

FISCAL

FUND TYPES

REVOLVING FUNDS

- The normal procedure for payments by the State of California is that the person requesting payment submits a detailed invoice in duplicate. After review by the appropriate State offices, the invoice is paid by a "warrant" issued to the creditor. When such a method is impractical because exact expenditures cannot be foreseen, or when special circumstances require payment in advance of the normal review procedure, a cash purchase fund may be established to allow duly authorized State officials to make such expenditures. Such a cash purchase fund is known as a Revolving Fund.
- The distinction between normal State payment procedures and Revolving Fund payment procedures is solely one of timing. In the former case, audit and budgetary review is made before payment; in the latter, after payment. Thus, with a Revolving Fund disbursement, a Custodian has the responsibility of determining that expenditures are acceptable within State regulations. If an expenditure is ruled to be inappropriate, the payment will not be allowed by the State, and the Custodian will be responsible for the funds incorrectly expended.
- Since one Revolving Fund is established for the entire International Programs, the individual funds in the custody of each Resident Director are known as Sub-Revolving Funds. Each Resident Director is responsible for two Sub-Revolving funds as described below: State Funds and Programs Funds.

STATE FUNDS

State Funds are those funds appropriated by the Legislature. [The budgeted amount may never be over expended.] If any surplus remains at the end of a fiscal year, it reverts to the State General Fund. State Funds for the International Programs cover instructional and administrative costs. The budget is divided into distinct categories which are subdivided into

specific allotments. State Funds in the custody of Resident Directors are budgeted in specific areas.

- Teaching Expense
 - Services
 - Supplies
 - Library
 - Printing
 - Postage
 - Telephone
 - Travel, Out-of-State (Regular and Group Activities)
 - Rent
 - Utilities and Maintenance
 - Miscellaneous
-
- **Teaching Expense** This is the largest expense in the budget of the International Programs. The item normally covers the following: tuition payments to universities; registration fees at foreign universities; all instructional costs of language programs; payments for tutoring; preparation or administration of examinations; and payments to foreign universities.
 - **Services** There are two categories for services: staff and regular. Staff services includes support staff salaries and all required tax payments. Regular service charges include copy machine rentals, internet providers, repair and maintenance of office equipment, accounting, legal and other types of services provided to the study center.
 - **Supplies** All supplies purchased in connection with the administration of the Programs; all instructional materials needed; catalogs. These are consumable items.
 - **Library** Includes library books, periodicals, and subscriptions.
 - **Printing** Includes printing of stationery and business or calling cards, photocopying charges for materials such as memoranda to students, examinations, etc.
 - **Postage** Includes payments for stamps, express mail, and courier services such as FEDEX, UPS and DHL.
 - **Telephone** Office telephone service, cell phone, phone cards.
 - **Travel** There are two categories for travel: regular and group activities.
 - *Regular travel* includes those expenses for the Resident Director's transportation and his/her hotel and meals en route or away from "headquarters" on official

business. Rules governing travel funds are extremely detailed and rigid. Details are given in Section III.

- *Group activities* travel includes the state's share of the per person cost of a group activity for the Resident Director and any accompanying staff.
- **Rent** Rental of Resident Director's office space and classroom space.
- **Utilities and Maintenance** Utilities include gas, electricity, sewage for the RD's rented office space or rented classrooms. Maintenance includes labor and material costs of repairing, cleaning and maintaining the office spaces. This also includes janitorial or security services provided for these rented spaces. This is not for maintenance of State-owned office machines or equipment. (Servicing of the latter is chargeable to Services-regular.)
- **Miscellaneous** can include equipment purchases authorized by CSU IP. Equipment includes tangible property such as furniture, cell phones, office equipment, file cabinets, etc. In June of each year, each Resident Director is asked to send the Fiscal Office a current inventory of all equipment by completing the Equipment Inventory form. Miscellaneous items may also include items that don't fit in any of the other budget categories and are out of the ordinary budgetary expenses.
- **Inventory** There comes a time when equipment wears out or is just outdated. IF and when this occurs and the equipment has a California state tag attached to it, there are specific procedures that must be followed prior to the disposing of the equipment. Please complete the Proposed Inventory Disposal Form and submit the form along with the state tag to CSU IP. CSU IP will process the form through the CSU Inventory Survey Board. CSU IP will notify you when the proper approval has been received from the Board and the item can be discarded.

PROGRAM FUNDS

The source of Program Funds is the students themselves. These funds are collected and expended on the students' behalf only in instances where it is to their benefit and where they cannot make such payments directly. The expenditure categories are indicated below:

- **Room and Board** expenditures are made only when their cost is a part of the students' prepaid Program Cost. The necessity for making these payments will vary by study center. Each Resident Director will be advised which students have room and board costs as a part of their Program Cost.

- **Group Activities** funds are established for each study center to enable the group to hold various necessary business and social functions. These activities are MANDATORY for the students. This may range from a small reception on arrival to a Thanksgiving dinner. These funds also cover field trips which are designed to develop the students' knowledge and appreciation of their host country. Field trips will typically be conducted within the host country. Field trips outside of the host country may be proposed in those instances where the academic and cultural objectives of the program would be served by such trips, but proposals must be approved by the Director of International Programs prior to the making of travel plans or commitments. CSU IP must be informed in writing of any students excused from an activity. Accompanying staff costs will be charged to the State Funds - Travel account. On some occasions, faculty members may participate in field trips and function as a tour guide. They may be reimbursed for actual (no per diem) expenses incurred, with the expenses being included in the overall cost of the trip and prorated to all participants. Trips outside of the country to which assigned require CSU IP approval in advance.

