

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
NOVEMBER 07, 2018
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, Arrah Ebot Enaw at 9:08 am.

II. Roll Call

| Present | Absent | Staff/Guests |
|--|---|--|
| Joe Illuminate Executive Secretary (non-voting) | Debra Hammond Executive Director (non-voting) | Shannon Intluxay Student Administrative Support Assistant II |
| Arrah Ebot-Enaw Committee Chair (voting) | Guadalupe Perez Barrios Student Committee Member (voting) | |
| Jesus Suarez Committee Co-Chair (voting) | Diego Paniagua Student Committee Member (voting) | |
| Joel Castellanos Student Committee Member (voting) | Sharon Eichten Director, Budget Planning & Management (voting) | |
| Michael Meneses Student Committee Member (voting) | | |
| Dr. Shelley Ruelas-Bischoff Student Affairs Representative (voting) | | |
| Paolo Aiello Student Committee Member (voting) | | |

Dr. Shelly-Ruelas Bischoff left at 9:52 a.m.

III. Icebreaker

Student Committee Member, Michael Meneses led the icebreaker with an activity that allowed everyone to identify themselves with a fruit and why.

Michael Meneses

- Papaya: Tasteful

Joel Castellanos

- Pineapple: Good on pizza

Jesus Suarez

- Papaya: Favorite fruit

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Arrah Ebot-Enaw

- Lemon: Tasteful and resourceful

Joe Illuminate

- Blueberry: Good for your eyes and gives you energy

Shannon Intluxay

- Strawberry: Favorite fruit and sweet

Paolo Aiello

- Orange: Favorite fruit

Dr. Shelley Ruelas-Bischoff

- Apple: Both sweet and tart

IV. Approval of Agenda

M/S/P (J. Castellanos/P. Aiello) Motion to approve the agenda for November 07, 2018.

M/S/P (J. Suarez/J. Castellanos) Amendment to the Main Motion to remove Discussion Item A, CSU/CSUN Budget Presentation, from the agenda

Amendment passed by general consensus

Main Motion, as amended, passed by general consensus

V. Approval of Minutes

M/S/P (Dr. S. Ruelas-Bischoff/P. Aiello) Motion to approve the minutes for October 24, 2018.

Main motion passes by general consensus

VI. Chair's Report

Committee Chair, Arrah Ebot Enaw, announced that the feedback from the evaluations from the last meeting were very positive. She encouraged everyone to fill out the online electronic evaluation at the end of every meeting in order to keep track of any suggested improvements that could be made.

Arrah Ebot Enaw announced that Andrea Oliveros will no longer be a part of the Finance Committee due to her internship commitments.

VII. Discussion Items

A. Risk Management Policy

The Risk Management Policy was discussed at the last two Finance Committee meetings. The

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Redline version of both the Risk Management and Contracts Policies were removed from the hard copy committee packet in order to make it easier for the committee members to follow along in the discussion.

J. Illuminate reiterated that the recommendation is for the current Risk Management Policy & Procedure to be split into a separate policy for Risk Management and a separate policy for Contracts.

J. Illuminate reviewed the most important aspects of the Risk Management Policy & Procedure which includes the topics outlined below.

Policy Statement

- It is the policy of the University Student Union (USU) to conduct programs and activities in a manner that does not pose an unreasonable risk of injury or loss.
- The purpose of the USU Risk Management Program is to develop proactive programs that will reduce the frequency and severity of incidents leading to injury and loss and to minimize associated costs.

Consultation with the CSUN Risk Manager & USU Insurance Brokers

It is strongly recommended that the CSUN Risk Manager and the USU's insurance brokers be consulted when high risk activities are involved. They are experts in risk management and are able to professionally advise the USU on how to mitigate high risk activities or avoid engaging in certain high-risk activities.

