



Jennifer Williams
President's Designee
AVP of Campus Climate and
Chief of Staff

Dr. Graham Oberem
Designated Member
Vice President for
Academic Affairs

Neal Hoss
Designated Member
Vice President for
Finance & Administrative Services

Dr. Charles De Leone
Faculty Member
Professor, Physics

Dr. Cynthia Chavez Metoyer
Faculty Member, Community
Engagement-Office of Internships

Charles C. Ragland, Esq.
Community Member (Alumni)
Department of Justice

Jason Schreiber
Administrative Member
Dean of Students

Michael Schroder
Administrative Member
Dean, Extended Learning

Dr. Ann Bersi
Community Member
Nevada State Tax Commission

Christopher Thibodeau
Community Member
The Classical Academies

Armando Zaragoza
Student Member

Savana Doudar
Student Member

Regular Meeting of the Board of Directors

February 21, 2019 @ 4:00 p.m. – 5:30 p.m.
Center for Children and Families Classroom

AGENDA

- I. **Convening of Regular Board Meeting (*Oberem*)**
 - A. Consideration of Minutes November 29, 2018 Regular Meeting (**Attachment A**)

- II. **Committee Reports and University Updates**
 - A. Administration Update (*Newberg*) (**Attachment B**)
 - B. Finance and Operations Committee Report (*Hoss*) (**Attachment C**)
 - C. Student Housing Advisory Committee Update (*Schreiber*)
 - D. University Update (*Williams*)
 - E. Innovation Hub Advisory Committee Update (*De Leone*)

- III. **Consent Agenda (*Oberem*)**
Brought forward by the Finance and Operations Committee
 - A. Revised FY18/19 Student Housing Budget (**Attachment D**)
 - B. Revised General Investment Policy (**Attachment E**)
 - C. Revised Sponsored Projects Conflict of Interest Policy (**Attachment F**)
 - D. Quarterly Financial Report 12/31/18 (**Attachment G**)
 - E. Investment Activity Report 12/31/18 (**Attachment H**)

- IV. **Adjournment of Meeting (*Oberem*)**

Next Meeting: May 23, 2019

ATTACHMENT A

Minutes of the November 29, 2018 Regular Meeting



Minutes of the Regular Meeting of the Board of Directors

November 29, 2018

Center for Children and Families Classroom

Attendees:

Members: Graham Oberem (Chair), Neal Hoss, Charles De Leone, Cynthia Chavez Metoyer, Charles Ragland, Jason Schreiber, Mike Schroder

Members Absent: Jennifer Williams, Armando Zaragoza

Staff: Deborah Davis, Bella Newberg, Michelle Hinojosa, Trina Beckwith, Cynthia Fenimore, Janine Prior, Janelle Temnick, Karla Frazee

Guests: Chris Thibodeau

Convening of Regular Meeting

A quorum being present, Oberem called the meeting to order at 4:01 p.m. Oberem congratulated Schroder for being awarded the Chancellor's Award.

Minutes of the September 27, 2018 Annual Meeting (Attachment A)

A motion was made and seconded (De Leone/Hoss) to approve the September 27, 2018 Annual Meeting Minutes. Motion carried.

Minutes of the September 27, 2018 Regular Meeting (Attachment B)

A motion was made and seconded (Hoss/De Leone) to approve the September 27, 2018 Regular Meeting Minutes. Motion carried.

Special Guest Presentation on Dining – Sodexo

Oberem reported that there had been a last minute change to the Agenda and SODEXO would not be making a presentation.

Committee Reports and University Updates

Administration Update

Newberg gave an update on the dining project. The project cost estimate came in much higher than estimated therefore, other options are being explored. Sodexo is a committed Partner, they still want to be involved with the dining project and have no issue with the possible relocation of the dining hall across the street. The Affiliation Agreement is in final draft and will be sent to the Chancellor's Office for review.

Newberg gave an update on the Extended Learning Building project, the building is 2 weeks ahead of schedule and the parking garage is 3 weeks ahead of schedule. Teams are working on developing operational procedures and budgets for the project that will be presented to the Board in the Spring.

Executive Committee Report

Hoss reported that the Executive Committee met on November 13, 2018 and the two Action Items from that meeting are part of the Consent Agenda.

Finance and Operations Committee Report

Hoss reported on the Action Items that were addressed at the Finance and Operations Committee Meeting on November 19, 2018. All Action Items are included in the Consent Agenda.

Student Housing Advisory Committee Report

Schreiber reported that the Student Housing Advisory Committee is looking at improvements regarding renewals, roommate selection, service areas and the Master Plan. The Committee has been involved in numerous discussions regarding the dining project.

University Update

Williams was absent from the meeting, Hoss reported on her behalf and gave an update on the CSUSM Presidential search currently taking place. Hoss reported that a campus wide celebration will take place in April to celebrate our current President and the First Gentleman.

Consent Agenda

Oberem explained that a Consent Agenda was included as Item IV in the meeting Agenda. He explained the purpose of the Consent Agenda is to save time. Oberem asked if anyone had any questions about the Consent Agenda process. There being none Oberem then asked if anyone wanted to move the item from the Consent Agenda to the Regular Agenda. There being none, *a motion comes moved and seconded (Schroder/Chavez Metoyer) to approve the Board Member Nominations 18/19 (Attachment C) and Committee Membership for 18/19 (Attachment D) brought forward by the Executive Committee. The Revised CSUSM Corporation Hospitality Policy (Attachment E), Quarterly Financial Report & Summary 9/30/18 (Attachment F), Revised Delegation of Authority Policy (Attachment G), Revised Delegation of Authority Document (Attachment H), Updated Compensation Structure/Updated Pay Grades for 2019 & 2020 (Attachment I) and Revised Investment Policy (Attachment J) brought forward by the Finance and Operations Committee. Motion carried.*

Information Item (Attachment K)

Oberem explained that item V. A. Investment Portfolio Report 9/30/18, is included in the Agenda as informational only, no report will be given.

