Benefit is payable for only one delay of your Trip

**Accidental Death & Dismemberment Benefit**

\$100,000 For Employee/Student – Injury/sickness that results in an **Accidental** death  
For Others – Injury/sickness that results in an **Accidental** death

**Aggregate Limit Benefit**

\$3,000,000 Aggregate Limit/Benefit Maximum for all Accidental Death & Dismemberment losses per Covered Accident

**INSURER:**

Chubb / ACE  
Insurance

**POLICY TERM:**

July 01, 2018 to  
July 01, 2019

**POLICY NO:**

GLMN004950872R



**QUESTIONS:**

**Stacey Weeks**

(415) 403-1448  
[sweeks@alliant.com](mailto:sweeks@alliant.com)

**Van Rin**

(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**

(415) 403-1448  
[rleong@alliant.com](mailto:rleong@alliant.com)

**EXCLUSIONS (Major and not limited too):**

- Injury resulting from off-road motorcycling; scuba diving; jet, snow or water skiing; mountain climbing (where ropes or guides are used); sky diving; amateur automobile racing; automobile racing or automobile speed contests; bungee jumping; spelunking; white water rafting; surfing; or parasailing
- Injury sustained while participating in club, intramural, intercollegiate, interscholastic, professional or semi-professional sports
- Services, supplies, or treatment including any period of Hospital confinement which is not recommended, approved, and certified as Medically Necessary and reasonable by a Doctor, or expenses which are non-medical in nature
- Routine physicals and care of any kind
- Routine dental care and treatment
- Routine nursery care
- Services or expenses incurred in the Covered Person's Home Country
- Benefits for any loss or Injury that is caused by or results from intentionally self-inflicted injury; suicide or attempted suicide (applicable to Accidental Death and Dismemberment Benefit only)
- You being legally intoxicated as determined according to the laws of the jurisdiction in which the Injury occurred
- War or any act of war, whether declared or not
- Commission of, or attempt to commit, a felony
- Sickness, disease, bodily or mental infirmity, bacterial or viral infection, or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food (applicable to accident *benefits only*)

## 2018/19 FTIP RATES

Applicable for all CSU-approved travel to foreign countries. Special approval and additional premium apply for travel to high hazard areas described below. CSU assumes no responsibility for travel anywhere that has not been approved by CSU.

*Rates do not include High Hazardous Rate*

<u># Days<sup>1</sup></u>	<u>Per Participant / Per Trip</u>
1 - 15	\$60
16 - 31	\$75
32 - 90	\$140
91 - 180	\$265
181 - 270	\$325
271 - 364	\$500
365 +	<i>Refer to Alliant</i>

Rates apply per participant / per trip

<sup>1</sup> # Days is from start of trip to end of trip, including travel to/from home.

### Additional Premium for Travel to High Hazardous Countries

*to be added to above rates*

#### Liability Premium Supplement

Per Participant

**Area2** **\$100** per 30 days

*2 Refer to List of High Hazardous Countries*

Rate is per Employee per Trip.

Rate is for travel up to 30 days.

*REFER TO Alliant if travel is more than 30 days.*

#### A&H Premium Supplement

**Area 1:** **\$6.85** per participant / per day

Central African Republic, Chechnya, Democratic Republic of Congo, Egypt, Israel, Libya, Nigeria, Somalia

**Area 2:** **\$2.75** per participant / per day

Algeria, Burkina Faso, Chad, Guinea, Ivory Coast, Lebanon, Mali, Pakistan

**Area 3:** **\$12.35** per participant / per day

Afghanistan, Iran, Iraq, South Sudan, Sudan, Syria, Ukraine, Yemen

## 2018/19 FTIP "Overlay" RATES \*

Applicable only for Study Abroad programs provided by a vendor who has a valid written agreement with CSU, and travel accident insurance is required to be purchased from that vendor. CSU assumes no responsibility for travel anywhere that has not been approved by CSU.

*Rates do not include High Hazardous Rate*

<u># Days<sup>1</sup></u>	<u>Per Participant / Per Trip</u>
1 - 15	\$20
16 - 31	\$28
32 - 90	\$43
91 - 180	\$69
181 - 270	\$83
271 - 364	\$117
365 +	<i>Refer to Alliant</i>

Rates apply per participant / per trip

<sup>1</sup> # Days is from start of trip to end of trip, including travel to/from home.

### Additional Premium for Travel to High Hazardous Countries

*to be added to above rates*

#### Liability Premium Supplement

Per Participant

**Area2** **\$100** per 30 days

*2 Refer to List of High Hazardous Countries*

Rate is per Employee per Trip.

Rate is for travel up to 30 days.

*REFER TO Alliant if travel is more than 30 days.*

#### IMPORTANT NOTE

#### \* Limited Overlay Coverage


This coverage is intended to supplement, not replace, the insurance required by the Study Abroad vendor who, under a written agreement with CSU, provides educational opportunities for CSU students to study abroad. This extension to the vendor's insurance provides General Liability insurance, **but does not include** Travel Assistance, Accident & Health or any of its associated benefits including but not limited to: Medical Expense, Emergency Medical, Emergency Medical Evacuation, Repatriation of Remains, Emergency Reunion, Home Country Extension, Security Evacuation, Trip Cancellation, Trip Interruption, Accidental Death & Dismemberment, Coma, Felonious Assault, Hijacking and Air Piracy, etc.

# CAL POLY POMONA FOUNDATION, INC.

## Memorandum

**Date:** November 21, 2018

**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 15<sup>th</sup>, the 15<sup>th</sup> day of the 5<sup>th</sup> 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 15<sup>th</sup> 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.



**David F Prenovost CPA  
3084 Cove Landing Road  
Chino Hills, CA 91709  
909-628-3945**

October 30, 2018

**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, 2018**

**Date Due:** November 15, 2018

**Remittance:** None is required. Your 2017 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 May 15, 2019; 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**

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

OMB No. 1545-1709

(Rev. January 2017)

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

Department of the Treasury  
Internal Revenue Service

▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://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](http://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.

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

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 **05/15/19**, 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 **07/01/17**, and ending **06/30/18**

**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

<b>3a</b> 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.	<b>3a</b>	\$	0
<b>b</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.	<b>3b</b>	\$	0
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	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, 2018**

**Date Due:** November 15, 2018

**Remittance:** None is required. Your 2017 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 May 15, 2019; 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**

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

OMB No. 1545-1709

(Rev. January 2017)

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

Department of the Treasury  
Internal Revenue Service

▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

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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.

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

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
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Form 990-T (trust other than above)	06	Form 8870	12

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

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

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<b>3a</b> 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.	<b>3a</b>	\$	0
<b>b</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.	<b>3b</b>	\$	0
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0

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**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, 2018 is being filed electronically with the IRS by the services of David F Prenovost CPA.
- [X] Your extension was accepted by the IRS on 10/30/18 and the Submission Identification Number assigned to your return is 33572020183030011201.

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, 2018 is being filed electronically with the IRS by the services of David F Prenovost CPA.
- [X] Your extension was accepted by the IRS on 10/30/18 and the Submission Identification Number assigned to your return is 33572020183030011342.

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, 2018**

**Date Due:** November 15, 2018

**Remittance:** Your Form 3539 (for Form 199) for the tax year ended 6/30/18 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 6/30/18" 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, 2019; therefore, the return must be filed on or before this date. We will be contacting you by May 15, 2019 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 California corporation number, FEIN, or CA SOS file number and "2017 FTB 3539" on the check or money order. Detach form below. Enclose, but **do not** staple, payment with the 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 17, 2018**  
**Calendar year S corporations — File and Pay by March 15, 2018**  
**Calendar year exempt organizations — File and Pay by May 15, 2018**  
**Employees' trust and IRA — File and Pay by April 17, 2018**  
**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 on April 16, 2018, tax returns filed and payments mailed or submitted on April 17, 2018, will be considered timely.

**ONLINE SERVICES:** Make payments online using Web Pay for Businesses. Corporations or exempt organizations can make an immediate payment or schedule payments up to a year in advance. Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) 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

CALIFORNIA FORM

**2017** **Payment for Automatic Extension** **3539 (CORP)**  
**for Corporations and Exempt Organizations**

0505207 CALP 95-2417645 000000000000 17 FORM 3  
 TYB 07-01-2017 TYE 06-30-2018  
 CAL POLY POMONA FOUNDATION INC

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

(909) 869-2948


Amount of Payment 10.

# Memorandum



Date: November 13, 2018

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 Santomauro, Senior Account Manager Government Specialist with Wells Fargo.

# Payment processing review

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## **CAL POLY POMONA FOUNDATION REVIEW**

Presented by Sandra Santomauro

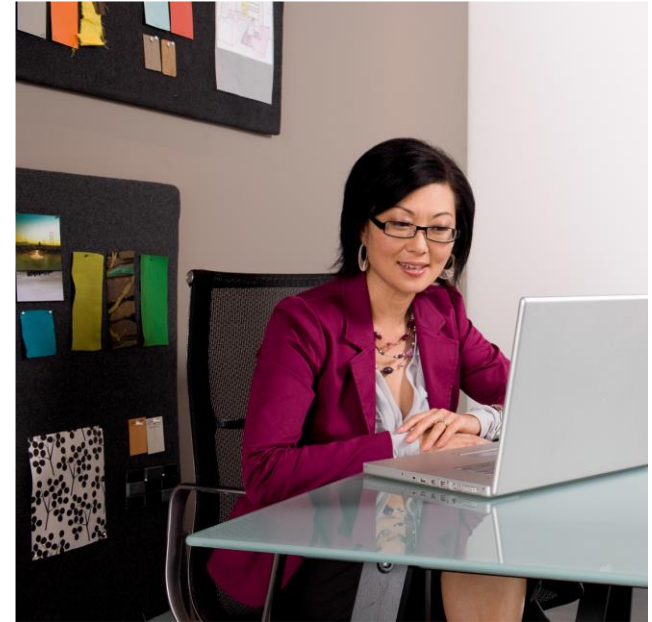
November 9, 2018

Together we'll go far



# 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
  - Various



# Account activity summary

	Jul 2015 - Jun 2016	Jul 2016 - Jun 2017	Jul 2017 - Jun 2018
<b>Payment processing activity</b>			
Gross payment processing \$ sales volume	\$17,801,390	\$27,274,502	\$27,703,517
Total \$ sales refunds volume	\$57,184	\$442,688	\$451,527
Net payment processing \$ sales volume	\$17,744,206	\$26,831,815	\$27,251,990
Gross sales # transactions	812,811	1,041,120	1,068,503
Total sales refunds # transactions	698	5,701	6,439
Net sales # transactions	812,113	1,035,419	1,062,064
Average \$ transaction size ("ticket size")	\$21.90	\$26.20	\$25.93
<b>Card dispute activity*</b>			
Card dispute ("chargeback") volume	\$800	\$7,065	\$6,371
% of total card payment volume disputed	0.01%	0.03%	0.03%
Disputed transactions	18	41	92
% of total transactions disputed	0.0%	0.0%	0.01%
<b>Interchange activity*</b>			
% of payment processing volume which downgraded to a higher interchange rate	2.86%	2.32%	2.49%

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

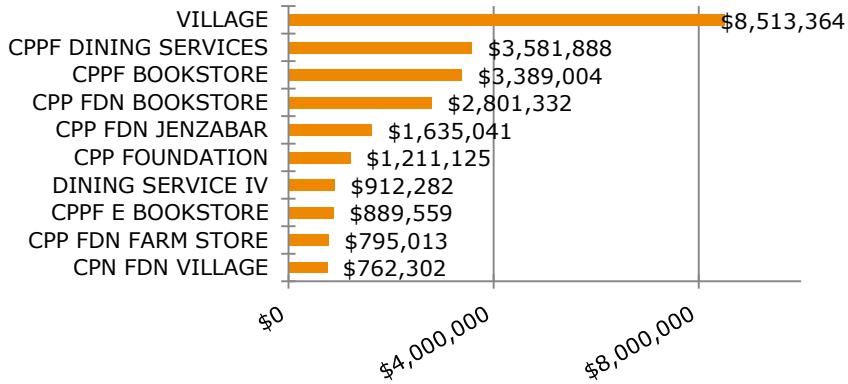
# Location ranking

Ranked by volume, downgrades, chargebacks and refunds

July 2017 - June 2018

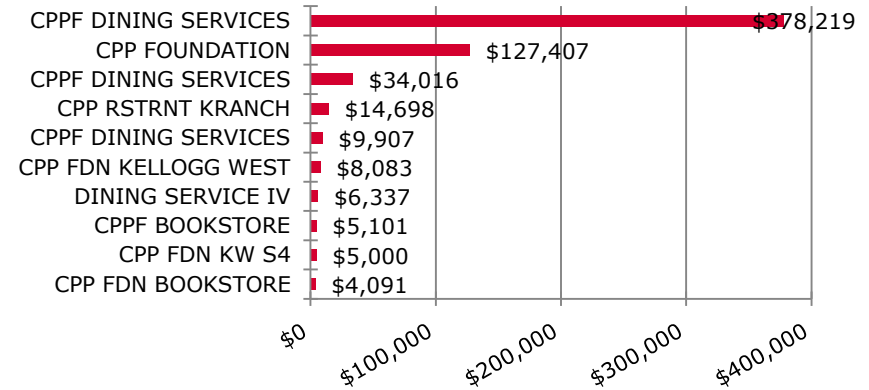
**Total gross sales volume**

\$24,490,910\*



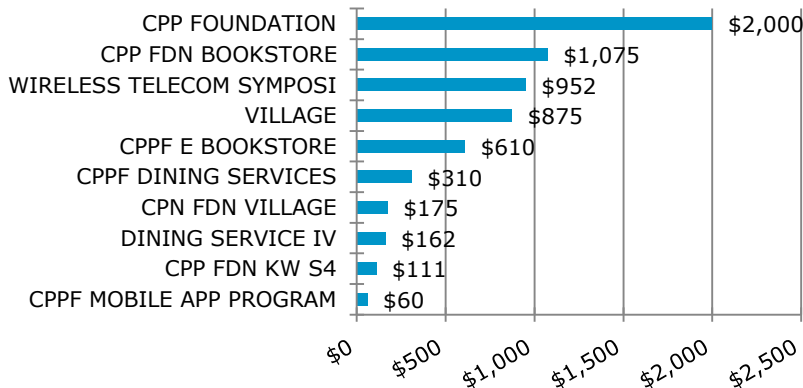
**Total downgrades (gross)**

\$592,860\*



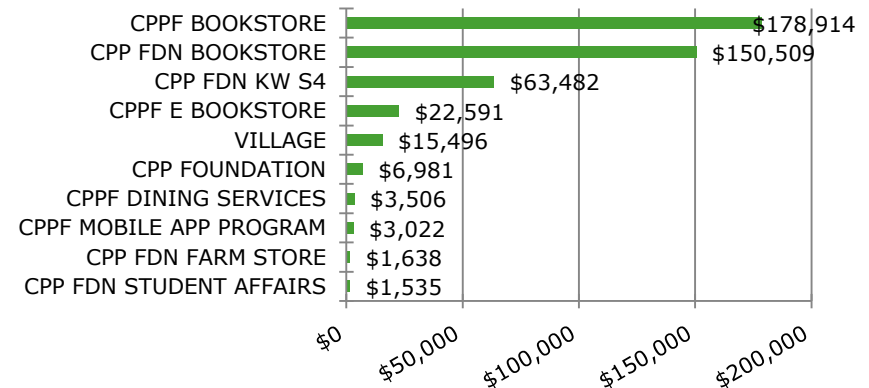
**Total gross chargebacks**

\$6,331\*



**Total refunds**

\$447,673\*

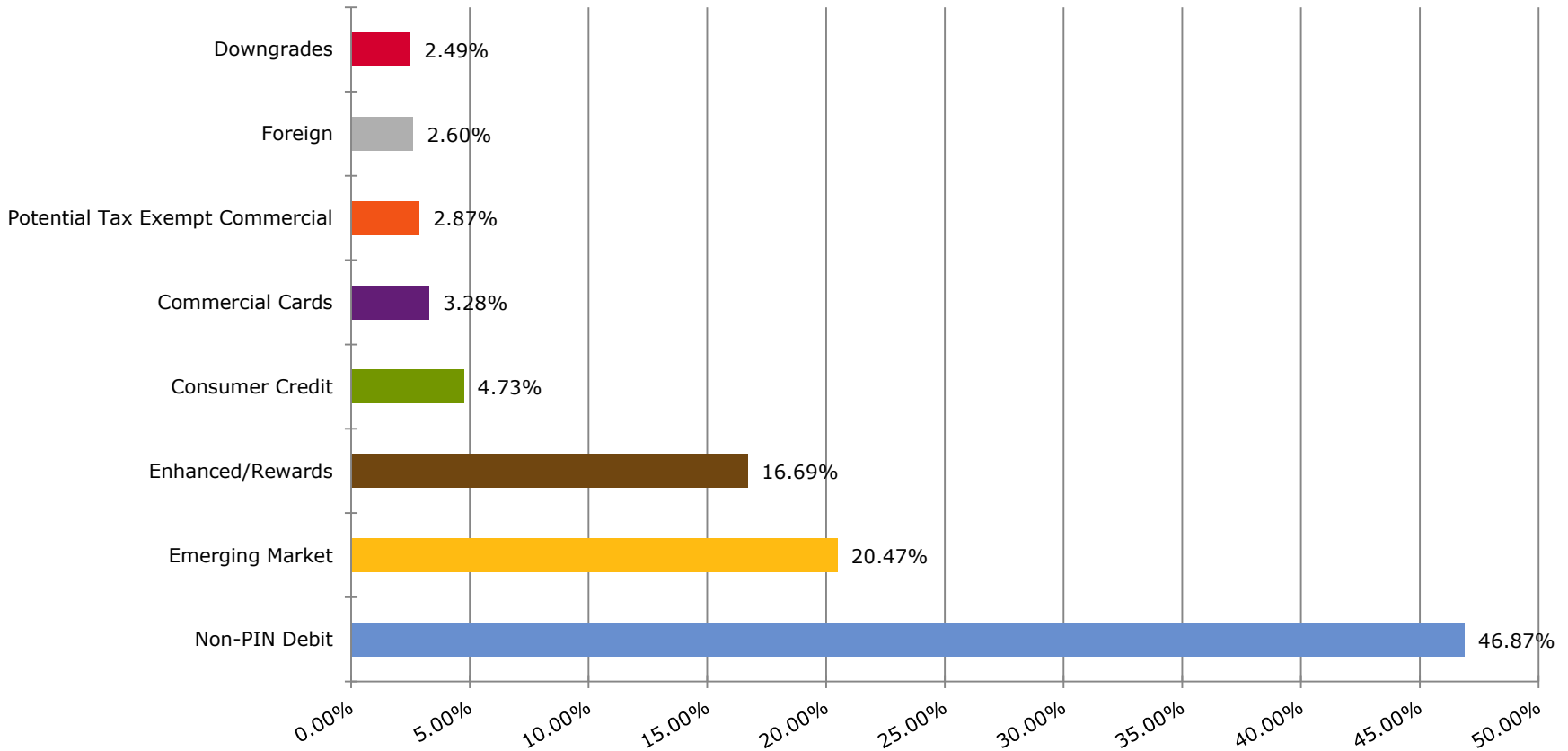


\*Does not include chargebacks or reversals or sales volume from sales locations which may have closed

# Interchange statistics

Combined sales volume for Visa, MasterCard, and Discover

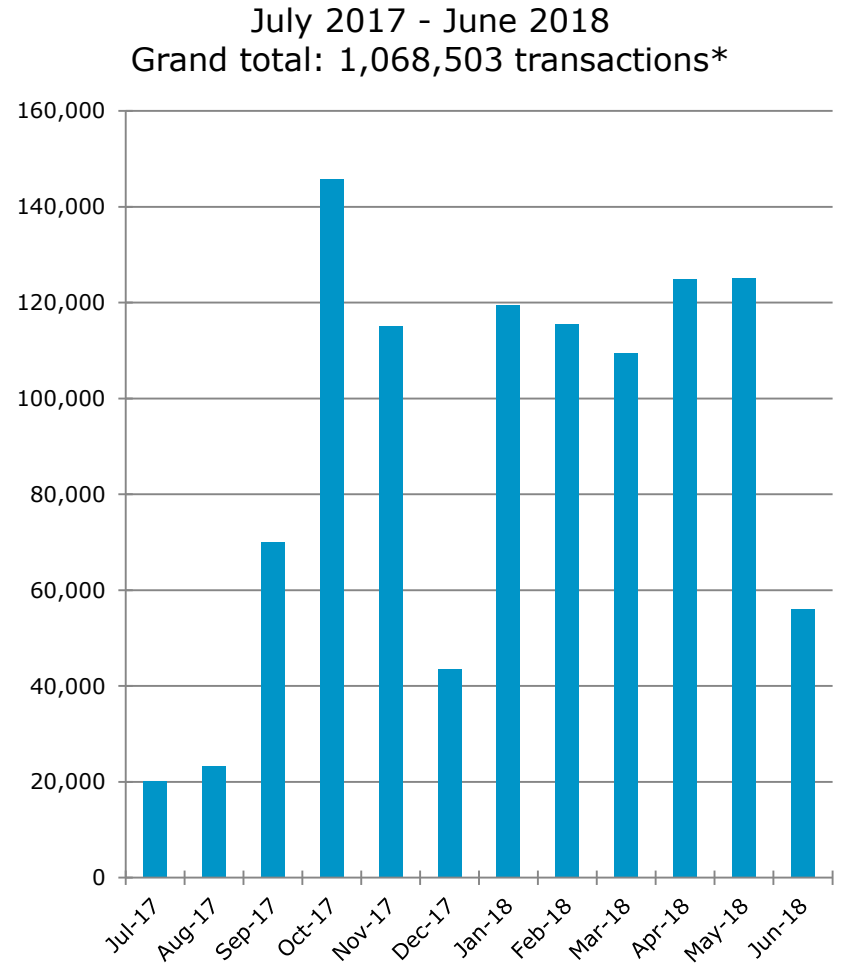
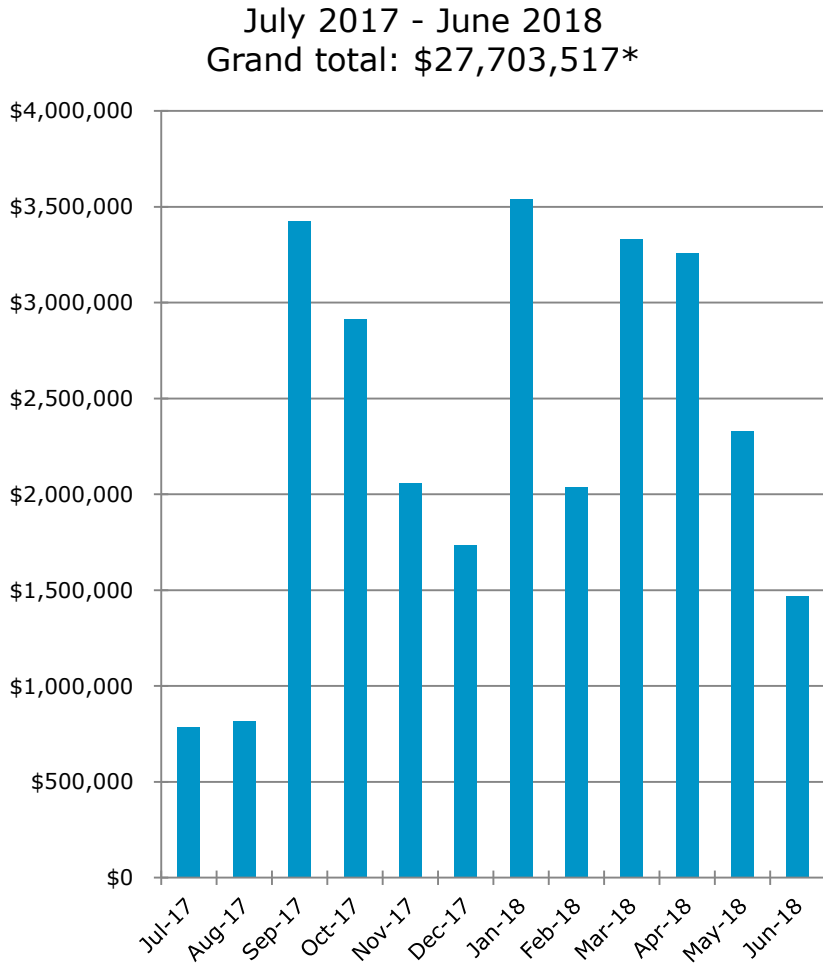
**July 2017 - June 2018**  
**Total sales volume: \$24,139,669\***



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

# Gross sales data

Presented for all card brands and payment types



\*Does not include chargebacks or reversals.



# PCI DSS Merchant Levels

For Visa, MasterCard and Discover

456,324 Visa transactions annually

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

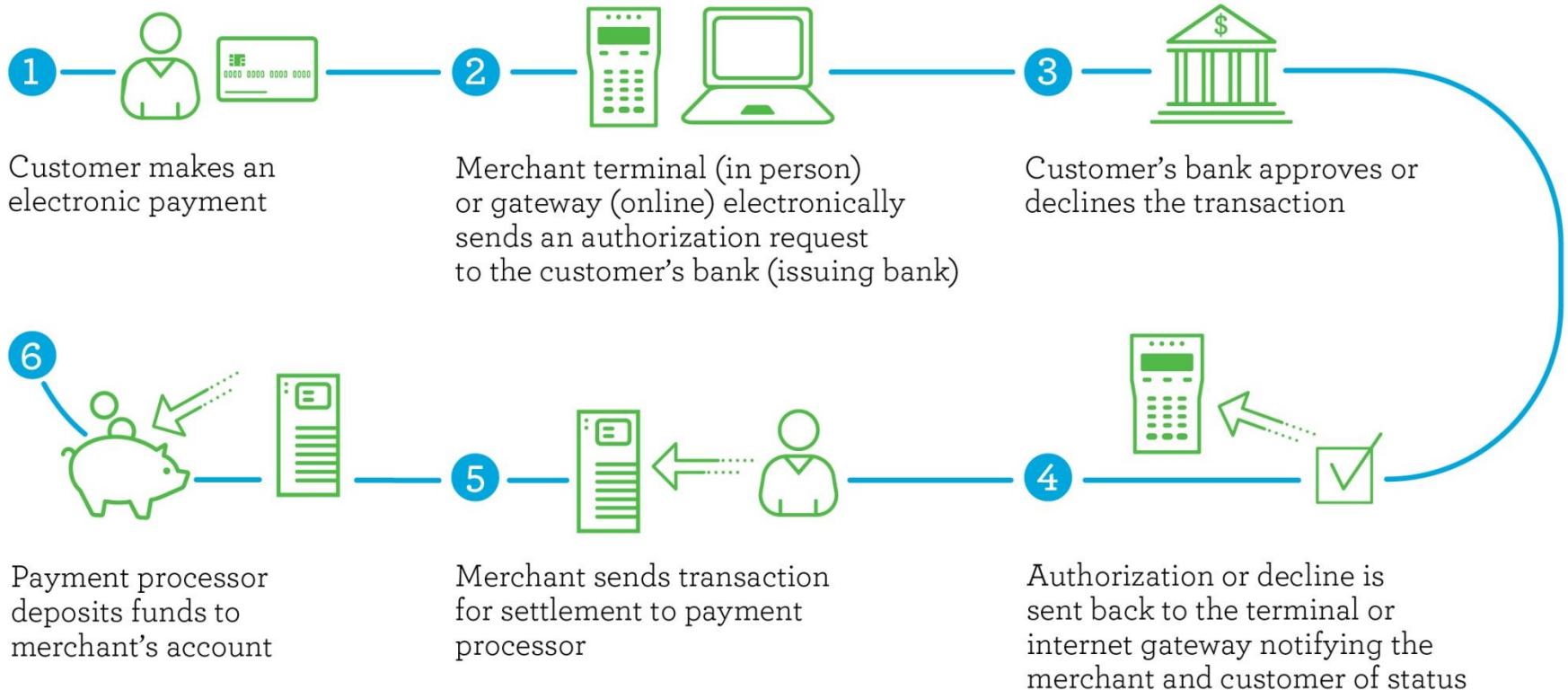
**Important note on transaction volumes: PCI levels are based on the gross transaction threshold *per payment network per year*.**

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

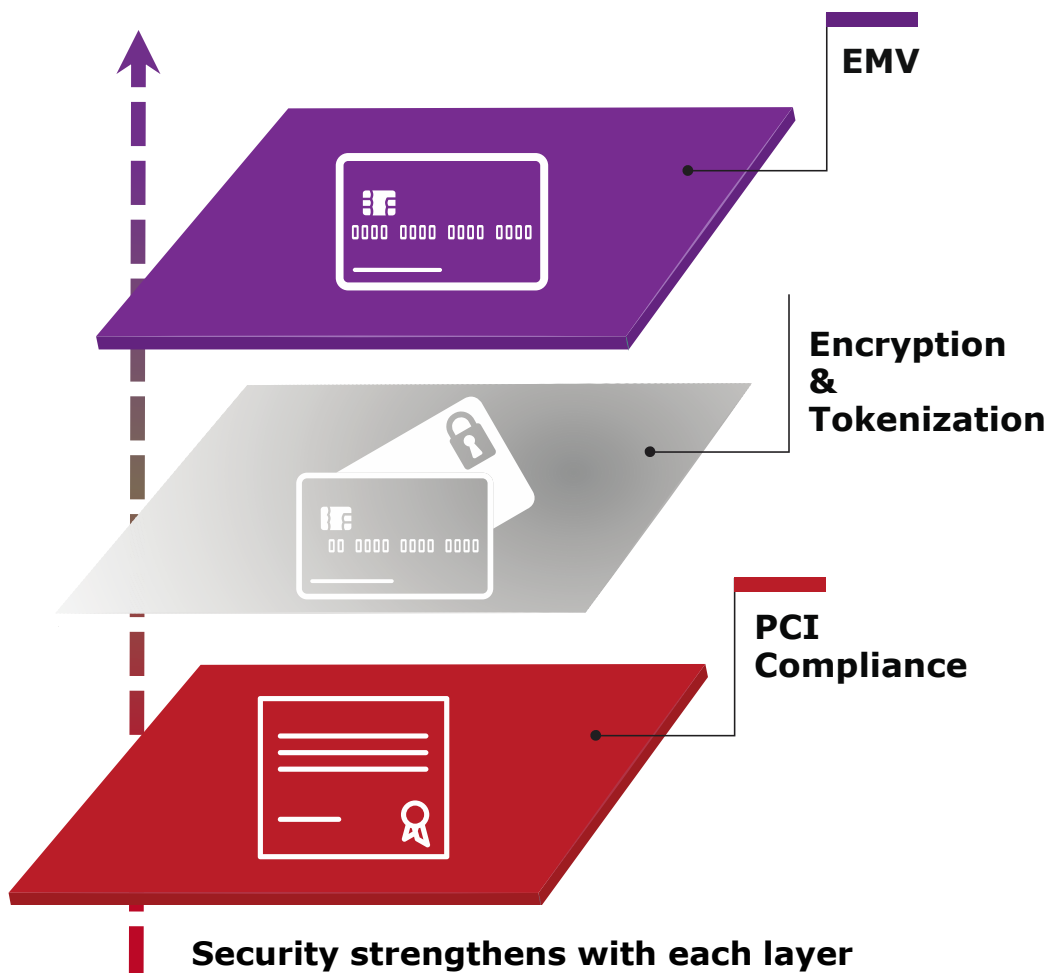
# Payment processing – the transaction cycle

## How a payment is processed



# Layered Security

Payment security is crucial to your business



## EMV (Chip technology)

Embedded chip protects against counterfeit cards, reuse of stolen data, lost/stolen cards (with PIN)

## Encryption & Tokenization

Sensitive data encrypted into a cryptogram and replaced with a token (a random number) prevents data from being stolen in transit and at rest

## PCI Compliance


Industry standard which helps merchants employ and maintain practices and processes to protect cardholder data and reduce fraud

# Memorandum



Date: November 13, 2018

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. For the prior calendar year, the Foundation earned a revenue share of approximately \$36,600 based upon the 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.

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**Sarah Pennywitt**  
**Payables Account Manager**

**Terri Le**  
**Relationship Manager**

**Michael Tomimoto**  
**Treasury Management Sales Consultant**

November 2018

Together we'll go far



# Program overview

## General Program Statistics

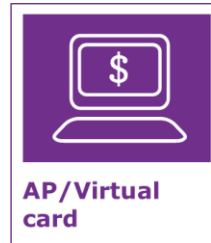
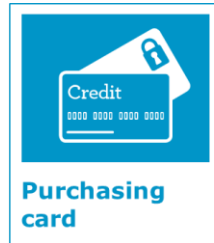
Business  
 0000 0000 0000 0000  
 Commercial card relationship established August 2009

Friday  
 31  
 \$800,000 interest-free line of credit  
 Settles Monthly + 7 days

Program Established: Aug, 2009	2014	2015	2016	2017	YTD 2018 [as of Oct]	Estimated 2018 [as of Oct]	% Change Based on Estimated
<b>Purchase Volume</b>	\$3,710,763	\$3,884,062	\$3,951,301	\$4,242,985	\$3,830,372	\$4,596,447	8.33%
<b>Average Monthly Purchases</b>	\$309,230	\$323,672	\$329,275	\$353,582	\$383,037	\$383,037	8.33%
<b>Number of Transactions</b>	20,814	21,632	21,120	20,955	19,213	23,056	10.02%
<b>Average Monthly Number of Transactions</b>	1,735	1,803	1,760	1,746	1,921	1,921	10.02%
<b>Average Transaction Size</b>	\$224	\$209	\$211	\$219	\$216	\$216	-1.41%
<b>Highest Historical Card Count</b>	322	331	343	374	405	405	8.29%

	Net Purchase Volume	Transactions (Debits + Credits)	Net Transactions (Debits - Credits)	Average Transaction Size	Total Cards
Jan, 2018	\$370,280	1,697	1,525	\$243	377
Feb, 2018	\$383,178	2,025	1,913	\$200	380
Mar, 2018	\$395,737	2,397	2,147	\$184	391
Apr, 2018	\$397,169	2,018	1,824	\$218	392
May, 2018	\$435,601	1,968	1,830	\$238	393
Jun, 2018	\$466,364	1,889	1,767	\$264	398
Jul, 2018	\$360,317	1,718	1,586	\$227	401
Aug, 2018	\$400,022	2,193	2,019	\$198	403
Sep, 2018	\$306,097	1,514	1,402	\$218	403
Oct, 2018	\$315,606	1,794	1,692	\$187	405
<b>Grand Total: 2018</b>	<b>\$3,830,372</b>	<b>19,213</b>	<b>17,705</b>	<b>\$216</b>	142

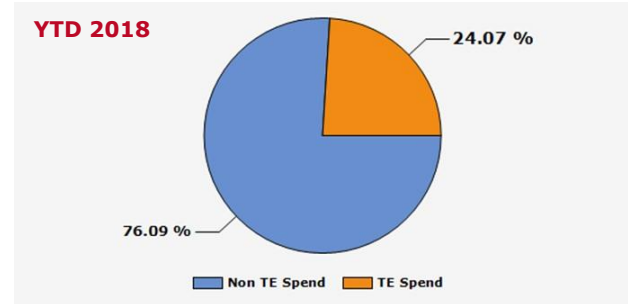
# How are you leveraging the WellsOne Card?



