



BOARD OF DIRECTORS ORIENTATION

The University Corporation, San Francisco State

Updated August 2022

Agenda

- **What is an Auxiliary?**
- **What does UCorp do? (An overview)**
- **What is your role?**
- **What does UCorp do? (The details)**
 - **Finance and Administration**
 - **Operations**
 - **Public Private Partnerships**



What is an Auxiliary?

What is an Auxiliary?

Auxiliaries at SF State



- Business Partner
- Commercial Services
- Supporter



- Student Government
- Student Services



- Philanthropy
- Endowments
- Gifts



What is an Auxiliary?

Auxiliaries of the CSU



- Federation of nearly 100 auxiliaries around the CSU
- Annual conference
- AORMA
- Ongoing services and committee work
- Professional development



What Does UCorp Do?

An Overview

What Does UCorp Do?

Mission Statement

A not-for-profit public benefit corporation working to further SF State's mission by helping to create a thriving community that meets the needs and aspirations the university's students, faculty and staff.

UCorp Employee Directory: <https://ucorp.sfsu.edu/employees>



What Does UCorp Do?

An Overview

Campus Programs & Sponsored Projects

- Campus Programs (PLI, FAP)
- Non-ORSP Grants & Contracts
- Commencement



Finance & Administration

- UCorp's infrastructure
- Provides services to UCorp and other auxiliaries.



Innovation

- Intellectual property
- Patents



Real Estate

- Holloway Revitalization
- Gifts of property



Partnerships (UCorp Vendors)

- Bookstore
- Cafe Rosso
- Clean Bites
- HSS Café
- Subway
- Station Café
- Peet's Coffee
- Taza Smoothies & Wraps
- Village Market & Pizzeria
- US Bank
- Learfield Licensing
- Vending Machines



Student Center Vendors

- 12 food operators
- 4 ATMs

Self-Operations

- Food Truck Program
- Shop 24
- Ctrl+P (Copy Center)
- Lobby Shop
- Healthy U
- Open 24

GATOR
GROUP
For the Gator Good



What Does UCorp Do?