Action Items**Revised Student Housing Advisory Committee Charge (Attachment L)**

Newberg reported on the key revisions made to the Student Housing Advisory Committee Charge. A redline copy was included in the Agenda packet sent prior to the meeting.

A motion was made and seconded (Ragland /De Leone) to approve the Revised Student Housing Advisory Committee Charge as presented. Motion carried.

Creation of an Innovation Hub Advisory Committee (Attachment M)

Hoss gave a high-level overview of how an Innovation Hub works and how it would be beneficial to the campus and our students. Hoss reviewed Attachment M that provided the proposed Committee Charge, the proposed Committee and Officers. De Leone reiterated the need for an Innovation Hub on our Campus. Currently our students use an outside lab off campus. Hoss reported that there is potential space for the Innovation Hub in the new Extended Learning Building and that CSUSM Corporation has some resources to help fund this project.

A motion was made and seconded (Chavez Metoyer/Schreiber) to approve the creation of an Innovation Hub Advisory Committee as presented. Motion carried.

Revised Conflict of Interest Policy – Board of Directors (Attachment N)

Newberg reported that currently CSUSM Corporation has one Conflict of Interest Policy. After further review of the policy it was determined that due to the activities of employees and Board members being very different the policy should be updated to reflect these differences. Newberg reported that the current policy and the form that Board members are required to sign have been revised to pertain only to the Board of Directors and a new policy and form will be created for employees. The new Conflict of Interest Policy for employees and form will be an Action Item later in this meeting.

A motion was made and seconded (DeLeone/Schroder) to approve the revised Conflict of Interest Policy for the Board of Directors as presented. Motion carried.

New Conflict of Interest Policy – Employees (Attachment O)

Hinojosa restated that it was determined that employees and Board members require a separate Conflict of Interest Policy and form. Hinojosa reviewed the new policy draft and form that was sent out prior to the meeting as Attachment O.

A motion was made and seconded (De Leone/Ragland) to approve the new Conflict of Interest Policy for employees as presented. Motion carried.

Adjournment of Regular Meeting

The Regular Meeting adjourned by acclamation at 4:42 p.m.

Cynthia Chavez Metoyer
Secretary

Date

ATTACHMENT B

EL/P3 Project Cost Tracking

Extended Learning/P3 Project Cost Tracking - Summary
As of 12/31/18

Category	Source of Funds	Budget	Actual Spent	Remaining
<u>CONSTRUCTION (SRB & Campus)</u>				
EL Bldg Structure Tax Exempt	CSU-SRB	\$ 56,136,519	\$ 28,511,483	50.8% \$ 27,625,036 49.2%
Parking Structure TaxExempt	CSU-SRB	4,277,668	3,502,912	81.9% 774,756 18.1%
EL Bldg Structure Taxable	CSU-SRB	696,474	168,229	24.2% 528,245 75.8%
Parking Structure Taxable	CSU-SRB	2,432,339	2,432,339	100.0% - 0.0%
Subtotal - SRB		\$ 63,543,000	\$ 34,614,963	54.5% \$ 28,928,037 45.5%
Construction	Campus - EL & Parking	\$ 9,000,000	\$ 2,423,052	26.9% \$ 6,576,948 73.1%
Total Construction - CSU and Campus		\$ 72,543,000	\$ 37,038,015	51.1% \$ 35,504,985 48.9%
<u>GROUP II (Campus - EL & Parking)</u>				
Group II	Campus - EL & Parking	\$ 2,000,000	\$ -	0.0% 2,000,000 100.0%
TOTAL PROJECT - CSU and Campus		\$ 74,543,000	\$ 37,038,015	49.7% \$ 37,504,985 50.3%
<u>OTHER COSTS (Estimated)</u>				
Interest & Program Costs/Legal/Other equipment & expense	Campus - EL & Parking	\$ 1,000,000	\$ 485,754	48.6% \$ 514,246 51.4%
Campus/Group II & Move	Campus	500,000	-	0.0% 500,000 100.0%
EL Temporary Move to Kellogg	Campus - EL	-	-	0.0% -
CSUSM Corporation Furniture & Move	CSUSM Corporation	150,000	-	0.0% 150,000
TOTAL OTHER COSTS		\$ 1,650,000	\$ 485,754	29.4% \$ 1,164,246 70.6%
TOTAL PROJECT AND OTHER COSTS		\$ 76,193,000	\$ 37,523,769	49.2% \$ 38,669,231 50.8%

ATTACHMENT C

Revised FY18/19 Operating Budget (Informational Only)

CSUSM Corporation
FY2018-2019 Revised Budget

Administration	Original Approved Budget	Budget Adjustment	Full Year Revised Budget	Dec YTD Actuals	Jan - Jun Forecast	Full Year Forecast
Total Revenues	2,721,057	21,751	2,742,808	1,465,652	1,277,156	2,742,808
Total Expenditures	2,626,521	15,016	2,641,537	1,149,246	1,492,292	2,641,537
Net Income/(Net Loss) Before Post Retirement Expenses	94,536	6,735	101,271	316,407	(215,136)	101,271
Post Retirement Expenses	81,292	(60,985)	20,307	10,154	10,154	20,307
Net Income/(Net Loss) After Post Retirement Expenses	13,244	67,719	80,964	306,253	(225,290)	80,964