- Whenever a group meal or field trip is to be supported by Program Funds, ALL students are required to participate. CSU IP must be informed in writing of any students excused from an activity. Typically, illness is the only excused absence but the final decision is made by the Resident Director.
- Staff accompanying student field trips may be reimbursed, within prescribed limits, for actual (not per diem) expenses incurred. This includes lodging, transportation, meals, attraction entrance fees and other group activity expenses. These expenses will be included in the overall cost of the trip and prorated to all participants. The State Funds Travel account will pay for staff's prorated share. Accompanying staff will be kept to the necessary minimum.
- It is not intended that Resident Directors accompany students on pleasure trips nor that they function as tour guides.
- Guests on Group Activities – It is at the discretion of the RD or Program Assistant if guests will be allowed to participate in a group activity. If a guest does participate, a prorated share of cost must be paid and reported. In addition, a “Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims” form must be completed, signed and submitted with the corresponding fiscal report.

COMMUNITY RELATIONS FUNDS

- The source of Community Relations Funds is interest paid on International Programs funds on deposit. Interest generated by overseas accounts goes into a common pool. **It is not automatically allocated to the Resident Director of the Country in which the interest was generated.**
- These are neither State nor Program funds and should be used for community relations expenses that are necessary and part of the normal cultural pattern of the countries involved. This includes minimal entertaining of foreign officials and the giving of small gifts. Hotel rooms for guests are not acceptable use of community relations funds. Staff portion of entertaining costs should be reported as a State travel expense. Official's name, title and purpose of the expense must be included when submitting the report. These funds cannot be used to the direct benefit of any local or headquarters staff, for example, cost of attendance at social functions or the cost of gifts to IP staff during a liaison visit. Expenses incurred for social events other than those related to official program business must be borne by the staff participating in the event. These funds cannot be augmented by other funds within your budget. **You may be required to reimburse any over expenditure that may occur.**

HANDLING FUNDS

BUDGET ALLOCATIONS

- Before departure, each Resident Director is provided a tentative budget for State and Program Fund expenditures in-country during the year. The principal items involved will be expenditures that are discretionary in nature. Allocations for utilities, rent, group activities, etc., will be provided.
- Each month, the Resident Director is provided a monthly Budget Category Summary. The summary shows the current balances in all accounts and enables the Resident Director to budget funds more effectively for the balance of the year. Resident Directors **may not exceed the amount budgeted in any category without prior approval from the Assistant Director of Fiscal Affairs.** Over expenditures are indicated on the summary in parentheses. State budget is monitored and reported on

the BCS in foreign currency amounts and the program funds are monitored and reported in US dollars.

- Resident Directors are asked each year to assist in the preparation of the following year's budget by providing estimates for both Program and State Funds. Forms are provided for estimating State and Program Costs. Students are contacted via email requesting them to complete an online survey via Survey Monkey.

BANK ACCOUNTS

- Although State and Program expenditures are reported separately, the funds from these two sources are deposited in one principal bank account for each country (with the possibility of other smaller sub-accounts in certain countries). A Resident Director should never commingle personal funds with State or Program funds. Each Resident Director should keep accurate records of all checks written on the program account, and perform a reconciliation of the bank balance monthly. The CSU IP Fiscal Office will require monthly bank statements.
- Each Resident Director will have available adequate funds at the beginning of the year. It is important to anticipate and to report to CSU IP in advance the need for additional funds, since transfers to the overseas accounts may take as much as two weeks to accomplish. It is essential that monthly expenditure reports be submitted promptly to minimize delays in the replenishment of funds, which is related to the processing of the reports. Monthly financial reports should reach CSU IP no later than the 15th of the month for the previous month reporting period.

EXPENDITURES

No general procedures can be outlined, since local banking and commercial practices vary widely. The following are the preferred guidelines for both State and Program Funds:

- For large expenditures which will deplete local funds and where the payee is prepared to wait 30-50 days before receiving payment, an invoice, should be mailed to the Assistant Director, Finance in Long Beach for payment. This is preferable to immediate payment by the Resident Director, since it allows for a review before payment. Such payments may be effected in either U.S. dollars or in the appropriate

foreign currency. The payee's preference should be indicated when the invoice is submitted.

- For other relatively large payments, the use of bank checks, payments through postal systems, or similar methods is dictated by local practice.
- For small expenditures, it may be necessary to make payments in cash. Since this method involves the possibility of forgetting to record expenditures, or actually losing funds, three requirements apply:
 - The cash withdrawn must be the lowest possible amount commensurate with the expenditures to be made and the expense of frequent trips to the bank.
 - An accurate, up-to-date record is maintained by the Resident Director of cash expended. This is done by maintaining the Cash Summary form.
 - Petty cash funds do not exceed \$500 at any time, and that the cash is kept in a locked box or cabinet.

