NO. 1. CHANCELLOR’S UNIVERSITY REPORT: RESOLVED, That the Chancellor’s University Report for December 4, 2017 (including Addendum and Errata Items) be approved:

EXPLANATION: The Chancellor’s University Report consists of standard resolutions and actions of a non-policy nature which require approval by the Board of Trustees.

NO. 2. APPROVAL OF MINUTES: RESOLVED, That the minutes of the regular Board meeting and Executive Session of October 23, 2017 be approved.

NO. 3. THE CITY UNIVERSITY OF NEW YORK - REFORM OF GOVERNANCE AND ADMINISTRATIVE POLICIES AND PRACTICES TO ENHANCE TRANSPARENCY AND ACCOUNTABILITY:

WHEREAS, The CUNY Board of Trustees and management of the University are committed to ensuring best practices in financial oversight, internal controls, transparency and accountability; and

WHEREAS, The Board of Trustees established a standing Audit Committee of the Board of Trustees at its January 30, 2017 Board Meeting; and

WHEREAS, The Board of Trustees adopted revised Procurement Guidelines on February 21, 2017; and

WHEREAS, The Board of Trustees, at its June 26, 2017 meeting, adopted revised college foundation guidelines and a model memorandum of agreement, authorized the renegotiation of the agreement between the City University of New York and the City University Research Foundation, adopted a policy on the use and operation of university vehicles, amended the Board of Trustees Policy 3.04 – Guidelines on the Use and reporting of non-tax-levy funds, and adopted reforms of the Executive Compensation Plan; now therefore be it

RESOLVED, That the Board of Trustees approve the additional, recommended policy changes outlined below, effective December 4, 2017, to further ensure best practices in financial oversight, internal controls, transparency and accountability; and be it further

RESOLVED, That the Board of Trustees authorizes the General Counsel and the Secretary of the Board of Trustees to revise the Board of Trustees Bylaws and Manual of General Policy to reflect the necessary changes to implement these actions.

EXPLANATION: The reforms are divided into sections as follows:

A. ADOPTION OF REVISED AUXILIARY CORPORATION GUIDELINES AND MODEL MEMORANDUM OF AGREEMENT

B. ADOPTION OF CITY UNIVERSITY OF NEW YORK POLICY ON THE USE OF COLLEGE FACILITIES

C. AMENDMENT OF BOARD OF TRUSTEES POLICY 3.01 – POLICIES ON CASH ACCOUNTABILITY, BANK ACCOUNT CONTROL AND PETTY CASH
D. AMENDMENT OF BOARD OF TRUSTEES POLICY 3.04 – GUIDELINES ON THE USE AND REPORTING OF NON-TAX LEVY FUNDS

A. ADOPTION OF REVISED AUXILIARY CORPORATION GUIDELINES AND MODEL MEMORANDUM OF AGREEMENT

RESOLVED, That the Board of Trustees of the City University of New York adopt the attached Auxiliary Enterprise Corporation Guidelines and Model Memorandum of Agreement, effective December 4, 2017.

EXPLANATION: The CUNY Auxiliary Enterprise Corporation Guidelines, which were last revised in 2007, set forth policies regarding the operation of the auxiliary enterprise corporations, independent entities that benefit the University through the support of a particular college or school and its students, faculty, and staff. The AECs support the campuses by providing non-instructional auxiliary enterprises and services such as fiscal administration of a college’s food service, vending, bookstore and/or parking operations, short-term licensing of college facilities to third parties, and other activities in cooperation with the college. As a condition of an AEC’s use of a college or school’s name, facilities, and/or other resources, the AEC must accept and follow the Guidelines. The Guidelines have been updated to reflect changes in the law and to strengthen requirements for governance, accountability, transparency and financial controls. A requirement of the Guidelines is that each AEC enter into a Memorandum of Understanding with its supported college or school in the form set forth in an appendix to the Guidelines.

THE CITY UNIVERSITY OF NEW YORK
AUXILIARY ENTERPRISE CORPORATION GUIDELINES

I. Preamble 2
II. Overview 2
A. Purpose and Permitted Activities 2
B. Prohibited Activities 3
C. Self-Supporting 3
III. Authority 3
IV. Structure, Governance and Dissolution 4
A. Structure 4
B. Governance 4
V. Accountability and Compliance 5
A. Corporate and Fiduciary Responsibilities 5
B. Tax Requirements 5
C. Contracts 6
D. Authorized Signatories 6
E. Use of College Name and Marks 7
F. Compliance with Investigations 7
VI. Insurance and Indemnification 7
A. Insurance 7
B. Indemnification 7
VII. Personnel Matters 8
A. Classification/Definitions 8
B. Salary/Compensation 9
C. Tax ID 10
D. Payroll Period 10
E. Hiring Process 10
F. Legally-Mandated Employee Benefits 12
G. AEC Employer Responsibilities 13
H. Recordkeeping 14
VIII. Conflict of Interest 14
IX. Memorandum of Understanding 15
A. Use of Facilities 15
B. Provision of Space and Services 15
X. Financial Management 15
I. PREAMBLE

The purpose of this policy is to establish guidelines regarding the auxiliary enterprise corporations (each an "AEC") that support The City University of New York ("CUNY" or the "University"). Although independent, each AEC is organized for the sole purpose of supporting CUNY and a particular CUNY college or school (each a "college"), its students, faculty, staff and other members of the college community. Through the provision of non-instructional auxiliary enterprises and services ("auxiliary services") such as fiscal administration of a college’s food service operations, short-term licensing of college facilities to third parties, and other activities in cooperation with the college, an AEC can assist its supported college in meeting its higher education goals.

As a condition of an AEC’s use of the University’s or a college’s name, facilities and/or other resources, an AEC must accept and follow these Guidelines, which are intended to protect the University’s interests, as well as to help ensure that the AEC operates in a prudent, lawful manner. As further described in this document, each AEC shall be:

- organized solely for the benefit of a particular supported college, its students, faculty, staff, and other members of the college community;

- operated in a fiscally prudent manner and consistent with its governance documents and applicable federal, state and local law and regulation; and

- guided by best practices in good governance and ethical judgment.

II. OVERVIEW

A. Purpose and Permitted Activities

The AECs are entities created and operated for the principal purpose of benefiting the students, faculty, staff, and other members of the community of the various colleges by providing auxiliary services and by otherwise supporting the educational mission of the college and the University. Each AEC supports a particular college. Examples of auxiliary services that an AEC may provide include:

- Food service operations, including catering and vending;
- Beverage “pouring rights” contracts and similar arrangements;
- Bookstores and campus stores, both physical and virtual;
- Copy machines, laundry centers, games and amusements, and similar operations;
- ATMs and other banking services;
- Student, faculty and staff housing and related services;
- Sports, health, and recreation facilities licensing, memberships and camps;
- Parking operations and transportation services;
• Childcare centers, art galleries, and performing arts centers;
• Short-term licensing of college facilities to third parties;
• Trademark licensing;
• Campus telecommunication services such as WiFi extenders;\(^1\)
• Such other auxiliary services as mutually agreed by the AEC and the college.

An AEC may provide auxiliary services through: (i) direct operation (e.g., parking operations), (ii) a subcontract with another vendor (e.g., transportation services), or (iii) by acting as the college’s fiscal agent in connection with a college or University contract or facility (e.g., pouring rights, theater operations) or asset licensing program (e.g., short-term facility use, trademarks). Other structures and activities may be permitted upon approval of the supported college and the CUNY Office of the General Counsel and the CUNY Office of Budget and Finance.

An AEC’s tax exempt status is based on the premise that it will be providing the traditional types of auxiliary services that directly assist students, faculty and staff in their education and work (e.g., food service, bookstores, parking, etc.). An entity that is primarily a repository of revenues from facility or intellectual property licensing, and does not provide traditional auxiliary services as its principal activity does not meet the definition of an AEC and may not meet the criteria for tax exemption.

B. Prohibited Activities

AECs shall not engage in activities that do not relate to their primary purpose or mission of providing auxiliary services, except as permitted by Section X.A.3 with respect to the use of surplus funds. Examples of prohibited activities include:

• offering instructional or certificate programs, whether credit or noncredit-bearing, and including adult and continuing education;
• receipt and/or management of sponsored grants for research or for college programs, except for those non-instructional programs for which the AEC is the college-designated fiscal administrator. AECs may accept and administer grants for programs they directly operate, such as government funding for child care centers, and for non-instructional college programs for which the college has designated the AEC to be its fiscal administrator, such as government funding for a performing arts center;
• holding “depository accounts” for college offices or departments, student organizations, or other college-related groups, that are not controlled by the AEC. AECs may hold and administer funds with restricted purposes, such as use for a specific program or department and may deposit surplus funds (as defined in X.A.3) with the City University Construction Fund (CUCF) to fund college capital projects. However, such funds shall be included in the AEC’s budget and are subject to the same management, accounting, reporting and control requirements as other funds held by the AEC;
• activities prohibited by applicable federal, state or local law or regulation, or CUNY or college policy.

C. Self-Supporting

The AECs are intended to be self-supporting; revenues generated by an AEC are expected to be sufficient to cover its expenses.

III. AUTHORITY

By resolution of June 27, 1983, the University’s Board of Trustees authorized the establishment of an AEC at each CUNY college campus and under each college’s name. Some AECs were established prior to this date pursuant to individual Board of Trustees resolutions.

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\(^1\) This does not include cell tower and similar arrangements, unless structured as a short-term facility use license.
Pursuant to Article XVI of the Bylaws of the University’s Board of Trustees (“CUNY Bylaws”), an AEC shall have responsibility for the oversight, supervision and review of college auxiliary enterprises.

IV. STRUCTURE AND GOVERNANCE

A. Structure

1. AECs. Each AEC shall be organized and operated as a New York not-for-profit corporation that is legally separate from its supported college and the University. It shall obtain and maintain status as a tax-exempt, charitable organization under §501(c)(3) of the Internal Revenue Code and applicable New York State laws. The certificate of incorporation of each AEC shall make reference to the CUNY college it will benefit in terms of purposes, objectives, and programs. The governing documents of each AEC shall be reviewed by CUNY’s Office of the General Counsel and approved by the CUNY Board of Trustees.

2. Affiliates. An “Affiliate” for purposes of these Guidelines is an entity formed by an AEC to assist it in meeting the specific needs of, or providing a direct benefit to a college or an associated AEC. An AEC may establish one or more Affiliates as permitted by law. Each Affiliate should be a New York not-for-profit corporation that is tax-exempt under the Internal Revenue Code, unless a different organizational structure (e.g., a limited liability company) is more appropriate as determined by the AEC board. Prior to formation of an Affiliate, a plan outlining the structure, governance, and purpose of the proposed Affiliate must be approved in writing by the college president or dean (each a “ president”) upon consultation with the CUNY Offices of the General Counsel and Budget and Finance. An Affiliate may be created under the University’s or a college’s name only with the approval of the CUNY Board of Trustees.

Throughout these Guidelines, references to an AEC shall be deemed to include any Affiliate of that AEC.

3. Dissolution. The governance documents of each AEC must provide that in the event of its dissolution, the AEC’s net assets shall be distributed to the University or another University-approved entity, for the benefit of the college that the AEC was created to support.

4. Documentation. Copies of all governance documents, including all amendments thereto, must be on file with the college and the CUNY Office of the General Counsel.

B. Governance

1. Role of Board. An AEC’s governing body (each a “board”) is responsible for the governance and oversight of the AEC’s affairs, personnel and properties. The AEC’s board is also responsible for issuing necessary policies, ensuring that the AEC operates in accordance with its mission and all legal requirements, and monitoring the AEC’s financial condition.

2. Composition of Board. The composition of the AEC’s board, including its membership, committee structure, and adherence to term limits, if any, shall be in full compliance with the requirements of Article XVI of the CUNY Bylaws, the AEC’s certificate of incorporation and bylaws, and these Guidelines.

3. Audit Committee. Even if not so required by New York Not-For-Profit Corporation Law (N-PCL) § 712-a, AECs must have an audit committee whose voting members consist solely of independent directors, as defined by the N-PCL. The audit committee shall oversee the accounting and financial reporting processes of the AEC and the audit of the AEC’s financial statements and shall review the Internal Revenue Service (IRS) Forms 990 for the AEC before they are signed and filed.
V. ACCOUNTABILITY AND COMPLIANCE

A. Corporate and Fiduciary Responsibilities

Each AEC shall meet all requirements of the N-PCL and other applicable laws covering its organizational structure. Among other things:

- Its board shall conduct its business, including meetings, elections of officers, other voting, and the keeping of minutes and other records, in full compliance with its bylaws, applicable law, and these Guidelines;

- It shall maintain on file all official minutes of meetings, including all resolutions considered at a meeting and the disposition of each, signed by the individual officially writing the minutes. Given that minutes may not be immediately available after a meeting, promptly after each meeting, the Secretary of the AEC shall prepare a summary of the actions taken, including the disposition of all resolutions, and make the summary widely available through posting on the AEC’s website or some other means of widespread publication to the campus community.; and

- It shall be familiar with, and fulfill, its fiduciary responsibilities under the New York Prudent Management of Institutional Funds Act (NYPMIFA), N-PCL Article 5-A, and any other statutes that define its fiduciary responsibilities.

Each AEC shall comply with all other federal, state and local laws and University and college policies applicable to its organization and activities, including without limitation the University’s policies and procedures regarding reporting and/or use of non-tax levy funds.

Each AEC shall operate in accordance with sound business practices and develop, administer and communicate written policies and procedures for all key business functions, as further described in these Guidelines.

B. Tax Requirements

Each AEC shall make all required filings with the IRS and the New York State Department of Taxation and Finance, and follow all other applicable tax laws enforced and/or promulgated by the IRS or New York State, including without limitation, as applicable:

- IRS and NYS filings and tax payments regarding sales tax and unrelated business income (UBI) and tax; and

- laws relating to payroll and vendor payments (Form 1099).

Each AEC shall make available for public inspection its Form 1023 request to the IRS for tax-exempt status, its IRS “determination” letter as a 501 (c)(3) organization, and its Form 990s for the past three years. It shall provide copies of these documents to those who request them, as is required by law. An AEC may, but is not required to, comply with this section by posting the relevant documents on a website accessible to the public.

C. Contracts

In general each AEC should refrain from entering into contracts regarding activities that will be carried out, overseen or administered by its supported college or the University, not the AEC (e.g., independent consultants for the college, software hosted on college systems or using college/student data), except to the extent that the college has designated the AEC to be its fiscal agent for such activity, as set forth in the Memorandum of Understanding between the college and the AEC. Instead, with the approval of the AEC board, it may provide funding or reimbursement for the costs of such contracts entered into by the
college or University or generally for the projects they relate to. No AEC shall enter into any contract that:
(i) would obligate its supported college or the University without the prior written approval of the college 
president or designee or (ii) relates to a college capital project without the prior approval of the 
University's Office of Facilities Planning, Construction and Management.

All AEC contracts shall be for the benefit of the supported college and the University. Among other 
things, AECs shall not enter into fiscal agency or other agreements on behalf of non-CUNY entities.

Consistent with N-PCL § 716, an AEC shall not provide a loan to any of its directors or officers, including 
without limitation the college president, or to any entity in which a director or officer has a financial interest 
or is a director or officer. Any loan from an AEC to its supported college is subject to the approval of the 
CUNY Board of Trustees prior to its acceptance by the college.

D. Authorized Signatories

All AEC contracts shall be signed by the chief executive officer (CEO) of the AEC (typically also the Chair) 
unless the AEC’s bylaws permit otherwise. The AEC CEO may delegate his or her signing authority to 
another AEC board member generally, or specifically for a particular contract, but not to a college or AEC 
employee who is not a member of the AEC board, except as specifically permitted pursuant to Section 
X.C below. All such delegations must be in writing, updated annually, and kept with records of the AEC.

E. Use of College Name and Marks

An AEC may, solely in connection with its lawful activities to benefit its supported college, use the name, 
logos, seals, and other symbols and marks of the college, pursuant to the terms and conditions of the 
Memorandum of Understanding between the AEC and the college.

F. Compliance with Investigations

Each AEC shall cooperate with the University and government authorities regarding any investigation of 
the AEC’s activities in support of a college or CUNY generally, as the case may be.

VI. INSURANCE AND INDEMNIFICATION

As independent entities, the AECs are not indemnified by New York State or New York City, as is the 
University and its colleges. If sued, an AEC is responsible for hiring its own counsel and paying any 
damages for which it may be found liable. Consequently, the AECs need to have insurance to cover 
these costs.

A. Insurance

1. D&O Insurance. Each AEC shall obtain and maintain directors and officers liability insurance in the 
amount of at least $1 million per occurrence and in the aggregate.

2. General Liability Insurance. An AEC shall obtain comprehensive general liability insurance in such 
amounts determined by the AEC board to be reasonable and appropriate in consideration of the AEC’s 
activities. If an AEC does not maintain general liability insurance covering its operations in general, it 
should obtain insurance on a per event basis for any events sponsored by it, in particular those (i) 
occurring off campus or (ii) for which it has signed a contract pursuant to which it indemnifies one or more 
other parties. Notwithstanding the foregoing, CUNY requires an AEC to obtain liability insurance in the 
following situations:

- The AEC operates a child care center;
- The AEC directly operates a performing arts center, theater or art gallery, or is the college’s fiscal 
agent with respect to such a facility;
- The AEC is sponsor of an event that will be open to the general public, unless the AEC board and the
college president or his or her designee have determined that the event is low risk and the risks can be sufficiently managed by the college’s office of public safety; or

- The AEC is the sole or co-sponsor of an event at which alcohol will be served.

3. Other Insurance. An AEC shall obtain and maintain such other insurance as is required by law or prudent given the AEC’s activities (e.g., workers compensation insurance, employers liability insurance, property insurance, etc.)

B. Indemnification

Each AEC’s bylaws shall include a provision indemnifying its directors and officers in a manner consistent with the provisions of Article 7 of the N-PCL.

VII. PERSONNEL MATTERS

A. Classification/Definitions

1. AEC Employees & Other Staff

   (a) General. Each AEC should have adequate and qualified staff to carry out its operations. Individuals hired by the AEC must be informed in writing that they are employees of the AEC, not the college, and will not receive the retirement, health and other fringe benefits associated with employment by the college and University (although they will receive benefits, if any and as applicable, offered by the AEC). As self-supporting entities, AEC staff should be: (A) employed by the AEC or (B) college or Research Foundation employees dedicated, in whole or in part, to AEC duties and whose salary for such work is reimbursed by the AEC. Each AEC shall comply with all University procedures regarding non-tax levy payrolls of the University’s related entities.

   (b) AEC Employees Must be Conducting AEC Work. Individuals paid on an AEC payroll must be carrying out work for the AEC, not the college. Examples include, but are not limited to, an AEC’s executive director, accountants, bookkeepers and clerical staff. Individuals working for the college should be paid on a college or RF payroll, although as noted below, the AEC may reimburse the college for all or part of the cost of the individual’s salary. College employees who spend a percentage of their work-day on AEC matters should have such portion of the AEC work reimbursed to the college by the AEC as set forth in Section VII.B.4.

   (c) Status. AEC employees shall be hired as full-time, part-time or hourly at-will employees unless they meet the definition of independent contractor or are approved volunteers, as described below.

2. Independent Contractors

   (a) Definition. An AEC may engage an individual as an independent contractor if the AEC directs the work product of the individual, but does not direct the manner in which the work is performed. If the AEC controls and directs the individual’s work product, as well as the details and manner of the performance of the work, the individual should be engaged as an AEC employee. Independent contractors, by definition, are self-employed. Independent contractors are most likely to perform highly skilled, specialized work, provide their own tools and materials for conducting and providing such work, and may on occasion perform work or provide services off-site. An independent contractor retains the right to hire and pay assistants and assign or contract part of the work.

   (b) Procedures. AECs engaging independent contractors shall follow the procurement rules and best practices in these Guidelines and shall enter into a written agreement with the individual providing the services.
3. Volunteers

(a) General Rule. An AEC may engage volunteers only to provide incidental services that are not typically provided by AEC or CUNY employees. Examples of permitted volunteers include students providing ushering services in exchange for the right to see the performance at the college and authorized student intern and training programs at an AEC-operated child care center.

(b) Student Interns. Students who contribute work hours to an AEC in exchange for CUNY academic credit and learning and training opportunities in compliance with the FLSA may be categorized as unpaid interns. The internship experience should be for the benefit of the intern and the intern must not displace a regular AEC or college employee. The intern should work under close supervision of the existing staff. The intern is not entitled to a job at the conclusion of the internship. Volunteer student interns are not eligible for wages or employment benefits. The AEC may pay an intern a stipend (see VII.B.3 below). However, the AEC must keep a record of time and work performed by the student to support the classification as an unpaid intern and also to provide evidence that the work and compensation is not the same as that of an employee.

(c) Written Agreement. AECs engaging volunteers as permitted by this policy shall give to the individual providing the services a written statement setting forth the parameters of the volunteer activities prior to engagement.

B. Salary/Compensation

1. Compensation of AEC Employees. Where feasible, compensation standards for AEC staff, with specified minimum and maximum pay ranges, shall be comparable to positions at the supported college and at AECs supporting other CUNY colleges, with similar responsibilities.