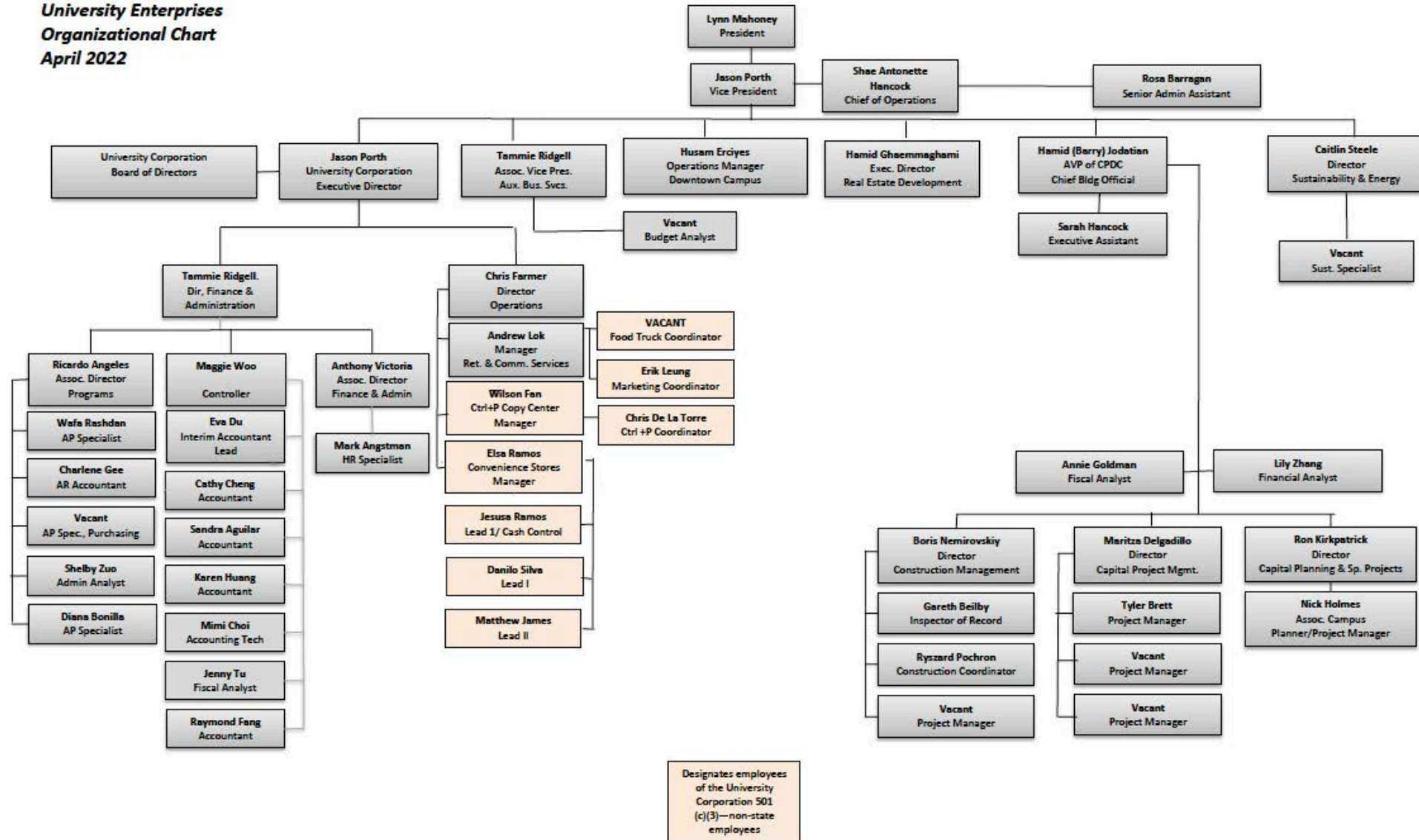
Operating Agreements and Leases

- **Operating Agreement (2019)**
- **Master Lease**
- **Student Center Lease**
- **Ground Lease**



What Does UCorp Do?

**University Enterprises
Organizational Chart
April 2022**



What is Your Role?

What is Your Role?

Board Governance

Fiduciary Responsibility

“The management of the affairs, property, and business of the Corporation shall be vested in a Board of Directors...”

“A director shall perform [their] duties... in good faith, in a manner such director believes to be in the best interest of the Corporation...”

Conflict of Interest

“No member of the BOD shall be financially interested in any contract or other transaction entered into by the BOD”

Voluntary Service

“No director shall receive any salary or other similar compensation”

Indemnification of Directors

“To the fullest extent permitted by law, the Corporation shall indemnify its directors...”



What is Your Role?

Board Governance

Article II- Board of Directors

- **UCorp Board comprised of 11-17 directors**

Inclusive Composition:

Faculty (4)

Students (3)

Community Members (4)

Administration (6)

- **Board Term** *Fiscal Year: July 1 – June 30*

1 year: student

3 years: faculty/ community/ administrator

Ex Officio: Executive Director,
President/designee, VP of Administration &
Finance/designee, Academic Senate Chair

- **Qualifications**

Willingness to assume and bear legal and fiscal responsibility.

Familiarity with project activities/ understanding of educational mission of SF State.

Experience/skill/ knowledge in fiscal, personnel, fundraising, related administrative matters, community ties.



What is Your Role?

Board Governance

Article IV- Standing Committees

○ **Executive Committee**

Comprised of five officers.

Act in capacity of full board except:

- Filling vacancies on board
- Alter by laws
- Fixing compensations
- Approve conflict of interest transaction
- Alter expressly non amendable/repealable resolution

○ **Nominating Committee**

- Recommend board and committee composition for Presidential and full board approval.