Account Category	Original Approved Budget	Budget Adjustment	Full Year Revised Budget	Dec YTD Actuals	Jan - Jun Forecast	Full Year Forecast
505 - Reimbursements ^(a)	90,000	(31,082)	58,918	80,343	(21,425)	58,918
506 - Transfers In From Other Funds/Appropriations ^(b)	548,000	56,542	604,542	327,414	277,128	604,542
508 - Revenue from Investments	30,000	0	30,000	26,071	3,929	30,000
580 - Other Financial Sources	2,053,057	(3,709)	2,049,348	1,031,825	1,017,523	2,049,348
Total Revenue	2,721,057	21,751	2,742,808	1,465,652	1,277,156	2,742,808
601 - Regular Salaries and Wages ^(c)	964,934	8,604	973,538	515,740	457,798	973,538
603 - Benefits Group ^(c)	378,906	6,413	385,319	200,169	185,150	385,319
604 - Communications	9,979	-	9,979	-	9,979	9,979
605 - Utilities Group	16,979	-	16,979	8,489	8,489	16,979
606 - Travel	34,115	-	34,115	12,670	21,445	34,115
607 - Capital Outlay Projects	150,000	-	150,000	-	150,000	150,000
612 - State Pro Rata Charges Group	5,927	-	5,927	1,482	4,445	5,927
613 - Contractual Services Group	168,400	-	168,400	73,592	94,808	168,400
616 - Information Technology Costs	16,834	-	16,834	-	16,834	16,834
617 - Services from Other Funds/Agencies Group	32,657	-	32,657	16,329	16,329	32,657
660 - Misc. Operating Expenses	572,790	-	572,790	245,337	327,453	572,790
680 - Operating Transfers Out	275,000	-	275,000	75,438	199,562	275,000
Total Expense	2,626,521	15,016	2,641,537	1,149,246	1,492,292	2,641,537
Net Income/(Net Loss) Before Post Retirement Expenses	94,536	6,735	101,271	316,407	(215,136)	101,271
Benefits Post Retirement Health ^(d)	81,292	(60,985)	20,307	10,154	10,154	20,307
Net Income/(Net Loss) After Post Retirement Expenses	13,244	67,719	80,964	306,253	(225,290)	80,964

Budget Adjustments:

- (a) Lower than projected Quad Summer Resident Income (to align cost allocation with Affiliation Agreement terms)
- (b) Increase in contribution from Housing for Affiliation Agreement legal \$60,000, net against lower than projected UVA Summer conference income (\$3,458)
- (c) Increased salary and benefit expense for fully staffed positions
- (d) Reduce budget to align with actuary report dated August 2018

ATTACHMENT D

Revised FY18/19 Student Housing Budget

CSUSM Corporation
FY2018-2019 Revised Budget

Student Housing	Original Approved Budget	Budget Adjustment	Full Year Revised Budget	Dec YTD Actuals	Jan - Jun Forecast	Full Year Forecast
Rental Revenue	5,974,014	-	5,974,014	2,811,337	3,162,677	5,974,014
Expenditures ^(a)	4,802,604	135,000	4,937,604	2,428,576	2,509,029	4,937,604
Net Income From Housing Before Campus Contribution	1,171,410	(135,000)	1,036,410	382,761	653,649	1,036,410
Less: Campus Contribution	500,000	-	500,000	-	500,000	500,000
Net Income From Housing After Campus Contribution	671,410	(135,000)	536,410	382,761	153,649	536,410

Budget Adjustments:

(a) \$60,000 for Affiliation Agreement legal and \$75,000 for housing demand study

ATTACHMENT E

Revised General Investment Policy



GENERAL INVESTMENT POLICY

PURPOSE:

To provide general guidance relative to the delegation of authority and responsibility, the policies needed, and the review requirements related to investment management.

BACKGROUND:

The Board has a fiduciary duty as trustee of invested funds and other liquid assets held by the California State University San Marcos Corporation (CSUSM Corporation). CSUSM Corporation engages Investment Advisors to advise on the management of investments, trusts and other financial matters of CSUSM Corporation. The extent of the investment management responsibilities of the Corporation, however, is such that it is prudent that whenever possible, CSUSM Corporation must secure and operate with continuous professional supervision of investments.

CSUSM Corporation maintains reserve accounts intended to be used for future planned activities (i.e. capital purchases, replacements, contingencies, etc.) and operating accounts for managing other general administrative activities. It also maintains various program accounts which help support campus activities. Since the balances in these accounts may be drawn on at any time, the investment objective is to preserve principal, provide liquidity, and provide a secure and stable investment return.

This policy provides the baseline authority and requirements for administration of all of CSUSM Corporation's investment assets. Each investment pool is to be operated in compliance with this policy.

POLICY:

- I. General. It is the policy of the Board of Directors that CSUSM Corporation's investment program will be managed in conformity with established investment management principles and the laws of the State of California governing commercial, donor, agency and fiduciary relationships. The Board delegates to the Executive Director or their Designee, the implementation of the management of investments per this policy and related policies of the Board, and in accordance with California and federal law.
 - a. It is expected that the Executive Director or Designee will seek and rely upon specialized expertise and guidance from the Finance and Operations Committee and other investment professionals as is reasonable and prudent. The Board retains ultimate responsibility to make investment program policy decisions.

- II. Executive Director or Designee Duties and Reporting to the Board. The Executive Director or Designee will have primary responsibility for implementation of investment-related duties in accordance with policy. The Executive Director or Designee will:

GENERAL INVESTMENT POLICY

- ~~a.~~ Provide ~~accounting and~~ reports ~~related to investments~~ to the Board ~~periodically~~;
 - ~~b.a.~~ ~~Ensure that~~ quarterly reports are produced that detail the earnings and activity in all investment accounts, ~~and distribute the reports to the Board.~~
 - ~~e.b.~~ Establish procedures regarding implementation of policy; and
 - ~~d.c.~~ From time to time provide recommendations to the Finance and Operations Committee for revisions to policy to be proposed to the Board; and
 - ~~e.d.~~ Consult with the Finance and Operations Committee regarding the hiring, monitoring, and termination of Investment Advisor(s).
- III. Investment Advisor(s) role. The Executive Director or Designee may allow Investment Advisor(s) to:
- a. Implement Board approved investment-related policies through written procedures as provided by the Executive Director or Designee; and
 - b. Recommend policy and procedure revisions to the Executive Director or Designee for the review by the Finance and Operations Committee and Board approval.
- IV. Investment Standard. All investments must be in compliance with the California Uniform Management of Institutional Funds Act ("UMIFA").
- V. Allowable Investments
- a. Money market funds, LAIF, certificates of deposits and U.S. Treasury Securities with maturities not to exceed 3 years, or short-term fixed income mutual funds with average portfolio durations of 2 years or less.
- VI. Investment Earning
- a. Investment earnings will be recorded in the general operating fund of CSUSM Corporation unless specific agreements have been established between the CSUSM Corporation Executive Director and a campus program account for the credit and/or use of investment income.