Risk Management Methodology – Contractors

The following methodology will be followed to identify and manage risks that may impact the USU:

- Identification of Risk
- Evaluation of Risk
- Selection of the Best Risk Management Technique
- Implementation of the Best Risk Management Technique
- Monitor and Evaluate the Results

Risk Transfer Process

- Analyze the Risks & Relationships
- Use a Hold Harmless or Indemnity Agreement
- Select the Proper Insurance Requirements
- Verify Coverage
- Report Claims Promptly

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Certificates of Insurance & Risk Assessments

Certificates of insurance must be obtained to show evidence of meeting minimum insurance coverage requirements. Be aware that most insurance certificates state that the certificate is issued as a matter of information only and confer no rights on the USU as the Certificate Holder. The certificate does not amend, extend, or alter the coverage afforded by the policies listed in the certificate

A risk assessment must be performed for any contractor or client unable to meet the USU's minimum insurance requirements described in the policy. The purpose of the assessment is to determine the acceptability for the USU to assume risk that would normally be assumed by the contractor. The risk assessment form must be approved by a USU management team member.

Minimum Insurance Requirements

- Commercial General Liability (CGL)
- Automobile Liability
- Worker's Compensation

Specialized Insurance Types

- Professional Liability/Errors and Omissions (if applicable)
- Technology Professional Liability Errors and Omissions Insurance (if applicable)

Additional Insured Status

The University Student Union of California State University Northridge, the State of California, Board of Trustees of the California State University, CSU and California State University, Northridge and their respective officers, officials, employees, and volunteers are to be covered as additional insureds.

Access to Full Coverage and to the Full Limits of Insurance

The USU is entitled to the maximum coverage and full limits of insurance that a contractor specifies in their certificate of insurance. The following language is included USU's contracts in order to document access to maximum coverage and full limits of insurance:

The Insurance obligations under this agreement shall be the greater of 1—all the Insurance coverage and limits carried by or available to the Contractor; or 2— the minimum insurance requirements shown in this agreement. Any insurance proceeds in excess of the specified limits and coverage required, which are applicable to a given loss, shall be available to USU. No representation is made that the minimum insurance requirements of this agreement are sufficient to cover the indemnity or other obligations of the Contractor under this agreement.

Other Important Insurance Provisions

- Primary Coverage
- Notice of Cancellation
- Waiver of Subrogation

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Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's Financial Strength Rating of no less than **A-** and a Financial Size Category Rating of no less than Roman Numeral **VII**, unless otherwise acceptable to the USU.

Special Insurance Situations

The USU reserves the right to modify minimum insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. "Special circumstances" include, but is not limited to, fitness instructors, short-term meeting room rentals, carnival rides, and food contractors.

Fitness Instructors

The USU may offer a wide variety of recreational classes and programs. While many of these activities are considered low risk, many are not. It is recommended that the USU require a written contract containing a scope of work, with a hold harmless in favor of the USU and a waiver of claims against the USU. For high-risk activities and full-time instructors, it is recommended that the USU also require general liability coverage with additional insured protection or homeowner's liability insurance if the instructor does not have a separate general liability policy.

Short Term Meeting Room Rentals

Off campus groups and private individuals renting a meeting room through the Reservations & Events department must meet the same insurance requirements as USU contactors outlined in this policy. A risk assessment must be performed for any off-campus group that is unable to show evidence of meeting the USU's minimum insurance requirements.

Carnival Rides

Carnival rides are considered high risk activities. Therefore, the USU requires additional financial protection above the minimum insurance requirements for general liability insurance. The recommended minimum levels of insurance are **\$2,000,000** per occurrence and **\$5,000,000** general aggregate. In addition, umbrella general liability with a minimum coverage of **\$4,000,000** is recommended.

Risk Management Procedures for Catered & Non-Catered Food and Food Trucks

An off-campus caterer is defined as a food and beverage contractor who physically comes on to the USU's or CSUN's premises to prepare and/or serve food. Contractors or clients who provide catered food must sign the appropriate USU contract. Proof of meeting minimum insurance requirements must be provided. The caterer must provide a current Health Operating Permit and, if applicable, have an "A" rating from the County Department of Health where the caterer's place of business is located.

The USU does not require that food and beverage contractors meet minimum insurance requirements for food that is either delivered to the USU or picked up by a USU staff member at the supplier's place of business. This applies to food and beverages purchased for student-oriented events and internal staff trainings. Once food is delivered or picked up by a staff member, any risk for damages potentially caused by the food *may* be transferred to the USU from the food and beverage contractor.

