

Systemwide Budget Office

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CODED MEMO B 2022-06

To: Vice Presidents for Administration/Chief Financial Officers

From: Jeni Kitchell, Executive Budget Director



CC: Steven Relyea, Executive Vice Chancellor and Chief Financial Officer
Ryan Storm, Assistant Vice Chancellor for Budget
Ronald Flatt, Director Treasury Operations
Lisa Kasten, Associate Director of Accounting
Scott August, Chief Investment Manager
Alisa Schivley, Manager of Banking Operations
Finance Officers
Budget Officers

Date: September 1, 2022

Re: 2022-23 Annual Investment Earnings Allocation, Consolidated Investment Pool (CIP) and SMIF

Investment earnings managed centrally are allocated for the full year during the first quarter of each year. For FY 2022-23, the allocation totals \$32 million, with \$31 million in Consolidated Investment Pool (CIP) earnings and \$1 million in SMIF earnings. While total CIP investment assets were, on average, approximately \$1 billion higher than the prior fiscal year, investment earnings were lower than the prior fiscal year due to lower interest rates. However, in fiscal year 2023-2024, investment earnings are expected to be higher due to higher interest rates and additions to earnings from the Intermediate Duration Portfolio (IDP). Actual allocations shown below are net of investment fees and cash management overhead. Investment fees and cash management overhead costs were higher than the prior year due to a lower base level of investment earnings, higher investment fees, and higher overhead costs for cash management. Finance and Treasury provides investment performance updates throughout the year to CABO, FOA, and BOT. The annual dividend payout from the Total Return Portfolio, to be used for capital programs, will be allocated later this fall.

The campus earnings distribution is based on past year General Fund allocations, total revenue collection in all funds participating in the CIP pool, and actual equity at year end. Campuses will distribute earnings to each participating fund on the campus. The PeopleSoft Interest Distribution Allocation (IDA) module can be used for this process, or a campus can change the process so long as all participating funds receive an earnings allocation equivalent to their share of the total campus allocation.

Please contact Jeni Kitchell at (562) 951-4559 or jkitchell@calstate.edu, or Lisa Kasten at (562) 951-4209 or lkasten@calstate.edu-if you have questions concerning this memo.

CSU Campuses

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

Campus	Earnings Distribution	Investment Services and Cash Management Overhead	Total
Bakersfield	\$ 672,720	\$ (91,240)	\$ 581,480
Channel Islands	680,530	(92,300)	588,230
Chico	993,410	(134,740)	858,670
Dominguez Hills	824,420	(111,820)	712,600
East Bay	870,520	(118,080)	752,440
Fresno	1,194,530	(162,020)	1,032,510
Fullerton	2,043,690	(277,200)	1,766,490
Humboldt	548,920	(74,450)	474,470
Long Beach	2,021,660	(274,210)	1,747,450
Los Angeles	1,570,260	(212,980)	1,357,280
Maritime	140,010	(18,990)	121,020
Monterey Bay	533,850	(72,410)	461,440
Northridge	2,192,610	(297,400)	1,895,210
Pomona	1,642,380	(222,770)	1,419,610
Sacramento	1,800,530	(244,220)	1,556,310
San Bernardino	1,031,010	(139,840)	891,170
San Diego	2,513,060	(340,860)	2,172,200
San Francisco	1,545,430	(209,610)	1,335,820
San Jose	1,869,900	(253,630)	1,616,270
San Luis Obispo	1,549,510	(210,170)	1,339,340
San Marcos	865,020	(117,330)	747,690
Sonoma	567,890	(77,030)	490,860
Stanislaus	706,880	(95,880)	611,000
CSURMA	313,800	(42,560)	271,240
COINS	19,500	(2,640)	16,860
Campus Total	28,712,040	(3,894,380)	24,817,660
Chancellor's Office	1,487,970	(201,820)	1,286,150
Systemwide	1,573,330	(213,380)	1,359,950
Total	\$ 31,773,340	\$ (4,309,580)	\$ 27,463,760