PROCEDURES:

Procedures. The Executive Director or Designee will establish written procedures for practical operations related to investment funds to implement this policy.

COMPLIANCE:

All personnel involved in investment of any CSUSM Corporation-held funds must comply with this policy.

AMENDMENT TO POLICY:

This policy may be amended in whole or in part upon review and recommendation from the Finance and Operations Committee to be passed on to the Board of Directors for approval.

REFERENCE:

California Uniform Management of Institutional Funds Act ("UMIFA") (Cal. Probate Code 18506 et seq.).

ATTACHMENT F

Revised Sponsored Projects Conflict of Interest Policy



SPONSORED PROJECTS CONFLICT OF INTEREST POLICY

PURPOSE:

To comply with the California Code of Regulations (2 CCR § 18755); Integrated CSU Administrative Manual (ICSUAM); the Code of Federal Regulations (2 CFR 200.112); and sponsor policies, as applicable.

SCOPE:

Individuals subject to this policy are CSUSM Corporation and CSUSM employees, and in some cases, contractors or subawardees, with responsibility for the design and conduct of a research or sponsored project funded or supported, in whole or in part, by a contract or grant. The disclosure process for principal investigators and other personnel differ from the Conflict of Interest filing requirements of other employees. As a result, responsibility for the oversight and administration of the Conflict of Interest Policy is shared between CSUSM Human Resources, the Office of Graduate Studies and Research, and the Office of Sponsored Projects. The Conflict of Interest Policy reflects the requirements set forth by HR 2015-05 and ICSUAM Policy Number 11010.02, as well as applicable sponsors.

POLICY:

I. General Requirements

State of California: Principal investigators are required to disclose financial interests when the funding from research or sponsored project funded or supported, in whole or in part, by a contract or grant is from a non-governmental source to ensure public employees are not personally benefitting at the expense of the public interest.

NSF/PHS: Investigators are required to disclose all financial interests that could potentially bias research outcomes. There are several other federal and non-federal funding agencies that have adopted the PHS policy on financial conflicts of interest. “Investigators” includes principal investigator or project director, co-principal investigator, and any other personnel who would be responsible for the design, conduct, or reporting of research or educational activities funded by the PHS/NSF or proposed for such funding, which may include, for example, consultants, investigators on subawards, and unpaid collaborators. For purposes of this policy, regardless of funding source, “Investigator” also includes the investigator’s spouse/domestic partner and dependent children.

Disclosures of financial interests: When proposals are submitted to non-governmental sponsors, to the NSF, or to PHS sponsors, the appropriate disclosure form must be completed and submitted to the Office of Graduate Studies and Research (during the proposal stage) or the CSUSM Corporation Office of

Sponsored Projects (during the award period) as described in the CSUSM Corporation Conflict of Interest Procedure. Disclosures must be updated according to the requirements of the sponsor as described in the CSUSM Corporation Conflict of Interest Procedure.

II. Financial Interest

State of California: The Integrated CSU Administrative Manual (ICSUAM) defines a Significant Financial Interest as “anything of monetary value, including but not limited to salary or other payments for service (e.g. consulting fees or honoraria); equity interests (e.g. stocks, stock options); being an owner, partner, director or officer in a non-publicly held company or entity; and, intellectual property rights (e.g., patents, copyrights) and royalties from such rights.”

NSF/PHS: A financial conflict of interest is a Significant Financial Interest (SFI) that could directly and significantly affect the design, conduct, or reporting of the funded research. The definition of SFI according to the PHS and NSF can be found in section II.A.3 of the CSUSM Corporation Conflict of Interest Procedure.

III. Financial Conflict of Interest (FCOI) Disclosure Forms

State of California: The 700-U Statement of Economic Interests for Principal Investigators form is required for all persons employed by the CSU who have principle responsibility for a research project if the project is to be funded or supported, in whole or in part, by a contract or grant (or other funds earmarked by the donor for a specific research project or for a specific researcher) from a nongovernmental agency. Disclosure is required prior to final acceptance of a contract or grant, or within 30 days after funding is renewed.

NSF/PHS: All persons who will have a significant role in the design and execution of a NSF and/or PHS funded project must file a disclosure form of all financial interests that would reasonably appear to be directly or significantly affected by their activities.

IV. Training

State of California: In accordance with Fair Political Practices Commission requirements and consistent with ICSUAM, Principal Investigators must complete the CSU Ethics and Conflict of Interest training within six (6) months of receiving an award. Subsequent training is required at least once each consecutive period of two (2) calendar years that the grant is in place. To ensure training is completed, the Office of Graduate Studies and Research Grants and Contracts Development will require training certificates prior to sharing the proposal records with the Office of Sponsored Projects for award set-up.

PHS: Such persons who have a significant role in the design and execution of the project are required to complete the Conflict of Interest training in CITI and the training must be repeated every four (4) years. Grants and Contracts Development will require training certificates prior to sharing proposal records with the Office of Sponsored Projects for award set-up.

