

Systemwide Budget Office
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CODED MEMO B 2021-04

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, Manager of Investments
Alisa Schivley, Manager of Banking Operations
Assistant Vice Presidents for Finance
Budget Officers

Date: September 22, 2021

Re: 2021-22 Annual Investment Earnings Allocation, SWIFT and SMIF

Attachment: **A - Earnings Distribution**

Investment earnings managed centrally are allocated for the full year during the first quarter of each year. For 2021-22 the allocation totals \$52 million, with \$49 million in SWIFT earnings and \$3 million in SMIF earnings. Actual allocations will be net of investment and cash management overhead (6.5%). These amounts reflect last year's (2020-21) total earnings, which declined from the previous year due to declines in interest rates. As we continue to see a low interest rate environment, annual systemwide investment earnings are expected to remain low. 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 SWIFT 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.