○ **Finance Committee**

- Review financial statements, provide financial guidance.
- Monitor investment performance.
- Review and recommend proposed budget.
- Annual approval of insurance coverage.
- Review service contracts with the campus.

○ **Audit Committee**

- Negotiate proposed terms of engagement.
- Review and determine whether to accept audit.
- Review annual financial statements.
Recommend retention/termination of independent auditor firm.



What is Your Role?

Board Governance

Additional Committees

○ **Bookstore Advisory Committee**

- Maintain communication between bookstore management and campus community.
- Solicit and evaluate suggestions for improving the bookstore services and partnership opportunities.
- Serve as advisory committee for matters on which the bookstore seeks input.
- Monitor evolution of course material industry to devise a long-term vision for our campus store.

○ **Retail and Commercial Services Committee**

- Assess campus needs and preferences.
- Ensure inclusion of community voices and act as a liaison between UCorp and campus where ideas can be filtered.
- Consultative body in consideration for issues related to vendor services/requests.
- Provide guidance for self-operation performance.



What is Your Role?

Board Governance

Article III- Meetings

- **FY Calendar approved by Board at Annual Meeting in June**
 - Calendar on website, Outlook
 - Agenda sent 7 days prior to meeting, documentation “packet” sent prior to meeting
- **Board meetings are held on Mondays, 3:00- 4:30 p.m.**
 - Sept., Oct., Dec., Feb., April, May, June (Annual Meeting)
 - Quorum: 5
 - Open meetings
 - Constituent Reports
- **Committee meetings time and frequency vary by committee**



What Does UCorp Do?

Finance and Administration

- Auxiliary Business Services
- Types of Programs
- Business Partnerships
- Financial Statement Review
- Investments

What Does UCorp Do?

Finance and Administration

Auxiliary Business Services

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- UCorp provides accounting and custodial functions to SF State auxiliaries.
- The services provided must comply with policies and procedures for the campus, CSU, GAAP, state, and federal regulations.

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Services Include:

- ✓ Account Payable
- ✓ Account Receivable
- ✓ Banking
- ✓ Cash Handling
- ✓ Financial Statements
- ✓ General Ledger Maintenance
- ✓ Payroll Processing
- ✓ Record Retention
- ✓ Special Projects
- ✓ System Management



What Does UCorp Do?

Finance and Administration

Programs, Business Partners, and Services



Guardian Scholars
Program



Labor Archives 30th
Anniversary



Sierra Nevada
Field Campus



Pacific Leadership
Institute



Family Acceptance
Program

Program Accounts and Activities

- Grants & Contracts
- Scholarships
- Special Events
- Spending Accounts

What Does UCorp Do?

Finance and Administration

Business Partnerships



Commencement at AT&T Park



Management of Commercial Leases

UCorp provides administrative expertise to:

- reduce risk to the campus
- streamline/efficiently manage contracts and related expenses

Thereby allowing campus or auxiliary to focus on programing goals.



What Does UCorp Do?

Finance and Administration

Financial Statement Review

Schedule of Net Assets

- Provides an overview of UCorp's balance sheet at given period of time
- Comprised of total assets, total liabilities, and net assets
- Key components:
 - Investment Total
 - Accounts Receivable
 - Accounts Payables
 - Change in Net Assets: flows from the statement of revenue, expenses and change in net assets

THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE					
Schedule of Net Assets					
May 31, 2017					
(for inclusion in the California State University)					
Assets	May-17	May-16	Increase/(Decrease) Amount	%	
Current Assets					
Cash and Cash Equivalents	1,062,468.40	418,549.49	643,918.91	154%	
Short Term Investments	31,590,108.56	26,556,126.74	5,033,981.82	19%	
Accounts Receivable Net	707,871.64	395,723.40	312,148.24	79%	
Pledges Receivable net	0.00	0.00	0.00	0%	
Prepaid Exp & Oth Assets	24,451.56	13,788.85	10,662.71	77%	
Inventory	45,348.73	(21,179.44)	66,528.17	-314%	
Total Current Assets	33,430,249.89	27,363,009.04	6,067,240.85	22%	
Non-Current Assets					
Accounts Receivable					
Pledge Receivable Net	1,127,206.89	1,166,495.31	(39,288.42)	-3%	
Capital Assets Net	152,551.55		0.00	0%	
Chargeback Receivable	1,279,758.44	1,319,046.86	(39,288.42)	-3%	
Total Non-Current Assets	2,559,516.88	2,485,542.17	73,974.71	3%	
Total ASSETS	34,710,008.33	28,682,055.90	6,027,952.43	21%	
Liabilities					
Current Liabilities					
Accounts Payable	(398,903.40)	(952,380.12)	553,476.72	-58%	
Accrued Sal and Benefits Payab	(48,543.97)	(30,305.92)	(18,238.05)	60%	
Accr Compensated Absences	(40,565.70)	(36,029.83)	(4,535.87)	13%	
Gift Cards Issued	(184,432.92)	(185,769.19)	1,336.27	-1%	
Other Liabilities	(186,158.21)	(211,981.56)	25,723.35	-12%	
Total Current Liabilities	(858,604.20)	(1,416,366.61)	557,762.41	-39%	
Non-Current Liabilities					
Deferred chargebacks payable					
Deferred Revenue NC	(219,480.14)	(228,385.01)	8,904.87	-4%	
Debt LT Obligations NC	(42,600.21)		(42,600.21)		
Capitalized Lease Oblig NC	(262,080.35)	(228,385.01)	(33,695.34)	15%	
Total Non-Current Liabilities	(484,160.70)	(228,385.01)	(255,775.69)	53%	
Total LIABILITIES	(1,120,684.55)	(1,644,751.62)	524,067.07	-32%	
Net Assets					
Net Assets					
Investment Capital Assets	(994,157.18)	(1,267,630.16)	273,472.98	-22%	
Restrict Nonexpd - Endowments	(583,335.66)	(600,730.94)	17,395.28	-3%	
Restrict Expend - Schol & Fell, cap projects	(15,548,008.19)	(14,568,250.68)	(979,757.51)	7%	
Unrestricted Net Assets	(8,587,377.40)	(9,306,889.02)	709,511.62	-8%	
Total Net Assets	(25,722,878.43)	(25,743,500.80)	20,622.37	0%	
* Chg in Net Assets	(7,866,445.36)	(1,293,803.48)	(6,572,641.88)	-25%	
Total Net Assets	(33,589,323.79)	(27,037,304.28)	(6,552,019.51)	-24%	
Total LIABILITY AND NET ASSETS	(34,710,008.34)	(28,682,055.90)	(6,027,952.44)	-17%	



What Does UCorp Do?

Finance and Administration

Financial Statement Review

Income Statement

- The Statement of Revenue, Expense and Changes in Net Assets shows the **total revenue and expenses** for UCorp.
- Revenue is all of the type of revenue flowing through the organization.
- Expenses is all the expenditures related to all of UCorp's type of funds.
- Non-operating section is where activity outside of normal business activity is recorded.

THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE				
Statement of Revenue, Expense and Changes in Net Assets				
For the 11 months ending May 31, 2017 and 2016				
Revenue	May-17	May-16	(Increase)/Decrease Amount	%
Program Revenue	(5,064,653.82)	(5,242,153.38)	177,499.56	-3%
Retail Revenue	(1,610,650.01)	(1,594,027.87)	(16,622.14)	1%
Rental Income	(2,126,661.89)	(1,997,334.34)	(129,327.55)	6%
Other Revenue	(727,301.24)	(71,023.09)	(656,278.15)	924%
Total Revenue	(9,529,266.96)	(8,904,538.68)	(624,728.28)	7%
Expenditures				
Grants and Contracts	1,010,587.81	667,140.65	343,447.16	51%
Campus Programs	3,381,159.07	3,033,701.72	347,457.35	11%
Retail Expense	1,104,165.17	970,994.50	133,170.67	14%
Student Scholarships	729,395.51	272,478.97	456,916.54	168%
Management and General	2,724,129.85	3,223,399.07	(499,269.22)	-15%
Depreciation	124,699.66	148,496.59	(23,796.93)	
Total Expenditures	9,074,137.07	8,316,211.50	757,925.57	9%
Operating (Gain)/Loss	(455,129.89)	(588,327.18)	133,197.29	-23%
Nonoperating (Revenues)Expense				
Contributions	(5,649,012.71)	(1,791,835.36)	(3,857,177.35)	215%
Investment Income	(1,869,651.94)	186,939.26	(2,056,591.20)	-1100%
Investment Fee	98,578.61	34,430.51	64,148.10	
Total Nonoperating (Revenues)Expense	(7,420,086.04)	(1,570,465.59)	(5,913,768.55)	377%
Other Additions				
Income before Additions	(7,875,215.93)	(2,158,792.77)	(5,780,571.26)	268%
Capital Contributions				
Additions to Permanent Endow	8,770.57	8,819.81	(49.24)	
Transfer to San Francisco State University				
Transfer to Ucorp				
Transfer from Franciscan Shop				
Change in Net Position	(7,866,445.36)	(2,149,972.96)	(5,716,472.40)	266%
Net Assets, Beginning of the year, as previously reported	(25,722,878.43)	(25,743,500.80)	20,622.37	
Prior Period Adjustment	-	-	-	
Net Assets, beginning of the year, as restated	(25,722,878.43)	(25,743,500.80)	20,622.37	
Net Assets, end of year	(33,589,323.79)	(27,893,473.76)	(5,695,850.03)	

NOTES: _____



What Does UCorp Do?

Finance and Administration

Financial Statement Review

FSR

- The FSR is a custom report to show the income statement for the unrestricted fund.
- Revenues (Source of Funds):**
 - IDC
 - Program Revenue
 - Business Service Income
- Expenses (Uses of Funds):**
 - Operating expenses that belong to UCorp's general funds.
- Non Operating Sources and Uses:**
 - Non regular business activity such as University support, investment net, transfers.

The University Corporation San Francisco State (FSR)
July 1, 2016 through May 31, 2017
With Proposed Provisional Budget for FY 2016-2017

