



Channel Islands

CALIFORNIA STATE UNIVERSITY

DIVISION OF ACADEMIC AFFAIRS-PROVOST

MEMORANDUM

DATE: June 15, 2022

TO: Deans

FROM: Mitch Avila, Ph.D. 
Provost

CC: Jill Leafstedt, Interim Dean
Chairs and Program Coordinators
EU Academic Program Directors
Resource Managers

SUBJECT: New Extended University Revenue Share Fund — TH930

The purpose of this memo is to inform CSUCI Extended University academic partners that the TH920 fund, commonly referred to as CERF or Campus Partners, is being deactivated as of June 30, 2022 in accordance with Chancellor's Office memo [FS 2022-01](#). That memo deactivated CSU fund 444 and requires that all Professional and Continuing Education (PaCE) programs funds be held in CSU fund 441. At CSUCI, 444 funds are currently held in TH920 and a new 441 fund, TH930, is being created.

TH920 to TH930 Balance Transfer

Effective June 30, 2022, current fund balances in TH920 will be moved into fund 441-TH930. Beginning fiscal year 22-23, each College will have a TH930 fund, as will the Provost's Office. TH920 funds associated with Extended University academic partner programs will be transferred to TH930 accounts associated with that academic program. Remaining fund balances will be consolidated into a single Department in the Deans office and each Dean will determine the allocation of those funds. This is necessary in order to effectively utilize those funds and reduce large carryforward balances.

Future TH930 Revenue Share

Future revenue share from partner Extended University academic programs will be deposited in associated TH930 accounts. For revenue share generated from Summer, Winter, and Open University, the revenue share will be deposited with the respective Dean. Agreements (or MOUs) will be established for each EU academic program, including an overarching agreement for Summer, Winter,

& Open University. Revenue share for each program area will have a true-up at the end of the fiscal year.

TH930 Strategic Management

Working with Dean Leafstedt and AVP England, the Provost's Office is using this transition to more fully align the new TH930 fund with the academic mission of the Division. Currently, there are ~\$3.2M in fund balances in TH920, much of it stranded assets without any clear strategy for expending purposefully to advance the mission of the University. This includes \$1.4M in the Provost's Office. With the introduction of a new fund, we have taken the opportunity to set out goals for how these funds are utilized while complying with [EO 1099](#). These include:

1. Honoring the source of the funds — all Extended University revenue results from tuition dollars paid by students — by investing in high-quality academic experiences;
2. Reducing carry-forward balances that are not otherwise designated to be reinvested to support or expand high quality academic programs;
3. Providing Deans and academic programs flexibility for how the funds are used while maintaining integrity; and
4. When possible, supplementing the overall operation of the university by increasing the available source of funds.

In practice, we will be taking steps to reduce the amount of future revenue share by increasing costs paid directly by Extended University while simultaneously increasing the flexibility to utilize revenue share funds, thus reducing large carryforward balances.

TH930 Permitted Usage

The available balances in TH930 may be used in compliance with [EO 1099](#) for the purpose of reinvestment in the quality and currency of ongoing Extended University programs and support services, as well as to invest in the development of new programs and services for the benefit of students in self-support programs. Partner units can reinvest in the development of the faculty, the expansion of departmental resources, and the strength of the college as is needed to ensure that their self-support programs are and remain of the highest academic quality. These funds may also be used to invest in new self-support programs and/or to build the departmental and college capacity needed to follow through on the development of a self-support program in a given field that has been identified as having strong potential for the midcareer, adult learners, or other self-support program markets.

Some examples of how these funds can be used include:

- Professional Development to build expertise and enhance faculty capability
- Department equipment acquisitions that enhance faculty capability
- Instructional Development to maintain and develop new programs
- Travel for the faculty related to enhancing faculty capability
- Hospitality expenses that directly benefit EU and can be documented

TH930 Verification Process

Verification of the use funds in TH930 will be conducted through a PaCE Form request for any expenses above \$5,000 and a quarterly review process in which resource managers for each unit will provide a reconciliation report documenting that expenditures are aligned with the purpose of the funds as described above. The PaCE form will not be required for expenses below \$5,000.

TH930 Carryforward Policy

Partner academic programs may carryforward *future* revenue share no greater than 150% of the average revenue share for the past two years. Funds exceeding this amount will be returned to Extended University. Programs may request exceptions to this policy if they have a multi-year reinvestment strategy.

For funds transferred from TH920 to TH930, the maximum carryforward from fiscal year 22-23 to fiscal year 23-24 is 50% of the fund balance at the beginning of fiscal year 22-23. Put more simply, partner academic programs are expected to reinvest 50% or more of their current balance within one year. Balances greater than this amount will be returned to Extended University.

Note that the Provost's Office has had a large fund balance (\$1.4M) and is returning \$1M to Extended University to support construction of space for Extended University in the new Gateway complex.