2. Honoraria. An honorarium is a payment by an AEC to an individual for services for which fees are not traditionally required, such as a guest lecturer or speaker, and is given as a gesture of good will and appreciation. The honorarium payment and the amount are both discretionary; it is not a fee charged by the person being honored. In accordance with IRS regulations, an honorarium is reportable by the payee on Form 1099-Misc as income to the individual. Honoraria should not be paid to persons employed by CUNY or the AEC.

3. Stipends. A stipend is a fixed sum of money that is paid periodically for services or to defray expenses. The term "stipend" is used by AECs to refer to several types of payments, including both wages and non-wage payments.

(a) Stipends as wages. This typically refers to payments by an AEC for services, often short-term or temporary, by individuals whose work is directed by the AEC. These payments are considered wages to employees, are subject to employment tax withholding, and are reportable to the IRS on Form W-2.

(b) Stipends as non-wage payments for services. This includes payments by an AEC to volunteer student interns. Payment is not measured by hours devoted to the performance of the position, but is typically a lump sum amount determined at the start of the activity. These payments are not considered wages and have no employment taxes withheld from them. However, the payments are taxable income to the recipient and are reportable to IRS on Form 1099 if the payments to an individual total $600 or more for the calendar year.

4. Compensation of CUNY employees. No AEC shall underwrite any compensation for CUNY or college faculty and staff except as follows:

- An AEC may provide funding to CUNY, in an amount to be determined by the University Offices of the General Counsel and Budget and Finance, to enable the hiring of counsel and other professional staff or services to assist the AECs with legal, financial and/or tax matters. Any lawyer engaged pursuant to this provision shall be part of the Office of the General Counsel;
• An AEC may reimburse its supported college for all or part of the salary and related costs of college employees doing work for the AEC, such as administrative staff in Higher Education Officer titles, accountants and clerical staff. Applicable law and CUNY employment regulations, procedures and contractual requirements, must be met for CUNY employees doing work for the AEC where their salaries and related costs are being reimbursed by the AEC;
• At the request of the college president or his or her designee, an AEC may provide funding for all or part of the salary and related costs of the following college employees: coaches; temporary non-instructional staff such as ushers, tour guides, and musicians; such other categories of employees as set forth in the Memorandum of Understanding, but not to include faculty or senior managerial staff.
• Subject to the University’s Statement of Policy on Multiple Positions and other CUNY policies related to multiple positions, an AEC may hire and pay college employees to perform work for the AEC during those hours when they are not carrying out their college duties and not related to their full-time responsibilities. For example, subject to the AEC’s purchasing and conflict of interest policies, an AEC may hire an adjunct faculty member as an independent contractor to design software to assist with AEC operations. However, an AEC shall not engage as independent contractors and/or pay college employees “stipends” for carrying out activities that are part of the employee’s work for the college. For example, an AEC shall not pay a college employee for designing the lighting plot for a college production if the employee is a member of the Theatre Department whose job includes working on college productions.

All such payments shall be approved by the AEC’s board.

C. Tax ID

AEC employees must be paid using the AEC’s own EIN.

D. Payroll Period

An AEC shall provide notification of payroll periods and timesheet requirements and deadlines to all its employees.

E. Hiring Process

AECs shall adopt policies and procedures regarding hiring of AEC employees, including regarding job postings and searches, and the items described below.

1. Classification of Employees (FLSA). AEC employees must be classified as either exempt or non-exempt, in accordance with FLSA guidelines. A non-exempt employee is subject to all provisions of the FLSA and receives overtime pay for hours worked beyond 40 hours in any workweek at one and a half times the regular hourly rate. An exempt employee, generally an executive, professional, administrator, salesperson, or certain computer professionals, is excluded from the overtime provisions of the FLSA. The executive director of the AEC and child care center teachers are examples of employees who may be exempt.

2. Job Descriptions. AECs shall develop job descriptions for all employees who work for them with correct FLSA classification (i.e., exempt or non-exempt). Employees must be advised of their FLSA designation at the time of hire.

3. Equal Employment Opportunity/Affirmative Action. AECs are required to comply with all applicable federal, New York State, and New York City laws regarding equal employment opportunity and affirmative action. All AEC job vacancy notices shall include an EEO/AA statement.

4. Verification of Worker Identity and Eligibility to Work. AECs are required to verify that each new non-tax levy employee is legally eligible to work in the United States. This includes completing the U.S. Citizenship and Immigration Services (“USCIS”) Form I-9, Employment Eligibility Verification. AECs must
maintain completed Forms I-9 in their files for three years after the date of hire or one year after the date employment ends, whichever is later.

5. Employee Background Screening

(a) Fingerprinting. Each AEC that operates a child care center on a CUNY campus is responsible for ensuring that all individuals working in the center, including student interns, are fingerprinted. AECs are also responsible for ensuring that all other individuals they engage, including volunteers, who regularly work with minors (such as in connection with middle and high school students’ programs and camps, etc.), are fingerprinted before they commence service. Background investigation shall include a national criminal history check, including sex offender history.

(b) Other Background Checks. AECs must ensure that individuals who receive a conditional offer of employment to undertake significant fiscal responsibility and/or authority to commit financial resources of the AEC, including but not limited to execution or approval of financial transactions valued at $10,000 or more, financial reporting and billing, and responsibility for accounts receivable and payable, shall be subject to a database background check that includes a national criminal history check, including sex offender history, and a credit check. Fidelity bond coverage for those persons who deal with the funds of the AEC is advised.

In compliance with Article 23-A of the New York State Corrections Law, the following factors shall be considered concerning previous criminal convictions:

- the public policy of this state, to encourage the licensure and employment of persons previously convicted of one or more criminal offenses;
- the specific duties and responsibilities necessarily related to the license or employment sought or held by the person;
- the bearing, if any, the criminal offense or offenses for which the person was previously convicted will have on his /her fitness or ability to perform one or more such duties or responsibilities;
- the time which has elapsed since the occurrence of the criminal offense or offenses;
- the age of the person at the time of occurrence of the criminal offense or offenses;
- the seriousness of the offense or offenses;
- any information produced by the person, or produced on his behalf, in regard to his/her rehabilitation and good conduct, and
- the legitimate interest of the public agency or private employer in protecting property, and the safety and welfare of specific individuals or the general public.

Before any adverse action is taken, the AEC will:

- furnish a written copy of the criminal history inquiry to the candidate in the New York City Commission on Human Rights (NYCCHR) Article 23-A Evaluation Form, adapted by CUNY for use by the campuses, and titled "Fair Chance Act Notice of Criminal History Review Article 23-A Evaluation Form" (the Form).
- provide a written analysis of the Corrections Law Article 23-factors to the candidate in the Form, together with “supporting documents” which formed the basis for an adverse action and reasons for the adverse action; and
- after providing the candidate with the required documentation, allow him or her at least three business days to respond and, during that time, hold the position open for the candidate.

F. Legally-Mandated Employee Benefits

AECs are required to comply with all applicable federal, New York State, and New York City laws regarding employee benefits, including the following:

1. Tax Withholdings. AECs are required to withhold appropriate employment taxes and comply with all applicable federal (including Social Security taxes), New York State, and local tax laws.
2. **State Requirements: Workers’ Compensation and Unemployment Insurance.** AECs are required to provide Workers’ Compensation and Unemployment Insurance Benefits to its employees consistent with New York State law. As not-for-profit corporations, AECs that compensate individuals for their services are required to obtain a Workers’ Compensation Insurance Policy, unless they meet an exception to the Workers Compensation law. Detailed information is available at http://www.wcb.ny.gov/.

3. **Affordable Care Act/Health Insurance.** Applicability of the ACA depends on the related entity’s revenue and the number of its employees. Small AECs, such as those with less than $500,000 in annual revenue, are not subject to the Affordable Care Act. Detailed information is available at http://www.hhs.gov/healthcare/rights/.

4. **Other State and City Laws**

   (a) **Family and Medical Leave Act (FMLA) (Federal).** For covered AECs, FMLA entitles eligible employees to up to 12 weeks of unpaid leave to attend to certain health and medical issues, including childbirth and certain childcare, serious health conditions of the employee or certain members of the employee’s family, certain circumstances relating to an employee’s family member who is a covered military member on covered active duty, and care of certain family members who are a seriously injured or ill covered service members. AECs with fewer than 50 employees are not covered by FMLA. Detailed information is available at http://www.dol.gov/whd/fmla/.

   (b) **New York City Earned Sick Time Act (City).** AECs must provide sick time for their employees to care for an employee’s own health needs or to take care of a sick member of the immediate family (limited to spouse, child, parent or domestic partner). AECs with five or more employees who are hired to work more than 80 hours a calendar year in New York City must provide paid sick leave. AECs with fewer than five employees must provide unpaid sick leave. Detailed information is available at http://www.nyc.gov/html/dca/html/law/PaidSickLeave.shtml.

   (c) **Jury Duty (State).** AECs with more than 10 employees are required by New York State statute to pay employees on jury duty the jury fee of $40 or the employee’s wage (whichever is lower) each day for the first 3 days of jury duty. AECs with 10 or fewer employees must provide leave, which may be paid as in the previous sentence or unpaid, at the employer’s option.

   (d) **Other Leaves (City and State).** In accordance with New York City and New York State law, AECs must provide their employees time off to vote, for religious observance, to donate blood, and for breast cancer and prostate cancer screening.

   (e) **New York City Commuter Benefits Law (City).** AECs with 20 or more full-time non-union employees must offer their full-time employees the opportunity to use pre-tax income to purchase qualified transportation fringe benefits, other than qualified parking. Qualified transportation includes service into and within New York City by public and private mass transit, ferry and water taxi, vanpool, and paratransit. Detailed information is available at http://www1.nyc.gov/site/dca/about/pre-tax-transit-benefits-law.page.

**G. AEC Employer Responsibilities**

1. **Compliance with Law.** Each AEC shall follow all applicable labor, employment and tax laws, including, but not limited to, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans with Disabilities Act, the Family and Medical Leave Act (FMLA), the Fair Labor Standards Act of 1938 (FLSA), Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the New York Labor Law, the New York Human Rights Law, the New York Civil Rights Law, and Title IX of the Education Amendments of 1972.

2. **Compliance with applicable CUNY Policies.** Each AEC shall follow applicable CUNY employee-related policies, such as Sexual Misconduct, Workplace and Domestic Violence, and Use of Computer
Resources. AEC employees are deemed “visitors” for purposes of CUNY’s Policy on Sexual Misconduct and may report incidents pursuant to the terms of that policy.

3. **No Discrimination.** No AEC shall discriminate in employment or in its programs and activities on the basis of race, color, creed, national origin, ethnicity, ancestry, religion, age, sex (including pregnancy, childbirth and related conditions), sexual orientation, gender, gender identity, marital status, partnership status, disability, genetic information, alienage, citizenship, military or veteran status, status as a victim of domestic violence/stalking/sex offenses, unemployment status or any other legally prohibited basis in accordance with federal, state or local laws.

**H. Recordkeeping**

1. **Hiring Documents.** Each AEC shall maintain personnel records for each AEC employee, including documents pertaining to the search, the application for employment, I-9, the background investigation report, if relevant, the job offer letter with terms and conditions of employment (for volunteers and interns, a consent form prescribing job duties and hours of work), copies of applicable AEC and CUNY policies (such as Sexual Harassment, Workplace Violence, Use of Computer Resources) signed by the employee, payroll information such as Tax Withholding Forms, Direct Deposit, the job description, and annual evaluation.

2. **Personnel Action Forms.** AECs are required to have Personnel Action Forms (PAFs) for all personnel transactions for full-time, part-time and hourly employees, including appointments, reappointments, and terminations. PAFs are also required for volunteers and interns, as well as detailed work descriptions and schedules.

3. **Time Sheets.** All AEC employees shall maintain daily records of the days and hours worked, including accrual and use of leave (sick, annual, and other), if any, on bi-weekly timesheets. These timesheets shall be reviewed and approved by the supervisor. For non-exempt employees under the FLSA, the timesheet should record time for any overtime worked. If compensatory time is provided, a record of compensatory time accrual and use must be maintained on a quarterly basis.

**VIII. CONFLICT OF INTEREST**

Each AEC must adopt a conflict of interest policy in compliance with the N-PCL to ensure that its directors, officers, and key persons act in the AEC’s best interest and comply with applicable legal requirements. The policy must cover related party transactions, which are defined by the N-PCL as transactions, agreements or arrangements in which a related party has a financial interest and in which the entity or an affiliate is a participant. The policy may also cover other types of conflicts that may exist even though there is no financial interest at stake or the circumstances are otherwise outside the definition of a related party transaction.

Pursuant to the N-PCL, each AEC director must submit to the AEC’s secretary or other designated officer prior to initial election to the AEC board, and annually thereafter, a written statement identifying, to the best of the director’s knowledge, any entity of which the director is an officer, director, trustee, member, owner, or employee and with which the entity has a relationship, and any transaction in which the entity is a participant and in which the director might have a conflicting interest. Likewise, officers and key persons must submit an annual conflicts statement to the secretary or other designated officer.

**IX. MEMORANDUM OF UNDERSTANDING**

Each AEC shall enter into a written memorandum of understanding (“Memorandum of Understanding” or “MOU”) with its supported college, in the form set forth in Appendix A. The MOU shall authorize the AEC to operate on the campus of its supported college and shall enumerate its activities and those of each Affiliate it establishes. The MOU shall be approved by University’s Office of the General Counsel. Among other things, the MOU shall address the following:
A. Use of Facilities
An AEC may occupy, operate, and use college facilities and property separately or jointly with its supported college as identified by the MOU. The AEC shall use the facilities and property only for those services and functions that are consistent with the MOU and applicable current or future policies, rules, and regulations of the CUNY Board of Trustees and the college.

B. Provision of Space and Services
The college may provide certain services, at no cost, to the AEC, which may include office space, utilities, telephones, custodial and facilities maintenance services, equipment and information systems service and advice, personnel and related assistance services and other similar services. The AEC shall record the value of these services on its financial statements as donated services.

Given that AECs are intended to be self-supporting, AECs are encouraged to reimburse their supported colleges for all or some of the expenditures incurred by the college as a result of activities of the AEC. In these situations, the college shall invoice the AEC for such expenditures, indicating items charged and the method of determining costs. Any such reimbursement by an AEC should be consistent with the approved annual budget and terms and conditions of the MOU with the college.

X. FINANCIAL MANAGEMENT

Each AEC is responsible for developing, managing and monitoring its fiscal and operational plans. An AEC is also responsible for complying with applicable federal, state, and local laws, and University and college policies applicable to its organization and activities.

Pursuant to Article XVI of the CUNY Bylaws, the college president has the authority to disapprove an AEC allocation or expenditure, which in the president’s opinion contravenes federal, state or local law or any bylaw or policy of the University or any policy, regulation, or order of the college. The college president must consult with the CUNY General Counsel and Vice Chancellor for Legal Affairs regarding any such disapproval, and communicate his or her decision to the AEC.

A. Budgeting

1. Annual Budget. Each AEC shall develop an annual operating budget that sets formal financial goals. Budgets shall include the total financial operation, including any funds restricted for use by a particular college program or department, and be prepared on the basis of historical data, projected short-range trends, and long-range financial objectives. Prices, fees, and rates should be established to fully fund the total financial obligations of the AEC. Annual budgets and plans shall be reviewed by and approved by the AEC’s board in partnership with the college president or designee, and prior to expenditure or execution. Financial commitments and expenditures by the AEC shall be in accordance with the approved budgets and plans. Any substantial amendments to the budget (e.g., changes of 10% or more in any budget category) shall be approved by the AEC board prior to expenditure or execution. The AEC’s chief financial officer shall monitor the status of spending to the budget, and produce regular reports that are shared with the AEC’s board and management, as well as college leadership, including student and faculty governance leaders.

2. Activities to be Self-Supporting. The revenue generating activities operated by the AEC should be self-supporting, that is, the revenues generated from the auxiliary services should be at least equal to the cost incurred in running the operations. Activities providing a beneficial service to the supported college, but which are not self-supporting because of the need to keep prices, fees and rates at levels affordable to the college community, may be subsidized by other AEC funding sources, subject to approval of the AEC’s board. An AEC shall evaluate its revenue generating activities annually to ensure that each activity continues to provide a beneficial service to the supported college. This review shall be initiated by the chief financial officer of the AEC and be submitted to the AEC’s board as part of the annual operating budget process.
3. **Use of Surplus Funds.** An AEC may have funds remaining after paying its expenses related to the auxiliary services it provides ("surplus funds"). The anticipated amount of surplus funds shall be included in the annual operating budget. Surplus funds shall be used solely for the benefit of an AEC’s supported college, students and faculty, as determined by the AEC board, and shall be consistent with the college’s requests for specific use of the funds. The AEC board shall annually develop a plan for utilization of surplus funds that includes the categories of such expenditures (scholarships, college equipment, funding of college capital projects, etc.) as well as the relative percentage of the plan for each category. All surplus fund expenditures must comply with State law and institutional policies and guidelines of the University, as well as applicable provisions of the Internal Revenue Code pertaining to the AEC’s status as a §501(c)(3) supporting organization, and be consistent with the AEC’s mission. Such funds will be audited as part of AEC audits.

**B. Cash and Treasury Management**

1. **Investment.** Any cash held by an AEC that is scheduled to be used in the current year can be invested in short-term investments such as U.S. Treasury bills, money market accounts, certificates of deposits, etc., or the University’s Short-term Investment Pool (STIP). The primary investment objective is to be able to meet the daily operational needs of the AEC while protecting the safety of the principal at an appropriate investment risk. Funds that can be invested for a longer period should be invested in the University’s Investment Pool, unless the University Office of Budget and Finance has approved the use of another vehicle by a particular AEC. All funds shall be managed and invested as required by NYPMIFA.

2. **Transfer of Funds.** Any transfer of funds by the supported college to an AEC, or by an AEC to its supported college, for management, investment or as a reimbursement, or by an AEC to the City University Construction Fund for the funding of college capital projects, shall be formalized in writing so the fiduciary requirements of the respective governing boards are complied with.

3. **Cash and Other Collections.** All cash and other payments should be collected in one central location at the college, which should be the Bursar’s Office, unless an alternative procedure has been documented and approved by the AEC, the college’s business office and the University Office of Budget and Finance. The AEC and the college should ensure that there are proper controls in place to ensure the physical safeguarding of all amounts collected, and have proper segregation of duties over the custody, recording and reconciliation of collections.

The AECs shall follow the University’s Cash Management and Banking guidelines issued by the University Office of Budget and Finance, to the extent that such guidelines indicate that they are applicable to AECs.

**C. Purchasing**

1. **General.** Each AEC shall follow sound purchasing practices and procedures that provide for open and free competition to the maximum extent practicable while meeting the needs of management for flexibility and minimum administrative burden. Each AEC shall take steps to ensure fairness in all contracts, including abiding by Section 715 of the N-PCL regarding related party transactions.

Under the N-PCL, the AEC board has a duty to ensure that the AEC acts prudently and uses good business judgment and fiscal responsibility. As a charitable organization, an AEC’s activities must be generally in support of CUNY and particularly in support of its supported college. AECs should keep in mind that as entities closely related to CUNY and their supported colleges, which are public institutions, their activities will be subject to heightened scrutiny.

Any procurement relating to college capital projects, including design and construction to University facilities, must be reviewed and approved prior to its initiation by the University’s Office of Facilities Planning, Construction and Management and must follow the University guidelines for the procurement of capital projects.
2. **MWBE/SDVOB.** The AECs are included in CUNY’s Supplier Diversity program. This means that each AEC is required to make and document good-faith efforts to maximize the practical participation of NYS-certified Minority- and Women-owned Business Enterprises (MWBEs) and Service-Disabled Veteran-Owned Businesses (SDVOBs) in its purchases and contracts, including its efforts to meet the University’s overall MWBE and SDVOB participation goal, set annually by the University. AEC staff must endeavor to consider and engage MWBE and SDVOB vendors whenever practical, feasible, and appropriate. To the extent practicable, each AEC shall adhere to University policy regarding purchasing from MWBEs and SDVOBs.

3. **Assistance of College Purchasing Office.** At an AEC’s request and with its supported college’s permission, the college purchasing office may assist the AEC with ministerial procurement tasks, such as preparing solicitation documents and receiving and reviewing responses. Such activities shall be carried out in the name of and on behalf of the AEC, and all AEC solicitation documents and contracts shall bear the AEC’s name rather than the college’s name. The college purchasing office shall not have decision-making authority for the AEC. However, the AEC board may authorize the college purchasing director or other purchasing office staff to sign AEC purchase orders that have been prepared consistent with AEC instructions. Such authorization shall be in writing, updated annually, and kept with the records of the AEC.

D. **Accounting**

1. **Financial System.** Each AEC shall maintain a financial system that provides for accrual-based accounting and is used to process all financial transactions. The AEC shall follow the Governmental Accounting Standards Board (GASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee of Accounting Procedures and Generally Accepted Accounting Principles (GAAP). Each AEC shall implement all new GASB accounting rules and regulations.

2. **Personnel.** Each AEC should have an accountant (preferably a Certified Public Accountant) to perform its accounting functions, prepare regular and ad hoc financial reports, and annual financial statements. The accountant may be an AEC employee or an employee of the supported college dedicated in whole or in part to AEC duties. Any use of college employees and the amount of any AEC reimbursement to the college shall be noted in Exhibit B of the MOU. All accounting personnel should remain current with all GASB updates and understand not-for-profit accounting requirements. Staff should attend ongoing training relevant to not-for-profit accounting and discuss new GASB rules with the AECs’ auditors during the annual planning meeting.