	FY 2016-2017 Proposed	July 1, 2016 through May 31, 2017	June 30, 2017	July 1, 2016 through June 30, 2017	Percentage
	Budget	Actual	Projected	Projected Total	of Budget
Source of Funds (Revenue)					
Grants and Contract revenue - Indirect Cost	257,000	105,481	21,416.67	126,898	49.38%
Program Revenue - Campus Programs Admin Fee	320,000	320,761	26,666.67	347,428	108.57%
Business Service Income:					
Food Vendors/Other Bus Revenue	532,896	619,647	5,445	625,092	117.30%
Administration Revenue - Vendors Student Center	236,112	218,269	19,842.67	238,112	100.00%
Follett Commission/Donation	934,315	837,837	77,859.58	915,696	98.01%
Copy Center	227,250	203,972	39,600	243,472	107.14%
Lobby/Shops/Shop 24	1,580,465	1,480,511	30,050	1,510,561	95.58%
Cost of Goods Sold	(903,870)	(847,736)	(16,640)	(864,376)	95.63%
Other Revenue	-	32,110		32,110	
Total Funds Available from Operations:	3,186,168	2,970,853	204,141	3,174,994	99.65%
Uses of Funds (Expenses) / Management and General					
Personnel Expenses					
Salaries and Wages	387,967	368,563	26,270	394,833	101.77%
Benefits	126,373	128,773	9,650	138,623	109.69%
Operating Expense	356,245	258,032	47,542	305,574	85.78%
Travel/Staff Development	7,671	9,931	639	10,570	137.79%
Depreciated Expense	43,780	41,765	2,015	43,780	100.00%
Contractor Expenses					
Auditor	68,000	56,573	11,427	68,000	100.00%
Legal	5,000	4,809	416.67	5,226	104.51%
ADP	19,320	15,230	1,610	16,840	87.16%
Insurance	33,000	21,398	11,602	33,000	100.00%
Support Services - Salaries and Benefits	1,660,241	1,521,069	138,353	1,659,422	99.95%
Consultants	62,000	12,188	263	12,450	20.08%
Other - Campus	15,747	15,364	1,312	16,677	105.90%
Rent - Campus	42,111	38,599	3,512	42,111	100.00%
Board Appropriation	3,000	-	3,000	3,000	100.00%
Total Management and General/Operating Expenses	2,830,455	2,492,294	257,812	2,750,106	97.16%
Business Service Expenses	694,900	676,064	57,908.33	733,973	105.62%
Total Funds Available from Operations (Loss)	(339,187)	(197,505)	(111,580)	(309,085)	91.13%
Non Operating Sources and Uses					
University Support - Board Appropriations	(100,000)	(93,667)	(8,333.33)	(102,000)	102.00%
Cost Allocation Expense - Campus	(287,000)	-	(154,000)	(154,000)	53.66%
Net Investment Income: Interest, Dividends, Realized/Unrealized Gains	945,112	1,837,211	78,759.33	1,915,971	202.72%
Investment Fees	(128,730)	(98,579)	(10,727.50)	(109,306)	84.91%
Transfer - Holloway Project reimbursable expenses	-	(67,995)	-	(67,995)	
Plant Fund Allocation	-	(150,000)	-	(150,000)	
Miscellaneous Transfers - Balancing General Fund	-	619,210	-	619,210	
Total Non-Operating Revenue (expense)	429,382	2,046,181	(94,302)	1,951,880	454.58%
Net Income(Loss)	90,195	1,848,676	(205,881)	1,642,795	1821.38%

Note(s):



What Does UCorp Do?

Finance and Administration

Financial Statement Review

All Stores Report

- Summary of UCorp self-operations activity compared to the budget for the operations.
- Reports shows the overall profit or loss at particular period.

Lobby Shop/Healthy U/Copy Center/Shop 24 Actuals vs Budget vs Last Year
July 1, 2016 - May 31, 2017