V. Review of Financial Disclosures

Disclosure forms submitted during the proposal stage and prior to award finalization will be reviewed by the Office of Graduate Studies and Research. Disclosure forms submitted once the award has been established will be reviewed by the Office of Sponsored Projects. If the Investigator states on the form that there are no reportable financial interests related to the project, no further action will be taken and the form will remain in the project file.

If a related financial interest is reported on the form, the disclosure will be reviewed by the Director of Sponsored Projects and the Dean of Graduate Studies and Research to determine if it is a Significant Financial Interest (SFI), in which case it will be shared with the Conflict of Interest Review Committee (CIRC)¹ to determine if the nature of the Investigator's financial interest is such that a conflict of interest is unlikely to occur and would not compromise the quality and objectivity of the research, including not causing harm to the University or the misuse of state resources. See CSUSM Corporation Sponsored Projects Conflict of Interest Procedure for determination process and Resolution Plan.

VI. Enforcement Mechanisms and Sanctions

No grant or contract will be accepted nor administered by CSUSM Corporation without full disclosure by the Investigator(s) as detailed in the applicable procedures. Failure to comply with this policy and its implementing procedures will result in non-acceptance by CSUSM Corporation of the grant or contract. Potential violations of the Conflict of Interest Resolution Plan shall be handled by the Dean of Graduate Studies and Research, who monitors the state of academic freedom and professional responsibility at CSUSM. The CSUSM Corporation Executive Director or designee, in consultation with the Provost or designee, will establish and enforce appropriate sanctions based on the specific conduct of an investigator failing to follow the approved Resolution Plan.

VII. Record Maintenance

All financial disclosure statements and records of all actions taken in reviewing statements plus any actions taken to resolve actual or potential conflicts of interest will be retained for a minimum of three (3) years after the termination or completion of the related grant or contract. If any litigation, government action, or other controversy exists after such termination or completion, the records shall be retained for a minimum of three (3) years after any such litigation, government action or controversy has concluded. In those cases where a granting or contracting agency requires a longer period of record retention, CSUSM Corporation Office of Sponsored Projects will comply with that agency's requirements.

¹ The CIRC consists of two faculty selected in consultation with Academic Senate, one administrator from CSUSM Corporation, Dean of Graduate Studies and Research, and VPFAS or designee.

REFERENCES

Sponsored Projects Conflict of Interest Procedure

ICSUAM Manual



SPONSORED PROJECTS CONFLICT OF INTEREST POLICY

PURPOSE:

To comply with the California Code of Regulations (2 CCR § 18755); Integrated CSU Administrative Manual (ICSUAM); the Code of Federal Regulations (2 CFR 200.112); and sponsor the policies, as applicable, of the National Science Foundation (NSF); and the regulations/policies of the Public Health Service agencies (e.g., NIH, HRSA, FDA, CDC, SAMHSA, AHRQ, Indian Health Service and ATSDR).

SCOPE:

Individuals subject to this policy are CSUSM Corporation and CSUSM employees, and in some cases, contractors or subawardees, with responsibility for the design and conduct of a research or sponsored project funded or supported, in whole or in part, by a contract or grant. The disclosure process for principal investigators and other personnel differ from the Conflict of Interest filing requirements of other employees. As a result, responsibility for the oversight and administration of the Conflict of Interest Policy is shared between CSUSM Human Resources, the Office of Graduate Studies and Research, and the Office of Sponsored Projects. The Conflict of Interest Policy reflects the requirements set forth by HR 2015-05 and ICSUAM Policy Number 11010.02, as well as applicable sponsors.

POLICY:

I. BasicGeneral Requirements

State of California: Principal investigators are required to disclose financial interests when the funding from research or sponsored project funded or supported, in whole or in part, by a contract or grant is from a non-governmental source to ensure public employees are not personally benefitting at the expense of the public interest.

NSF/PHS: Investigators are required to disclose all financial interests that could potentially bias research outcomes. There are several other federal and non-federal funding agencies that have adopted the PHS policy on financial conflicts of interest. "Investigators" includes principal investigator or project director, co-principal investigator, and any other personnel who would be responsible for the design, conduct, or reporting of research or educational activities funded by the PHS/NSF or proposed for such funding, which may include, for example, consultants, investigators on subawards, and unpaid collaborators. For purposes of this policy, regardless of funding source, "Investigator" also includes the investigator's spouse/domestic partner and dependent children.

Disclosures of State and Federal regulations require all persons with a significant role in the project to disclose whether or not he/she has a direct or indirect financial interests: When proposals are submitted to non-governmental sponsors, interest in the sponsor or agency. Those considered to the NSF, or to PHS sponsors, they have a significant role include Principal Investigators, Co-Principal Investigators, and any other person who is responsible for the design, conduct, or reporting of work performed on the project. In addition, the disclosure must be made for each investigator's spouse and dependent children.

The appropriate disclosure form must be completed and submitted to the Office of Graduate Studies and Research (during the proposal stage) or the CSUSM Corporation Office of Sponsored Projects (during the award period) as described in the CSUSM Corporation Conflict of Interest Procedure. Disclosures must be updated according to the requirements of the sponsor as described in the CSUSM Corporation Conflict of Interest Procedure annually and as new reportable financial interests are obtained.

II. Financial Interest

State of California: The Integrated CSU Administrative Manual (ICSUAM) defines a Significant Financial Interest as "anything of monetary value, including but not limited to interest includes travel reimbursements, salary or other payments payment for service (e.g. consulting fees or honoraria); equity services outside the scope of the award; interests (e.g. stocks, stock options); being an owner, partner, director or officer or ownership in a non-publicly held company or entity; business enterprises; and, intellectual property rights (e.g., patents, copyrights) and royalties from such rights."