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The use of food truck vendors at USU-sponsored events must be approved by The University Corporation's licensing department. The legal counsel for the California State University Risk Management Authority (CSURMA) drafted a food truck disclaimer which is to be posted and prominently displayed at any USU function where food trucks are present at USU-sponsored events.

B. Contracts Policy

The Contracts Policy was discussed at the last two Finance Committee meetings. J. Illuminate presented the Contracts Policy.

USU contracts can be found on the USU intranet. Only the most current version of each contract will be accepted.

1. Contract for Professional & General Services
2. Contract for Artistic Services
3. Contract for IT Vendor Services
4. Terms of Reservation Agreement
5. Sublease Agreement

Note: items 1-3 relate to USU contractors and items 4-5 relates to USU clients.

Important Contract Provisions

USU contractors and clients are required to indemnify the USU, ensure that their subcontractors meet the USU's minimum insurance requirements, and protect the confidentiality of USU data.

1. Insurance Requirements & Endorsement

Contractors must meet the minimum insurance and endorsement requirements stipulated in each contract type.

2. General Indemnity

The insurance requirements in a contract cannot take effect unless there is a general indemnity clause. It is the general indemnity clause which allows the USU to pass the claims of damaged third parties directly to the contractor. The following is the recommended general indemnity language:

The contractor agrees to indemnify and hold harmless the USU, the State of California, the Trustees of the State University, California State University, Northridge, and their officers, agents and employees from damages, liabilities, losses, costs and expenses arising from third party claims and sustained or incurred by any of the foregoing indemnities, but only to the extent that such damages, liabilities, losses, costs and expenses are caused by the negligent acts, errors and/or omissions of the contractor, or any person or entity for whom the contractor is legally liable, in the performance of services under this agreement.

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3. Subcontractor's Insurance

The contractor shall ensure that its subcontractors are covered by insurance of the types required by the agreement, and that the amount of insurance for each subcontractor is appropriate for the subcontractor's work. The contractor shall not allow any subcontractor to commence work on its subcontract until the insurance has been obtained.

4. Confidentiality of Data

All financial, statistical, personal, technical and other data and information relating to the USU's operation which are designated confidential by the USU shall be protected by the contractor using the same level of care in preventing unauthorized disclosure or use of the confidential information that it takes to protect its own information of a similar nature.

5. Other Terms & Conditions

The USU adheres to the principles of nondiscrimination, affirmative action, and equal opportunity in race, religion, creed, national origin, sex, sexual orientation, gender, gender identity, age, and disability in all its activities and programs.

Agreements prepared by the Contractor

It is not uncommon for a contractor to request that the USU sign its contract. It is permissible for the USU to sign the contractor's agreement and for the contractor to sign the USU's agreement as long as the terms of both agreements do not conflict. It is the responsibility of the USU contract reviewer to ensure there are no conflicts between the agreements.

It is also permissible for the USU to sign the contractor's agreement in lieu of the USU agreement as long as the USU's insurance, indemnification, subcontractor insurance, and confidentiality of data requirements are included in the contractor's agreement.

There are occasions where the contractor will refuse to sign the USU's contract or add the USU's term and conditions to its agreement. If this occurs, the USU is not able to conduct business with this contractor unless one or more of the following conditions are met:

- Approval of the Executive Director/designee is obtained.
- The service provided by the contractor is critical to the business and administrative operations of the USU.
- Completion of a risk assessment with a determination that the assumption of the risk involved is acceptable.

VIII. Announcements

Committee Co-Chair, Jesus Suarez announced the event "Solving Social Issues with Artificial Intelligence (AI)" will take place on November 14, 2018 and will be a great opportunity for students to attend.

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Joe announced that the next Finance Committee meeting will take place on Wednesday, November 28, 2018 at 9:00 am in the Executive Board Room.

IX. Adjournment

Committee Chair, Arrah Ebot Enaw adjourned the meeting at 10:18 am.

Respectfully submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance