

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
OCTOBER 14, 2016
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, Michael Odinlo at 2:18 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Ferny Arana, Student Representative (voting)	Brenda Flores, Student Representative (voting)	Tina Jensen Kronqvist, Student Assistant
Khusbeen Dhillon, Student Representative (voting)	Debra Hammond, Executive Director (non-voting)	
Sharon Eichten, University Representative (voting)	Thelmari Raubenheimer, Board Chair (non-voting)	
Joe Illuminate, Executive Secretary (non-voting)	Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting)	
Farhad Khorasani, Student Board Representative (voting)		
Michael Odinlo, Committee Chair (voting)		
Aleyna Williams, Student Representative (voting)		

Farhad Khorasani arrived at 2:24 p.m.

III. Approval of Agenda

M/S/P (F. Arana/A. Williams) Motion to approve the agenda for October 14, 2016.

Main motion passes by general consensus

IV. Approval of Minutes

M/S/P (K. Dhillon/A. Williams) Motion to approve the minutes for September 30, 2016.

Main motion passes by general consensus

V. Chair's Report

Chair M. Odinlo asked the committee members if the next meeting could be rescheduled from October 28, 2016 to November 4, 2016. Most of the members agreed that this date and time would work.

VI. Action Items

A. Major Repair & Replacement Fund – Reallocation Request

M/S/P (K. Dhillon/F. Arana) Motion to authorize the reallocation of \$233,398 from the 2016-17 Major Repair & Replacement (R&R) Fund budget to the 2016-17 capital outlay budget if necessary.

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M. Odinlo explained that \$450,000 was already approved in the 2016-17 Major R&R budget for the replacement of the ECC HVAC, and therefore this reallocation of funds would have no budgetary fiscal impact. Approval of the motion would only move funds from the Major R&R budget to the capital outlay budget.

Items approved in the Major R&R budget are acquired through the campus Purchasing department, whereas items approved through the capital outlay budget are acquired using the USU’s purchasing process. It typically takes longer to purchase items through the campus acquisition process than through the USU’s process. Therefore, the approval of the motion to reallocate funding for this purchase to the capital outlay budget will give the USU more flexibility in the acquisition of the ECC HVAC unit if the unit should fail in the near future.

If the unit continues to function properly, the unit will be acquired via the campus purchasing process. Under this scenario the fund reallocation *would not* take place since the timing of acquisition of the unit would not be an issue.

If the unit completely breaks down in the near future, the unit will be acquired using the USU’s capital outlay purchasing process. Under this scenario, the fund reallocation *would* take place since it would be necessary to acquire the unit in the shortest possible timeframe.

The reallocation request for the purchase of the ECC HVAC unit is less than the original \$450,000 funding amount since the costs listed in the table below include only the purchase and installation of the unit and not modifications to the existing duct work, duct cleaning, electrical panels, energy management system upgrades, and architectural design and engineering.

ECC HVAC Cost Breakdown	
Unit Cost	\$ 112,115
Taxes	\$ 10,090
Installation & Labor	\$ 68,611
Subtotal	\$ 190,816
Warranty	\$ 10,000
Subtotal	\$ 200,816
10% Contingency	\$ 20,082
Est Campus Inspection Fee	\$ 12,500
Total Cost	\$ 233,398

Main motion passes 5-0-0

VII. Discussion Items

A. Purchasing Policy

The USU signed an agreement with Concur, an American Express (AMEX) partner, to automate the credit card voucher and payment process. The main goal of automating this process is to increase the volume of AMEX purchases and decrease check purchases. This will decrease the volume of

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purchase orders, invoices, and checks and make the purchasing process more efficient. The Purchasing Policy & Procedure will require revision in order to accommodate these changes.

J. Illuminate explained that the Purchasing Policy is almost ten years old and is outdated. For example, it says that “All purchases (with limited exceptions) are to be purchased on a purchase order form” and this no longer reflects the USU’s purchasing practices. Credit cards are often used to make purchases within the organization, and once Concur is implemented, they will be used even more frequently.

He continued to explain that the one disadvantage of increasing credit card purchases is that upfront budget control (pre-purchase) provided by the issuance of purchase orders would be given up. However, post purchase budget control would be maintained via variance analysis when department managers are required to explain the differences between their actual expenditures and budget expenditures.

F. Arana opined that from a student assistant employee perspective, this would be a significant improvement since time spent on tracking invoices could now be spent on other tasks.

S. Eichten suggested inviting Annie Dang, CSUN Director of Accounts Payable, Accounts Receivable & Travel, to a Finance Committee meeting to inform the committee about the campus Purchase Card (P-Card) program and how this may influence the USU’s AMEX Purchase Card program.

B. Gift Cards

The USU currently has no policies and/or procedures to keep track of how gift cards are distributed after they are purchased which raises security concerns since gift cards are equivalent to cash. The purpose of creating a procedure for gift cards is to put internal controls in place to prevent misappropriation of gift cards.

Some of the following ideas were discussed:

- Centralize the purchase of gift cards on just one or two corporate credit cards and no longer allow the purchase of gift cards with petty cash.
- Have only one or two individuals who are authorized to make gift card purchases.
- Store all gift cards in the USU Accounting & Finance safe in the Cashier’s office.
- Have the intended recipients of a gift card come to the USU Accounting & Finance Cashier’s office to sign a log documenting that the gift card was issued and received.

The committee also discussed either adding a section to the Purchasing policy about gift cards or creating an entirely new gift card policy and/or procedure.

VIII. Announcements

The committee members encouraged each other to attend some upcoming meetings and events:

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- A. Williams informed the committee that the Short Course Video Series are now being held. “Tech Tips with TSS” will be held on October 26, 2016 followed by “Harnessing Happiness” on November 2, 2016, “Supervising with StrengthsQuest” on November 22, 2016, and “Introverts & Extroverts” on November 29, 2016.
- F. Arana announced that a Student Finance Association event about investment banking will take place on October 19, 2016.
- M. Odinlo stated that the next Town Hall Series meeting will be held on October 28, 2016. This is an opportunity for students to discuss how CSUN can serve them better.

IX. Adjournment

The meeting was adjourned by Committee Chair, Michael Odinlo at 3:15 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance