

## **POLICY ON ACCUMULATION AND USE OF PUBLIC RELATIONS FUNDS**

### **POLICY**

The following public relations policy and procedure statement meets the requirements of Section 42502 Subsection (i) of Title 5, which reads as follows:

Proposed expenditures for public relations or other purposes which would serve to augment state appropriations for operation of the campus. With respect to expenditures for public relations or other purposes which would serve to augment state appropriations for operation of the campus, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the governing body of the auxiliary organization. The President shall file with the Chancellor, a statement of such policy on accumulation and use of public relations funds for all auxiliary organizations. The statement will include the policy and procedure on solicitation of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control.

In accordance with Section 42502 (i) of Title 5 of the California Administrative Code, the President has designated the California State University, Northridge Foundation as the entity to administer non-state public relations funds for California State University, Northridge. The funds shall be maintained as a regular part of the California State University, Northridge Foundation accounting record. As public understanding and goodwill materially affect the success of the university and its auxiliary organizations, the California State University, Northridge Foundation is deemed an appropriate source of specified and/or budgeted funds for public relations and fund raising purposes.

### **SOLICITATION AND SOURCE OF FUNDS**

The Foundation constitutes a primary source of non-state funding for public relations. Unrestricted gifts and grants, designated amounts of indirect costs, and gifts and fees restricted to specific public relations endeavors may be accepted by the Foundation from public and private funding entities and individuals.

### **AMOUNTS**

Specific designated amounts to be used for public relations will be determined in the annual budget.

### **USE OF FUNDS**

The use of funds is confined to those expenditures likely to be most helpful to the University's academic and administrative responsibilities. Typical examples of use of these funds are for hosting student groups, community members, and individuals and organizations interested in supporting the University. Also, involvement in activities, which may cause financial or other support to the University, is a proper use of these funds. Normally, these funds are used when it has been determined that State funds are not available for the purpose.

### **ALLOWABLE EXPENDITURES**

In general, these funds shall be proposed for expenditures only if consistent with the approved written budget. Such proposed expenditures must be appropriate to campus authorized educational, social, or business activities which clearly advance the University's objectives, and which are processed consistent with applicable procurement and accounting standards and practices. In accordance with Foundation policy, all funds expended require appropriate authorization signatures and a description of use of the funds. The use of funds budgeted for public relations or similar activities shall be requested through

practices formally established by the Foundation. Such practices shall include appropriate documentation, including the special certification and review in questionable cases, required to establish that the proposed expenditure will not:

1. Fall outside the educational mission of the CSU;
2. Be prohibited either by statute, or CSU or campus policy; or
3. Be contrary to CSU or campus procedures.

The University will look to and operate within Foundation expenditure documentation procedures.

### **PROHIBITIONS**

The Foundation is aware of and acknowledges the existence of the following prohibitions stated in the California Administrative Code Title 5 in Section 42403 (c) which reads as follows:

Funds of an auxiliary organization shall be used for purposes consistent with Board of Trustees and University policy, and shall not be used:

1. To support or oppose any candidate for public office, whether partisan or not, or to support or oppose any issue before the voters of this state or any subdivision thereof or any city, municipality, or local governmental entity of any kind except as may be permitted by Section 89300 of the Education Code. The prohibition of this subdivision shall not apply to:
  - a) Expressions published in the student press;
  - b) Support of a position taken by the Board of Trustees on an issue, which the Board determined, will significantly affect the California State University or any campus thereof.
2. To make personal loans to non-educationally related purposes, except that such loans may be made when specifically authorized by a trust instrument under which the funds were received.

### **PROCEDURES FOR CONTROL**

The Board of Directors, through the annual budget process, designates unrestricted funds for public relations expenditures. Account managers will authorize gift and non-gift income restricted for the purpose of project-related public relations activities for expenditure. Control of expenditures is further maintained by the following requirements:

1. Careful screening by the Foundation Office of proposed expenditures.
2. Monthly statements of expenditures to be distributed by the Foundation Office.
3. Year-to-year carry-over of unexpended funds is permitted.
4. A report of each year's use of funds for public relations is made by the Chief Financial Officer of the Foundation to the Foundation President and University President.
5. Requests must be approved by an authorized signatory on the project account, and include a statement of purpose, and appropriate receipts or invoices. Business meals require a list of those individuals in attendance.
6. All expenditures are subject to the University's administrative and financial oversight structure and review systems.

*Approved by Foundation Board of Directors: September 30, 2015*