Account	Account Desc	YTD	Budget YTD		Last YTD		YTD + Remaining Budget	Budget Annual	
580090	Misc Revenue	-	-		443.75		-	-	
580931	Project Revenue	1,684,483.46	1,738,165.14	-3%	1,753,320.32	-4%	1,754,033.46	1,807,715.14	-3%
580935	Commission Revenue	232.00	-		-		232.00	-	
	Revenue	1,684,715.46	1,738,165.14	-3%	1,753,764.07	-4%	1,754,265.46	1,807,715.14	-3%
660050	Cost of Goods Sold	847,735.53	887,230.02	-4%	905,849.00	-6%	864,375.53	903,870.02	-4%
	Gross Profit	836,979.93	850,935.12	-2%	847,915.07	-1%	889,889.93	903,845.12	-2%
601901	Adminis - Salaried_Aux Only	228,060.00	226,854.68	1%	224,783.21	1%	245,210.00	244,004.68	0%
601931	MANAGER	64,598.74	68,340.00	-5%	63,133.93	2%	73,718.74	77,460.00	-5%
603935	Benefit Expense	93,584.03	82,300.00	14%	86,039.82	9%	103,434.03	92,150.00	12%
604001	Telephone	2,990.18	3,795.00	-21%	3,213.14	-7%	3,335.18	4,140.00	-19%
605900	Utilities	4,731.98	4,785.00	-1%	4,731.98	0%	5,166.98	5,220.00	-1%
613001	Contractual Services	-	-		8,299.00	-100%	8,300.00	8,300.00	0%
619906	Depreciation	41,765.30	32,835.00	27%	32,813.13	27%	52,710.30	43,780.00	20%
660001	Postage and Freight	115.78	550.00	-79%	326.72	-65%	165.78	600.00	-72%
660002	Printing	10,891.91	13,220.00	-18%	14,675.82	-26%	10,911.91	13,240.00	-18%
660003	Supplies And Service	48,102.76	62,150.00	-23%	51,342.19	-6%	53,752.76	67,800.00	-21%
660020	Interest Expense	3,230.32	-		-		3,230.32	-	
660021	Repair & Maintenance	23,141.72	44,785.00	-48%	48,004.65	-52%	26,841.72	48,485.00	-45%
660800	Space Rental	56,613.26	66,550.00	-15%	56,613.26	0%	62,663.26	72,600.00	-14%
660817	Other Cost	(11.39)	-		2,653.07	-100%	(11.39)	-	
660825	Taxes/Assessments	1,648.00	1,575.00	5%	1,552.00	6%	1,648.00	1,575.00	5%
660902	Loss & Damaged Goods	-	-		-		15,817.50	15,817.50	0%
660912	Fingerprinting Fees	-	705.00	-100%	690.00	-100%	30.00	735.00	-96%
660920	Armored Services	2,551.75	2,585.00	-1%	2,197.54	16%	2,786.75	2,820.00	-1%
660939	Trash/Recycling	955.79	990.00	-3%	955.79	0%	1,045.79	1,080.00	-3%
660945	Custodial Service	672.76	715.00	-6%	672.76	0%	737.76	780.00	-5%
660950	Hospitality	40.00	-		529.70	-92%	40.00	-	
660962	Shop 24 Credit Card Fees	8,582.19	10,980.23	-22%	12,150.77	-29%	9,102.19	11,500.23	-21%
660963	Credit Card Fees	39,799.77	41,491.25	-4%	42,845.69	-7%	41,141.02	42,832.50	-4%
	Net Profit	204,915.08	185,728.96	10%	189,690.90	8%	168,111.33	148,925.21	13%

	Revenue	Change to Budget
Lobby Shop	755,005.84	2%
Healthy U	613,616.04	-4%
Ctrl-P	203,972.28	9%
Shop 24	112,121.30	-34%

What Does UCorp Do?

Finance and Administration

Investments

- Board has a Fiduciary Responsibility
- Independent Investment Consultant: Beacon Pointe
- Investment Policy Statement
- Investment Approval Process: Finance Committee → Board



ADVISORS



What Does UCorp Do?

Operations

- Self Operations
- Partnerships
- Gator Group

What Does UCorp Do?

Operations

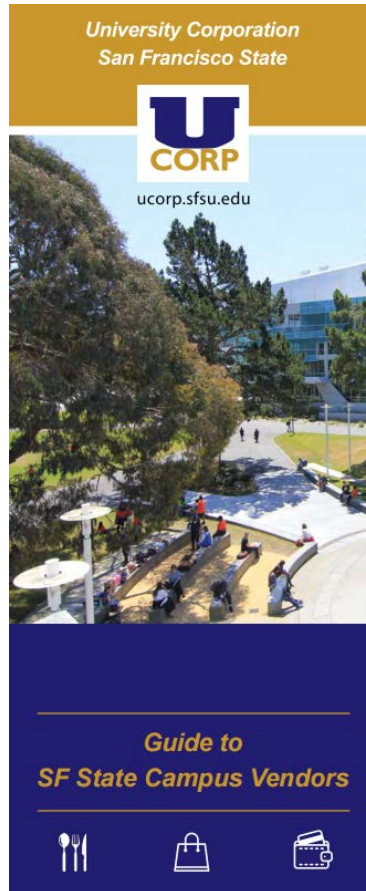
Self-operations



What Does UCorp Do?

Operations

Partnerships



What Does UCorp Do?

Public Private Partnerships

What Does UCorp Do?

Public Private Partnerships

P3s



Holloway Revitalization Project

Q & A

ucorp.sfsu.edu

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