EVIDENCE OF EXPENDITURES

- For all expenditures from either State or Program Funds, documentary evidence of the expenditure **must** be submitted. This documentary evidence must show the cost, description of items and services purchased and proof of payment. It may take the following forms (listed in descending order of desirability):
 - A formal numbered invoice prepared in detail by the person providing the goods or services and signed to indicate receipt of payment. If the period of service covers two fiscal years, separate invoices should be obtained for the portion to June 30 and for the portion after June 30;
 - A less formal invoice bearing the name and address of the vendor and the signature of an agent of the vendor);
 - A Revolving Fund Voucher (Form 438) filled out by the Resident Director and signed by the person receiving payment;
 - A Form 438 filled out by the Resident Director and made payable to the Resident Director, signed by him or her, and bearing the additional notation "Original receipt not available". This method should be used sparingly, and only for petty expenditures when an original receipt or voucher cannot be obtained; and

- An exception to the above is an expenditure defined as "foreign exchange and other bank charges," which does not require an accompanying voucher. This item includes actual cost of transferring funds and all bank service charges. Balancing figures necessitated by conversion of expenditures from foreign currencies to dollars will be done by the Fiscal Office in Long Beach.
 - Credit card statements, most often, do not provide itemized details of the purchases and are most often not acceptable as documentary evidence of expenditure.
- Each voucher must bear the following minimum information:
 - Date of transaction.
 - Amount of transaction expressed in the currency in which effected; unless otherwise noted, all expenditures will be assumed to be in the local currency of the country involved.
 - Signature or other indication (e.g., cash register receipt) that the item has been paid.
 - A brief translation in English describing the expenditure.
 - When making payment for personal services, the service performed (e.g., Preparatory Language Program instruction), the period of time covered by the payment, and the rate of pay (hourly, monthly, by semester, etc.). The State does not permit prepayment for services in advance of the completion date; therefore, receipts for such payments to individuals for their services must be dated as of the end of the period involved, usually the end of a month.

MONTHLY REPORTS

Monthly reports, itemizing receipt and expenditure of funds by the Resident Director, are submitted to the Fiscal Office for review and processing. Subsequent review of State Fund reports is provided by the State Controller's Office in Sacramento. Both State and Program Fund reports are subject to periodic review and audit by other appropriate agencies. At the end of each month the Resident Director gathers all receipts and vouchers for that month,

enters the necessary figures on the report forms and sends everything to CSU IP in Long Beach. Specific instructions to be followed in preparing the monthly reports are indicated below.

WORK SHEETS

- The Resident Director should record **all** bank transactions in the Check Register. This register must include a detailed description of each check written, each deposit made into the account, and any service charge levied by the bank against the account. If a check is written for cash, it is reflected on the Check Register as a withdrawal **and** on the Cash Summary as cash received; conversely, if cash is deposited in the bank, the transaction is shown as a deposit on the Check Register **and** as an expenditure on the Cash Summary. The Check Register is not only useful in preparing the monthly report but also in reconciling resources at the end of each month.
- **All** cash expenditures and receipts must be recorded on the Cash Summary. As cash is received or expended, each individual transaction is itemized on the form and eventually incorporated into the monthly report. Transaction numbers are assigned sequentially at the time an entry is made; numbering begins anew at the beginning of each month. In case a transaction is questioned at a later date, it will be identified by month and transaction number. The Cash Summary is closed at the end of the last day of each month with a final transaction: the actual cash on hand as counted by the Resident Director. This should agree with the last entry in the Balance column, or there is some discrepancy. In addition to recording cash deposits from cashing checks, it is important to remember that loans which are either paid out or repaid in cash must also be recorded.
- The Check Register and the Cash Summary are both closed out on the last day of the month. As soon as the bank statement for that month is received, the original bank statement and the original and second copy of the Check Register and Cash Summary should all be sent immediately to the Office of International Programs. A copy of each should be kept at the center and used to prepare the monthly report, which should follow as soon as possible within that same month, but no later than the 15th.

STATE FUNDS

- The Resident Director verifies the Beginning Balance as reported by the Fiscal Office and records it on the first line of the State Funds Report. The Beginning Balance should equal the Ending Balance of the last monthly report submitted.
- Any funds received from CSU IP or to offset state expenses since the last report are recorded and evidence of their receipt is attached.
- The Beginning Balance and the sum of the Receipts are added to give Total Beginning Balance plus Receipts.
- Expenditures of State Funds for the month are recorded under the appropriate categories of the report and totaled.
- State Fund total expenditure is subtracted from Total Beginning Balance plus Receipts, and the result entered as Balance Forward to Program Funds.
- All supporting receipts and vouchers are numbered 1, 2, 3, 4, etc., as shown on the report form and attached to the report in that order.

PROGRAM FUNDS

- The ending balance of State Funds is entered on the first line of the Program Funds reports as Balance Forward from State Report.
- Any funds received, including interest earned and repayment of student loans, are recorded and evidence of their receipt attached. In order to keep State and Program vouchers from being confused, letter designations A, B, C, etc., are used on the Program Funds form.
- The Balance Forward from State Report and the sum of the Receipts are added to give Total Beginning Balance plus Receipts.
- Expenditures of Program Funds are recorded in the same manner as for State Funds, but employing letter designations, and totaled.
- Program Funds total expenditure is subtracted from Total Beginning Balance Plus Receipts, and the result entered as Ending Balance.
- All supporting receipts and vouchers are lettered A, B, C, etc., as shown on the report form and attached to the report in that order.
- A supplementary report on Student Accounts (see page F-24) must be used to summarize all student loans and refunds.