3. **Revenue Recognition** Consistent with GAAP and to ensure completeness of revenues, AECs shall recognize revenues based on “sales” in the period that the revenue was earned, and not when the cash was collected. For example, revenue for parking shall be recorded based on the number of parking decals sold, licensing revenues shall be recorded based on the license terms, and commissions for vending shall be recorded based on vendors’ sales reports.

E. **Capital Assets Management**

Any equipment purchased with AEC funds meeting the University’s capitalization threshold and any improvements or renovations funded with surplus funds shall be tagged and included as AEC property in the University’s fixed assets system (CUNYfirst Asset Management, “CFAM”) in a timely manner. The supported college’s property manager should be responsible for the inventory of these assets on an annual basis and work with the college Business Office to reconcile the CUNYfirst General Ledger to the CFAM, in a timeframe as outlined by the University Office of Budget and Finance. All depreciation expense will be recorded by the University Office of Budget and Finance utilizing system-generated automation within CFAM. An AEC should follow the University’s capitalization policy (i.e., all equipment...
$5,000 or greater should be capitalized) to ensure accurate and consistent reporting of the assets. An AEC may also decide to track items under these thresholds, if it deems them as sensitive items (i.e., they are susceptible to theft).

**XI. FINANCIAL REPORTING AND AUDIT**

**A. Reporting to the Board/Financial Statements**

The chief executive officer and/or chief financial officer of each AEC shall provide its board with periodic financial and managerial reports. Each AEC shall prepare annual financial statements in the format outlined by the University Office of Budget and Finance. These statements shall be in conformity with GAAP and be audited by a licensed, independent certified public accounting firm (CPA) in accordance with generally accepted auditing standards. The audited financial statements shall be reviewed by the AEC’s audit committee and, if acceptable, recommended to the AEC board for acceptance. To enable the University to include pertinent information in its annual financial statements, the audit committee and board must accept the audited financial statements within 90 days after the close of an AEC’s fiscal year.

**B. Independent Auditor**

The independent CPA retained by the AEC must have experience auditing tax exempt organizations and must be approved by a designee of the Chancellor. No auditor of the independent CPA shall serve as the lead or sole auditor for the AEC for more than seven years and a three-year period must elapse before such auditor may serve again as lead auditor or sole auditor. For purposes of efficiency, cost control, and to ensure consistency in reporting, the University may, at its option, require the AECs to use an auditor selected and contracted for by the University. In such event, the audit committees of the AECs shall have an opportunity to participate in the selection process.

On an annual basis the AEC’s auditor must confirm its independence to the University’s external auditors via a signed “independence letter.”

Refer to Section XVI for additional guidance from the Charities Bureau regarding audit matters.

**C. CUNY Financial Accounting and Reporting Requirements**

The financial activity of the AECs are included in the University’s financial statements as discretely presented component units. AECs shall follow the guidance and adhere to the requests of the University’s Office Budget and Finance in relation to accounting and reporting.

**D. CUNY Audit Rights**

1. **CUNY Audit.** The books and records, financial condition, operating results, compliance with policies and procedures, laws, rules or regulations and program activities of an AEC are subject to periodic review by the college president and/or designee, the University, and outside firms hired by the University, and to the extent allowed by law, outside regulatory bodies.

2. **Reporting to CUNY.** Pursuant to Article XVI of the CUNY Bylaws, each AEC shall fully disclose all financial information with respect to auxiliary enterprises to its membership, to the supported college and to that college’s student government. AECs are strongly encouraged to have a publicly accessible page on the college’s website that includes financial information, current directors and officers, summaries and minutes of board meetings, governance documents, etc. Each AEC shall promptly provide to the college president and University Office of Budget and Finance all audit reports from whatever source, including the certified (consolidated) financial statements, any report indicating a significant deficiency or material

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2 Except that AECs with annual gross revenues under $250,000 shall not be required to have a certified audit unless otherwise required by Executive Law 7-A regarding registration and reporting to the NYS Charities Bureau.
weakness in the internal controls over financial reporting, and any management letter or other report, together with the associated corrective action plan of the AEC. Management’s corrective action plan should include the planned timeframe for addressing the independent auditor comments. Additionally, each AEC must:

- Timely provide to the University Office of Budget and Finance such purchasing data as needed to comply with its reporting requirements to New York State in connection with MWBE/SDVOB and supplier diversity;
- Record its financial activity in the University’s administrative system, CUNYfirst, in the timeframe and format established by the University Office of Budget and Finance;
- Provide the college and the University Office of Budget and Finance with a complete list of bank and investment accounts held outside of the University’s short-term and long-term investment portfolio. For each account, the interest or dividend income earned and/or the realized or unrealized investment gains/losses, the investment return, and the banking and investment fees paid shall be provided;
- Require all members of the AEC’s board to annually provide written acknowledgement to the AEC: (i) that they have received a copy of these Guidelines and the MOU and reviewed them and (ii) that they understand that these Guidelines and the MOU are binding on the AEC. Directors and officers may provide such acknowledgements as part of their annual conflict of interest disclosure statements. The AEC shall provide on a timely basis copies of such acknowledgements to the college president and/or the University upon their request.
- Annually certify that the AEC is in compliance with these Guidelines and the MOU.
- Concurrent with its filing with the IRS, provide a copy of the AEC’s IRS Form 990 to the University’s Office of Budget and Finance, and provide on a timely basis such other information on the AEC’s financial status and operations as requested by the college president or the University.

XII. POLICY MANUAL

Each AEC shall develop a comprehensive manual documenting the policies, procedures, standards, and other administrative and operating criteria applicable to it. This manual shall be maintained on a current basis and be consistent with applicable University policies and guidance. The AEC shall provide copies of the current version, as well as any updates or revisions as they are adopted, to the supported college’s business office and the University’s Office of Budget and Finance, and to internal and external auditors on request.

In addition to these Guidelines, each AEC shall also follow all other University policies and guidance whose scope specifically identifies the AECs as being included, in whole or in part, for example, the University’s Office of Budget and Finance Policy on Cash Management and Banking.

XIII. INTERNAL CONTROLS

Each AEC is responsible for establishing and maintaining adequate internal controls. Some of these controls include maintaining segregation of duties between the:

- cash receipts and disbursements functions,
- physical custody of assets and recordkeeping functions;
- accounting and bank reconciliations functions;
- accounts payable and purchasing functions;
- check preparation and distribution functions; and
- payroll and human resource functions.
Other key internal controls include restricting access to the vendor listing, preparing timely bank reconciliations, requiring dual signatories on checks over set amount, blank check management and safeguarding assets.

XIV. RECORDS RETENTION

Each AEC shall adopt the University’s record retention policy or a policy consistent with that issued by the University.

XV. EXCEPTIONS AND AMENDMENTS

Any proposed exceptions to these Guidelines must be approved in writing by the Chancellor or designee. With the exception of amendments necessitated by changes in federal, state or local law or CUNY policy, any proposed amendments to these Guidelines must be approved by the CUNY Board of Trustees. The CUNY Offices of the General Counsel and Budget and Finance will be responsible for the periodic review of these Guidelines, as well as ensuring that all appropriate parties are informed of them. All Guideline amendments shall become effective upon a duly adopted amendment to the MOU between the college and the AEC.

XVI. RELATED INFORMATION

The following links and/or references provide additional information related to this guidance:

New York Not-for-Profit Corporation Law: http://public.leginfo.state.ny.us
Internal Revenue Service: www.irs.gov
New York State Charities Bureau
  • www.oag.state.ny.us/charities/charities.html
  • http://www.charitiesnys.com/pdfs/Audit_Committees.pdf
New York State Office of the Inspector General: https://ig.ny.gov/
Payment Card Industry Data Security Standards: https://www.pcisecuritystandards.org
National Association of State Charity Officials: www.nasconet.org
American Institute of Certified Public Accountants: www.aicpa.org
Governmental Accounting Standards Board: www.gasb.org
National Association of College and University Business Officers: www.nacubo.org
Council for Advancement and Support of Education: www.case.org
Association of Fundraising Professionals: http://www.afpnet.org/

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MODEL MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made by and between The City University of New York by and on behalf of [name of College or School] located at [address] (“College”)3 and [name of Auxiliary], a New York not-for-profit corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Corporation” or “AEC”).

RECITALS

A. The College is a constituent unit of The City University of New York, a public institution of higher education established pursuant to Article 125 of the New York Education Law (the “University”).

3In the case of a CUNY School or other unit or program, changes should be made throughout the document to refer to School and Dean, etc., as appropriate.
B. The Corporation is an independent entity organized for the sole purpose of supporting the University and the College through the provision of non-instructional auxiliary enterprises and services to assist the College in meeting its education, research and community service mission;

C. The College and the Corporation desire to formalize their working relationship in the form of this Memorandum of Understanding (“MOU”).

TERMS

In consideration of the mutual covenants, promises and conditions herein contained, and for good and valuable consideration the adequacy of which is hereby acknowledged, College and Corporation agree as follows:


1.1. The College and the Corporation agree that the Corporation shall perform the activities and services described in Exhibit B to this MOU (“Services”), as it may be amended from time to time, exclusively for the benefit of the College.

1.2. The Services may be provided by the Corporation to the College through one or more subcontractors.

1.2.1. Except to the extent the College determines otherwise with respect to a particular subcontractor or category of subcontractors, all subcontractors must provide insurance satisfactory to the College. The nature and amount of insurance that a subcontractor shall be required to provide (if any) shall be determined by the University’s Auxiliary Enterprise Corporation Guidelines, attached as Exhibit A, as they may be amended from time to time (the “Guidelines”) or by the College on a case-by-case basis. Such insurance may include commercial general liability insurance against claims for injuries to, or death of persons, or loss of or damages to property, including fire and theft, which may arise from or in connection with the performance of the Services by the subcontractor, its officers, agents, representatives, employees or sub-subcontractors. The University and the Corporation must be named as additional insureds under all liability insurance policies.

1.2.2. Except to the extent the College determines otherwise with respect to a particular subcontractor or category of subcontractors, all subcontractors must agree to indemnify, defend and hold harmless the Corporation and the University, from any and all actions, claims, demands, damages, fines, losses, liabilities, judgments, liens, and expenses of any kind (including, without limitation, court costs, attorneys’ fees and related disbursements), arising out of or in connection with (a) the breach by subcontractor of any of its agreements or covenants under a subcontract to provide the Services and (b) the performance of the Services by the subcontractor and its officers, employees, agents and representatives.

1.3. In consideration of the Services, the College agrees that except as otherwise set forth in this MOU, the Corporation may retain any income earned as a result of the Services, so long as the Corporation’s activities benefit the College community and income earned as a result of the Services is used to support the College community.

2. College Support of Corporation. Subject to the availability of funding and the budget process, the College, in accordance with the terms and conditions of this MOU, shall make available to the Corporation the facilities, personnel, equipment and other support, goods and services (collectively “College Support”) listed in Exhibit C. Any changes to the College Support shall be
made by written amendment to this MOU and Exhibit C, a copy of which shall be filed with the University Office of the General Counsel. Any reimbursement to the College by the Corporation for the College Support shall be consistent with the Corporation’s annual budget and the terms indicated on Exhibit C.

3. Care of Premises. The Corporation shall take good care of the Premises set forth in Exhibit B (“Premises”) and used by the Corporation to carry out the Services, and shall maintain them in a clean and orderly condition. The College shall keep the Premises in good repair and make all capital improvements necessary to comply with all applicable federal, state and municipal health and safety codes. The Corporation shall not make alterations to the Premises without the prior written consent of the College. Any alteration or improvement to the Premises and/or its fixtures that may be paid for by the Corporation shall become the property of the University.

4. Affiliates. The Corporation has established the Affiliate(s) (as defined in the Guidelines) listed in Exhibit D.4

5. Use of the College Name and Trademarks.

5.1. Corporation may, solely in connection with the Services, use and license its subcontractors to use, the name of the College as well as College logos, seals, and other symbols and marks of the College (collectively, the “College Marks”), including without limitation use of College Marks on goods manufactured for sale through venues approved by the College. Except to the extent included as part of a College Mark, Corporation shall not use the names “The City University of New York” or “CUNY,” or any logo, seal, symbol or mark of the University without the prior approval of University’s Office of Communications and Marketing.

5.2. Notwithstanding the foregoing, the College President may, in his/her discretion, forbid any particular use of a College Mark or, if such use has already commenced, require that such use cease. The Corporation shall not delegate the authority to use a College Mark to any person or entity without the prior written approval of the College President.

5.3. Corporation agrees to stop using the College Marks in the event (i) the Corporation dissolves, (ii) the University withdraws recognition of the Corporation, (iii) the Corporation ceases to be a not-for-profit corporation or is no longer recognized by the Internal Revenue Service as an entity described in section 501(c)(3) of the Internal Revenue Code, or (iv) the Corporation is directed to stop such use by the College President.

5.4. For purposes of this Section 5, “College President” means the President of the College or his or her designee.

6. Data and Confidentiality.

6.1. The College may make available to the Corporation records and information concerning students and alumni in accordance with the requirements of the Family Educational Rights and Privacy Act of 1974 and regulations promulgated thereunder (“FERPA”) for use by the Corporation in a manner consistent with the Corporation’s rights and obligations under this MOU and with College and University policies. The Corporation shall treat such records and information as confidential in accordance with FERPA and shall not disclose any or all of them to any third party without the express prior written consent of the College and subject to a written agreement with such third party that shall: (i) be subject to the terms and conditions of this MOU, including without limitation those

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4 If the AEC has no Affiliates, delete this sentence and replace with “N/A – the Corporation has no Affiliates.”
regarding confidentiality of information; (ii) be non-transferable; and (iii) provide for its termination or assignment to the College, at the College’s sole option, on termination of this MOU. The Corporation shall provide the College with a copy of each such agreement.

6.2. If the Corporation’s Services as listed on Exhibit B include providing loans or other financial products (not including scholarships, awards and grants) or assisting the College with the administration of such services, the Corporation will comply with the Gramm-Leach-Bliley Act (P.L. 106-102), as amended, and the Federal Trade Commission’s Safeguards Rule (16 CFR Part 314) (collectively, “GLB Regulations”), regarding any nonpublic personal information that the Corporation receives, maintains, processes or otherwise has access to from students or others in connection with providing such services.

6.3. The Corporation shall comply with the provisions of the New York State General Business Law Section 899-aa regarding security breaches of personal information. The Corporation shall be liable for the costs associated with any breach of these provisions if caused by the negligent or willful acts or omissions of the Corporation or its agents, officers, employees, or subcontractors.

6.4. Each party shall maintain network security that conforms to generally recognized “Industry Standards” and best practices that the party applies to its own network. Generally recognized industry standards include but are not limited to the current standards and benchmarks set forth and maintained by the Center for Internet Security (see http://www.cisecurity.org) or Payment Card Industry/Data Security Standards (PCI/DSS) (see http://www.pcisecuritystandards.org).

6.5. Corporation employees and agents shall abide by all confidentiality requirements imposed by law or by College or University policy to protect the privacy of past and present College employees and students. If the Corporation subcontracts with a third party for any of the Services, the Corporation shall ensure that such third parties comply with all of the confidentiality provisions of this MOU.

7. Coordination with the College’s Office of Finance. The Corporation shall provide the College’s Office of Finance with any and all financial reports otherwise provided to the Corporation’s Board of Directors and its Investment and Finance Committees, if any. A Corporation representative shall meet at least quarterly with the College’s Chief Financial Officer to discuss matters relating to interactive financial arrangements.

8. Liability.

8.1. In the event any damage or injury is caused to the equipment or Premises provided by College hereunder, by the negligence or improper conduct of the Corporation, its agents, subcontractors or employees, the Corporation shall cause the said damage or injury to be repaired as speedily as possible at its own cost and expense.

8.2. In no event shall anything contained in this MOU be deemed to impose liability of any nature on the Corporation for loss or damage to persons or property, to the extent caused by the University, its officers or employees or by any third party over which the Corporation exercises no control.


9.1. The Corporation’s occupancy of the Premises is that of a licensee only. The Corporation
will not maintain ownership or other similar interest in the Premises, nor is there a landlord-tenant relationship between the University or the College and the Corporation.

9.2. The College and the University and any of their agents may enter the Premises or any part of them at any time for the purpose of examination, supervision or audit.

9.3. The Corporation and its subcontractors have the right, subject to the College's rules regarding building access and security, to 24-hour access to the Premises for the purposes of conducting the Services.

10. Compliance. The Corporation shall comply[, and shall ensure that its Affiliates comply,] with all federal, state and local laws, whether now or hereinafter in force, applicable to the proper and lawful conduct of its Services, as well as the Guidelines. The Corporation shall cooperate, and shall ensure that its Affiliates cooperate, with the University and governmental authorities regarding any investigation of the Corporation and/or an Affiliate regarding the conduct of the Corporation's and/or Affiliate's Services.

11. Effect of MOU; Amendment. This MOU (and any attachments) contains all the terms between the parties and may be amended only in writing signed by an authorized representative of each party. Any amendment to this MOU (or any attachment) will not become effective until it has been approved by the University's Office of the General Counsel.

12. Confidentiality. Neither the Corporation nor the University shall disclose or use any private, confidential, proprietary, or trade secret information provided from one to the other except as required in and by the terms of this MOU.

13. Term and Termination.

13.1. This MOU shall have an initial term of one year beginning [date] and ending [date], and shall be automatically renewed for additional one-year terms unless written notice is given no later than 90 calendar days of the end of the term or renewal term by either the Corporation or the College of its desire to terminate or modify the provisions of this MOU. Any notice requesting modification shall describe the modification(s) requested. If a notice requesting modification is given, the parties shall meet within 30 calendar days to try to reach an agreement on any changes.

13.2. This MOU may be terminated in whole or in part by the College upon the breach by the Corporation of one or more of its terms, including without limitation failure to comply with the Auxiliary Enterprise Corporation Guidelines attached as Exhibit A. Prior to any such termination, the College shall provide a written notice of breach to the Corporation describing the nature of the breach(es). On receipt of the notice of breach, the Corporation shall have 30 calendar days to cure the breach(es). If the Corporation fails to do so to the satisfaction of the College, the College shall provide a written notice of termination to the Corporation, to be effective immediately. The Corporation may contest the notice of breach and/or the notice of termination by submitting a letter to the University Chancellor. The Chancellor shall review the contested notice and provide a recommendation to the CUNY Board of Trustees within 30 calendar days of submission of the Corporation’s letter. The decision of the CUNY Board of Trustees shall be final.

13.3. This MOU may be terminated in whole or in part by the University Chancellor or the CUNY Board of Trustees upon 30 calendar days prior written notice in accordance with the notice provisions of this MOU.
14. **Notice.** Any notice to either party hereunder must be in writing, signed by the party giving it, and shall be delivered either personally, by overnight delivery service, or by electronic mail or fax machine, or deposited in the United States mail, postage prepaid, registered or certified mail, addressed as set forth below. Such notices will be deemed to have been given or made when so delivered or deposited.

TO UNIVERSITY AND COLLEGE:

President

[Name of College]
[Address]

With a copy to

Office of the General Counsel
The City University of New York
205 E. 42nd Street, 11th Floor
New York, NY 10017

TO THE CORPORATION:

[Insert]

or to such persons as may be hereafter designated by notice.

15. This MOU includes the following documents:

15.1. Exhibit A - CUNY Auxiliary Enterprise Corporation Guidelines
15.2. Exhibit B - Corporation Services
15.3. Exhibit C - Personnel, Equipment and Other Support, Goods and Services Provided to Corporation by the College
15.4. Exhibit D - Description of Affiliates and College-provided Resources

16. In the event of any controversy of terms, the priority of the interpretation of documents comprising this MOU shall be in the following order:

16.1. Exhibit A - CUNY Auxiliary Enterprise Corporation Guidelines
16.2. This MOU
16.3. Exhibit B - Corporation Services
16.4. Exhibit C - Personnel, Equipment and Other Support, Goods and Services Provided to Corporation by the College
16.5. Exhibit D - Description of Affiliates and College-provided Resources

17. This MOU constitutes the entire agreement of the parties hereto and all previous communications between the parties, whether written or oral, with reference to the subject matter of this MOU are hereby superseded.

This Memorandum of Understanding has been executed by and on behalf of the College and the Corporation on this ____ day of ____________, 20__.

THE CITY UNIVERSITY OF NEW YORK
By and on behalf of

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5 Delete if AEC has no Affiliates.
6 Delete if AEC has no Affiliates.
Exhibit A
CUNY Auxiliary Enterprise Corporation Guidelines

Exhibit B
Corporation Services

(This language is to be modified as necessary to accurately reflect a particular Corporation’s Services and relationship with its supported college.)