## Top 25 MCCs by Purchase Volume

As of Oct, 2018	Purchase Volume	Txns	Average Txn Size
BOOK STORES [ 5942 ]	\$323,080	3,800	\$85
BUSINESS SERVICES NOT ELSEWHERE CLASSIFIED [ 7399 ]	\$165,262	324	\$510
DENTAL/LABORATORY/MEDICAL/OPHTHALMIC [ 5047 ]	\$144,877	503	\$288
EATING PLACES RESTAURANTS [ 5812 ]	\$139,533	1,206	\$116
DIRECT MARKETING - OTHER DIRECT MARKETERS [ 5969 ]	\$126,823	171	\$742
STATIONERY OFFICE SUPPLIES/ PRINTING [ 5111 ]	\$104,931	581	\$181
INDUSTRIAL SUPPLIES NOT ELSEWHERE CLASSIFIED [ 5085 ]	\$103,495	316	\$328
LODGING HOTELS MOTELS/ RESORTS [ 7011 ]	\$89,803	162	\$554
AMUSEMENT PARKS - CARNIVALS ETC. [ 7996 ]	\$88,123	54	\$1,632
ORGANIZATIONS CHARITABLE AND SOCIAL SERVICE [ 8398 ]	\$79,002	210	\$376
MISCELLANEOUS AND SPECIALTY RETAIL STORES [ 5999 ]	\$78,430	476	\$165
COLLEGES/UNIVERSITIES/PROFESSIONAL SCHOOLS [ 8220 ]	\$73,338	383	\$191
GROCERY STORES SUPERMARKETS [ 5411 ]	\$70,156	1,127	\$62
DURABLE GOODS NOT ELSEWHERE CLASSIFIED [ 5099 ]	\$69,883	71	\$984
DIRECT MARKETING - COMBINATION CATALOG AND RETAIL [ 5965 ]	\$66,104	446	\$148
SCHOOLS AND EDUCATIONAL SERVICES [ 8299 ]	\$64,004	140	\$457
HOME SUPPLY WAREHOUSE [ 5200 ]	\$63,327	630	\$101
NONDURABLE GOODS NOT ELSEWHERE CLASSIFIED [ 5199 ]	\$61,306	245	\$250
SOUTHWEST AIRLINES [ 3066 ]	\$61,126	263	\$232
WHOLESALE CLUBS [ 5300 ]	\$58,839	365	\$161
ORGANIZATIONS MEMBERSHIP [ 8699 ]	\$57,790	197	\$293
MISCELLANEOUS PUBLISHING AND PRINTING [ 2741 ]	\$57,380	91	\$631
COMPUTERS SOFTWARE [ 5045 ]	\$56,442	127	\$444
COMPUTER SOFTWARE STORES [ 5734 ]	\$54,191	108	\$502
COMMERCIAL EQUIPMENT NOT ELSEWHERE CLASSIFIED [ 5046 ]	\$49,948	108	\$462

## Volume Breakdown



## Decline Details

### General Statistics:

- 202 declines in a 60 day period
- 3,094 trans in a 60 day period
- 6.5% estimated decline rate

### Top 5 Decline Reasons:

- Not enough money available (50)
- Invalid expiration date is being used by merchant (30)
- Card expired (26)
- Transferred Account (25)
- Account Closed (16)

## Inactive accounts

- 47 open with no activity for 6+ months
- 24 open that have never had activity
  - 2 of these accounts were opened in the last 30 days

# Top merchants by purchase volume

November 2017 – October 2018

Merchant Name	Purchase Volume	Txns	Average Txn Size	MCC	MCC Description
AMAZON MKTPLACE PMTS	\$173,402	2,323	\$75	5942	BOOK STORES
4IMPRINT	\$108,358	99	\$1,095	5969	DIRECT MARKETING - OTHER DIRECT MARKETERS
DISNEYLAND TICKETS	\$83,155	27	\$3,080	7996	AMUSEMENT PARKS - CARNIVALS ETC.
TFS FISHERSCI ECOM CHI	\$72,564	260	\$279	5047	DENTAL/LABORATORY/MEDICAL/OPHTHALMIC
SOUTHWEST AIRLINES	\$70,553	307	\$230	3066	SOUTHWEST AIRLINES
OFFICE DEPOT #5125	\$62,904	405	\$155	5965	DIRECT MARKETING - COMBINATION CATALOG AND RETAIL
AMAZON MKTPLACE PMTS WWW.	\$42,704	394	\$108	5942	BOOK STORES
MARRIOTT HOTELS	\$37,665	75	\$502	3509	MARRIOTT HOTELS
AMERICAN AIRLINES	\$36,773	131	\$281	3001	AMERICAN AIRLINES
C.A.T. SPECIALTIES INC.	\$35,193	29	\$1,214	7399	BUSINESS SERVICES NOT ELSEWHERE CLASSIFIED
HILTON HOTELS	\$33,102	66	\$502	3504	HILTON HOTELS
AMAZON.COM	\$33,076	306	\$108	5942	BOOK STORES
MCMASTER-CARR	\$31,973	122	\$262	5085	INDUSTRIAL SUPPLIES NOT ELSEWHERE CLASSIFIED
Home Depot	\$31,430	409	\$77	5200	HOME SUPPLY WAREHOUSE
KATOM RESTA	\$31,418	9	\$3,491	5099	DURABLE GOODS NOT ELSEWHERE CLASSIFIED
AMAZON.COM AMZN.COM/BILL	\$30,006	261	\$115	5942	BOOK STORES
ENTERPRISE RENT-A-CAR	\$29,884	120	\$249	3405	ENTERPRISE RENT-A-CAR
UNITED AIRLINES	\$29,321	93	\$315	3000	UNITED AIRLINES
AMZN MKTP US	\$28,597	479	\$60	5942	BOOK STORES
VWR INTERNATIONAL INC	\$26,445	130	\$203	5047	DENTAL/LABORATORY/MEDICAL/OPHTHALMIC
HYATT HOTELS	\$25,526	42	\$608	3640	HYATT HOTELS
DOUBLETREE HOTELS	\$25,144	34	\$740	3692	DOUBLETREE HOTELS
BENDERS WHEEL ALIGNMENT S	\$24,936	13	\$1,918	7531	AUTOMOTIVE BODY REPAIR SHOPS
INGRAM BOOK COMPANY	\$21,725	78	\$279	5192	BOOKS PERIODICALS AND NEWSPAPERS
BOOTH MACHINERY (YUMA)	\$20,843	4	\$5,211	5046	COMMERCIAL EQUIPMENT NOT ELSEWHERE CLASSIFIED
STAPLES DIRECT	\$20,519	137	\$150	5111	STATIONERY OFFICE SUPPLIES/ PRINTING
DS SERVICES STANDARD COFF	\$19,844	147	\$135	5199	NONDURABLE GOODS NOT ELSEWHERE CLASSIFIED
STAPLES 00113167	\$18,948	178	\$106	5943	OFFICE SCHOOL SUPPLY/ AND STATIONERY STORES
COSTCO WHSE #1015	\$18,825	83	\$227	5300	WHOLESALE CLUBS
DELTA	\$18,687	67	\$279	3058	DELTA
LOWES #01170	\$18,520	167	\$111	5200	HOME SUPPLY WAREHOUSE
PFG PROFORMA	\$17,483	8	\$2,185	2741	MISCELLANEOUS PUBLISHING AND PRINTING
CPPF BOOKSTORE	\$16,939	200	\$85	8220	COLLEGES/UNIVERSITIES/PROFESSIONAL SCHOOLS
LAKESHORE LEARNING MATER	\$16,752	13	\$1,289	8299	SCHOOLS AND EDUCATIONAL SERVICES
JET BLUE AIRWAYS	\$16,584	21	\$790	3174	JET BLUE AIRWAYS



# Key contacts

## Authorized service center PAs

- David Prenovost (CO PA), Michele Ramirez, Pauline Anongdeth, Debbie Schroeder-Linthicum, Lily Maciel

## CCER PAs

- David Prenovost (CO PA), Pauline Anongdeth, Debbie Linthicum, Lilia Maciel, Michele Ramirez

## Fraud contacts

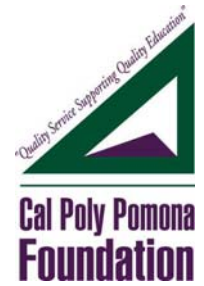
- David Prenovost, Michele Ramirez, Pauline Anongdeth, Debbie Schroeder-Linthicum, Lily Maciel

## Commercial card spend analysis

- Currently not setup

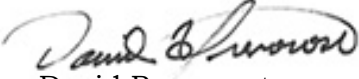
# CAL POLY POMONA FOUNDATION, INC.