NSF/PHS: A significant financial conflict of interest is a Significant Financial Interest (SFI) defined as any financial interest that could an investigator would have that would reasonably appear to be directly and significantly affected by the design, conduct, sponsored activities or reporting of any interest that an investigator would have in entities whose financial interest would reasonably appear to be directly and significantly affected by the funded research. The definition of SFI according to the PHS and NSF can be found in section II.A.3 of the CSUSM Corporation Conflict of Interest Procedures sponsored activities.

III. Financial Conflict of Interest (FCOI) Disclosure Forms

State of California: The 700-U Statement of Economic Interests for Principal Investigators form is required for all persons employed by the CSU who have principle responsibility for a research project if the project is to be funded or supported, in whole or in part, by a contract or grant (or other funds earmarked by the donor for a specific research project or for a specific researcher) from a nongovernmental agency. Disclosure is required prior to final acceptance of a contract or grant, or within 30 days after funding is renewed. National Science Foundation (NSF) and Public Health Service (PHS)

NSF/PHS: All persons who will have a significant role in the design and execution of a NSF and/or PHS funded project must file a disclosure form statement of all financial interests that would reasonably appear to be directly or significantly affected by their activities. Financial interest includes travel reimbursements, salary or payment for services outside the scope of the award, interests or ownership in business enterprises, and intellectual property rights.

A significant financial interest is defined as any financial interest that an investigator would

~~have that would reasonably appear to be directly and significantly affected by the sponsored activities or any interest that an investigator would have in entities whose financial interest would reasonably appear to be directly and significantly affected by the sponsored activities. Such persons are required to complete the Conflict of Interest training and the training must be repeated every four years. The required training is satisfied by the successful completion of the~~

IV. Training

State of California: In accordance with Fair Political Practices Commission requirements and consistent with ICSUAM, Principal Investigators must complete the CSU Ethics and Conflict of Interest training within six (6) months of receiving an award. Subsequent training is required as least once each consecutive period of two (2) calendar years that the grant is in place. To ensure training is completed, the Office of Graduate Studies and Research Grants and Contracts Development will require training certificates prior to sharing the proposal records with the Office of Sponsored Projects for award set-up.

PHS: Such persons who have a significant role in the design and execution of the project are required to complete the Conflict of Interest training in CITI and the training must be repeated every four (4) years. Grants and Contracts Development will require training certificates prior to sharing proposal records with the Office of Sponsored Projects for award set-up.

V.

NIH Financial Conflict of Interest Tutorial available at <http://grants.nih.gov/grants/policy/eoi/tutorial2011/feoi.htm>.

~~The Certificate of Completion (at the conclusion of the NIH Tutorial) and the completed COI Disclosure Form must be submitted to the CSUSM Corporation Office of Sponsored Projects prior to any work being done on the project. All submitted COI documentation will be maintained by CSUSM Corporation in the project file for the same period of time as the award record retention requirement.~~

Review of Financial Disclosures

All Disclosure forms submitted during the proposal stage and prior to award finalization will be reviewed by the Office of Graduate Studies and Research. Disclosure forms submitted once the award has been established Forms will be reviewed by the Office of Sponsored Projects.

If the Investigator states on the form that there are no reportable financial interests related to the project, no further action will be taken and the form will remain in the project file.

If a related financial interest is reported on the form, the disclosure will be reviewed by the Director of Sponsored Projects and the Dean of Graduate Studies and Research to determine if it is a Significant Financial Interest (SFI), in which case it will be shared with the Conflict of

Interest Review Committee (CIRC) to determine if the nature of the Investigator's financial interest is such that a conflict of interest is unlikely to occur and would not compromise the quality and objectivity of the research, including not causing harm to the University or the misuse of state resources. See CSUSM Corporation Sponsored Projects Conflict of Interest Procedure for determination process and Resolution Plan.

~~If it is determined that a conflict of interest is likely to occur, the CIRC will meet to review the potential conflict. On the basis of the review, the CIRC will recommend to the CSUSM Corporation Executive Director and the Provost, or designees, whether funding for the project shall be accepted or continued and, if so, what actions need to~~

be taken to manage, reduce, or eliminate any such conflicts of interest. Recommended actions will be documented in a Resolution Plan that may include: public disclosure of the financial interest, monitoring of research by independent reviewers, modification of the research plan if necessary to avoid conflict of interest, disqualification from participation in the portion of the project that is affected by the significant financial interest, divestiture of significant financial interests, or severance of relationships that create actual or potential conflicts. On completion of its deliberations, the CIRC shall file a report with the Provost and with the CSUSM Corporation Executive Director. At a minimum, the report by the CIRC will consist of:

- Name of Investigator
- Name of project, topic, or activity
- Period of performance
- Date reviewed by the CIRC
- Funds proposed or awarded
- Documents reviewed by the CIRC
- Nature of financial interest
- Criteria used by CIRC
- Assessment of the probability of the financial involvement leading to a conflict of interest, including causing significant harm to either the University or the sponsoring entity.

Commented [TB1]: Moved to procedure

VI. Enforcement Mechanisms and Sanctions

No grant or contract will be accepted ~~for submittal~~ nor administered by CSUSM Corporation without full disclosure by the Investigator(s) as detailed in the applicable procedures. Failure to comply with this policy and its implementing procedures will result in non-acceptance by CSUSM Corporation of the grant or contract.

Potential violations of the Conflict of Interest Resolution Plan shall be handled by the Dean of Graduate Studies and Research ~~AVPR~~, who monitors the state of academic freedom and professional responsibility at ~~CSUSM CAL STATE SAN MARCOS~~. The CSUSM Corporation Executive Director or designee, in consultation with the Provost or designee, will establish and enforce appropriate sanctions based on the specific conduct of an investigator failing to follow the approved Resolution Plan.