List of Services to be provided by the Corporation:*

Advertising - contracts related to placement of third-party ads on campus
  ☐ subcontract with vendor   ☐ fiscal agent for CUNY contract

Premises:

Art Gallery Operations
  ☐ direct operation – AEC employees (primarily) operate and control the facility
  ☐ fiscal agent for College – College employees (primarily) operate and control the facility, but
AEC enters into agreements with artists, art lenders and consignors, and licensees for use of the facility

Premises:

Automatic Teller Machines
  ☐ subcontract with vendor   ☐ fiscal agent for CUNY contract

Premises:

Bookstore/Campus Store Operations
  ☐ direct operation   ☐ subcontract with vendor   ☐ fiscal agent for CUNY contract

Premises:

*Delete those Services that don’t apply.
8 “CUNY contract” includes both CUNY-wide contracts and college contracts.
**Child Care Center Operations** – direct operation

Premises:

**Copy machines, printers, and/or related equipment and operations**

☐ subcontract with vendor  ☐ fiscal agent for CUNY contract

Premises:

**Facility Use** – short term licensing of various College facilities to third-parties consistent with the CUNY Facility Use Policy

**Food Service Operations**

☐ direct operation  ☐ subcontract with vendor  ☐ fiscal agent for CUNY contract

Premises:

**Games and amusements, laundry centers and similar operations**

☐ subcontract with vendor  ☐ fiscal agent for CUNY contract

Premises:

**Housing**

☐ fiscal agent for College - AEC leases facility on behalf of College, with Central Office approval, for use as student/staff housing

Premises:

**Intellectual Property Licensing Agent** – AEC has the non-exclusive right to represent the College with respect to the licensing of the Marks (as defined in Section 5.1 of the MOU), copyrighted works owned by the College and other intellectual property owned by the College.

**Parking Operations**

☐ direct operation – AEC employees (primarily) operate and control the parking lots, garages and related facilities, including maintenance, and otherwise handle parking operations on campus.

☐ fiscal agent for College – Campus Facilities Office operates and controls the parking lots, garages and related facilities, including maintenance and security, but AEC collects and administers fees for parking permits and may enter into agreements with third-party vendors to manage particular facilities.

Premises:

**Performing Arts Center/Theater Operations**

☐ direct operation – AEC employees (primarily) operate and control the facility

☐ fiscal agent for College – College employees (primarily) operate and control the facility, but AEC enters into agreements with third-party performers or licensees for use of the facility

Premises:

**Pouring Rights** – fiscal agent for CUNY contract

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9 If handled by an Affiliate, list on Exhibit D.
Sports/Recreation/Wellness Center Operations

- ☐ direct operation – AEC employees (primarily) operate and control the facility, including maintenance
- ☐ fiscal agent for College – Campus Facilities Office, Athletic Department and/or other College offices or departments operate and control the facility, including maintenance and security, but AEC enters into agreements with licensees for use of the facility and/or administers alumni and/or community use or similar programs

Premises:

Transportation Services (e.g., shuttle buses)

- ☐ subcontract with vendor
- ☐ fiscal agent for CUNY contract

Premises:

Vending Machine Operations

- ☐ subcontract with vendor
- ☐ fiscal agent for CUNY contract

Premises:

Telecommunication services for the College community and/or related equipment and operations (not cell towers)

- ☐ subcontract with vendor
- ☐ fiscal agent for CUNY contract

Premises:

Other:

Exhibit C
Personnel, Equipment and Other Support, Goods and Services Provided to Corporation by the College

A. College personnel assigned:

<table>
<thead>
<tr>
<th>College Title</th>
<th>% of time worked for AEC</th>
</tr>
</thead>
</table>

The AEC has no employees.\(^{10}\)

B. Description of equipment and other support, goods and services provided\(^{11}\):

- Standard office furniture and equipment used by those College personnel listed above when carrying out work for the AEC
- Equipment and furnishings in the Premises used by the food service vendor(s), as listed in the contract between the AEC and the vendor
- Ordinary and necessary utilities for the Premises

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\(^{10}\) Delete if not accurate.

\(^{11}\) Revise as appropriate.
• support services of the type provided to College departments including, but not limited to: access to the College’s telephone system and internet; janitorial services; maintenance of the Premises from the College’s physical plant; duplicating, printing and mail services.

• payroll services for Corporation employees, including the allocation of related benefits, accounting services, and other administrative services

• technology support services, as well as online access to such College files as the Corporation deems, and the College agrees, to be relevant and necessary to the activities and purpose of the Corporation.

C. Description of reimbursement for the items listed in A - B:

Exhibit D¹²
Description of Affiliates and College-provided Resources

A. Name and address of each Affiliate:

B. Description of Services and Premises:

C. College personnel assigned:

D. Description of equipment and other support, goods and services provided:

E. Description of reimbursement for the items listed in C - E:

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B. ADOPTION OF CITY UNIVERSITY OF NEW YORK POLICY ON THE USE OF COLLEGE FACILITIES

RESOLVED, That the Board of Trustees of the City University of New York adopt the following attached Policy Regarding the Use of College Facilities, effective December 4, 2017.

¹² Delete Exhibit if the AEC has no Affiliates
EXPLANATION: The CUNY Policy Regarding Use of College Facilities, which was last revised in 2005, sets forth the purposes and priorities under which CUNY colleges may permit use of their facilities by other entities. This policy governs short-term use of CUNY facilities for purposes such as events, programs and meetings. The policy also permits CUNY colleges to deny use of facilities under certain circumstances. The policy continues to allow CUNY colleges to charge fees and direct costs for the use of their facilities. The policy has been updated to strengthen requirements for accountability, transparency and financial controls and to ensure that revenues collected from use fees are spent in compliance with revised applicable CUNY spending policies.

THE CITY UNIVERSITY OF NEW YORK POLICY REGARDING USE OF COLLEGE FACILITIES

I. INTRODUCTION

The principal function of the facilities of The City University of New York is to provide a setting to enable the University to carry out its primary mission of education and research. These facilities should not be put to any use that may conflict with, or impede, this mission. However, in recognition of its role as an urban public university, the University takes upon itself a special responsibility to permit responsible individuals and groups not affiliated with the University the use of its facilities, at such times as they are not in use for the University’s primary education and research mission, within the parameters of this policy. In making available its space to non-affiliated users, the University in no way takes responsibility for the contents of any program or any controversy engendered by any program presented at its facilities by such users.

II. SCOPE OF THIS POLICY

A. This policy applies to short-term use of college facilities. (“College” is defined here as a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors College and the central office.) Agreements between a college and its Related Entities regarding a Related Entity’s presence on campus and use of college facilities, and agreements between a Related Entity and a subcontractor regarding the provision of services to the college community on campus are not covered by this policy. Such agreements are covered by the applicable CUNY guidelines for particular Related Entities and the associated Memoranda of Understanding (“MOUs”). This policy does cover short-term licensing of college facilities by those auxiliary enterprise corporations that have been granted authority, through an MOU with their supported college, to administer a college’s short-term facility licensing program.

B. This policy does not apply to licensing of facilities that a college or the University leases or licenses from a third party. Any such proposed licensing agreement must be approved by the University Offices of Facilities Planning, Construction and Management and General Counsel.

III. RESPONSIBILITIES AND PRIORITIES

A. The use and scheduling of college facilities shall be under the control and supervision of the vice president of administration, or their designee(s), of each college.

B. Priority of use of a college’s facilities shall be in the order set forth below.

1. Host college departments, divisions, programs and offices for curricular, administrative and other college purposes.

13 A short-term use includes, e.g., a time-limited event, a conference, or a weekly series of programs during a semester.
14 “Related Entities” means separately-incorporated auxiliary enterprise corporations, college associations, child care centers, arts centers, college foundations and alumni associations of a host college.
2. Users affiliated with the host college, including:
   a. recognized student organizations;
   b. academic or professional organizations made up of persons on the host college staff (includes all employees), provided each such organization is open to all members of the staff of such rank or ranks as are admitted to membership;
   c. other recognized organizations drawing membership without restriction from the membership of the host college staff;
   d. Related Entities of the host college; and
   e. University-wide organizations such as the University Faculty Senate (“UFS”) and University Student Senate (“USS”).

3. Other CUNY colleges, including the central office (“other CUNY colleges”), and users affiliated with such other CUNY colleges.

4. Government agencies and non-profit organizations of an educational, scientific, cultural, social, civic, religious, or similar nature.

5. Union organizations affiliated with the host college.

6. All other users, including:
   a. commercial users
   b. partisan political users
   c. users not specifically included in another category

Colleges shall permit use under categories 1 through 5 and may permit use under category 6. Use by union organizations affiliated with the host college shall be governed by the applicable collective bargaining agreement with the University. Users within each category or sub-category shall be treated on a uniform basis.

C. The University shall deny or terminate use of college facilities to:

1. Users that refuse to employ at their event the security personnel required by the host college.

2. Users that previously submitted a false application or that have previously violated the terms of a use agreement.

3. Users whose use or planned use of college facilities has been determined by the college to likely obstruct or disrupt college operations, interfere with freedom of movement on campus, or expose persons or property to safety hazards or risk of injury.

D. Use of college facilities may be subject to reasonable time, place and manner restrictions.

E. Fees for the use of college facilities shall be determined as follows:

1. Each college shall establish and make available a fee schedule, setting forth the college’s standard rates for (a) use of the space (“Use Fee”) and (b) direct costs such as labor, security, equipment and catering. The fee schedule shall be approved by the vice
president for administration of the college.

2. Colleges may vary the Use Fee for a particular facility based on the category of user, e.g., affiliated users, non-affiliated non-profit users, commercial users, partisan political users.
   a. A host college shall not charge a Use Fee to its affiliated users (including without limitation recognized student organizations, University Faculty Senate and University Student Senate).
   b. Notwithstanding a. above, if the affiliated user is co-sponsoring an event with one or more outside organizations, the host college may charge a Use Fee in an amount limited to that which may be apportioned to the outside organizations(s) and which the host college would charge if it were the co-sponsoring college.
   c. A host college may charge other CUNY colleges a Use Fee that is discounted from that charged to non-affiliated users, or no Use Fee at all, in the discretion of the host college.
   d. A host college may charge its affiliated users its direct costs, at the standard or discounted rates.
   e. All other users shall be charged direct costs at the host college’s standard rates.

3. Fair market value must be charged for partisan political use.

F. All fees collected for facilities use are subject to applicable CUNY spending policies, including without limitation CUNY Fiscal Handbook for Control and Accountability of Student Activity Fees, CUNY Foundation Guidelines, CUNY Auxiliary Enterprise Guidelines, Guidelines on the Use and Reporting of Non-Tax Levy Funds, Cash Accountability Policy, CUNY Bank Account Policy and Procedures and Guidelines for Petty Cash Funds.

IV. PROCEDURES

A. Applicants for use of a college’s facilities shall provide the college with the following information: the name, address and telephone number of the individual or group making the request; whether it is a non-profit or commercial entity; the facilities (and any attendant college services) requested; a detailed description of the proposed use; the number of persons expected to use the facility and whether the event is open to the general public; the time(s) and date(s) for the requested use; and the amount of any admission fee to be charged and its intended use, and any other information reasonably requested by the college.

B. Individuals and groups that have received approval to use a college facility are required to:
   1. Comply with all applicable University and college rules and policies, and applicable local, state and federal laws and regulations, including fire, health and safety regulations.
   2. Assume full responsibility for any loss, damage or claims arising out of their use of the facility.
   3. Pay the appropriate Use Fee and other charges for the use of the facility and related services, subject to Section III.E.2 above.
   4. Unless the user is affiliated with the college or is another CUNY college, or is the City of New York, the State of New York or the U.S. Government, indemnify, defend and hold harmless the University, the college, the Dormitory Authority of the State of New York,
the State of New York, the City of New York and the appropriate University related entity (where applicable), as well as their officers and employees, from any liability arising out of the actions of the user, its agents, employees and invitees, incidental to the use of the facility by the user.

5. Unless the user is another CUNY college, UFS or USS, or is the City of New York, the State of New York or the U.S. Government, provide evidence of appropriate and adequate insurance protection (including liquor liability if alcohol will be served) covering property damage, personal injury, or death arising out of the use of the facility. The chief administrative officer of the college may waive this requirement for affiliated users, other government agencies and not-for-profit users upon a determination that there is minimal risk exposure to the college from the event.

6. Execute a written agreement with the University setting forth these requirements as well as any additional requirements pertaining to the use of the facility.

C. In all cases, the University and the colleges reserve the right to require and provide, at the user’s expense, such security personnel and technical experts as may be needed to insure order and safety on its premises.

V. RELATED CUNY POLICIES AND INFORMATION

Policy re Private Security

Policy re Tobacco Use


Regulations for Graduations on CUNY Campuses

Best Practices for Use of Campus Facilities by Student Clubs, College Associations and Other Sponsoring Organizations
http://www2.cuny.edu/about/administration/offices/legal-affairs/advisories/

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C. AMENDMENT OF BOARD OF TRUSTEES POLICY 3.01 – POLICIES ON CASH ACCOUNTABILITY, BANK ACCOUNT CONTROL AND PETTY CASH

RESOLVED, That the Board of Trustees’ Policy 3.01, titled “Bank Accounts” be renamed “Cash Accountability, Bank Account Control and Petty Cash” and be amended as follows; and be it further

RESOLVED, That Policy 3.01A is named Cash Accountability, Policy 3.01B is named Bank Account Control and Policy 3.01C is named Petty Cash; and be it further

RESOLVED, That the purpose of the Cash Accountability Policy (3.01A) is to articulate the requirements and guidelines related to cash controls and chain of custody for cash; and be it further
RESOLVED, That the purpose of the Bank Account Control Policy (3.01B) is to ensure that the City University of New York (CUNY) has appropriate procedures, practices and controls in place to safeguard and manage the University’s cash assets and to minimize the risk of financial loss; and be it further

RESOLVED, That the purpose of the Petty Cash Policies and Procedures (3.01C) is to establish the proper uses and administration of Petty Cash Funds.

EXPLANATION: In August 2008, the Office of the University Controller (now the University Office of Budget and Finance) issued Cash Management and Banking guidelines. The University recently began an effort to update and significantly enhance the guidelines, which have now been separated into three stand-alone Policies, called Cash Accountability, Bank Account Control and Petty Cash, which is a reflection of the both the significance, variability and audience of each policy. The new Policies seek to clarify and enhance CUNY’s expectations for handing cash, bank accounts and petty cash and focuses on standardization, oversight, internal controls and accountability. Any material changes to these Policies requires approval by the Board of Trustees.

THE CITY UNIVERSITY OF NEW YORK
PETTY CASH POLICIES AND PROCEDURES

Table of Contents

1. POLICY 2
2. SCOPE 2
3. DEFINITIONS 2
4. GUIDELINES
   4.1. Establishing a Petty Cash Fund 3
   4.2. Designating a Petty Cash Fund Custodian 4
   4.3. Safeguarding the Cash 4
   4.4. Disbursement from Petty Cash
      4.4.1. Allowable Transactions 5
      4.4.2. Unallowable Transactions 6
   4.5. Replenishing the Petty Cash Fund 7
   4.6. Recordkeeping 7
   4.7. Closing the Petty Cash Fund
      4.7.1. Closing the Fund – Voluntarily 8
      4.7.2. Closing the Fund – Involuntary 8
      4.7.3. Inactive Funds 8
5. INTERNAL CONTROLS 8
6. RESPONSIBILITIES 8
7. EXCEPTIONS AND AMENDMENTS 9
8. EFFECTIVE DATE 9
9. RELATED INFORMATION 9
10. EXHIBITS 10

1. POLICY

This policy establishes the proper uses and administration of Petty Cash Funds and supersedes all other policies and procedures previously issued.

Petty Cash Funds are intended to provide cash to colleges, schools, departments and units to cover small dollar purchases, such as reimbursement to staff members for small expenses when another form of payment (procurement card, purchase order, expense reimbursement) is not appropriate or available.
The University requires each Petty Cash Fund to have an approved Fund Custodian, who documents and reviews expenditures to ensure appropriate business purpose, reviews receipts, safeguards the funds, and reconciles the account.

CUNY will prosecute fraudulent claims, theft of funds or other criminal activity to the full extent of the law.

2. SCOPE

All constituent parts of the University, including CUNY colleges, schools, administrative and academic departments, centers, institutes, units, and the central office shall comply with this policy. Separately organized college associations, student service corporations, performing arts center and childcare centers shall also comply with this policy and shall be deemed as “CUNY departments” for purposes of this policy.

Auxiliary enterprise corporations, college foundations, the Research Foundation of The City University of New York (RFCUNY) and other separately incorporated entities are not required to follow this policy; however, they should establish their own policies on the use and administration of petty cash.

3. DEFINITIONS

As used in this Policy:

“Accounts Payable” means the office responsible for final approval prior to disbursement of funds, ensures that all Petty Cash replenishment requests adhere to this policy and is responsible for maintaining all accounting records in accordance with the University Records Retention Policy.

“Business Office” means the office responsible for handing the business and finance operations of a college. For a Related Entity, “Business Office” shall mean those individuals responsible for the day-to-day business and finance operations of the corporation, and may include individuals in the Business Office of the Related Entity’s supported college, as permitted by the MOU between the corporation and the college.

“Business Manager” means the individual responsible for administering the “Business Office” defined above.

“Cash” means coins and currency.

“CUNY Colleges” means all constituent parts of the University, including CUNY colleges, schools, academic and administrative departments, CUNY departments, centers, institutes, units, and the central office.

“Fund Custodian” means the individual responsible for ensuring that Petty Cash Funds are physically secured or attended by an authorized person at all times.

“Petty Cash Fund” means small cash account intended to provide cash to colleges, schools, departments, centers, institutes, units and central office to cover small dollar purchases, such as reimbursement to staff members for small expenses.

“University Treasurer” means the senior administrator in the Office of Budget and Finance in charge of cash and investments. The University Director of Treasury Services may perform the bank review and approval functions of the University Treasurer if the University Treasurer is unavailable to perform duties required by this Policy.

“Deputy Chief Financial Officer” refers to the individual with direct supervisory authority over the University Treasurer and University Controller.
4. GUIDELINES

4.1. Establishing a Petty Cash Fund

Requests for Petty Cash Funds must be approved by the Business Manager at the colleges or by the University Treasurer at the Central Office; these individuals have a responsibility to evaluate the department’s business need and limit the Petty Cash account to the lowest amount that will meet those needs.

To establish a Petty Cash Fund, a formal request must be sent to the Business Office at the College or Treasurer’s Office at the central office using the form in EXHIBIT A. The allocation for a Petty Cash Fund is generally $250; however, exceptions may be granted when a written justification is provided and with the approval of the Business Manager at the Colleges or the University Treasurer at the Central Office.

The request for establishing a new Petty Cash Fund must be made on the form included in EXHIBIT A and include:

- The purpose of the Petty Cash Fund;
- The dollar amount of the Petty Cash Fund (usually not to exceed $250, unless an approved written justification is attached);
- The name and title of the individual who will act as the Fund Custodian;
- A description of how and where the funds will be secured including physical location (see, 4.3, below); and
- Approval by the department head.

4.2. Designating a Petty Cash Fund Custodian

Each department will designate a Fund Custodian in its initial request. The Fund Custodian must be an employee of the entity for which the petty cash is established, and must acknowledge his or her responsibilities by signing the Fund Custodian attestation portion of the Request form (EXHIBIT A).

In the event the Fund Custodian has a scheduled absence, the department head may assign a temporary Fund Custodian. The funds must be counted in the presence of the authorized Fund Custodian before the leave period begins and again once the Fund Custodian returns (EXHIBIT B).

In the event the Fund Custodian has an unscheduled absence of less than five business days, the department head may also assign a temporary Fund Custodian. The funds must be counted in the presence of the department head or his designee before the funds are used. A similar cash count must be performed upon the return of the regular Fund Custodian. The department shall maintain the cash count verifications until the next cash count is performed. To assign a temporary Fund Custodian, where the expected absence is more than five business days, the department head shall fill out the Petty Cash Fund Temporary Custodian Form (EXHIBIT B).

In the event of a permanent change in Fund Custodian, the Petty Cash Fund account shall be reconciled and closed. After appropriate review by Accounts Payable, all remaining funds and sub-vouchers totaling the original amount of the petty cash box shall be submitted to the appropriate Business Office and a new box may be opened in its place, if needed. The process described above in “Establishing a Petty Cash Fund” shall be followed if it is determined that a new Petty Cash Fund is necessary.

4.3. Safeguarding the Cash

The Fund Custodian is responsible for safeguarding Petty Cash Funds under his/her control. Petty Cash Funds must be secured at all times and kept in a locked box in a limited access locked drawer, safe or file cabinet. Funds must be secured each time the Fund Custodian leaves the office. The keys to the box, file cabinet, or
drawer shall be kept in the possession of the Fund Custodian, and not left in desks or in the office overnight. The Petty Cash fund is subject to audit at any time without prior notice by the Office of Internal Audit.

The Petty Cash Fund and receipts must not be co-mingled with other cash. To discourage thefts, the Fund Custodian shall avoid dispensing money from the petty cash box in an area that is open to the public. The Fund Custodian and department head may be subject to discipline or held jointly liable for losses that occur as a result of negligence.

In the event Petty Cash Funds are missing and theft is suspected, the Petty Cash Fund Custodian shall notify his/her immediate superior as well as the campus Public Safety Office, the University’s Public Safety Office, the University’s Office of Internal Audit and the Office of General Counsel. The University Public Safety shall immediately report the suspected theft to the local precinct and the General Counsel shall communicate with and serve as liaison with the New York State Inspector General’s office and other appropriate law enforcement agencies.

4.4. Disbursement from Petty Cash

The Fund Custodian is responsible for ensuring that all disbursements from the Petty Cash Fund are in accordance with CUNY policy. Disbursements from the Petty Cash Fund must be properly documented and be for a valid University business purpose, as set forth below. The Fund Custodian must approve each disbursement.

A Petty Cash sub-voucher (EXHIBIT E) shall be used to document each cash disbursement. Every Petty Cash sub-voucher shall be signed by the recipient, his or her supervisor, be supported with original receipts and approved by the Fund Custodian. To track the disbursements, sub-vouchers shall be sequentially numbered, and the counter shall be reset at the beginning of each Fiscal Year; number nomenclature should be four-digit year and four digits (e.g., 2017-0001).

Under no circumstance may an individual, including the Fund Custodian, approve his or her own Petty Cash sub-voucher. Under no circumstance shall the Fund Custodian draw from petty cash as reimbursement for his or her own expense.

It is the responsibility of the Custodian to ensure that each sub-voucher is complete, accurate, legible and accompanied by original documentation. Altered receipts shall not be accepted under any circumstance. All receipts must be itemized; credit card use receipts shall not be accepted for reimbursement. Should a receipt be missing or illegible, the recipient shall submit the “Missing/Illegible Receipt Memo”. (See EXHIBITS G and H).

Prior to reimbursement, the Fund Custodian shall ensure that the following information and attachments are included with the reimbursement request:

1. Original of the vendor’s customary receipt which includes:
   o Vendor name
   o Date of purchase
   o Items purchased (to be completed by department if not on receipt)
   o Price per item
   o Total price for the quantity received

2. Custodian may require purchaser to sign or initial original receipts if receipts are not clear

3. Signature of the supervisor on the sub-voucher

Upon receipt of completed information, the Fund Custodian will reimburse the petty cash expenditure.

It is strongly recommended that the reimbursement requests be submitted within ten (10) business days following a purchase.
4.4.1. Allowable Transactions

The transactions that are allowable using petty cash funds include purchases for small dollar needs and purchases for which the goods have been received. Examples include:

- MetroCards for local office travel (usage should be documented)
- Copy services;
- Taxis/local parking (must be justified, refer to CUNY Travel Guidelines);
- Stamps;
- Supplies if not on hand but immediately required (this should not be a frequent occurrence); and
- Small infrequent purchases (such as copy of office key, etc.).

4.4.2. Unallowable Transactions

Items that are required to be purchased through the college or university Purchasing Office may not be purchased with petty cash funds. Additionally, out of town travel expenses and meals must be reported through the travel reimbursement process.

Further, the following transactions and purchases shall not be reimbursed from petty cash funds:

- Items covered by State, City or University contracts (except as noted above);
- Payments to vendors for invoices submitted directly to the department where a purchase order was issued;
- Out of town travel (meals, lodging, transportation) and conference fees;
- Services, including payments to employees, consultants and independent contractors;
- Scholarships, stipends, and awards;
- Inventorial equipment or sensitive items (as per the property management manual);
- Payments to service centers (e.g., bookstore, etc.);
- Cashing personal checks or providing personal loans (IOUs);
- Tips /gratuities (excluding reasonable tips on taxi expense);
- Food, beverages, catering (for more information related to purchasing food, please refer to the University’s policy on Lodging and Meal Allowances);
- Gas for Automobiles (personal vehicles, or office vehicles);
- Memberships and subscriptions; and
- New York City and New York State Sales Tax (see below).

Tax Levy Petty cash funds may not be used to purchase any items that are prohibited pursuant to University, State or City policies, such as parking violations, fines and penalties, etc. Refer to the ‘All Fund Matrix’ approved by the University’s Board of Trustees in December 2017 for a list of allowable purchases from tax levy and other funds.

Generally, CUNY does not reimburse the payment of New York City and New York State sales tax. Since it may not always be practicable to provide the sales tax exemption certificate for minor purchases or when traveling locally, it is permissible to incur and reimburse sales taxes for expenditures under $25.00 in these or other exigent situations. Nevertheless, CUNY employees should make every effort to avoid the payment of sales taxes on any in-State purchase for University business, regardless of size.

4.5. Replenishing the Petty Cash Fund

The Fund Custodian is responsible for replenishment of the Petty Cash Fund. Replenishment of the Petty Cash Fund shall be made on a regular basis or at least quarterly (by September 30, December 31, March 31, and June 30) and must include:

- An original Check Request and Payment Authorization form (college specific forms);
• A completed signed Petty Cash Recapitulation form (see EXHIBIT C);
• All numbered sub vouchers submitted for reimbursement with original, legible receipts and pertinent
backup (see EXHIBIT E);
• A completed Petty Cash reconciliation form signed by the Custodian and Department Head; (see
EXHIBIT D)

The total on the recapitulation form cannot exceed the total dollar value of the fund.

The Fund Custodian must reconcile the Petty Cash Fund every time a request for replenishment is submitted. The replenishment request must be completed and noted accordingly on the Petty Cash Reconciliation form (EXHIBIT D). If the reconciliation is not clearly noted on the worksheet, the request for replenishment will not be processed and will be returned to the department for completion. The total currency and coins in the cash box, all un-replenished sub-vouchers/receipts, and all uncashed replenishment checks must at all times equal the original Petty Cash Fund dollar amount (e.g., $250).

Replenishment checks should be cashed within 30 days of issuance. Any replenishment checks that have not been cleared by the bank within 30 days should be added to the Reconciliation Worksheet balance. The subsequent reimbursement requests will be reduced by the amount of the uncashed checks.

CUNY Colleges and the Central Office must adhere to State and City guidelines governing the certification of petty cash balances see below, NYS Guide to Financial Operations/ Petty Cash.

If the Petty Cash Fund is not used for a period of six months and no replenishment is therefore required, the need for the fund shall be evaluated. Refer to the section on “Closing the Petty Cash” fund below.

4.6. Recordkeeping

The Fund Custodian is responsible for submitting completed Petty Cash Replenishment forms to Accounts Payable for review.

Accounts Payable is responsible for ensuring that all Petty Cash Replenishment requests adhere to this policy prior to the disbursement of funds and is responsible for maintaining all accounting records. Accounts Payable, shall keep receipts for each Petty Cash transaction, in accordance with the University Records Retention Policy. Petty Cash logs and receipts are subject to unannounced review by the college Business Office, University Treasurer, Internal Audit, and the Office of the State/City Comptroller, as appropriate.

Petty Cash Funds shall be established by withdrawals from the Imprest Fund bank account and shall be kept under general ledger control. Once established, each fund shall be maintained on an imprest basis, which means the amount of the funds remains constant, and the Fund Custodian is reimbursed by check on the Imprest Fund bank account for amounts paid out of the fund upon presentation and surrender of satisfactory evidence of such disbursements. The amount of the reimbursing check shall be for the exact amount of the disbursements made from the fund.

4.7. Closing the Petty Cash Fund

4.7.1. Closing the Fund - Voluntarily

In the event that a fund is to be closed voluntarily, the Fund Custodian shall take the following steps:

1. Notify the Business Office at the colleges or the University Treasurer at the central office of the intent to terminate the account.
2. Prepare final replenishment request.
3. Submit all cash on hand and final cash count to the Bursar’s Office at the college or the Treasurer’s Office at the central office.
4. In the event that a Fund Custodian leaves CUNY employment without reconciling the petty cash box, CUNY reserves the right to deduct from the employee’s final paycheck any shortfall in the box that the employee failed to report.

The college Bursar’s Office or the University Treasurer’s Office will review the final cash count and provide information to the college Business Office or Controller’s Office at the Central Office, who will close the box for that fund. Notice of Fund closure will be forwarded to the Fund Custodian.

4.7.2. Closing the Fund – Involuntary

Repeated violations of petty cash procedures can result in termination of the fund. The fund will be closed by the college Business Office or the University's Controller's Office and replenishments will no longer be processed. The Fund Custodian is ultimately responsible for the disposition of funds.

4.7.3. Inactive Funds

If a Petty Cash Fund has been inactive for a period of six months or more, the Business Office (for a college fund) or the University Treasurer’s Office (for a central office fund) shall contact the department to determine whether the Petty Cash Fund is still required to meet the department's needs.

5. INTERNAL CONTROLS

Colleges must ensure that there are segregation of duties over the receipt, safeguarding and disbursement of petty cash funds.

6. RESPONSIBILITIES

- The CUNY Colleges are responsible for managing departmental Petty Cash Funds per the procedures in this policy;
- The Accounts Payable Office, at the Colleges or Central Office, as applicable, is responsible for review of fund replenishment submissions, maintenance of all petty cash records, and vouchering for fund replenishment;
- The college Business Office or the University Treasurer’s Office, as applicable, is responsible for establishing the Petty Cash Fund;
- The college Business Office or University Treasurer's Office, as applicable, is responsible for replenishing departmental Petty Cash Funds as requested.

7. EXCEPTIONS AND AMENDMENTS

Any deviation or alternative procedures to this policy shall be documented in writing, approved by both the Vice President of Finance at the college and the University’ Deputy Chief Financial Officer, maintained in the files and revisited on an annual basis.

The University Office of Budget and Finance is responsible for the periodic review of this policy as well as ensuring that all appropriate parties are informed of them.

8. EFFECTIVE DATE

This policy is effective January 1, 2018.

9. RELATED INFORMATION

The following links and/or references provide additional information related to this policy:
Table of Contents

1. POLICY 2
2. SCOPE 2
3. DEFINITIONS 2
4. BANK CONTROLS 3
   4.1 Establishing Bank Accounts 3
   4.2 Signatories 4
   4.3 Closing Bank Accounts 4
   4.4 Repurposing Bank Accounts 4
   4.5 Bank Accounts Maintained by Unaffiliated Organizations 5
   4.6 Annual Survey 5
   4.7 Electronic Fund Transfers (ACH) 5
   4.8 Custodial Credit Risk 5
5. FRAUD PREVENTION SOLUTIONS 5
   5.1 Positive Pay 5
   5.2 ACH Debit Blocks / Filters 6
6. REPORTING REQUIREMENT 6
   6.1 Foreign Bank Account Reporting (FBAR) 6
   6.2 Suspected Fraud Reporting 6
7. INTERNAL CONTROLS 6
8. RECORD RETENTION 7
9. BANK ACCOUNT POLICY ACKNOWLEDGEMENT 7
10. EXCEPTIONS AND ALTERNATIVE PROCEDURE 7
11. EFFECTIVE DATE AND TRANSITION 7
12. UPDATE AND PERIODIC REVIEW 8
13. EXTERNAL LINKS 8
1. POLICY

The purpose of this Policy is to ensure that The City University of New York has appropriate procedures, practices and controls in place to safeguard and manage the University's cash assets and comply with applicable law and best practices so as to minimize the risk of financial loss. This Policy articulates the requirements for opening, closing, updating and maintaining college bank accounts (see Definitions, below). All colleges must follow this Policy, and must ensure that all necessary employees and other individuals are aware of and understand how to follow proper procedures with establishing and maintaining control and oversight over bank accounts. All college cash must be deposited in a bank account that conforms to the requirements of this Policy. This Policy supports other processes and procedures established to maintain the financial integrity of the University. This Policy supersedes all other policies previously issued by the University regarding the establishment and management of college bank accounts.

2. SCOPE

Unless otherwise specified, this Policy applies to all colleges, as that term is defined below. This Policy does not apply to college foundations or separately incorporated alumni associations; however, those entities are strongly encouraged to establish bank account management policies of similar scope to protect their financial integrity.

3. DEFINITIONS

As used in this Policy:

“Bank account” means any and all bank and investment accounts with financial institutions including but not limited to checking, savings, money market, certificates of deposits (CDs), mutual funds, and investment accounts.

“Business office” means the office responsible for handing the business and finance operations of a college. For a Related Entity, “business office” shall mean those individuals responsible for the day-to-day business and finance operations of the corporation, and may include individuals in the business office of the Related Entity’s supported college, as permitted by the MOU between the corporation and the college.

“Cash” means coins and currency and all negotiable instruments with monetary value (including but not limited to checks, money orders, Automated Clearing House (ACH) transactions, etc.), that can be deposited into a bank account.

“Collateralized” means assets pledged by financial institutions in the event of failure of the financial institution.

“College” means a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors college and the central office (including the UTO and other offices and departments), as well as fund groups and organizations that are not legally separate from the University (e.g., the Queens College Athletic and Recreational Fund, the college associations of Hunter College, the School of Professional Studies and the Graduate School of Public Health and Health Policy). For purposes of this Policy, “college” also includes the Related Entities, unless otherwise indicated.

“CUNY” and “University” mean The City University of New York.

“Deputy Chief Financial Officer” refers to the individual with direct supervisory authority over the University Treasurer.
“Related Entities” means the following types of entities and their subsidiaries, if legally separate from the University and unless otherwise indicated: auxiliary enterprise corporations, college associations, student services corporations, childcare centers, performing arts centers, and art galleries.

“University Treasurer” means the senior administrator in the Office of Budget and Finance in charge of cash and investments. The University Treasurer is the business manager for the central office. The University Director of Treasury Services may perform the bank review and approval functions of the University Treasurer if the University Treasurer is unavailable to perform duties required by this Policy.

“UTO” means the University Treasurer’s Office. UTO is the business office for the central office.

4. BANK CONTROLS

In order for CUNY to maintain sufficient oversight and controls over college funds, it is essential that a college establish all bank accounts in accordance with this Policy, and that the UTO have a complete and up-to-date list of all such accounts, including closed accounts, and the signatories thereon. Bank accounts and related activity (for example, interest income and banking and investment fees) must be recorded in the University’s official accounting system (CUNYfirst) or such other accounting system used by a Related Entity, and reconciled to bank statements within the time constraints set forth in the CUNY Cash Accountability Policy.

4.1 Establishing Bank Accounts

All college bank accounts except Related Entity bank accounts. Only a college business office (for a college) or UTO (for the central office) may establish and maintain college bank accounts. Colleges wishing to open a new bank account shall complete the Bank Account Request Form attached as Appendix A to this Policy. The college (including the UTO) shall include a justification for opening the new bank account describing the potential financial advantage and/or risk mitigation as compared to the cost. The Bank Account Request Form shall be signed by the Vice President for Administration and Finance at the college or, for central office bank accounts, by the University Treasurer unless it is an UTO account, in which case it shall be signed by the Deputy Chief Financial Officer, and submitted to the University Treasurer.

The University Treasurer will notify the college business office in writing if the bank account has been approved or if the University has any concerns with the establishment of the new account. A college business office shall not proceed with establishing the new account until it has received written approval from the University Treasurer. Upon opening the new bank account, the college business office shall update the University’s banking account management system with the new account information and submit a chart field request form to create a general ledger account for the new bank account.

All college bank accounts opened after the effective date of this Policy must be established using the following naming convention: the name “CUNY” followed by the college name, followed by department or program in the account title description with the financial institution. For example, “CUNY Brooklyn College ACE”.

Related Entity bank accounts. A Related Entity may open one or more bank accounts, as approved by resolution of its board of directors, in order to conduct its business. Each Related Entity must notify the business office of its supported college and the University Treasurer of each bank account existing at the effective date of this Policy and within five (5) business days of opening any new bank account. A Related Entity shall use the Related Entity Bank Account Notification Form attached as Appendix B to this Policy to notify the college business office and University Treasurer of new accounts. Related Entity bank accounts must be established under their legal names.
4.2 Signatories

There should be three or more signatories for each bank account. An authorized signatory who is separated from the University, or otherwise has a change in employment or job responsibilities, must be removed from the list immediately and the bank notified in writing. Colleges should monitor the list of signatories with the bank and at least annually verify and update as needed the bank’s record of authorized signatories. No custodian or individual who reconciles can be a signatory. This applies to all accounts, including those in UTO. All written statements must be maintained per records retention policy.

4.3 Closing Bank Accounts

Any bank account that is no longer needed by a college shall be closed in a timely manner via a written statement to the financial institution that shall be maintained by the college pursuant to the CUNY records retention policy. The college (including all Related Entities) shall notify the University Treasurer of the account closing by using the Bank Account Closing Notification Form attached as Appendix C to this Policy. Once the account is closed, the college shall promptly update the University’s bank account management system and submit a chart field request to deactivate the general ledger account for the closed bank account.

4.4 Repurposing Bank Accounts

As a general rule, bank accounts shall not be repurposed or reused for a purpose other than the account’s original purpose. An account no longer needed should be closed, or a new account needed opened. In rare cases for a specific reason, a college may request an exception to this rule from the University Treasurer, which shall be justified in a statement that is maintained by the requestor and the University Treasurer. Similarly, in rare cases, the University Treasurer may request an exception to be allowed to repurpose an account from the Deputy Chief Financial Officer, which if approved must be similarly justified in writing.

4.5 Bank Accounts Maintained by Unaffiliated Organizations

No college shall knowingly permit the establishment of, and no college employee, other individual shall establish a bank account under a University, college or Related Entity name, address, or federal employer identification number (EIN), or permit the deposit of funds made payable to, or intended for, the University, college or a Related Entity into such an account, except pursuant to this Policy.

4.6 Annual Survey

Each college is responsible for checking regularly to ensure that there are no unauthorized bank accounts, and that all accounts are active. At least annually, the colleges shall survey financial institutions in their local area to ensure that no bank accounts have been established under a University, college or Related Entity name, address, or EIN without the knowledge or approval (as applicable) of the college business office or UTO, including closed accounts.

This survey shall be conducted by an individual who does not have the authority to open or close bank accounts.

They shall also check annually to ensure that authorized accounts are active and have appropriate signatories (see 4.2). Each college shall maintain copies of the signed letters sent to financial institutions during this annual survey along with any responses received, in accordance with the University’s record retention policy.

4.7 Electronic Fund Transfers (ACH)

To achieve faster processing, cost savings and more secure transactions than paper transfers, including checks, colleges are strongly encouraged to receive and send funds electronically via ACH (Automated
Clearing House) whenever possible. Because ACH transfers are conducted by the bank using batch processing, ACH transfers are far less expensive than wire transfers are.

4.8 Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, the University or a Related Entity will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Colleges shall not maintain accounts at any one bank in excess of FDIC insurance limits, unless the bank is rated four (4) stars or better by Bauer Financial (www.bankrate.com). Because bank ratings will change, colleges should check the above website periodically to ensure that nothing adverse has occurred with any bank in which the college’s bank balance exceeds FDIC limits.

5. FRAUD PREVENTION SOLUTIONS

5.1 Positive Pay

Positive Pay is a service whereby an institution provides its bank with a file of all checks issued that day. If a check does not exactly match the issued item, the bank is required to notify the institution. Unless the institution instructs the bank to pay the item noted as not matching, the bank will return the check unpaid. UTO and college business offices shall institute, whenever feasible and appropriate, the Positive Pay service provided by banks to protect an institution from check fraud; this service may not be needed for small accounts.

5.2 ACH Debit Blocks / Filters

A debit block prevents ACH debits received for processing at a bank from posting to the designated bank account. Unauthorized debits are automatically returned to the originating (sending) company. Each college shall enroll in ACH Debit Block for each demand deposit account (DDAs) at the college that accepts ACH. Colleges that want to permit routine, recurring bank debit transactions to post to their bank account may establish an ACH Debit Filter. This filter can be established for a maximum dollar amount.

6. REPORTING REQUIREMENT

6.1 Foreign Bank Account Reporting (FBAR)

All colleges are responsible for Foreign Bank Account Reporting (FBAR) under the U.S Bank Secrecy Act (“Act”), if the college has a financial interest in or signature authority over a foreign financial account, including a bank account, brokerage account, mutual fund, trust, or other type of foreign financial accounts, exceeding $10,000 at any time during the calendar year. Affected colleges must file a FBAR report for foreign financial accounts on or before April 15th of the year following the calendar year being reported. The Act permits no more than a six-month extension of the filing deadline.

6.2 Suspected Fraud Reporting

Any college that suspects check or ACH fraud has occurred shall immediately report its concern to the University Director of Public Safety, University Director of Internal Audit, the Office of the General Counsel, and the University Treasurer. University Public Safety shall coordinate with the campus Director of Public Safety and the Office of the General Counsel shall communicate with and serve as liaison with the New York State Inspector General’s office and other appropriate law enforcement agencies.
7. **INTERNAL CONTROLS**

Maintaining sound internal controls as part of the banking process is crucial. The foundation of a good internal control system is segregation of duties. That means that the duties of (1) authorization (signing a check or releasing a wire transfer), (2) custody (having access to blank check stock or ability to establish a wire) and (3) recordkeeping (ability to record the transition in the accounting system) shall be separated so that one individual cannot complete a transaction from start to finish. To that end, the signatories on college bank accounts shall not have custody or recordkeeping ability.

The University Treasurer (for central office bank accounts), the Vice Presidents of Administration and Finance (for college bank accounts except Related Entity accounts), and the Related Entity’s board of directors (for Related Entity bank accounts) shall assign a responsible official to each bank account for the purposes of ensuring compliance with applicable University and Related Entity policies and procedures, timely reconciliation of bank accounts, adequate segregation of duties regarding the administration of the account as described below, monitoring the continued need or appropriate structure for such accounts, and other oversight requirements as appropriate. Individuals with the authority to instruct a bank to make positive pay exceptions cannot have any responsibility for the bank reconciliation of that bank account. Individuals assigned by the responsible official to reconcile the account shall not be the same individuals who are authorized to sign checks or approve electronic funds transfer (EFT’s) on the account.