RECONCILIATION

The Ending Balance in the Program Funds represents the total funds for which the Resident Director is responsible at the ending date of the reports. For that reason it should be verified independently by the Resident Director to ensure that it is accurate. Two forms are provided for this purpose, both of which should be completed by the Resident Director and sent to the CSU IP Fiscal Office along with the State and Program Funds reports:

BANK RECONCILIATION

- The ending balance of the monthly bank statement is entered as line I.
- Any deposits not shown on the statement are entered as line II and the subtotal of I and II is entered.
- All outstanding checks, i.e., those checks which have been written up to the date of the bank statement but which had not been cashed as of that date, are entered in part III. The sum of these checks is shown as a subtotal.
- Subtotal--Outstanding Checks is then subtracted from the Subtotal of I and II. The result is entered as Net Total--Bank Balance. This should be the same as the ending balance of your check register.

RECONCILIATION OF AVAILABLE RESOURCES

- The Bank Balance from the paragraph above is transferred to line I of this form.
- Petty cash on hand is entered as line II. This should be the same as the ending balance of your cash summary.
- Other resources, such as travel advances, uncashed traveler's checks or un-deposited checks, are listed under part III, added, and the subtotal entered. It is necessary to convert any foreign resources to local currency before listing them in this section; the rate of exchange should be indicated as well.
- Any other items that would increase or decrease the total resources available are entered in part IV as Reconciling Items. Examples are corrections to previous reports, expenditures which have been made but for which receipts have not yet been given, or funds on deposit in the program account which are not part of the usual State or Program accounts. Negative corrections are enclosed in parentheses. All reconciling items are added and the subtotal entered.

- Lines I, II, III, and IV are totaled to give line V, Total Available Resources.
- The Ending Balance arrived at in paragraph C.5. above is transferred from the Program Funds report and entered as line VI.
- Any difference between line V and line VI is entered as line VII. They should, however, be identical if no error has been made.

ERRORS

- If the Total Available Resources and Ending Balance on the financial reports are not equal, the usual cause is mathematical error. One of the most common errors is the transposition of numbers. For example, a receipt accompanying the report may show 648.24, but in transferring the amount to the report the Resident Director has written the sum as 684.24. A quick check is to subtract the incorrect sum from what the correct sum should be. If the error is due to transposition, the difference will always be a simple multiple of 9 and the columns not ending in 0 will show where the transposition lies. By performing an independent reconciliation, the Resident Director should be able to catch most errors.
- If the cause of the difference is not an error in computation, something is missing or has been wrongly debited or credited. This type of difference is resolved in one of two ways:
 - If the Total Available Resources are less than the Ending Balance, the Resident Director must provide the missing evidence of an expenditure, such as a legitimate voucher, or pay the Fiscal Office the difference from his personal funds.
 - If the Total Available Resources are greater than the Ending Balance, the Fiscal Office owes the Resident Director the difference.

AUDIT COPIES

Resident Directors maintain their accounts only in local currency. The conversion of each expenditure into U.S. dollars is the responsibility of the Fiscal Office. After Resident Directors submit their financial reports, the Fiscal Office will verify all entries, convert local currency amounts to dollars, and return an audited copy of both the State Funds and Program Funds

report to the Resident Director. The local currency Ending Balance on the audited Program Funds report is then the Beginning Balance for the next month's reports.

IMPORTANT POINTS TO REMEMBER

- The balances reported should include **all** funds for which the Resident Director is accountable (bank accounts, traveler's checks, U.S. and foreign currency on hand). Otherwise, the Resident Director's balances will not reconcile with CSU IP dollar figures, which represent the **total** dollar accountability.
- All receipts and expenditures must be supported by vouchers in some form.
- For State expenditures, only the original of a receipt or invoice should be submitted (copies are not acceptable).
- A translation should be written on each voucher.
- As custodians of sub-revolving funds, Resident Directors should not make disbursements to themselves, except for reimbursement of small out-of-pocket expenses supported by a signed Form 438 (when original receipts are not available).
- The Resident Director should always carry forward to the following month the Ending Balance from the prior month's Program Fund report as the new Beginning Balance.
- Gifts and gratuities from State Funds are never allowed. If made, they must come from Community Relations Funds.
- The Resident Director should make copies of the reports and all supporting receipts before mailing to CSU IP. The copies should be retained until audit copies are received from CSU IP.

TRAVEL EXPENSES

In-country travel expenses: This represent a relatively small part of the overall country budget. However, the reporting of such expenses requires a great deal of attention to make sure that it conforms with existing regulations. All travel expenses, including private car use, etc., must be summarized on a travel claim with supporting receipts. As mentioned in the State funds travel section, the travel budget includes any expenditure for the Resident Director's transportation and his/her hotel and meals en route or away from "headquarters" on official business. Travel funds also include the state's share of any group activity/field trip in which the RD or staff participated.

Travel to the study center-Resident Director's are compensated for one roundtrip airfare purchase from the US to the study center. In addition, reasonable cost for ground transportation upon arrival will be reimbursed. It is not the norm to reimburse for hotel expenses upon arrival. Advanced approval should be received by CSU IP.

ALLOWABLE EXPENSES

TRAVEL

- **Public Carrier:** By scheduled airline at the lowest fare available, or by train.
- **Rental Car:** Must be substantiated by a rental agreement. Reimbursement will not be made for a damage waiver, and it should not be purchased as part of a rental agreement; the State will reimburse any loss resulting from not having obtained a damage waiver.
- **Private Car:** Mileage on official business may be claimed at 57.5¢ mile. In addition to mileage, charges for ferries, bridges, or toll roads are allowable, as well as parking charges (which must be supported by a receipt if more than \$3.50). Expenses for gasoline and routine auto repairs are not allowable.
- **Miscellaneous:** Necessary taxi, bus, train, or streetcar fares are allowable. Baggage handling charges and tips or gratuities are not allowable.

SUBSISTENCE EXPENSES

- **Lodging:** When travelling on business at least 25 miles away from "headquarters," a Resident Director may claim actual lodging expenses, not to exceed \$195.00 per night, supported by a receipted voucher.
 - Receipted original hotel bills must be submitted in support of out-of-country hotel expenses. The receipt must show the place where the expense was incurred, the dates the room was occupied, and the rate per day. Hotel accommodations out-of-state should not exceed that of a reasonably priced American hotel room with private bath. If a room is shared with another person, the cost must be pro-rated on the receipt. If the room is shared with spouse, the single rate must be claimed.

- **Meals while travelling:** The reimbursement of daily meals and incidental expenses are based on actual expenses, not to exceed \$55.00 per day.
 - For travel in Europe, daily meal expenses should not exceed 75euros.
 - Travel must begin at 0700 or earlier to claim breakfast. A Resident Director must be on a travel status for 24 hours or more to claim lunch and incidentals, must return later than 1800 to claim dinner, and must be gone overnight to claim lodging. If the Resident Director arrives home before 1200 lunch or incidentals may not be claimed for that day; if arrival is at 1300 or later, breakfast, lunch and incidentals may be claimed for that day.
- **Incidentals:** Incidental expenses include fees and tips given to porters, baggage carriers, bellhops and hotel housekeepers. Actual expenses up to \$7.00 per 24-hour period may be reimbursed up to \$25.00 maximum per trip.

MISCELLANEOUS BUSINESS EXPENSES

Charges for business telephone calls, emergency purchases of supplies, all other charges may be reimbursed provided they are ordinary and necessary for the completion of official business. All purchases must be explained and justified.

RECEIPTS

RECEIPTS NOT REQUIRED, IF...

Receipts are not required by the State for the following travel expenditures; however, if original vouchers are not included with the monthly expenditure report, Resident Directors must submit a Disbursement Voucher (Form 438) to account for the payments made.

- Streetcar, bus, rapid transit, and ferry fares, bridge and road tolls.
- Long-distance telephone or internet charges, if date, place, and person called are shown. If charges are in excess of \$2.50, supporting receipts must be submitted.
- Taxi or hotel bus fares. Vouchers are not required but should be submitted if available.
- Parking fees of \$3.50 or less.

RECEIPTS REQUIRED, IF...

Receipts are required by the State for the following expenditures:

- Airplane travel.
- Travel by any surface common carrier.
- Pullman accommodations or extra-fare travel on trains.
- Long-distance telephone or internet charges in excess of \$2.50.
- Registration fees (at conference).
- Hotel accommodations.
- Parking charges in excess of \$3.50.
- Auto rentals.

PREPARATION OF CLAIMS

All Travel Expense Claims in overseas study centers are to be computed in accordance with out-of-state travel regulations, even if travel is performed within the country. The claim is completed as follows:

- Fill in name, address, etc., as shown on first four lines;
- Fill in day and time of departure from study center and day and time of return, destination, and reason for trip;
- Show method of transportation (plane, train, bus, or private car) and attach plane, train, or bus stubs to the claim;
- Show all expenses IN FOREIGN CURRENCY (accompanied by the proper receipts), using authorized U.S. dollar rates for converting to the currency of the country. For example, the subsistence expenses shown on the sample travel claim are computed as follows: Breakfast is Euro 15, lunch is Euro 25 and dinner is Euro 35, adding up to Euro 75, or U.S. \$116.25 using a conversion rate of 1 Euro = \$1.55. The hotel expense for Euro 348.00 converts to Euro 87.00 or \$134.85 per night (four nights). The hotel bill must be attached;
- Sign and date Travel Expense Claim on the bottom line; and

- Reimburse himself/herself for travel expenses and submit the Travel Expense Claim, with accompanying receipts, on the monthly Resident Director State Funds report under the category of "Travel".

The following rules are helpful in claiming per diem:

- Travel must begin at 0700 or earlier to claim breakfast;
- In order to claim lunch and incidentals, travel status must last 24 hours or more;
- Traveler must be absent overnight to claim lodging;
- If return is before 1300 only breakfast for that day may be claimed;
- If return is after 1300 but before 1800 breakfast, lunch, and incidentals may be claimed; and
- If return is after 1800 dinner may also be claimed.

STUDENT ACCOUNTS

GENERAL

- The Resident Director may pay out to a student in emergencies, as provided in the section on Loans below and accept loan repayments from a student.
- Any student inquiries about their account balances, payments or refunds, the student should be directed to contact the Office of International Programs, Fiscal Affairs department. For any student inquiries about their financial aid awards or disbursements, the student should be directed to contact their home campus financial aid office.
- A three-part receipt should be used by the Resident Director to acknowledge funds received. The original copy is given to the person making the payment (for his records), another copy is forwarded as part of the relevant financial report, and the third copy is retained by the Resident Director as a record of receipts issued, in their numerical sequence.
- In some cases, students may need to make a payment while they are overseas. Payment by electronic check or credit card is available to the student at <http://csuip.calstate.edu>. Under no circumstances should the

overseas office obtain credit card information from the students. Students should be directed to make the payments online themselves.

LOANS TO STUDENTS

Students are advised to begin their year with at least two months of out-of-pocket expense money; however, there will be cases where students have not followed this advice for one reason or another. CSU IP relies heavily on the Resident Director's recommendations and knowledge of the student's performance and responsibility during the year. The Resident Director should not hesitate to screen out frivolous requests without referring them to CSU IP. In cases of genuine financial need or hardship, the CSU IP is willing to make loans or attempt to arrange additional assistance from a student's Financial Aid Office.

Resident Directors are authorized to make medical and emergency loans, and, with CSU IP's approval, to advance financial aid funds when financial aid checks are excessively late in the fall. Since many campuses are now disbursing Financial Aid checks directly, CSU IP does not always have access to the funds.

- **Medical Loans** Because of the time lag in settling insurance claims and the need for maintaining good relations with local medical authorities, it is frequently desirable for the Resident Director to settle a student's doctor or hospital bills if the student is unable to do so immediately. Such payments should be made as an advance against the student's insurance claim (provided the medical expense is one that is clearly covered by the insurance policy). The student should complete an assignment of his insurance claim payment (see page F-39); a copy should be sent to CSU IP at the time the Resident Director pays the medical bills or as part of the next Program Fund report submitted. When CSU IP receives the settlement check from the insurance company, the check will be credited to the student's account. If the insurance check is in excess of the loan, the excess amount will be forwarded to the student. If the insurance payment is less than the amount of the loan, then the student must reimburse CSU IP for the difference.
- Medical loans are to assist with major medical or surgery bills that are clearly beyond the student's ability to settle promptly. Loans for medical

expenses of less than \$25 should not be made except in unusual circumstances.

- As with all health insurance claims, the student and the Resident Director should follow in detail the procedures for claim submission specified in the brochure on insurance coverage.
- **Emergency Loans** All students are eligible for one \$300 emergency loan at a time through March 31.
 - Students should not be granted a second loan before the first loan is repaid. Exceptions can be made with CSU IP approval.
 - No loans (except medical) should be granted after March 31 without CSU IP approval.
 - Resident Directors are responsible for establishing specific repayment dates for all loans granted to students and for collection of such amounts that are payable during the academic year.
 - The Resident Director should discuss with the student the reasons for the financial need, the amount required, and the student's current financial resources available from all sources, including financial aid, family, veteran's benefits, etc.
 - The Resident Director should also discuss with the student the anticipated income (by source) from which the loan will be repaid. The Resident Director and the student should then work out a realistic repayment program in relation to anticipated income; this information will be recorded on the loan application form. The loan application is then forwarded to the CSU IP.
 - At the time the loan is approved, the student should be given a copy of the payment schedule. It should be strongly emphasized that strict compliance with the schedule is expected. No bills or reminders will be sent. No deviation from the schedule will be allowed without written permission from CSU IP, which must be requested in advance of the due date.
 - Any student repaying a loan with a personal check that bounces will be charged a \$10 fee and no future checks will be accepted.

REFUNDS

It is important to understand that, legally, student money paid to CSU IP in effect becomes state money. It is not being held in trust for the students. In the terms of the Student Agreement it is specifically set forth that the Trustees are not required to make any refund to any student, but may make refunds at their own discretion.

As the agent of the Trustees, the Director has regularly authorized the Office of International Programs to refund any unexpended student funds after the close of the academic year. Exceptions are made only when students withdraw during the year. In order to compute refunds, CSU IP must wait until all known expenses have occurred. Again, the nature and amount of any refund are at the Director's discretion within established Trustee policy.

Refunds for withdrawals during the year may include a State University Fee refund (SUF). The basis for a SUF refund will depend on several factors: amount paid to CSU IP, effective withdrawal date, financial aid status (if applicable) and enrollment status at the overseas university. Direct the student to the CSU IP Refund Policy and Guidelines on the International Programs website.

UNDER NO CIRCUMSTANCES MAY RESIDENT DIRECTORS MAKE REFUNDS TO STUDENTS WITHOUT PRIOR WRITTEN AUTHORIZATION FROM CSU IP.

STUDENT FINANCIAL AID

GENERAL

Over seventy percent of the students at any center will probably be receiving financial aid of some sort and there are different kinds of aid available. At the beginning of the academic year many students become extremely anxious about receiving their aid. The procedures followed are:

- In the spring before departure for overseas all students are asked to provide CSU IP with a financial data form summarizing what aid they are expecting for the coming year. From that point on CSU IP is in constant contact with

the various campuses to ensure the quickest possible processing and release of the aid. Students are also encouraged to contact their campus financial aid offices just prior to departure to ensure that all required paperwork has been completed.