VII. Record Maintenance

All financial disclosure statements and records of all actions taken in reviewing statements plus any actions taken to resolve actual or potential conflicts of interest will be retained for a minimum of three (3) years after the termination or completion of the related grant or contract. If any litigation, government action, or other controversy exists after such termination or completion, the records shall be retained for a minimum of three (3) years after any such litigation, government action or controversy has concluded. In those cases where a granting or contracting agency requires a longer period of record retention, CSUSM Corporation Office of Sponsored Projects will comply with that agency's requirements.

¹ The CIRC consists of two faculty selected in consultation with Academic Senate, one administrator from CSUSM Corporation, Dean of Graduate Studies and Research, and YPFAS or designee.

REFERENCES

Sponsored Projects Conflict of Interest Procedure

ICSUAM Manual

DRAFT

ATTACHMENT G

Quarterly Financial Report 12/31/18

California State University San Marcos Corporation
Statement of Financial Position
December 31, 2018

	Balance 12/31/2018	Balance 9/30/2018	Quarter Increase/ (Decrease)
Assets			
Cash and cash equivalents	\$ 2,212,430	\$ 3,421,164	\$ (1,208,734)
Investments	15,755,112	13,140,923	2,614,189
Accounts Receivable-Extended Learning Building	28,975,940	42,426,660	(13,450,720)
Accounts Receivable-Sponsored Programs	2,179,006	2,676,111	(497,105)
Other Receivable	1,345,044	1,685,392	(340,348)
Other Assets	102,463	109,493	(7,030)
Extended Learning Building	37,464,305	23,958,949	13,505,356
Housing Building & Equipment (Net)	18,514,495	18,834,128	(319,633)
CCF Building & Fixtures (Net)	3,910,633	3,981,882	(71,249)
Property & Equipment (Net)	2,245,425	2,277,777	(32,352)
Total Assets	\$ 112,704,853	\$ 112,512,479	\$ 192,374
Liabilities & Net Assets			
Liabilities:			
Accounts Payable and Accrued Expenses	\$ 1,699,025	\$ 2,334,122	\$ (635,097)
Deferred Revenue	13,139,831	12,214,816	925,015
Bond Payable - Housing	18,059,160	18,950,023	(890,863)
Post-Retiree Health Benefit Accrual	1,541,701	1,536,624	5,077
Note Payable - Extended Learning Building	63,590,904	63,590,904	-
Note Payable - Starbucks	198,291	198,291	-
Total Liabilities	\$ 98,228,912	\$ 98,824,780	\$ (595,868)
Net Assets:			
Unrestricted:			
Operating Reserves	\$ 2,762,453	\$ 2,682,549	\$ 79,904
Campus/Designated Programs	3,375,768	2,887,361	488,407
Administrative Current Year Net Activity	306,252	359,501	(53,249)
Housing	3,183,489	3,418,353	(234,864)
CCF-Bldg & Fixtures	3,910,633	3,981,883	(71,250)
Property & Equipment	937,346	358,052	579,294
Total Net Assets	\$ 14,475,941	\$ 13,687,699	\$ 788,242
Total Liabilities & Net Assets	\$ 112,704,853	\$ 112,512,479	\$ 192,374

California State University San Marcos Corporation
Administrative Operating Summary
7/1/18 to 12/31/18

	Annual Budget FY 18/19	Quarter 2 10/1/18 to 12/31/18			Fiscal Year To Date 7/1/18 to 12/31/18			Comparison of Prior FYTD Actual to Current FYTD Actual		
		Budget	Actual	Variance	Budget	Actual	Variance	Prior FYTD 12/31/17	Current FYTD 12/31/18	% Increase (Decrease)
Revenue										
Net Grant/Contract Admin Fees	\$ 906,400	\$ 226,600	\$ 220,000	\$ (6,600)	\$ 453,200	\$ 440,000	\$ (13,200)	\$ 449,225	\$ 440,000	-2%
Admin Fees - Campus Programs	120,000	30,000	30,522	522	60,000	59,002	(998)	63,141	59,002	-7%
Follett-Bookstore Commission	333,000	16,650	27,325	10,675	166,500	159,581	(6,919)	173,846	159,581	-8%
Sodexo Commission	130,000	32,500	58,416	25,916	65,000	64,083	(917)	-	64,083	-
Other Commercial Services Revenues	152,185	38,046	46,244	8,198	76,093	63,845	(12,248)	69,873	63,845	-9%
Housing	498,000	124,500	139,500	15,000	249,000	279,000	30,000	249,000	279,000	12%
Summer Revenue	180,000	-	-	-	180,000	171,831	(8,169)	255,892	171,831	-33%
Center for Children & Family (CCF)	69,000	17,250	34,500	17,250	34,500	34,500	-	14,500	34,500	138%
Investment Income	30,000	7,500	(12,705)	(20,205)	15,000	26,071	11,071	31,989	26,071	-19%
Exchange of Value - CSUSM	280,972	70,243	75,243	5,000	140,486	150,486	10,000	121,576	150,486	24%
Space Rental	-	-	-	-	-	-	-	31,380	-	-100%
Other Revenue	21,500	5,375	30	(5,345)	10,750	17,253	6,503	20,458	17,253	-16%
Total Revenue	\$ 2,721,057	\$ 568,664	\$ 619,075	\$ 50,411	\$ 1,450,529	\$ 1,465,652	\$ 15,124	\$ 1,480,880	\$ 1,465,652	-1%
Post-Retirement	\$ 81,292	\$ 20,323	\$ 5,077	\$ 15,246	\$ 40,646	10,154	\$ 30,492	\$ 40,646	10,154	-75%
Expenses: Admin Operations	2,626,521	656,630	667,247	(10,617)	1,313,261	1,149,246	164,015	990,431	1,149,246	16%
Net Operating Revenues	\$ 13,244	\$ (108,289)	\$ (53,249)	\$ 55,040	\$ 96,622	\$ 306,252	\$ 209,630	\$ 449,803	\$ 306,252	-32%