The University Treasurer (for central office bank accounts), the Vice Presidents of Administration and Finance (for college bank accounts except Related Entity accounts), and the Related Entity’s board of directors (for Related Entity bank accounts) shall review and approve authorized signatories for electronic funds transfers and checks drawn on college bank accounts. The UTO or the college business office, as applicable, must maintain a current list of such authorized signatories at all times. An authorized signatory who is separated from the University or the Related Entity must be removed from the list immediately and the bank notified in writing.

The CUNY Cash Accountability Policy includes additional internal controls and segregation of duties requirements.

8. **RECORD RETENTION**

Each college shall consult the University’s Records Retention and Disposition Schedule to ensure that they are in compliance with records retention and disposition related to banking.

9. **BANK ACCOUNT POLICY ACKNOWLEDGEMENT**

Each college shall ensure that this Policy is provided to all new employees and on an annual basis to all individuals at the college who are involved in bank account administration and that such individuals acknowledge in writing that they have received and read this Policy, using the Acknowledgement Form in Appendix D. Individual acknowledgement forms shall be maintained on file with the college business manager.

10. **EXCEPTIONS AND ALTERNATIVE PROCEDURE**

Any exception to this Policy shall be approved by both the Vice President of Administration and Finance at the college and the University Treasurer, documented with the justification therefor in writing, maintained in the files of both offices, and reviewed at least an annual basis.

11. **EFFECTIVE DATE AND TRANSITION**

The Policy is effective January 1, 2018. Changes adopted to conform to this Policy shall be applied as of that date.
12. UPDATE AND PERIODIC REVIEW

The University Office of Budget and Finance is responsible for the periodic review and recommendation of changes to this Policy, as well as for ensuring that all appropriate parties are informed of it.

13. EXTERNAL LINKS

The FBAR filing link: https://bsaefiling.fincen.treas.gov/main.html
Record Retention Schedule: http://www.cuny.edu/recordretentionschedule

14. APPENDIX

A) Bank Account Request Form
B) Related Entity Bank Account Notification Form
C) Bank Account Closing Notification Form
D) Bank Account Control Acknowledgement Form

THE CITY UNIVERSITY OF NEW YORK
CASH ACCOUNTABILITY POLICY

Table of Contents

1. POLICY 3
2. SCOPE 3
3. DEFINITIONS 3
4. CASH RECEIPTS 4
   4.1 Management of Cash Drawers 4
   4.2 Foreign Funds 4
   4.3. Remote Check Deposit (RCD) 5
   4.4 Frequency of Deposits 5
   4.5 Bursar Office Procedures 5
5. PHYSICAL CONTROLS 6
   5.1 Safeguarding of Cash and Chain of Custody 6
   5.2 Security Cameras 6
6. REPORTING REQUIREMENTS 7
   6.1 Counterfeit Currency 7
   6.2 Reporting Instances of Fraud and Theft 7
7. CHECK DISBURSEMENT CONTROLS 7
   7.1 Blank Check Management 7
   7.2 Check Processing 8
   7.3 Management of Outstanding Checks 9
   7.4 Storage of Paid Check Files, Voided, and Canceled Checks 9
8. ELECTRONIC FUND TRANSFERS (EFT) 9
9. UNCLAIMED AND UNCASHED CHECKS 10
   9.1 Unclaimed/Uncashed Student Tuition Refunds and Credit Balances 10
   9.2 Unclaimed Payroll and Vendor Checks 10
   9.3 Other Unclaimed/Uncashed Checks 10
   9.4 Re-Issuance of Checks 10
10. BANK ACCOUNT RECONCILIATION 11
   10.1 Purpose of a Bank Reconciliation 11
   10.2 Segregation of Duties over Bank Reconciliations 11
1. **POLICY**

Cash by its nature is susceptible to misappropriation, and therefore it is of critical importance that internal controls over cash are strong, and the chain of custody for cash receipts and disbursements is secure and well documented.

This Policy articulates the requirements and guidelines related to cash control and chain of custody for cash. This Policy is tightly linked with the execution of highly controlled processes designed to maintain the financial integrity of the University and to limit the risk of misappropriation of cash and other monetary instruments. This Policy supersedes all other policies previously issued by the University on cash management and cash control.

2. **SCOPE**

Unless otherwise specified, this Policy applies to all colleges, as that term is defined below. This Policy does not apply to college foundations or separately incorporated alumni associations; however, those entities are strongly encouraged to establish cash accountability policies of similar scope to protect their financial integrity.

3. **DEFINITIONS**

As used in this Policy:

“Bank account” means any and all bank and investment accounts with financial institutions including but not limited to checking, savings, money market, certificates of deposits (CDs), mutual funds, and investment accounts.

“Business Manager” means the senior finance person at a college who reports to the Vice President of Finance and Administration. Although not always called a Business Manager, this person is typically responsible for the Budget, Bursar, Accounts Payable, Purchasing, and Accounting areas of the campuses. For Related Entities, the Business Manager shall mean the corporation’s chief financial officer.

“Business Office” means the office responsible for handing the business and finance operations of a college. For a Related Entity, “business office” shall mean those individuals responsible for the day-to-day business and finance operations of the corporation, and may include individuals in the business office of the Related Entity’s supported college, as permitted by the Memorandum of Understanding (MOU) between the corporation and the college.

“Cash” means coins and currency and all negotiable instruments with monetary value including but not limited to checks, money orders, and Electronic Funds Transfer (e.g., Automated Clearing House (ACH) transactions, wire transfers, etc.).
“College” means a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors college and the central office (including the University Treasury’s Office and other offices and departments), as well as fund groups and organizations that are not legally separate from the University (e.g., the Queens College Athletic and Recreational Fund, the college associations of Hunter College, the School of Professional Studies and the Graduate School of Public Health and Health Policy). For purposes of this Policy, “college” also includes the Related Entities, unless otherwise indicate.

“CUNY” and “University” mean The City University of New York.

“Related Entities” means the following types of entities and their subsidiaries, if legally separate from the University and unless otherwise indicated: auxiliary enterprise corporations, college associations, student services corporations, childcare centers, performing arts centers, and art galleries.

4. CASH RECEIPTS

There are many controls required for the cash receipts process, beginning with the point of collection and ending with the bank deposit and recognition of the deposit by a banking institution. The designated depository for all cash receipts is the Bursar at the colleges and the University Treasurer at the central office. **All cash receipts must be deposited directly with the Bursar’s Office or the University Treasurer’s Office.** Any exceptions to this centralized-collection rule must follow the “Exceptions and Alternative Procedures” described in Section 14 below.

Colleges shall perform background checks on staff who are handing cash on the campus. Campus are also strongly encouraged to obtain a fidelity bond to protect against any potential losses.

4.1 Management of Cash Drawers

The cashier at the college Bursar’s Office must enter each receipt into the CUNYfirst Student Financial Cashiering System immediately upon receiving funds. A numbered system-generated receipt (paper or electronic) must be provided to the customer when payment is received in person.

Cashiers at the Bursar’s Office are responsible for their own cash drawer for the entirety of their shift. Cash drawers shall not be exchanged or shared for any reason. If a change of drawer needs to be made, a supervisor must be present to make the change. At the beginning and at the end of the shift, the cash drawer must be closed out and counted by cashier and supervisor from the Bursar’s Office. A log shall be kept of the cash count that must be signed by the cashier and the supervisor. The college shall reconcile the cash to cash register totals at the end of each drawer close out and any differences shall be immediately resolved, or if further investigation is warranted, by the close of the next business day. If the cash discrepancy is not resolved within a timely manner than the procedures outline in Section 6.2 shall be followed.

Staff shall not make change from the cash collected by the college.

4.2 Foreign Funds

Foreign funds are not generally accepted for in-person payments. They are, however, accepted as payment on a student’s account via a bank transfer, provided the foreign denominated payment (after conversion and transaction costs) is equal to or less than the total charges on the student’s account. All foreign denominated payments or U.S. dollars payments drawn on a foreign bank must be submitted for conversion on collection.

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15 The college Bursar should be the recipient of all cash collected by the college and its Related Entities, unless an Alternative Procedure is approved as outlined in the Section 14.
Adjustments will be made by the bank for conversion fees; all fees and conversion charges are the responsibility of the payer.

Tuition and fee payments from foreign funds are generally NON-REFUNDABLE. Any excess after conversion will not be refunded to the payer but instead will become an advance for future semesters. In cases such as student drops out during the refund period and with approval from the college business manager, if payments need to be refunded, the return will be applied back to the original foreign bank account from where the funds were initially transferred.

4.3 Remote Check Deposit (RCD)

When collecting payments by check, the cashier must verify that the check is filled out completely and accurately before applying the payment. Checks shall be restrictively endorsed (marked “for deposit only”) immediately upon receipt. Post-dated checks are not permitted.

RCD technology allows the college to avoid the physical movement of received checks to its bank. Instead, the college can use a special scanner and scanning software to create an electronic image of each check which is then transmitted to the bank. RCD cannot be used for checks drawn on foreign banks. Each college is strongly recommended to use RCD for domestic check deposits when feasible.

4.4 Frequency of Deposits

The amount of cash on hand at the Bursar’s Office shall be minimized to the amount that is needed by the college for routine bursar’s office activities (e.g. cash on hand needed for the change fund for each cashier). Funds on hand in excess of the minimum amount needed must be deposited in the bank by the next business day using the University’s designated armored car service. Logs signed by college personnel and armored car personnel for armored car pickup must be completed for each run. Daily deposits (daily) must be made in situations where funds accumulate rapidly, such as during registration.

All funds must be properly secured at the college until picked up by the armored car services. Cash receipts must be reconciled on a daily basis to ensure that all deposits reached the bank and any discrepancies must be immediately investigated.

4.5 Bursar Office Procedures

Each college Bursar office must develop their own documents that detail their standard operating procedures. These procedures shall be in compliance with this policy, and signed by each employee of the Bursar office indicating they have read and understood the college’s operating procedures.

Prior to finalizing the college’s new or revised operating procedures, the draft procedures document should be submitted to the University Bursar and the Office of Internal Audit for review.

The final version shall also be submitted to the University Bursar.

5. PHYSICAL CONTROLS

5.1 Safeguarding of Cash and Chain of Custody

Upon receipt, all cash shall be secured in a locked cash drawer, drop safe or traditional safe. These secured storage areas shall be locked at all times and only opened in the presence of a second authorized person.

Cash will often move from one of the above-mentioned secured containers to another; during this transfer, cash is especially susceptible to misappropriation. It is therefore imperative that the chain of custody of the
cash remains intact; this process should be outlined clearly in the college Bursar’s Office operating procedures document as described above.

The cashier’s drawer and the contents of the drop safe, if applicable, shall be opened and counted in the presence of the cashier and supervisor at the end of a shift, preferably in a designated counting room. Once the cash is counted and prepared for deposit, these individuals shall secure the funds in locked pouches and sealed tamper-evident bank bags, and place the sealed funds in a safe. The sealed funds shall only be removed immediately prior to transport to the bank for deposit, in the presence of at least two authorized employees.

Safes, which must be “fire rated,” shall be locked at all times between uses for withdrawing or depositing funds. The college Business Manager or University Treasurer must designate and limit the individuals who have access to the safe; no other individuals may have access. Safe combinations must be changed upon the termination of any individual with authorized access or upon an individual's change to an inconsistent job role.

It is preferable that the college’s safe is secured in a separate room that is locked at all times and can only be accessed via an individually assigned card key. If that is not possible due to the physical layout of the office, then an ‘access log’ that includes the names and signatures of individuals who entered the room, the purpose, time in and out, shall be maintained.

At no time shall one individual be allowed to place or remove funds from a safe; each such action must include at least two authorized employees.

5.2 Security Cameras

Colleges shall have surveillance cameras in areas where there is a high volume of cash collected, sorted, or stored, such as in the PHiL16 (Payment Headquarters in Location) Stations, Bursar's Office, including the cashier's areas, counting rooms, and the areas where safes are located. These cameras shall cover the entirety of the areas or rooms where cash is collected, counted, disbursed or stored in order to minimize the risk of misappropriation of cash outside of the camera's range.

College Business Offices shall coordinate the quantity and location of the cameras with their respective campus Public Safety Office and in conjunction with the University Department of Public Safety. All security cameras shall be live and have recording capability.

6. REPORTING REQUIREMENTS

6.1 Counterfeit Currency

Cashiers are responsible for exercising reasonable care in screening cash transactions. For example, the cashier should use a counterfeit detector pen for $50 dollar bills and above.

6.2 Reporting Instances of Fraud or Theft

Any college that suspects check or ACH fraud has occurred shall immediately report its concern to the University Director of Public Safety, University Director of Internal Audit, the Office of the General Counsel, and the University Treasurer. University Public Safety shall coordinate with the campus Director of Public Safety and the Office of the General Counsel shall communicate with and serve as liaison with the New York State Inspector General’s office and other appropriate law enforcement agencies.

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16 A PHiL station is an electronic device that is physically located on a college campus. Students and others may use a PHiL station to load money onto their ID cards in order to make campus purchases such as printing and photocopying.
Any college who suspects that cash may be missing due to theft or have unidentified discrepancies between the cash register totals compared to cash on hand (refer to Section 4.1) shall immediately report its concerns to the campus Public Safety Office, University Director of Public Safety, University Director of Internal Audit, the Office of the General Counsel, and the University Treasurer.

7. CASH DISBURSEMENT CONTROLS

7.1 Blank Check Management

Requisition of Checks

The University Treasurer (for central office bank accounts) and the Business Managers (for college bank accounts) are responsible for designating the personnel who are authorized to prepare check orders and approve check orders. These personnel shall not be engaged in the storage and management of the check stock.

The individual requesting a check shall submit to the University Controller or college Business Manager, as applicable, a written check-order report, specifying the order, the requestor, and the approver at the time of requisition of the checks.

Without Recourse

Checks shall have the words “Without Recourse” printed on the face of the check. Under NYS UCC, Section 3-413 (2), this minimizes exposure of a college or the university to liability to banks, vendors, or individuals that receive or cash fraudulent checks purported to have been drawn against a college or university bank account.

Storage

The University Controller (for central office bank accounts) and the college Business Manager (for college bank accounts) is responsible for ensuring that proper procedures are followed in regards to the receipt, documentation, storage and management of check inventory and that there are adequate segregation of duties over the various roles. At a minimum, blank check stock must be stored in sealed and numbered tamper-evident boxes.

Blank Check Control Record

The University Controller (for central office bank accounts) or the college Business Manager (for college bank accounts) is responsible for ensuring proper controls over the blank checks, which includes, at a minimum:

1. A control record of check requisitions, shipment verification, and stock drawdown/issuance by check type (e.g., payroll, vendor payment);
2. Check sequence number control and accountability for quantities, sequence numbers, dates of checks written and signed, and the sequence numbers of checks canceled, voided, or for any other reason not issued;
3. Procedures for managing unexplained variations in check controls and an inquiry process for resolving such discrepancies; and
4. Policy for safekeeping of blank checks.
7.2 Check Processing

Transmittal of Checks

When checks are transmitted from one processing point to another, they must be accompanied by a transmittal sheet. An explanation must be provided for each missing check number (e.g., a check not received from the printer, canceled, or voided). The original of the document shall be forwarded to the business office.

If any discrepancies are noted, the responsible person must make an immediate investigation and inform the Business Manager at the college or University Treasurer at the central office.

Check Signing Controls

Checks must be signed manually by an authorized signatory or by an authorized representative of the signatory using the appropriate mechanism (e.g., magnetic ink, printers, check signatory plates). Such mechanisms must be secured at all times.

Checks equal to or exceeding $5,000 require dual signatures by approved signatories unless, in the case of a Related Entity, the corporation’s board of directors has approved a lower threshold.

7.3 Management of Outstanding Checks

The colleges shall contact the vendor or payee for all checks that have been outstanding for six months. At that point, checks shall either be canceled or canceled and reissued.

Stop Payments

A staff member of the business office shall be delegated responsibility for approval of all orders to stop a check after it has been issued. Colleges with the positive pay on the bank accounts do not have to issue stop payments since college can remove the check in question from the positive pay record.

Voided Check

A voided check is a check written or partially written but then canceled or deleted by the college. The notation of "void" is used because checks are pre-numbered for control purposes and every check needs to be accounted for. Void check may require some adjustments when reconciling the bank statement.

Canceled Check

A canceled check is a check that has cleared the depositor's bank account and has been marked as "canceled" by the bank. Both voided and canceled checks must be retained in accordance with the University Record Retention and Disposition Schedule.

7.4 Storage of Paid Check Files, Voided, and Canceled Checks

Paid checks files and canceled check images received monthly with the bank statements must be kept, along with any voided and canceled checks, in locked storage until completion of the external audit for the year in which they were written. These checks shall be accessible only to designated staff.

The colleges are encouraged to utilize on-line data storage systems to electronically store checks and bank statements.
8. ELECTRONIC FUND TRANSFERS (EFT)

To achieve faster processing, cost savings and more secure transactions than paper transfers including checks, colleges are strongly encouraged to receive and send funds electronically via ACH (Automated Clearing House) whenever possible. Because ACH transfers are conducted by the bank using batch processing, ACH transfers are far less expensive than wire transfers.

Segregation of Duties

Duties for vendor setup, initiating, reviewing, and approving EFT shall be segregated between two or more individuals. No single individual shall have the authority or opportunity to set up, initiate and approve payment into the accounting software or financial system. Colleges shall require a signed approval document for manually initiated electronic payments and shall apply dollar limits or additional approval for large payments.

For those electronic payments being made automatically by the accounting software, the access to create and edit a vendor must be segregated from the access to make a payment. Furthermore, the access to the vendor master file must be strictly restricted.

Office of Foreign Asset Control (OFAC)

EFT (ACH and wire instructions) will not be provided to countries on the Office of Foreign Asset Control (OFAC) sanctions list.

9. UNCLAIMED AND UNCASHED CHECKS

9.1 Unclaimed/Uncashed Student Tuition Refunds and Credit Balances

Unclaimed/uncashed student tuition refunds and credit balances shall be held in a college bank account for a period of five (5) years, at which time the outstanding liability balance can be written off and be counted towards the college’s revenue target. During the five-year period, annual attempts must be made to contact and return the funds to their rightful owner.

9.2 Unclaimed Payroll and Vendor Checks

Colleges are required to return unclaimed payroll and vendor checks to the issuing agency (i.e. City or State of New York) after 90 days.

9.3 Other Unclaimed/Uncashed Checks

Colleges are required to follow the State of New York’s Abandoned Property Law for proper handling of unclaimed/uncashed checks related to non-student liabilities, which is summarized below.

- The period for negotiating checks drawn from bank accounts for any funds is six months. Unpaid checks that remain dormant for three years from the date of issuance period are considered abandoned property by the State.
- After the three years period has elapsed, unclaimed check amounts shall be paid to the Office of the State Comptroller (OSC) for deposit in the abandoned property fund, except for a check for federal funds, in which case the check shall be returned to the federal agency that provided the funds.
- Notification must be given to the payee of such funds no less than ninety (90) days before reporting such amounts as abandoned property to OSC. In addition, a second notice, by certified mail, is required sixty (60) days prior to the transfer if the amount exceeds $1,000.
- Notification is not required for checks less than $20.
• Once these funds are transferred to OSC, the University or Related Entity is no longer liable for payment and subsequent claims of unpaid funds must be directed to OSC.

9.4 Re-Issuance of Checks

Colleges are required to place a written stop payment on un-cashed checks after six months, and to re-issue those checks in accordance with applicable federal, New York State, and New York City law and CUNY and Related Entity policies, including those relating to Accounts Payable, Payroll, or Student Financial Aid, or return the funds back to the appropriate program(s).

10. BANK ACCOUNT RECONCILIATION

10.1 Purpose of a Bank Reconciliation

Bank reconciliations are an essential internal control tool and are necessary in preventing and detecting fraud and accounting errors. The bank reconciliation ensures that all transactions that have been processed by a bank have been reviewed and checked, thus reducing the probability of errors in the data used to record book balances. Bank reconciliations also assist in ensuring that all payments and receipts have been applied to a bank account and have also been recorded in the accounting records. Any differences shall be identified, explained, and rectified.

10.2 Segregation of Duties over Bank Reconciliations

The reconciliation function requires segregation of duties. In that regard, the person who performs the bank reconciliations shall not also have access to the recording of transactions in the accounting system or the processing of cash disbursements or receipts. Any differences identified between the accounting records and the bank statements shall be adjusted by a person other than the one performing the reconciliation.

The bank reconciliation must be reviewed, signed and dated by both the preparer and the reviewer/approver. The preparer and reviewer shall not be the same individual. The College must maintain supporting documentation with all reconciliations in accordance with the University’s record retention policy.

10.3 Bank Reconciliation Requirement

A comprehensive reconciliation of all bank accounts must be performed, at a minimum, on a monthly basis. New York State designated bank accounts such as the Imprest accounts must be reconciled within 5 business days of the month end, while all other college accounts must be reconciled within 15 business days of the month end. Colleges are encouraged to obtain bank statements electronically.

10.4 Central Office Review

All college bank reconciliations must be sent to the Office of the University Controller (OUC) for review in the frequency and timeframe communicated by OUC directly to each college.

11. INTERNAL CONTROLS

Internal controls such as supervisory oversight and review, transaction monitoring, systems-access control, reconciliations, and employee training must be maintained at all times and adjusted as conditions change. Duties for receiving, recording, depositing, disbursing, and reconciling monies must be segregated between two or more individuals. No single individual shall be in a position that allows the individual to both receive money and record the payment into the financial system, and no single individual shall be responsible for initiating a payment transaction and serving as the sole signatory for the disbursement of monies. When the size of a department or a Related Entity’s Business Office does not allow for proper segregation of duties
between two or more individuals, then the University’s Office of Internal Audit will provide assistance in the establishment of compensating internal controls such as increased monitoring. These compensating controls shall be documented in writing and approved by the college’s Vice President of Finance, University’s Deputy Chief Financial Officer and Director of Internal Audit.

The Vice President for Finance and Administration, as well as the Business Manager (at each college) and the Deputy Chief Financial Officer (at the Central Office) are responsible for ensuring that different individuals perform the following responsibilities:

- Check preparation, check signing, payables ledger reconciliation, check distribution, and bank statement reconciliation;
- Check endorsement, receivables ledger reconciliation, deposit slip preparation, and bank statement reconciliation;
- Establishment and oversight of physical controls over cash and other monetary instruments; and
- Access to physical cash/check storage and control over access-prevention security mechanisms; and
- Accounting software vendor setup, EFT setup, EFT review, and EFT approval.

12. RECORDS RETENTION

Colleges shall follow the University’s Records Retention and Disposition Schedule with respect to the maintenance of cash and banking records.

13. CASH CERTIFICATION/ACKNOWLEDGEMENT

Each individual employed at the college or central office who is in any way involved in the chain of custody of cash (e.g. collection, safeguarding, deposit, accounting or disbursement) shall be accountable and acknowledge their understanding by signing the following documents:

1. CUNY Cash Accountability Policy Attestation (see Appendix A).
2. College Bursar/Cashiering Procedure Attestation (applicable to Bursar Staff)
3. Individual Staff Roles and Responsibilities Attestation (certification of job description)

Upon the effective date of this policy, the college Business Manager or the University Treasurer is responsible for ensuring that all relevant staff and any new staff sign the forms and maintain a record of the attestation.

14. EXCEPTIONS AND ALTERNATIVE PROCEDURES

Any deviation or alternative procedures to this policy shall be documented in a writing that is approved by both the Vice President of Finance/Administration at the college and the University’s Deputy Chief Financial Officer, and maintained in the files. Such deviation or alternative procedures shall be revisited and reconsidered on an annual basis.

15. EFFECTIVE DATE AND TRANSITION

This policy is effective beginning on January 1, 2018 and supersedes all earlier policies related to cash accountability issued by the University Office of Budget and Finance or its departments. Due to the comprehensiveness of this policy, colleges will have until June 30, 2018 to fully adopt all the provisions in the policy and/or apply for any exception or alternative procedures, as described above. Changes adopted to conform to this policy should be applied as of that date.

16. UPDATE AND PERIODIC REVIEW

The University Office of Budget and Finance is responsible for the periodic review and recommendation of changes to this Policy, as well as for ensuring that all appropriate parties are informed of it.
D. AMENDMENT OF BOARD OF TRUSTEES POLICY 3.04 – GUIDELINES ON THE USE AND REPORTING OF NON-TAX LEVY FUNDS

RESOLVED, That the Board of Trustees’ Policy 3.04, which was originally adopted on March 23, 1981 and titled “Presidential Discretionary Funds”, and was renamed “Guidelines on the Use and Reporting of Non-Tax Levy Funds” at the June 26, 2017 meeting, be amended; and be it further

RESOLVED, That the amended Policy includes the University’s commitment to transition these non-tax levy funds into its system of record, CUNYfirst. The scope of this project will include all separately incorporated auxiliary enterprise corporations, college associations, student services corporations, child care centers, performing arts centers and art galleries, adult and continuing education activities, and other non-tax levy funds; and be it further

RESOLVED, That the amended Policy requires that the central office, in addition to the colleges, is mandated to report the expenditure of all unrestricted non-tax levy funds no later than 90 days after the fiscal year-end; and be it further

RESOLVED, that the amended Policy includes an Addendum, titled “All-Funds Expense Matrix”, the purpose of which is to provide the University community with a reference document as to the appropriateness of funding sources for individual expense categories.

EXPLANATION: At its meeting on June 26, 2017, the Board of Trustees revised Board Policy 3.04, in order to issue formal guidelines on the use and reporting of non-tax levy funds for all colleges. Those guidelines are being amended herein to include the central office as part of the annual reporting structure. In addition, by means of this Resolution, the Board is authorizing management to begin to transition non-tax levy funding sources into its’ integrated financial systems. The University currently uses an integrated administrative system called CUNYfirst to process its tax levy operating transactions. However, the system is not used to process non-tax levy funds; instead, separate systems are used on every campus to record those transactions and periodically they are summarized and uploaded into CUNYfirst for financial reporting purposes. In order to streamline the financial and non-tax levy reporting process, allow CUNY to budget and report data using an “all funds” model, and take advantage of the internal control structures in CUNYfirst, management will transition these non-tax levy funds into CUNYfirst.

Any material changes to this Policy requires approval by the Board of Trustees.

Policy 3.04 Non-Tax Levy Funds

Guidelines on the Use and Reporting of Non-Tax Levy Funds

Introduction

The City University of New York (CUNY) receives funds from a variety of sources. Many of the funds received are for specific, limited purposes or are subject to restrictions; however, some of the funds received are of a discretionary nature and considered unrestricted non-tax levy funds. The University and its colleges shall use all funds, regardless of type, in a manner consistent with applicable laws and regulations, policies, and other restrictions or designations governing their use.
Purpose

The purpose of this document is to provide guidance on the use of unrestricted non-tax levy funds and the annual reporting of such use.

Non-Tax Levy Funds Defined

The following are examples of non-tax levy funds:

- Gifts to the college, its affiliated foundation(s) or its related entities;
- Commissions and royalties from service contracts such as pouring rights, food service, vending, and bookstore operations (including virtual);
- Revenue from the licensing of CUNY facilities, such as classrooms, gyms, theatres, conference centers and other spaces;
- Royalties from the licensing or other commercialization of CUNY intellectual property, including trademarks, copyright, patents and technology;
- Admission fees and revenues from ticket sales, such as for athletic and entertainment events;
- Membership fees, such as for alumni and community memberships to athletic and wellness facilities;
- Revenues from parking lots and garages, including sale of parking permits;
- Revenues from sales of publications and subscriptions;
- Child care center tuition and fees;
- Indirect cost recoveries on grants and contracts administered through The Research Foundation of the City University of New York (RFCUNY) or elsewhere; and
- Other miscellaneous revenues such as interest income, forfeited bond deposits, and insurance proceeds, regardless of where the funds are held or who administers them.

The following are examples of what are considered tax-levy funds:

- Funds appropriated by the State and City of New York, including funds appropriated for tuition revenue;
- Federal, State and City financial aid;
- Funds held by New York State Treasury in income fund reimbursable accounts or deposited with New York City as non-miscellaneous income (such as technology fees); and
- Reimbursements of tax-levy expenditures such as vendor refunds or summary salary reimbursements from RFCUNY.

For purposes of these Procedures, "Non-Tax Levy Funds" also include student activity fees; however, the use of student activities fees should follow the CUNY Fiscal Handbook for the Control and Accountability of Student Activity Fees and the Financial Management Guidelines related to the College Associations, both of which are currently being updated and which have been and will continued to be closely aligned with New York State's Procurement policies.

Unrestricted and Restricted Non-Tax Levy Funds

Non-Tax Levy Funds can be either unrestricted or restricted. Restricted non-tax levy funds must be administered and spent in accordance with the associated grant document, contract or gift agreement.

Unrestricted Non-Tax Levy Funds are funds that are not government appropriated and do not carry restrictions as to usage or purpose. These funds can generally be used for any legal purpose that will advance the mission of the University; however, there are several overarching principles governing the use of these funds.

Expenditures:

1. Shall be for a valid and necessary business purpose;
2. Shall not be for a personal benefit;
3. Shall not be neither lavish or excessive;
4. Shall advance the University's mission;
5. Shall not support a political party or the campaign of any particular candidate for public office; and
6. Shall not support any organization that restricts membership by race, creed, sex, religion or sexual orientation.

For purpose of these Procedures, Restricted Non-Tax Levy Funds refers to funds that are restricted because of the terms of a grant document, gift agreement or other contract, and must be administered and spent in accordance with terms of such document.

Other Non-Tax Levy Funds are "restricted" in the sense that the entity generating the revenue is organized with a specific, limited purpose (i.e., operating a childcare center, performing arts center, etc. rather than more generally benefitting the University) and any revenues must be used in support of that specific purpose. Or, in the case of student activity fees, the funds are restricted in that they may be spent only for the purposes set forth in the eleven expenditure categories described in Section 16.2 of the CUNY Board of Trustees Bylaws ("CUNY Bylaws"). For purposes of these Procedures, these types of funds are deemed to be Unrestricted Non-Tax Levy Funds.

Types of Non-Tax Levy Funds

There are two types of Non-Tax Levy Funds: College Non-Tax Levy Funds and Related Entity Non-Tax Levy Funds, each of which is described below.

College Non-Tax Levy Funds

College Non-Tax Levy Funds are held in local college bank accounts. The source of these funds are not tax levy in nature and include things such as interest income; commissions, royalties, fees and other payments that are not otherwise generated or held by a separately-incorporated related entity. They may also include revenues from unincorporated college associations.

Related Entity Non-Tax Levy Funds

Related Entity Non-Tax Levy Funds are controlled by separately incorporated entities that are related to CUNY or the colleges, and are held in the entities' own bank accounts. Related Entity Non-Tax Levy Funds can become College Non-Tax Levy Funds when, for example, a college foundation transfers funds to the college for college expenditure.

Examples of sources of Related Entity Non-Tax Levy Funds include:

Auxiliary Enterprise Corporations ("Auxiliaries"). These are separately incorporated tax-exempt entities created and operated for the principal purpose of benefitting the students, faculty, staff, and other members of the community of the various colleges by providing "auxiliary" services and by otherwise supporting the educational mission of the college and the University. Each Auxiliary supports a particular college. Examples of "auxiliary" services that an Auxiliary may provide include: food service, operations, including catering and vending; beverage "pouring rights" contracts and similar arrangements; bookstores and campus stores, both physical and virtual; copy machines, laundry centers, games and amusements, and similar operations; ATMs and other banking services; student, faculty and staff housing and related services; sports, health, and recreation facilities licensing, memberships and camps; parking operations and transportation services; childcare centers, art galleries, and performing arts centers; short-term licensing of college facilities to third parties; trademark licensing; campus telecommunication services such as Wi-Fi extenders; such other auxiliary services as mutually agreed by the Auxiliary and the college.

Auxiliaries provide auxiliary services through: (i) direct operation (e.g., parking operations), (ii) a subcontract with another vendor (e.g., transportation services), or (iii) by acting as the college’s fiscal agent in connection
with a college or University contract or facility (e.g., pouring rights, theater operations) or asset licensing program (e.g., short-term facility use, trademarks).

The Auxiliaries use these funds pursuant to their board-approved budgets to support their operations, directly support college activities, and provide discretionary support for the college or the college president.

**College Associations** ("Associations"). These are separately incorporated tax-exempt entities that support the colleges by administering student activity fee-supported budgets and otherwise supporting the student body. Association funds consist of student activity fees held by the Associations, revenues generated from student activity fee-supported activities (e.g., ticket revenues from concerts, advertising revenue from student publications, fundraising by student clubs, etc.), and such other revenues that an Association may from time-to-time generate or receive. The Associations adopt budgets and use these funds pursuant to the CUNY Fiscal Handbook for the Control and Accountability of Student Activity Fees and other University policies and procedures. Student activity fee funds (including revenues generated from student activity fee-supported activities) must be expended in accordance with the categories set forth in Section 16.2 of the CUNY Bylaws. Student activity fees may not be used to provide discretionary support for the college or the college president except as permitted by Section 16.9 of the CUNY Bylaws regarding a college purposes fund.

[Footnote:] ¹ Some college associations are not separately incorporated but are instead operated as fund groups of a particular college. Monies held by these unincorporated college associations are College Non-Tax Levy Funds.

**Student Services Corporations** ("SSCs"). These are separately incorporated tax exempt entities that support the colleges by operating the student union-center on campus or otherwise providing student support services. SSC funds consist of a portion of the college student activity fee earmarked for use by the SSC, revenues from licensing their facilities, and such other revenues that an SSC may from time-to-time generate or receive. SSCs are restricted in the same manner as Associations regarding their use of student activity fees and their operations generally.

**College Foundations** ("Foundations"). These separately incorporated tax-exempt entities support the colleges by soliciting donors and gifts, and related activities. Foundation funds consist primarily of restricted and unrestricted donations to the Foundations. The Foundations use these funds pursuant to their board-approved budgets to, among other things, support their operations, directly support college activities, provide scholarships, and provide discretionary support for the college president. Discretionary support may take the form of the transfer of funds to the college president (in which case the funds become College Non-Tax Levy Funds) or direct payment of expenses at the college president's request. Any discretionary support for the college president must be in accordance with the memorandum of understanding between the Foundation and its supported college, as well as any University policies and procedures regarding such support. A Foundation's use of donor-restricted funds must be consistent with the purpose and other restrictions set forth in any written agreement with the donor.

**The Research Foundation of the City University of New York** ("RFCUNY"). The RFCUNY is a private, not-for-profit educational corporation that manages private and government sponsored programs and grants on behalf of CUNY. The RFCUNY supports CUNY faculty and staff in identifying and obtaining external support (pre-award) from government and private sponsors and is CUNY's fiscal agent, responsible for the administration of all such funded programs (post-award). The Non-Tax Levy Funds held and administered by the RFCUNY include federal, state, city, and private grants, as well other non-grant funds such as Overhead Receipts and other Non-Grant or Institutional Funds. "Overhead Receipts" are generated by charging a predetermined percentage, often known as the Facilities and Administrative Rate, to externally sponsored projects. Each college is responsible for determining who has authority over the use of those funds. "Non-Grant/Institutional Funds" are other non-tax levy funds that are deposited at the RFCUNY and spent from the RFCUNY. Examples include Adult and Continuing Education funds per the University's Standard Operating Procedures for use of such funds and other institutional funds.
**Child Care Centers, Performing Arts Centers and Other Separately Incorporated Related Entities:** These separately incorporated tax-exempt entities benefit the colleges typically by providing specific support services. Non-Tax Levy Funds generated or held by these entities include childcare fees, federal, state and local grant funds, ticket revenues, gifts from donors and other fundraising revenues. These entities use these funds pursuant to their board-approved budgets to support their operations.

**Procurement and Approvals**

Purchasing using College Non-Tax Levy Funds is governed by CUNY’s Procurement Policy and Procedures, adopted by the CUNY Board of Trustees on February 21, 2017. Purchasing using Related Entity Non-Tax Levy Funds is governed by the New York Not-for-Profit Corporation Law; the related entity’s own policies and procedures; and any policies, guidelines, and procedures issued by the University with respect to any or all related entities, including Financial Management Guidelines and the CUNY Fiscal Handbook for the Control and Accountability of Student Activity Fees.

**System Transparency and Simplification**

The University currently uses an integrated administrative system called CUNYfirst to process its tax levy operating transactions. However, currently the system is not used to process CUNY’s non-tax levy funds; instead, separate systems are used on every campus to record those transactions and periodically they are summarized and uploaded into CUNYfirst for financial reporting purposes.

In order to streamline the financial and non-tax levy reporting process (noted below), allow CUNY to budget and report data using an ‘all funds’ model, and take advantage of the internal control structures in CUNYfirst, CUNY will transition these non-tax levy funds into CUNYfirst. The scope of this project includes all separately incorporated auxiliary enterprise corporations, college associations, student services corporations, child care centers, performing arts centers and art galleries, adult and continuing education activities, and other non-tax levy funds.

**Reporting the Use of Unrestricted Non-Tax Levy Funds**

Beginning for FY 2017 (July 1, 2016 to June 30, 2017), each college and the central office shall report the College Non-Tax Levy Funds it has expended, as well as the Related Entity Non-Tax Levy Funds expended by the related entities that support the college.

Reports shall be certified by the Chief Fiscal Officer and the College President for each college submission and the University’s Chief Financial Officer and the Chancellor for the Central Office’s submission.

Additionally, the colleges and central office shall report any exceptions granted on the use of funds as outlined in the All Funds Expense Matrix.

Completed and certified reports shall be submitted to the University’s Office of Internal Audit (OIA). OIA may request additional information and support from the colleges.

Reports are due within 90 days of the year-end.

**Addendum - All Funds Expense Matrix**

An All Funds Expense Matrix is included as an Addendum to this policy, the purpose of which is to provide the University community with a reference document as to the appropriateness of funding sources for individual expense categories.
ALL FUNDS EXPENSE MATRIX

As an entity that is funded primarily by public support and that also relies on student tuition and fee payments, gifts from donors, and sponsored awards, the City University of New York (CUNY) has a fiduciary obligation to use its funds prudently. This means that all CUNY employees must use University resources in the fullest support of CUNY’s mission. To that end, all expenses must be reasonable and necessary and not lavish or extravagant.

The below matrix of ‘All Funds Expenses’ should be consulted when purchasing goods and services using the various types of funds outlined in the matrix columns. Please note that this matrix serves as guidance for determining how funds may be used. Any proposed use of funds that are not consistent with these guidelines, in the case of extraordinary circumstances, must be justified in writing and approved prior to commitment of funds by the Vice President of Finance (for college expenditures), the University’s Chief Financial Officer (for CUNY central expenditures), or the Treasurer or designee (for separately-incorporated related entity expenditures). In all cases, purchases are subject to budget availability and most require a pre-approval by the college, Central Office or the related entity’s board, as the case may be.

The colleges, their separately incorporated affiliated entities, and the Research Foundation of the City University of New York (RFCUNY) may prepare their own guidance on the use of funds; those guidelines can be more restrictive than the matrix but can never be less restrictive. In those cases, the more restrictive policy takes precedence.

Definitions of Matrix Funding Sources

- **Tax Levy**: in the context of this matrix, refers to payments made by the State and City of New York on behalf of CUNY for both personal service (PS) and other than personnel costs (OTPS). The funding for these payments are derived from amounts appropriated by the State and City of New York; student tuition collected by CUNY and deposited with New York City; and other funds collected by CUNY and deposited with the New York State Treasury in Income Fund Reimbursable Accounts (IFR) for senior colleges and graduate and professional schools, and as miscellaneous deposits with New York City for community colleges. These deposits include Adult and Continuing Education tuition and fees.

- **Indirect Cost Recoveries** are generated by charging a pre-determined rate to externally sponsored projects and can be used at the discretion of the University. The majority of indirect cost recoveries are generated through grants and contracts administered through the Research Foundation of the City University of New York (RFCUNY). Also included in this category are funds generated from interest income and other unrestricted college-funded activities that are administrated through the RF.

- **Auxiliary Enterprise Corporations (AEC)** are separately incorporated not for profit entities created and operated for the principal purpose of benefiting the students, faculty, staff, and other members of the community of the various colleges by providing non-instructional auxiliary services and by otherwise supporting the educational mission of the college and the University. Examples of auxiliary services that an AEC may provide include: food service operations, including catering and vending; beverage “pouring rights” contracts and similar arrangements; bookstores and campus stores, both physical and virtual; student, faculty and staff housing and related services; sports, health, and recreation facilities licensing, memberships and camps; parking operations and transportation services; short-term licensing of college facilities to third parties; and such other auxiliary services as mutually agreed by the AEC and the college. The AEC column on the matrix below represents the costs associated with operating the Auxiliary’s activities. An AEC may have funds remaining after paying its expenses related to the auxiliary services it provides (“surplus funds”); these surplus funds are considered part of the Other Non-Tax Levy funds column for the purpose of the matrix. Refer to the Auxiliary Enterprise Corporation Guidelines for further information.