- Disbursement of financial aid may vary from campus to campus. CSU IP submits invoices to the campuses to collect $\frac{1}{2}$ of the student balances of prepaid costs for semester campuses and $\frac{1}{3}$ of the student balances for quarter campuses approximately 6 weeks before disbursements at campuses start. Majority of the campuses disburse financial aid to the IP students based on the start of the semester abroad. Some campuses disburse financial aid consistent with the schedule at their home campus.
- Normally, campuses will remit the amount that CSU IP has invoiced them. Any remaining financial aid award will be disbursed directly to the student by the campus. If CSU IP receives an amount less than what was billed, CSU IP will notify the student of the shortage with instructions to pay the deficit amount. In rare situations that the campus remits more than the amount billed, CSU IP will process a refund to the student and mailed to the student's permanent address on file.
- After January 1, students may apply for financial aid for the next year by completing a Free Application for Federal Student Aid, or FAFSA. Students may access the FAFSA information using the internet at www.fafsa.ed.gov/, and should be encouraged to do so, since IP does not send paper applications overseas.

TYPES OF STUDENT FINANCIAL AID

To determine who has financial aid, the Resident Director should review carefully each student's application form, especially the section on financial resources. The following breakdown is given to assist Resident Directors in discussing students' financial problems. It is not to be taken as a definitive description of each aid program.

Federal financial aid programs provide over 70% of the funding currently available for student financial aid. The following are the primary federal programs through which CSU students receive aid.

- **Federal Pell Grant** Federal Pell Grant is a need-based grant only for undergraduate students and Teacher Credential students. It is the first part of the Financial Aid Package; other federal and private aid is added to it.
- **Federal Supplemental Educational Opportunity Grants (FSEOG)** This grant is for undergraduates with exceptional financial need, that is, students with the lowest Expected Family Contributions (EFC'S) and give priority to students who receive Federal Pell Grants.
- **Federal Perkins Loan** Provides low-interest loans for eligible undergraduate and graduate students with preference to students with exceptional financial need. The annual loan limit is \$5,500 for undergraduate students and \$8,000 for graduate students.
- **William D. Ford Federal Direct Student Loan Program (Direct)**

Funding for Direct loans is obtained directly from the Department of Education with funding from the U.S. Treasury. Below are the three types of loans under this program:

- **Federal Stafford Subsidized Loan** Provides government insured, long-term, low-interest loans for eligible undergraduate and credential students. The federal government pays the interest on the loan while the student remains enrolled in college. An undergraduate student may borrow up to \$3,500 for the first year of study, up to \$4,500 for the second year, and up to \$5,500 for the third through fifth years. Aggregate undergraduate borrowing may not exceed \$23,000. The combined aggregate undergraduate/graduate limit may not exceed \$65,500. Federal subsidized loan eligibility is limited to the equivalent of 6 years for the typical 4-year degree program.
- **Federal Stafford Unsubsidized Loan** Provides long-term, low-interest loans for eligible undergraduate and graduate students who generally do not qualify for other need-based financial assistance or students who need loan assistance beyond the maximums provided by the subsidized loan program. The student pays all interest charges on the loan while enrolled in college. The combined total of the Stafford Loan and Unsubsidized Stafford loan may not exceed regular Stafford loan limits (\$31,000 for undergraduates/\$57,500

for independent undergraduates, and \$138,500 for combined undergraduate/graduates).

- **Federal Parent Loan for Undergraduate Students** Provides government-insured, long-term, low-interest loans for eligible parents of dependent, undergraduate students who generally do not qualify for other financial assistance. Parents may borrow up to the total cost of their dependent student's education minus any other aid for which the students are eligible.

STATE OF CALIFORNIA FINANCIAL AID PROGRAMS

The California Student Aid Commission (CSAC) administers a number of student financial aid programs designed to assist California students. Brief descriptions of the principal programs administered by CSAC follow and additional information are available at <http://www.csac.ca.gov/>.

- **Middle Class Scholarship** Provides a scholarship to undergraduate students with a family income of up to \$150,000. The student must be enrolled at a California State University or University of California and be a CA resident or eligible AB 540 student. The student must file a FAFSA or California Dream Application by the March 2 deadline. For more complete information on the program and eligibility requirements-visit <http://www.csac.ca.gov/mcs.asp>.
- **Cal Grant A Entitlement Awards** Provides need-based grant assistance to low- and middle-income students to offset tuition/fee costs for high graduates with at least a 3.0 grade point average. Recipients must also meet financial requirements. For 2013-14, the maximum Cal Grant A award for CSU students is \$5,472 for undergraduates and \$6,348 for eligible students enrolled in post baccalaureate teacher credential programs. These awards are limited to the total amount of the system wide State Tuition Fee for full-time students.
- **Cal Grant B Entitlement Awards** Provides need-based grant assistance to high-potential students from low-income, disadvantaged families to help offset tuition/fee and other costs for high school graduates with at least a 2.0 grade point average. Recipients must also meet financial requirements. In 2013-14, the maximum living

allowance is \$1,473 and the tuition/fee awards are the same as Cal Grant A (\$5,472 or \$6,348) for student enrolling at CSU campuses.

- **Cal Grant Community College Transfer Entitlement Awards** Community college students who do not already have a Cal Grant may be eligible to receive a Cal Grant A or B Transfer Entitlement awards if they have at least 2.4 grade point average when transferring to a baccalaureate degree granting institution. Eligible applicants must meet financial criteria, have graduated from high school in 2000-01 or later, and be under the age of 28.
- **Competitive Cal Grant Awards** A limited number of Cal Grant awards are currently made available each year on a competitive basis for students who do not qualify for one of the entitlement programs.

