

**CAL POLY POMONA FOUNDATION, INC.**

**POLICIES AND PROCEDURES**

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<b>Subject:</b>	<b>Foundation Budget Process</b>	<b>Policy No.</b>	<b>118</b>
		<b>Old No.:</b>	<b>1978-2, 1978-2A, 1995-2</b>
<b>Reference:</b>	<b>121-II-D, 267-II-E, 300-II-D, 301-11-D</b>	<b>Date:</b>	<b>05/30/78</b>
		<b>Revision:</b>	<b>06/20/94, 12/19/00 02/27/01</b>

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**POLICY**

It is the policy of the Cal Poly Pomona Foundation, Inc. to develop an annual operating and capital budget for the unrestricted activities of the Foundation.

The budgets are developed in the following manner:

1. Requests for budget information will be sent to all Foundation project managers of unrestricted activities yearly in time for submission, March 31, to the Foundation Executive Director.
2. Budgets submitted for general fund, auxiliary and other activities will include:
  - A. Detail of revenues and expenses expected on a monthly basis.
  - B. Requests for capital expenditures.<sup>1</sup>
  - C. Requests for new staff positions.
  - D. Forecast of current year revenues and expenditures.
  - E. Explanation (justification) of material variables between proposed budget and forecasted current year revenues and expenses.
3. Budget requests for designated activities (i.e., public relations) for the benefit of the University shall be submitted for consideration and review by Foundation Administration.

Foundation gifts to the University will be determined annually during the budget cycle based on funding available from the prior year earnings after requirements for capital spending, reserves and debt repayments are considered.

The amount of the Gift will be presented in total to the University President for distribution.

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<sup>1</sup> Capital expenditure budgets approved by the Board are effective for a three (3) year period. After three years, unused capital spending budgets are not considered available and expenditures must be resubmitted for Board approval.

This extended period of time for utilization of capital budgets is appropriate, as it is often difficult to complete planning, purchasing and/or construction of major projects within a one (1) year time frame.

Spending from capital budgets approved by the Board of Directors will be reviewed by the Executive Director of the Cal Poly Pomona Foundation, Inc., for final authorization before expenditure.

4. Foundation Administration will review the budgets submitted.
  5. A meeting will be held between<sup>1</sup> project management and Foundation Administration where the proposed budgets will be reviewed in detail.
  6. The Foundation Administration will present detailed budget schedules and information to the Finance/Investment Committee and summary information to the Board of Directors. The budget will be finalized by the Board at their regularly scheduled spring meeting.
  7. Upon approval by the Board of Directors, the Foundation Administration shall submit its annual budget(s) and program(s) for approval or modification to the President of the University.
  8. The Executive Director of the Foundation is authorized to expend capital funds up to an accumulated total of \$25,000 per quarter, which exceed the previously approved capital budget. Before such capital purchases exceed \$25,000 per quarter, a meeting of the Executive Committee or the Board of Directors will be called to review the request(s) for such capital expenditures. The Foundation Administration is required to submit a budget modification with detailed schedules and information to the Finance/Investment Committee, the Board of Directors and the President of the University for approval prior to such expenditures exceeding \$25,000 per quarter.
  9. The Executive Director is authorized to expend funds, which have not been previously approved in the fiscal operating budget (i.e., unanticipated expenditures not consistent with the normal operations of the Foundation) up to \$10,000 for any single request. Such expenditures must be reported to the Board of Directors and Finance/Investment Committee at their next regularly scheduled meeting. These unanticipated expenditures cannot exceed \$30,000 per quarter without prior approval of the Executive Committee or the Board of Directors. Foundation Administration is required to submit budget modifications with detailed schedules and information to the Finance/Investment Committee, the Board of Directors and the President for these types of unanticipated expenditures.
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