- **College Foundations** are separately incorporated not-for-profit entities created and operated exclusively to benefit a particular college, operation, or CUNY generally by conducting fundraising, investment and fund management including endowment management, and otherwise aiding and promoting the educational and

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Tax Levy</strong></td>
<td>Payments made by the State and City of New York on behalf of CUNY for both personal service (PS) and other than personnel costs (OTPS). The funding for these payments are derived from amounts appropriated by the State and City of New York; student tuition collected by CUNY and deposited with New York City; and other funds collected by CUNY and deposited with the New York State Treasury in Income Fund Reimbursable Accounts (IFR) for senior colleges and graduate and professional schools, and as miscellaneous deposits with New York City for community colleges. These deposits include Adult and Continuing Education tuition and fees.</td>
</tr>
<tr>
<td><strong>Indirect Cost Recoveries</strong></td>
<td>Generated by charging a pre-determined rate to externally sponsored projects and can be used at the discretion of the University. The majority of indirect cost recoveries are generated through grants and contracts administered through the Research Foundation of the City University of New York (RFCUNY). Also included in this category are funds generated from interest income and other unrestricted college-funded activities that are administrated through the RF.</td>
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<td><strong>Auxiliary Enterprise Corporations (AEC)</strong></td>
<td>Separately incorporated not for profit entities created and operated for the principal purpose of benefiting the students, faculty, staff, and other members of the community of the various colleges by providing non-instructional auxiliary services and by otherwise supporting the educational mission of the college and the University. Examples of auxiliary services that an AEC may provide include: food service operations, including catering and vending; beverage “pouring rights” contracts and similar arrangements; bookstores and campus stores, both physical and virtual; student, faculty and staff housing and related services; sports, health, and recreation facilities licensing, memberships and camps; parking operations and transportation services; short-term licensing of college facilities to third parties; and such other auxiliary services as mutually agreed by the AEC and the college. The AEC column on the matrix below represents the costs associated with operating the Auxiliary’s activities. An AEC may have funds remaining after paying its expenses related to the auxiliary services it provides (“surplus funds”); these surplus funds are considered part of the Other Non-Tax Levy funds column for the purpose of the matrix. Refer to the Auxiliary Enterprise Corporation Guidelines for further information.</td>
</tr>
<tr>
<td><strong>College Foundations</strong></td>
<td>Separately incorporated not-for-profit entities created and operated exclusively to benefit a particular college, operation, or CUNY generally by conducting fundraising, investment and fund management including endowment management, and otherwise aiding and promoting the educational and</td>
</tr>
</tbody>
</table>
charitable purposes and lawful activities of that college, operation or CUNY. The majority of the foundations’ funds are derived from philanthropic dollars. The matrix below only covers the expenses from the unrestricted gifts or other unrestricted revenues of the college foundation.

- **All Other Non-Tax Levy** funds may include surplus auxiliaries funds of separately incorporated entities as defined above, auxiliary activities that are not in a separately incorporated AECs, philanthropic dollars that support the college (and not donated to the college foundation), funds provided by the foundation for the college’s use, forfeited bond deposits, interest income and insurance proceeds, etc.

**What is Not Included?**

- Separately incorporated childcare centers, performing arts centers, art galleries, and other special purpose entities (e.g., Main Street Legal Services, Inc.) are not included in the below matrix. The funds generated or received by these entities shall be used to support the services that they provide.
- Restricted gifts, grants, and contracts are NOT covered by this matrix; instead, those funds can only be used in accordance with their associated agreements.
- The use of student activity fees are not included in the attached matrix; the University is currently revising its policies and procedures related to student activity fees and once completed, those funds will be included in this matrix.

### MATRIX LEGEND

**WHITE** – means that the type of expense can be purchased using the funding sources as noted in the column header. All purchases are however are subject to budget availability and proper approvals, and should support the university’s mission.

**GRAY** – means that the type of expense cannot be purchased using the funding sources noted in the column header. Any proposed and infrequent use of funds that are not consistent with these guidelines must be justified in writing, follow the approval processes noted above, and reported annually as part of the non-tax levy reporting requirement.

<table>
<thead>
<tr>
<th>Category</th>
<th>Type of Expenses</th>
<th>Tax Levy</th>
<th>Indirect Cost Recoveries</th>
<th>Auxiliary Enterprise Corp (AEC)</th>
<th>Foundations</th>
<th>All Other Non-Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>Salaries and benefits of CUNY employees to support CUNY’s academic and administrative operations; any AEC or Foundation funding must be in accordance with the Foundation and AEC Guidelines, respectively</td>
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<tr>
<td></td>
<td>Salaries and benefits of CUNY employees to support the Foundation’s or AEC’s operation, in accordance with the Foundation and AEC guidelines, respectively</td>
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<td></td>
<td>Salary supplements (in accordance with CUNY)</td>
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<td>Alcohol</td>
<td>Alcoholic beverages</td>
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<tr>
<td>Auxiliary</td>
<td>Management of auxiliary services (should be self-supporting)</td>
<td></td>
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<tr>
<td>Awards non-monetary &amp; nominal</td>
<td>Employee certificates, plaques, etc. (follow State policy for State funds or NYC’s Directive 6 for City funds)</td>
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<tr>
<td>Consultants</td>
<td>Program related or professional consultant, speakers, performer or guest lecturer</td>
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<tr>
<td>Conferences</td>
<td>See below for related Travel costs</td>
<td>On Site or off site, faculty and staff retreats, conferences, training seminars, etc. (job related and must specifically advance University’s or the separately-incorporated entity’s mission)</td>
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<td></td>
<td>On site or off site, student retreats, conferences, etc. (related to University’s academic or administrative business)</td>
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<tr>
<td>Category</td>
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<tr>
<td>Food &amp; Refreshments</td>
<td>Offsite business(^\text{17}) meals (not while in travel status)</td>
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<td></td>
<td>Departmental refreshments (use by offices and departments such as coffee)</td>
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<td></td>
<td>Meals at onsite business meetings (tax levy - Guidelines for Meals Served on Premises for Business Meetings)</td>
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\(^{17}\) A business meal is defined, as a meal that includes more than one person and has substantive and bona fide business purpose deemed essential to the University’s mission.
<table>
<thead>
<tr>
<th>Category</th>
<th>Type of Expenses</th>
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<th>Indirect Cost Recoveries</th>
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<th>Foundations</th>
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<tr>
<td><strong>Program-related food purchases</strong></td>
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<tr>
<td><strong>Gifts, Giveaways &amp; Prizes</strong></td>
<td>Employee personal/appreciation/memorial/retirements, special occasions/incentives</td>
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<td></td>
<td>(cash, gift cards, gift items with no services in exchange)</td>
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<td></td>
<td>Incentives to students to encourage participation in mission-related activities</td>
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<td></td>
<td>(must be minor in value, have a legitimate business purpose {e.g., educational/research}, cannot be given out arbitrarily and all students participating should be treated in the same manner; may have tax implications)</td>
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<td></td>
<td>At fundraising, community relations or other receptions celebrating CUNY’s faculty or staff</td>
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<tr>
<td><strong>Lobbying</strong></td>
<td>Outside lobbying consultants (centrally coordinated and approved per CUNY policy)</td>
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<td><strong>Maintenance, Repairs &amp; Operations</strong></td>
<td>Equipment, materials and supplies</td>
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<td></td>
<td>Maintenance, repair and minor construction projects</td>
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<td><strong>Category</strong></td>
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<td>Foundations</td>
<td>All Other Non-Tax Levy</td>
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<tr>
<td><strong>Memberships</strong></td>
<td>Institutional and individual professional memberships (benefits CUNY and not individual)</td>
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<td>Professional license/certifications (if condition of employment)</td>
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<td></td>
<td>Entertainment and recreational memberships</td>
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<tr>
<td>Office Décor</td>
<td>Decorations (holiday, flowers, other)</td>
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<td></td>
<td>Art, decorative items for lobbies, common areas, public spaces (CUNY property)</td>
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<td></td>
<td>Pictures, artwork and decorative items for individual offices</td>
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<tr>
<td>Personal Expenses</td>
<td>Purchases of or goods or services for personal use and that has no benefit to the University (e.g., child care and pet care services, non-business meals)</td>
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<tr>
<td>Promotional Materials</td>
<td>Promotional materials at recruitment events</td>
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<td></td>
<td>Promotional materials at internal CUNY conferences and events (attended mostly by CUNY employees)</td>
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<tr>
<td>Presidential Housing</td>
<td>Presidential housing costs (refer to Executive Compensation policy for allowable costs)</td>
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<td>Category</td>
<td><strong>Type of Expenses</strong></td>
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<td><strong>Indirect Cost Recoveries</strong></td>
<td><strong>Auxiliary Enterprise Corp (AEC)</strong></td>
<td><strong>Foundation</strong></td>
<td><strong>All Other Non-Tax Levy</strong></td>
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<tr>
<td>Public Relations</td>
<td>Fundraising activities (personnel, consultants, mailings, etc.)</td>
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<td>Donations for name recognition, sponsorship of social events, etc.</td>
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<tr>
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<tr>
<td>Receptions</td>
<td>Fundraising events (can be combined with retirement or welcome)</td>
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<td></td>
<td>Community development events</td>
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<td>Employer Incentive or Recognition Programs (if using State funds must follow Section XIV.5 of the Guide to Financial Operations manual or if using City funds must follow Directive 6)</td>
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<td>Other employee work related achievement or employee morale building event</td>
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<td></td>
<td>Personal recognition events such as birthdays, weddings, baby showers, housewarming</td>
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<tr>
<td>Recruitment</td>
<td>Executive search costs</td>
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<td></td>
<td>Candidate travel (to/from interview - refer to NYS and NYC travel policies for tax levy)</td>
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<td></td>
<td>Meals and food supplies at interview/meetings</td>
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<td></td>
<td>Moving expenses (must be included in offer letter – State funded must follow State policy and City funded costs must follow Directive 6 – refer to IRS Publication 521)</td>
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<tr>
<td>Scholarships &amp; Stipends</td>
<td>Scholarships or waivers from tax levy funds if approved by the Board and/or State or City funding has been designated specifically for payment of tuition (must</td>
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<tr>
<td>Category</td>
<td>Type of Expenses</td>
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<tr>
<td>Supplies</td>
<td>Common area breakroom[^18] supplies and equipment (tax levy -)</td>
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</table>

[^18]: A breakroom is a room that is accessible to all employees in an office setting where they may go to share a meal in the absence of a cafeteria.
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>Water Filtration Systems</td>
<td>Cups for water, soap, and maintenance and replacement of standard appliances such as microwaves and refrigerators</td>
</tr>
<tr>
<td>Office, Cleaning, Maintenance and Program Supplies and Materials</td>
<td></td>
</tr>
<tr>
<td><strong>Travel</strong></td>
<td>Employee business travel (transportation, lodging and meals as appropriate when in travel status - State and City policy applicable to tax levy and encouraged for others)</td>
</tr>
<tr>
<td>- Business Class Airfare</td>
<td>Business class airfare if one leg of trip exceeds 7 hours or for a documented medical reason or disability</td>
</tr>
<tr>
<td>- First Class Airfare</td>
<td>First class airfare</td>
</tr>
<tr>
<td>- Travel for Board Members</td>
<td>Travel for Board members when representing CUNY or separately incorporated entity (AEC and Foundation Board members cannot be reimbursed from tax levy)</td>
</tr>
<tr>
<td>- Companion Costs</td>
<td>Companion costs (e.g., spouse or child)</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>Local business travel – public transportation</td>
</tr>
<tr>
<td>- Taxis/Care Service</td>
<td>Taxis/care service and use of personal vehicle (if public transportation or pool car is not available or feasible) refer to CUNY's vehicle policy</td>
</tr>
<tr>
<td>- Fines for Parking and Moving Violations</td>
<td>Fines for parking or moving violations and related towing expenses, personal vehicle repairs and maintenance</td>
</tr>
</tbody>
</table>
NO. 4. COMMITTEE ON AUDIT: RESOLVED, That the following item be approved:

A. THE CITY UNIVERSITY OF NEW YORK – APPROVAL OF FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS:

RESOLVED, That the Board of Trustees of The City University of New York approves the University’s Fiscal Year 2017 audited Financial Statements.

EXPLANATION: The University is required to provide annual, audited and consolidated financial statements. These financial statements are considered consolidated because they include the University’s separately incorporated, not-for-profit affiliated entities such as auxiliary enterprises, college associations and foundations, child care centers, the Research Foundation, and the City University Construction Fund. The financial statements are independently audited by the University’s external auditor, KPMG LLP. For Fiscal Year 2017, KPMG issued an unmodified, or “clean”, opinion of the University’s financial statements.

On October 30, 2017, KPMG and University Management presented the Fiscal Year 2017 financial statements to the Board’s Audit Committee. At this meeting, the Committee met independently with KPMG and subsequently with Management to discuss the financial statements. At the conclusion of the presentation and subsequent discussions, the Committee unanimously approved the Fiscal Year 2017 financial statements.

NO. 5. COMMITTEE ON FACILITIES PLANNING AND MANAGEMENT: RESOLVED, That the following items be approved:

A. BROOKLYN COLLEGE - REPLACEMENT OF FIRE ALARM SYSTEM IN THE ROOSEVELT HALL & ROOSEVELT HALL EXTENSION BUILDINGS:

RESOLVED, That the Board of Trustees of The City University of New York requests the City University Construction Fund (the “Fund”) to execute a Purchase Order for upgrading of the Fire Alarm System in the Roosevelt Hall & Roosevelt Hall Extension buildings at Brooklyn College. The proposed work will be performed under a New York State Office of General Services Contract. The total cost of all such purchases shall be chargeable to the State Capital Fund, for an amount not to exceed $2,300,000. The purchase order will be subject to the approval of the Fund’s General Counsel.

EXPLANATION: The Fund on behalf of the City University of New York intends to upgrade the fire alarm system at the Roosevelt Hall & Roosevelt Hall Extension buildings.

The scope of work includes:

1. Installation of the Fire Alarm System and Central Monitoring Station;
2. Obtaining the plan approvals and permits from NYC DOB and NYC Fire Department; and
3. Labor and materials required for upgrading the complete fire alarm system and Central Monitoring Station.

B. BOROUGH OF MANHATTAN COMMUNITY COLLEGE - REPLACEMENT OF RAMP, PLAZA AND ROOF AT 199 CHAMBERS STREET BUILDING:

RESOLVED, That the Board of Trustees of The City University of New York accept the design for the replacement of the existing entrance ramp and third floor plaza pavers, drains, insulation and roofing systems and the fifth and sixth floor set back roof systems at the Borough of Manhattan Community College’s 199 Chambers Street building, as prepared by Superstructures Engineers + Architects, a DASNY Term Consultant; and be it further

RESOLVED, That the Board of Trustees of The City University of New York requests that the City University Construction Fund authorize the Dormitory Authority of the State of New York to complete the contract documents,
bid and award contracts and supervise the construction of this project. The total project, including design, is estimated to cost approximately $11,900,000. This project is chargeable to the State and City Capital Budgets.

EXPLANATION: The project will remove and replace the 199 Chambers Street main campus building's failing entrance ramp and third floor plaza pavers, drains, insulation and roofing systems, along with the fifth and sixth floor set back roof systems.

C. BOROUGH OF MANHATTAN COMMUNITY COLLEGE - AMENDMENT TO RESOLUTION AUTHORIZING A CONTRACT TO PROVIDE CONSTRUCTION SERVICES FOR INSTALLATION OF NEW WINDOWS AT 199 CHAMBERS STREET BUILDING:

RESOLVED, That the Board of Trustees of The City University of New York amend the resolution adopted at the regular meeting of the Trustees of the City University of New York held on September 26, 2016, Cal. No. 5.D., which requested the City University Construction Fund to execute a contract with the lowest responsive and responsible bidder to provide construction services to install new windows on the 2nd floor of the Borough of Manhattan Community College’s 199 Chambers Street Building, for an amount not to exceed $800,000. This amendment will increase the approved amount for this project to $900,000. This project is chargeable to the State and City Capital Budgets. The contract shall be subject to approval as to form by the Fund’s General Counsel.

EXPLANATION: The Fund, on behalf of The City University of New York, intends to install new windows on the second floor of the 199 Chambers Street building. The original resolution needs to be amended, since during the bid phase of the project it was determined that an additional $100,000 would be required for the project, due to the bids coming in higher than the design consultant’s original cost estimate. The installation of the new windows will offer views of the Hudson River and bring natural light into the adjacent spaces, making them more useful as offices and for student services.

D. LEHMAN COLLEGE – AMENDMENT TO THE ARCHITECTURAL SERVICES CONTRACT FOR THE NURSING EDUCATION, RESEARCH, AND PRACTICE CENTER:

RESOLVED, That the Board of Trustees of The City University of New York requests the City University Construction Fund to amend the previously approved Architectural Design Services Contract with Urbahn Architects, adopted at the regular meeting of the Trustees of the City University of New York held on June 30, 2014, Cal. No. 6.A., from the not-to-exceed amount of $3,000,000, executed for professional design and construction administration services for the Lehman College Nursing Education, Research, and Practice Center, to the not-to-exceed amount of $4,000,000. The increase will be chargeable to the State Capital Fund. The contract amendment shall be subject to approval as to form by the Fund’s General Counsel.

EXPLANATION: Request for permission to amend the Architectural Services Contract with Urbahn Architects to increase fees for designing 50,000 GSF instead of 40,000 GSF for the Lehman College Nursing Education, Research, and Practice Center (NERPC). The construction of the Lehman College NERPC will accommodate the Department of Nursing, which has experienced growth far exceeding projections, and allow for the demolition of the temporary T-3 building permitting expansion of the Science Hall as per the Lehman Master Plan. The project is in the Design Development phase.

E. NEW YORK CITY COLLEGE OF TECHNOLOGY – PURCHASE AND INSTALL COOLING SYSTEMS FOR NAMM HALL DATACENTER AND TELEPHONE EQUIPMENT ROOM:

RESOLVED, That the Board of Trustees of The City University of New York requests the City University Construction Fund to execute a Purchase Order to purchase and install new cooling systems for the datacenter and telephone equipment room in the Namm Hall Building. The proposed work will be performed under a New York State Office of General Services Contract. The total cost of this project shall be chargeable to the State Capital Fund for an amount not to exceed $1,250,000. The Purchase Order will be subject to the approval of the Fund’s General Counsel.
EXPLANATION: The City University Construction Fund on behalf of the City University of New York intends to contract for design and construction services to provide cooling systems that will improve existing indoor environmental conditions and protect highly sensitive IT and telephone equipment in the Namm Hall datacenter and telephone room.

The scope of work includes:

1. Design of the AC system and related work. This includes preparation of contract drawings and specifications.
2. Purchase and install the AC system in accordance with the approved drawings and specifications.

F. THE CITY UNIVERSITY OF NEW YORK - EXECUTION OF LEASE AMENDMENT FOR 5030 BROADWAY, NEW YORK, NEW YORK, FOR THE CUNY IN THE HEIGHTS CENTER:

RESOLVED, That the Board of Trustees of The City University of New York (the “Board”) amend the resolution adopted by the Board on May 1, 2017 (Cal. No. 6C), authorizing the General Counsel and Vice Chancellor of Legal Affairs to execute a lease amendment, along with any associated agreements, to effect the leasing of an additional 15,000 rentable square feet of space, at 5030 Broadway, New York, New York, for the CUNY in the Heights Center, by approving an increase in the annual base rent for the first year from $668,550.00 ($44.57/SF) to $684,000 ($45.60/SF). The lease amendment shall be subject to approval as to form by the University Office of General Counsel.

EXPLANATION: The CUNY in the Heights Center has occupied 15,000 rentable square feet of classroom and office space on the ground floor at 5030 Broadway in the Inwood/Washington Heights section of Manhattan since June 2012 pursuant to a lease that will expire on May 31, 2027. Both Borough of Manhattan Community College and Hostos Community College operate educational programs at this location. Under the existing lease the current base rent is $35.72/SF and escalates at 2% per annum. Pursuant to the lease amendment, an additional 15,000/SF second floor space will be added to the lease – for a combined total of 30,000/SF. The additional space provided under this lease amendment will provide Borough of Manhattan Community College with needed additional classrooms and support spaces in order to increase the number of credit-bearing classes offered at the CUNY in the Heights Center. The CUNY Xpress Immigration Center (CUNY Citizenship Now!) will be relocated to the ground floor.

The term for the additional space will be co-terminous with the current lease, expiring on May 31, 2027, and will start upon substantial completion by landlord of the interior renovations specified by the University. The University will reimburse the landlord for the cost of the renovations. The annual base rent for the additional space was negotiated almost a year ago at $668,550.00 ($44.57/SF) in the first year with 2% escalations every year thereafter. Since then leasing rates have gone up and the annual base rent for the additional space has increased to $684,000 ($45.60/SF) in the first year with the same 2% escalations every year thereafter.

The Landlord is still responsible for exterior, structural and roof repairs. The University is still responsible for the cleaning and increases in real estate taxes over a base year.

NO. 6. THE CITY UNIVERSITY OF NEW YORK – CUNY SCHOOL OF LABOR AND URBAN STUDIES – NAMING OF GREGORY MANTSIOS FOUNDING DEAN:

WHEREAS, The newly launched CUNY Strategic Framework calls on the University to increase the educational access, degree attainment and career success of adult students, sharpen its focus on issues of importance to urban life and better serve the City and State of New York; and

WHEREAS, The CUNY Board of Trustees, at its meeting on June 26, 2017, directed Chancellor James B. Milliken to transform the Joseph S. Murphy School for Worker Education and Labor Studies into the CUNY School of Labor and Urban Studies as a division of the Graduate School and University Center; and
WHEREAS, The Murphy Institute has matured and expanded as an academic enterprise, become internationally known for its scholarship and its graduate degree programs, and has supported students in undergraduate and graduate degree programs directly related to its mission; and

WHEREAS, Dr. Gregory Mantsios has ably led what is now The Murphy Institute as Director since 1984, when it was known as the Labor Education and Advancement Program at Queens College; and

WHEREAS, Dr. Mantsios has been widely recognized for his sustained contributions to the labor movement most recently by being awarded the Corporate Social Responsibility Award for Labor and Law by the media company, City and State New York; now therefore be it

RESOLVED, That Dr. Gregory Mantsios be named Founding Dean of the CUNY School of Labor and Urban Studies, a division of the Graduate School and University Center, subject to financial ability, effective January 26, 2018.