## Memorandum



**Date:** November 5, 2018

**To:** Finance Committee  
Cal Poly Pomona Foundation Inc.

**From:**   
David Prenovost  
Senior Managing Director

**Subject:** Kellogg Legacy Project Endowment Activity

In July 2010, the W.K. Kellogg Foundation awarded a \$42 million grant named the "Kellogg Legacy Project Endowment", a \$40 million endowment and an endowment operating account of \$2 million. These funds provide Cal Poly Pomona Presidents flexibility to apply annual endowment earnings to the most timely and pressing institutional needs each year.

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

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

Through service learning and community-based research the campus will engage with the needs of the region and showcase scholarly, artistic, cultural, and athletic events that bring the community to the campus. Continuing education and other public educational opportunities will extend the university's outreach. Objectives include developing and implementing community-based learning activities and events, strengthening academic programs and producing high-quality campus activities that respond to the needs of the region.

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

Cal Poly will enhance its commitment to a population that reflects the diversity of California. Our curriculum will prepare students for success in diverse global communities. Objectives include providing global learning and scholarship opportunities for students and faculty, increasing diversity among faculty, students, and staff while enhancing academic programs and developing self-determination and self-advocacy for students with disabilities.

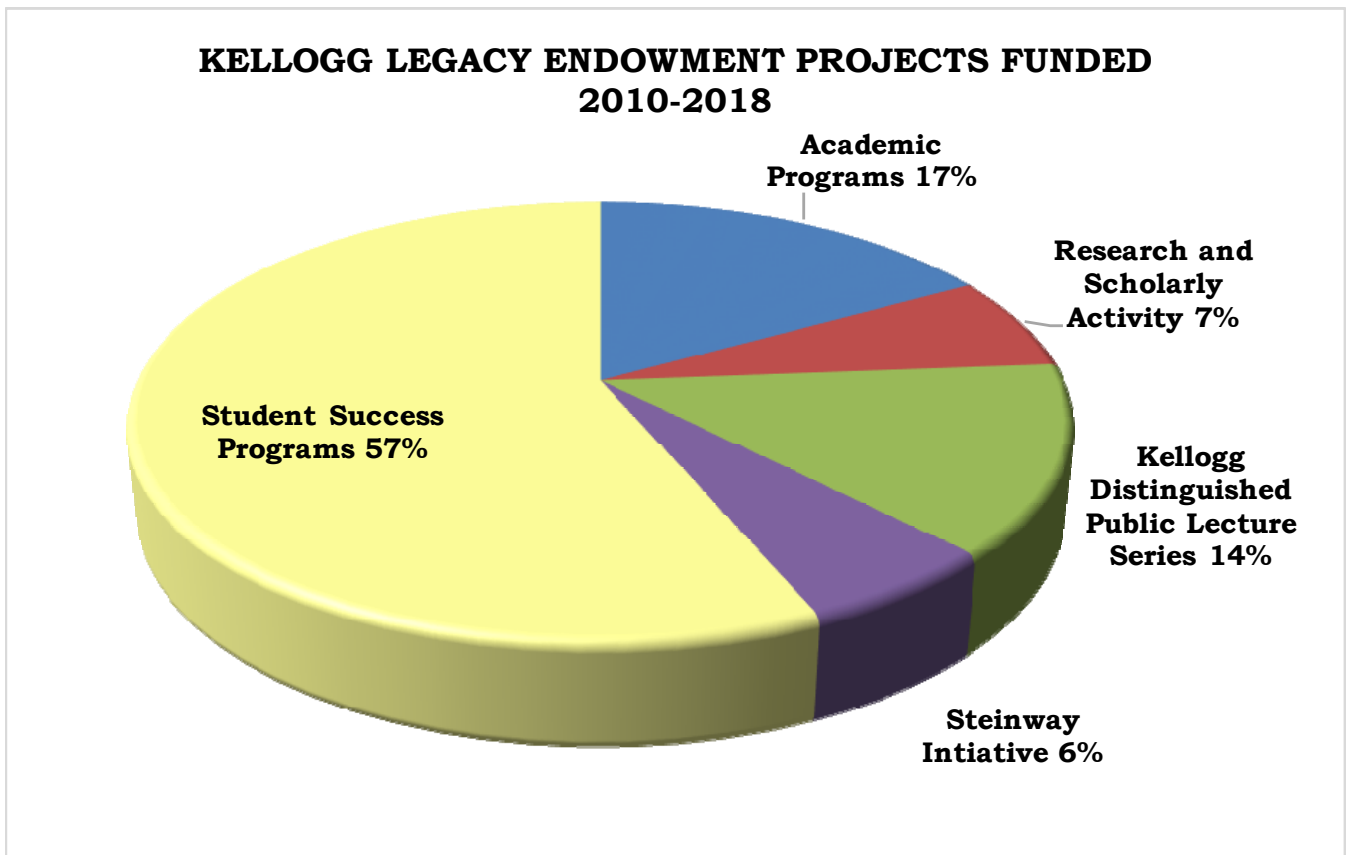
**Principles of sustainability in Cal Poly Pomona's research efforts and curriculum development**

Cal Poly Pomona will be a leader in environmental stewardship, adopting strategies to meet current needs. Sustainability will be a priority in developing new facilities and maintaining existing ones. Principles of sustainability will be embedded into the curriculum and drive research. Objectives include: implementation of the President's Climate Commitment Plan to achieve carbon neutrality by 2030, developing a common language and robust methodology, with appropriate support tools, for maximizing productivity and effectiveness in managing complex projects and embedding principles of sustainability into the curriculum and support research efforts to develop appropriate technologies and energy- and research-conscious practices.

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

Cal Poly Pomona will work with political leaders to increase state support, develop a comprehensive campaign to increase philanthropic giving, and support applied research to increase grant funding including identify public-private partnerships that improve campus facilities and infrastructure, develop recognition of the value of a Cal Poly Pomona education in the community and among our political leadership and lead a public relations and marketing campaign to elevate the identity of the university.

To date, nearly \$8.9M has supported the institutional needs surrounding student success programs, support for faculty teaching and scholarly innovation, and academic programs including the Graduation Initiative, Provost’s Awards, and the Kellogg Distinguished Public Lecture Series. This support represents approximately 150 awards from the initial \$2.0M expendable grant and the annual distributions from the endowment earnings.



Some of the student success programs funded over the years have included:

**Renaissance Scholars Program**—Comprehensive program dedicated to supporting current and former foster youth with college access and retention services.

**Veterans Resource Center**—Provides dynamic and supporting community with hands-on opportunities for our Cal Poly Veterans/Military personnel for leadership combined with academic and personal growth.

**Educational Opportunity Program Scholarships**—Provides scholarships for low-income, first generation students who demonstrate motivation and potential to succeed in college. PolyTransfer-Program to help transfer students with transaction to campus life by providing academic, social and personal support.

**Kellogg FuTURE Program**—Provides first generation college students and economically disadvantaged students with scholarship and creative activity with faculty. Provides small scholarships to support mentored student research and creative activities.

