

# CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

## INVESTMENT EARNINGS ALLOCATION PROCEDURE

### Background

The bulk of California State University (CSU) funds are invested through the CSU Systemwide Investment Fund-Trust (SWIFT), which was established in July 2007 for the purpose of enhancing centralized cash and investment management. Consistent with the Investment Policy and State law, the portfolio is restricted to high quality, fixed income securities.

The state treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the state treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool.

### Purpose

This procedure outlines guidelines for allocation of investments earnings across the University in compliance with Systemwide Policy and Legal Manual.

### Procedure

The University receives distribution of SWIFT and SMIF interest earnings from the Chancellor's Office periodically. Interest earnings, based on average daily cash balances net of banking and overhead costs, are distributed quarterly in the following manner:

1. All University enterprise and auxiliary operations such as Housing, Parking, Health Center, College of Extended Learning, ASI and Student Union, receive the portion of SWIFT interest earned by their invested cash.
2. The CSU Operating fund (CSU 485) receives the portion of SWIFT interest earned by its invested cash and the full amount of SMIF interest earnings.
3. Any remaining SWIFT interest earnings balance is allocated to a trust fund designated for discretionary expenditures authorized by the President of the University or designee.