ATTACHMENT H

Investment Activity Report 12/31/18

California State University San Marcos Corporation
Investment Activity for the Quarter Ended December 31, 2018

CORPORATION ADMIN

TYPE	Beginning Investment Value 9/30/18	Income	Purchases	Maturities and Sales	Cash Withdrawal and Deposits	Change in Market Value	Ending Investment Value 12/31/18	%
CD's	\$ 5,085,517	\$ 16,072	\$ 1,470,000	\$ (1,470,000)	\$ -	\$ (1,629)	\$ 5,083,888	40%
Mutual Funds	4,846,064	34,365	2,381,780	-	-	(40,280)	7,221,930	58%
Cash	13,263	452	-	-	234,292	-	248,007	2%
TOTAL	\$ 9,944,845	\$ 50,889	\$ 3,851,780	\$ (1,470,000)	\$ 234,292	\$ (41,909)	\$ 12,553,825	100%

INCOME DETAIL

TYPE (see notes below)	Oct-18	Nov-18	Dec-18	TOTAL
CD's ⁽¹⁾	\$ 7,598	\$ 5,649	\$ 2,825	\$ 16,072
MF - PIMCO DYNAMIC BOND-PUBAX ⁽²⁾	3,272	3,788	\$ 4,295	11,355
MF - PIMCO LOW DURATION-PTLAX ⁽²⁾	2,125	2,224	\$ 3,346	7,695
MF - PIMCO SHRT TERM-PSHAX ⁽²⁾	2,374	2,633	\$ 7,486	12,494
MF - Federated Ultrashort Bond - FULAX ⁽³⁾	720	763	\$ 1,339	2,821
Cash	189	154	\$ 109	452
	<u>\$ 16,277</u>	<u>\$ 15,212</u>	<u>\$ 19,400</u>	<u>\$ 50,889</u>

INVESTMENT EARNINGS SUMMARY

	QUARTER 1	QUARTER 2	TOTAL
Income	\$ 37,521	\$ 50,889	\$ 88,411
Change in Market Value	15	(41,909)	(41,894)
CD's Accrued Interest	10,465	12,990	23,455
Total Investment Earnings	<u>\$ 48,001</u>	<u>\$ 21,971</u>	<u>\$ 69,971</u>
Income Credited to: *			
Corporation Admin	\$ 38,776	\$ 2,275	\$ 41,051
EL/P3 Project	9,224	19,696	28,920
Total	<u>\$ 48,001</u>	<u>\$ 21,971</u>	<u>\$ 69,971</u>

* Assumes accrued CD interest for Quarter 2

NOTES:

- (1) CD's have varying maturities from February 2019 - October 2021 and coupons from 1.5% - 3.2%
(2) Mutual Funds - PIMCO have one year hold from date of purchase; current earnings ranging from 2.7% -3.69%
(3) Mutual Funds - Federated Ultrashort - no hold period; currently earning around 2.09%

California State University San Marcos Corporation
Investment Activity for the Quarter Ended December 31, 2018

HOUSING

TYPE	Beginning Investment Value 9/30/18	Income	Purchases	Maturities and Sales	Cash Withdrawal and Deposits	Change in Market Value	Ending Investment Value 12/31/18	%
CD's	\$ 1,466,519	\$ 6,120	\$ 245,000	\$ (245,000)	\$ -	\$ -	\$ 1,466,519	46%
Mutual Funds	\$ 1,718,640	\$ 8,498	\$ 16,000	\$ -	\$ -	\$ (9,495)	\$ 1,733,643	54%
Cash	\$ 10,920	\$ 85	\$ -	\$ -	\$ (9,880)	\$ -	\$ 1,125	0%
TOTAL	\$ 3,196,079	\$ 14,703	\$ 261,000	\$ (245,000)	\$ (9,880)	\$ (9,495)	\$ 3,201,287	100%

INCOME DETAIL

TYPE (see notes below)	Oct-18	Nov-18	Dec-18	TOTAL
CD's ⁽¹⁾	\$ 957	\$ 4,207	\$ 957	\$ 6,120
MF - Federated Ultrashort Bond - FULAX ⁽²⁾	\$ 2,715	\$ 2,876	\$ 2,907	\$ 8,498
Cash	\$ 6	\$ 28	\$ 51	\$ 85
	<u>\$ 3,678</u>	<u>\$ 7,111</u>	<u>\$ 3,914</u>	<u>\$ 14,703</u>

INVESTMENT EARNINGS SUMMARY

	QUARTER 1	QUARTER 2	TOTAL
Income	\$ 19,198	\$ 14,703	\$ 33,901
Change in Market Value	463	(9,495)	(9,032)
CD's Accrued Interest	(544)	(744)	(1,288)
Total Investment Earnings	<u>\$ 19,117</u>	<u>\$ 4,465</u>	<u>\$ 23,581</u>

NOTES:

(1) CD's have varying maturities from February 2019 - March 2021 and coupons from 1.9% - 2.75%

(2) Mutual Funds - Federated Ultrashort - no hold period; currently earning around 2.09%

TOTAL CORPORATION INVESTMENT TOTALS

	Beginning Investment Value 9/30/18	Income	Purchases	Maturities and Sales	Cash Withdrawal and Deposits	Change in Market Value	Ending Investment Value 12/31/18	%
Corporation Admin	\$ 9,944,845	\$ 50,889	\$ 3,851,780	\$ (1,470,000)	\$ 234,292	\$ (41,909)	\$ 12,553,825	79.7%
Housing	\$ 3,196,079	\$ 14,703	\$ 261,000	\$ (245,000)	\$ (9,880)	\$ (9,495)	\$ 3,201,287	20.3%
TOTAL	\$ 13,140,923	\$ 65,592	\$ 4,112,780	\$ (1,715,000)	\$ 224,412	\$ (51,404)	\$ 15,755,112	100.0%