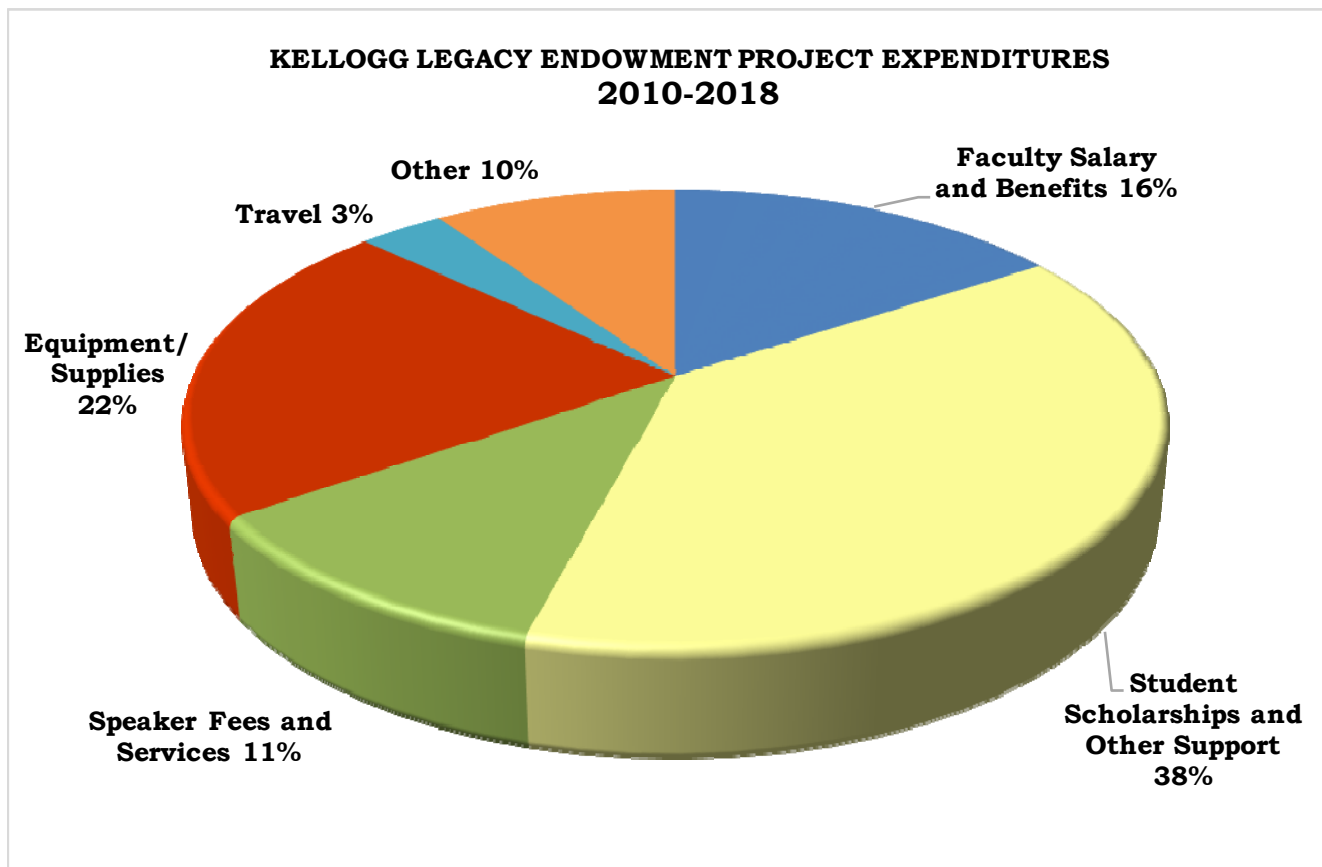
**President’s Travel Funds for Students**—Provides student travel forms to travel to conferences with faculty members to enhance their education studies.

**Early Start/Freshmen Scholars**—Designed to give incoming freshmen a head start on preparatory courses to provide more time and focus to complete remedial classes. In addition, The Early Start Track provides students with an additional Success Skills workshop covering a wide range of topics including information about the University and its students, study skills, the University Library, and leadership opportunities.

**Student Success Summer 2018 Completion**—Targets first-generation, Pell-eligible, under-represented minority senior students who were 1-8 units short of completing their degree. These funds were used to provide support or summer tuition, books, parking, and housing to help these senior complete their coursework and graduate during the transition between the quarter to semester system.

**Student Success Strategic Roadmap**—Goals are to align on a shared understanding of student success, identify specific programs that are having the most impact on the largest under of underrepresented minority students, and solve barriers where there is an identified gap in retention and graduation.

The amounts expended in these accounts from 2010 through 2018 totaled \$6.1 million and consist of the following categories.



Per the Endowment agreement, only annual earnings up to five percent of the Endowment value as of June 30 are available for distribution while not invading the value of the endowment corpus. Annual earnings in excess of the amount distributed shall be reinvested in the endowment. In the event the endowment does not generate annual earnings, no annual distribution is available. The total endowment earnings distributed from the Endowment to date is \$8.6 million.

As of October 2018, there is approximately \$1.935M in the distributed endowment earnings operating account available for future awards to meet the timely and pressing needs of the University.

# Memorandum

Date: November 20, 2018  
To: David Prenovost  
From: Aaron P. Neilson  
Director, Dining Services  
Subject: **Building 97 Upgrades Summer 2019**



## Summary and Background

For some years, Foundation has been considering significant improvements to Building 97 (Campus Center Marketplace). Capital for these significant improvements have been included in the Foundation 10-year cash plan. Subsequently, the 2017 Dining Master Plan update supported this concept by recommending upgrades to Building 97. In spring of 2018, the Foundation Board approved a preliminary study of Building 97 relative to this recommendation.

With the Campus Master Planning process underway, the long-term plan for Building 97 and the surrounding area remains unclear. Regardless, the interior of Building 97 is overdue for certain upgrades. These upgrades would take place during the summer months of 2019 and would include flooring, paint, ceiling, and lighting.

We plan to request funds for these moderate upgrades from the Foundation Board during the February board meeting.

Cal Poly Pomona Foundation, Inc.  
Hospitality Dining Division Long Range Cash Plan  
2018-2019  
Project:

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027 - 2028
	1	2	3	4	5	6	7	8	9
Description and Explanation	Year	Year	Year	Year	Year	Year	Year	Year	Year
Net Surplus(Deficit)	1,131,065	1,164,996.95	1,199,946.86	1,235,945.26	1,273,023.62	1,311,214.33	1,350,550.76	1,391,067.28	1,432,799.30
<b>Capital Request and Expenditure:</b>									
Capital Equipment Replacement Program	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
Los Olivos Replacement PM Program	35,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149
CCMP Paint/Seating/Umbrellas									
CCMP Remodel		\$ 15,000,000						\$ 75,000	
BSC Master Plan Implementation				\$ 1,500,000					
CKE equipment upgrade, brand refresh			\$ 75,000						
Subway Upgrade		\$ 175,000							
POS EOL and Maintenance	25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747	\$ 31,669
IBW Kitchen Expansion	400,000								
Res Dining Technology	\$ 150,000								
Res Dining Project Smallwares-From Los Olivos Reserve	2,000,000								
Res Dining Project- Equity Cash from Capital reserve	4,000,000								
Food Truck Refresh			\$ 40,000				\$ 40,000		\$ 125,000
Vehicle Fleet Plan	35,000		\$ 35,000			\$ 35,000		\$ 45,000	
COGNOS Project									
Misc. Brand License Fees/Refresh		25,000			25,000		25,000		25,000
<b>Total Capital Request per year</b>	<b>6,665,000</b>	<b>15,251,350</b>	<b>202,891</b>	<b>1,554,477</b>	<b>81,112</b>	<b>92,795</b>	<b>124,529</b>	<b>181,315</b>	<b>213,154</b>