

Financial Services Division
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210

www.calstate.edu

Date: May 6, 2011 **Code: FS 2011-01**

To: FOA Delegates

From: George V. Ashkar
Assistant Vice Chancellor/Controller
Financial Services

Subject: **Extended and Continuing Education Fiscal Integrity**

There has been a lot of discussion regarding the appropriate treatment to record Extended and Continuing Education program allocations to campus colleges. This memorandum serves to clarify the financial management of self-supporting programs.

Each campus president has the authority and accountability for the administration and fiscal integrity of Extended and Continuing Education self-support programs. These programs, including Open University, shall operate with the framework of Education Code Section 89704 and revenues shall be deposited into local trust accounts (Education Code Section 89721 i). Continuing Education funds are subject to all applicable fiscal policies and procedures and shall be available “for the support and development of self-supporting instructional programs,” as provided in Education Code Section 89704. It is the CSU policy that all Continuing Education revenues are to be recorded in CSU Fund 441 and operating costs are expended from that same fund. All support, development, and program allocations to campus colleges exclusive of Cost Recovery, must be recorded in the CERF CSU Fund 441.

As outlined in the Proposed *CERF Program Reinvestment Allocation Guidelines*, CSU Fund 444: College Partners has been established to allow campuses to record program allocations to colleges to track fund balance and expenditures related to these activities. At this time, there will be no systemwide policy established requiring the use of this CSU Fund. Instead, that decision will be made pursuant to each campus’ policy and practices. However, the use of the year-end reserve accounting entries will be enforced in the other CERF CSU Funds.

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

Coded Memo FS 2011-01
May 6, 2011
Page 2

To provide additional clarification on the remaining reporting groups, CSU Fund 442 is for construction activities funded by CERF student fee. CSU Fund 443 is for the maintenance and repair of existing CERF owned structures including the maintenance and repair contract that meet the criteria for capitalization per the CSU policy.

GVA:KC:td

Distribution:

Sheila Thomas, Systemwide Dean of Extended and Continuing Education
Extended and Continuing Education Deans and Directors
FSAC

Reference:

[Executive Orders 1047](#)

[Executive Orders 805](#)

[Executive Orders 794](#)

[Education Code 89700-89710](#)