AID PROGRAMS ADMINISTERED BY THE CALIFORNIA STATE UNIVERSITY

The CSU maintains efforts to ensure educational opportunity for all students. In addition to the significant state subsidy provided to all students who enroll at the CSU, reflected by its low fee structure, the CSU also dedicates a significant amount of its revenues to need-based grants each year.

- **State University Grant (SUG)** Provides need-based awards to cover a portion of the State Tuition Fee for eligible undergraduate, graduate, and post baccalaureate students who are California residents or are otherwise determined as eligible. System wide, the priority is to award a SUG at least equal to the amount of the State Tuition Fee (\$5,472 for undergraduates, \$6,348 for teaching credential and \$6,738 for graduate and post baccalaureate students) to eligible students who apply for financial aid by March 2, who have an expected family contribution (EFC) of \$4,000 or less, and who are not receiving a Cal Grant or other award designated to cover fees. Funding for this program is limited. Students must reapply for consideration every year. State University Grant awards are limited based on the number of units a student has earned and published length of their academic program. For more complete information, review the financial aid web site(s) of the campuses you are interested in or currently attending.

- **Educational Opportunity Program (EOP) Grant** Provides assistance to economically and educationally disadvantaged undergraduates. Recipients must be California residents who are admitted to a CSU campus through the Educational Opportunity Program. EOP students may receive a grant, based on need, of up to \$2,000 per year.

AID PROGRAMS ADMINISTERED BY CSU CAMPUSES

- **Scholarships** The availability and application procedures for institutional scholarships vary among the campuses.
- **Other Aid Programs** The availability of other aid programs varies among institutions. Several CSU campuses have small institutional long-term loan programs and a number of them currently participate in the State Work-Study program.

HEALTH INSURANCE

TERMS OF POLICY

- It is a mandatory requirement of the Trustees of the California State University that all students in the International Programs be covered by a group health insurance policy. This may lead to questions in countries where students are required by the host university to also carry student health insurance.
- Before departure, each student receives an email from the insurance company confirming their coverage along with their Travel Assist card. The Summary of Benefits and Claim Form are available at: www.csurma.org. The dates of coverage for the required insurance can be found on the confirmation email. The policy is valid only outside the United States.
- Students may purchase the required insurance for their dependents (defined as: “Dependent means the insured’s legal spouse and/or unmarried children under age nineteen years of age, who are not self-supporting and reside with the insured.”) as well, but it is not mandatory. Similarly, the Resident Director

and their dependents may purchase the required insurance, but again, it is not mandatory.

- Students who withdraw from the program prior to the end of the academic year also withdraw from the required insurance plan. Accordingly, their coverage is terminated effective 14 days after the last date of school attendance.

CLAIMS PROCEDURE

- The Summary of Benefits and Claim Form are available online at www.csurma.org. It is advisable that when traveling, students take claim forms with them along with their insurance card. The Resident Director may maintain copies of the claim form at the study center.
- When medical expenses occur, the students are responsible for paying the medical bill up front, and then they seek reimbursement from the insurance company by filing the claim(s). The explanation of benefit (EOB) or reimbursement check is then sent by the insurance company to whatever address is listed on the claim form. The CSU IP insurance company is considered an excess policy. This means that if the student has insurance coverage with another policy (i.e., parents), then claims should be filed with those companies first. The explanation of benefits (EOB) from the parent's policy is then attached to the claim that is submitted to CSU IP's insurance company.
- It is the student's responsibility to have the insurance claim form completed by the doctor's office or the hospital. Prior to mailing the claim the student may request your assistance with checking it for accuracy, to make sure receipts have been attached, and that translations and currency conversions have been done.
- In order for a student to not incur any out-of-pocket expense, he/she should contact AXA Assistance USA and ask to open a case for him/her.

MEDICAL LOANS

- If students incur major medical expenses, which they are not able to pay from their own funds, the Resident Director may lend the necessary money to the

students against the reimbursement expected from the insurance company--- providing the insurance claim is for an illness that is covered by the insurance policy. If the Resident Director has questions about covered illnesses, CSU IP should be contacted for clarification. For further information, see section on Loans above.

- In the event that CSU IP is required to pay the hospital up front, it is very important that the insurance claim is filed and that the student attach a statement to the claim indicating that reimbursement is to be made payable to CSU, International Programs. The Resident Director should then mail copies of the claims to CSU IP.

FORMS LISTING:

GENERAL

Budget Category Summary (BCS)
Budget Request
Equipment Inventory
Invoice
Proposed Inventory Disposal Form
Revolving Fund Disbursement Voucher – Sample

MONTHLY REPORTS

Bank Reconciliation
Bank Reconciliation – Sample
Cash Summary Report
Cash Summary Report - Sample
Check Register
Check Register - Sample
Program Funds Report – Receipts and Expenditures
Program Funds Report – Receipts and Expenditures – Sample
Receipt of Payment – Sample
Reconciliation of Available Resources
Reconciliation of Available Resources - Sample
State Funds Report – Receipts and Expenditures
State Funds Report – Receipts and Expenditures - Sample

TRAVEL EXPENSES

Travel Expenses Claim Form

Travel Expenses Claim Form - Sample

STUDENT ACCOUNTS

Loan Summary Report

Medical Loan Application

Personal Loan Application

Updated: May 15, 2017