I. Call to Order
The meeting was called to order by Chair, C. Johnson at 2:16 p.m.

II. Roll Call

<table>
<thead>
<tr>
<th>Present</th>
<th>Absent</th>
<th>Staff/Guests</th>
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<tbody>
<tr>
<td>Breanne Acio, Student Representative (voting)</td>
<td>Nicole Riley, BOD Chair Representative (non-voting)</td>
<td>Jack Raab, ADOS</td>
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<td>Shoorideh Asgari, BOD Student Representative (voting)</td>
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<td>Sharon Eichten, University Representative (voting)</td>
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<td>J. Illuminate, Executive Secretary (non-voting)</td>
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<td>Debra Hammond, Executive Director (non-voting)</td>
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<td>Collin Johnson, Committee Chair (voting)</td>
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<td>David O’Neill, Student Representative (voting)</td>
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<td>Sahirenys Ortega, Student Representative (voting)</td>
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<tr>
<td>Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting)</td>
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<td>Sven Saaretalu, Student Representative (voting)</td>
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Dr. Ruelas-Bischoff arrived at 3:05p.m. Breanne Acio left at 3:13 p.m. and Sahirenys Ortega left at 3:25 p.m.

III. Approval of Agenda
M/S/P (B. Acio/S. Saaretalu) motion to approve the agenda for February 15, 2013
M/S/P (S. Eichten/S. Ortega) motion to add Discussion Item A, Long-Term Financial Plan

Amendment passed by General Consensus

Motion, as amended, passed by General Consensus

IV. Approval of Minutes
M/S/P (D. O’Neill/B. Acio) motion to approve the minutes of December 07, 2012

Motion approved by general consensus
V. Chair’s Report
Chair C. Collin encouraged student committee members to attend the 2/18/13 Board meeting in order to witness Sven Saaretalu present the HRMS Policy and Payroll Policy action items. There have been very few occasions where a student committee member (excluding the committee chair) has presented an action item to the Board of Directors.

VI. Action Items
A. Second Quarter Budget Report (6 & 6)
M/S/P (S. Asgari/S. Saaretalu) motion to approve the 2012-2013 Second Quarter Budget Report

Chair, Collin Johnson presented the second quarter budget report to the committee by explaining the reasons why there was a significant difference between the actual change in net assets and the budgeted change in net assets (surplus).

The actual change in net assets of $912,093 is $667,571 greater than the projected net assets of $244,522. The reason for the large variance is that projected revenues are approximately 50.5% to budget whereas projected expenditures are only 43.9% to budget. The financial impact of expenses being significantly below the optimal range is $726,610.

Johnson also explained the changes that occurred from the 1st quarter budget report to the second quarter budget report.

Projected revenue has increased by $51,752 (0.4%) and projected expenditures have decreased by $85,163 (-0.7%). As a result, the budget surplus is projected to increase by $136,915 from $107,607 to $244,522.

The increase in SRC-related income for memberships and guest passes has exceeded expectations. At the time the 12/13 budget was completed, the USU had less than two months of actual SRC revenue history. As a result, very conservative projections were used.

Projected salaries and benefits are within the optimal range at 47.0%. However, the overall budget for salaries and benefits is projected to decrease by 2.2% or $153,285.

The increase in Staff & Hourly salaries is due to the creation of a new position (Coordinator, Special Initiatives) and the transfer of Student Salaries to the Hourly Salary category. Certain Fitness & Wellness positions were reclassified from student assistant positions to hourly positions.

Projected operating expenses have increased by $68,120 or 1.4%. The following table breaks down the components of the projected decrease in the expenditure budget:

The Expendable Equipment category is projected to increase by 80% due to the change in definition for fixed assets. Groups of like items are now expensed in the Expendable Equipment category instead of being recorded as a fixed asset.

The $15,000 increase in the Fees & Charges category represents the USU’s donation to the Red Cross for the victims of Super Storm Sandy. The decrease in unallocated reserves is offset by increases in the other expenses categories. When previously unallocated reserves have been designated for a certain purpose, the funds are transferred out of the Reserves category into another expense category. For example, the $15,000 Red Cross donation was transferred from
Reserves to the Fees & Charges category. Funds also were transferred from Reserves to the Staff & Hourly Salaries category for the Coordinator, Special Initiatives position and funds were transferred to the Repairs & Maintenance category for the USU rekeying project; the East Addition carpet project; the Northridge Center electrical project; and the Grand Salon paint project.

The 3.1% increase in the Supplies and Service category is due to an increase in the budget for office supplies; operational supplies; program costs; and legal and contract services.

Johnson transitioned into explaining the most important points on the Statement of Changes in Financial Position; the Investment Summary; Reserve and Capital Outlay; and Work Study.

The General Ledger Cash and Net Asset figures indicate the organization has sufficient financial capacity to absorb unexpected economic and financial events as well as to give the organization flexibility to consider funding renovations or new programs.

The USU has earned $268.80 in interest this fiscal year as a result of an ultra-low interest rate environment. The USU Investment Policy & Procedure requires that safety of principal and immediate liquidity take precedence over the rate of return on investments. The USU had approximately $5,620,931 in short-term United States Treasury bills as of December 31, 2012.

A total of $210,210 of unallocated working capital reserves has been transferred to the operating budget this fiscal year.

Total capital outlay expenditures for the fiscal year totals $32,328 with additional encumbrances of $74,187. Encumbered funds are budgeted (but not yet spent) funds set aside to make purchases. The internal mechanism used to encumber funds is the purchase order. Once the purchase is made, the encumbrance is removed.

The Board adopted capital outlay budget has been reduced from $387,292 to $175,606 due to 1) the fixed asset definition change and 2) to the use of Campus Quality Fee (CQF) money to purchase computers for the Computer Lab (that was originally in the capital outlay budget).

Approximately $350,000 of CQF funds were used to purchase fixed assets not included in the capital outlay budget for following projects:

- Bicycle Racks
- Computer Lab
- Pride Center
- Veterans Resource Center

The USU has a balance of $13,878.53 in the work study account which will be spent in its entirety by fiscal year end.

Department managers were requested by the management team to submit additional 2012-13 funding requests for items that were not included in the 2012-13 budget. These funding requests are purchases that would benefit the organization or are required for administrative purposes. The total amount of the items under consideration by the management team for approval is $322,919.

The largest item in the list is lounge furniture which would replace the old furniture in meeting rooms, the TV lounge, and lobby areas in the Sol Center and MIC spaces. The $58,000 PeopleSoft upgrade of the USU’s accounting system is required.
The funding sources for these purchases would be 1) unallocated reserves and 2) $226,000 from an incentive check received from the Los Angeles Department Water & Power (LADWP) in January for having participated in their Solar Initiative Program. The USU was eligible to participate in the program by agreeing to install solar panels on the roof of the Student Recreation Center.

Motion passes 7-0-0

B. **HRMS Policy & Procedure**

M/S/P (S. Asgari/S. Saaretalu) motion to approve the HRMS Policy & Procedure as presented.

S. Saaretalu explained that the reason for the creation of the Human Resources Management System Policy (HRMS) was due to findings found conducted by CSU auditors in 2012 during the internal compliance audit. He noted that the purpose of the audit is to ensure that operational practices are consistent with organizational policies and procedures.

The USU implemented an electronic-based timekeeping and payroll system in 2010. The auditors noted that the Payroll Policy & Procedure was not reflecting current practice in the area of pre-approval of overtime; salary changes; and handling active employees with payroll inactivity.

S. Saaretalu noted that the Director of Internal Audit for the campus, Howard Lutwak, reviewed the HRMS policy and was satisfied that policy addressed all the internal compliance findings.

Motion passes 6-0-0

C. **Payroll Policy & Procedure**

M/S/P (D O’Neill/S Ruelas-Bischoff) motion to approve the deactivation of the Payroll Policy & Procedure.

S. Saaretalu stated that the Payroll Policy & Procedure was now obsolete because it was being replaced by the HRMS Policy & Procedure. There were so many changes to the Payroll Policy that it was recommended that it be deactivated instead of being revised and updated.

Motion passes 5-0-0

D. **USU Cash Donations Policy**

M/S/P (S. Asgari/S. Saaretalu) motion to approve USU Cash Donations Policy.

Debra Hammond pointed out that there is precedence on the CSUN campus of entities (like A.S.) of making donations to nonprofit organizations.

She also clarified that USU did not directly contribute cash to the victims of Hurricane Katrina through the Red Cross in 2005 as previously thought. Research revealed that the USU only collected donations on behalf of individual donors and passed them on to the Red Cross.

Motion passes 5-0-0
VII. Discussion Items

A. Long-Term Financial Plan
D. Hammond explained that the USU would be presenting a revised long-term financial plan to the Finance Committee, Board of Directors; and Student Fee Advisory committee that would recommend delaying an approved $2.00 operational fee and $2.00 inflation adjustment. The financial plan would include a complete list of assumptions and detailed rationale for the fee delay recommendation.

Dr. Ruelas-Bischoff thanked the committee for looking out for the financial interests of students and the organization.

VIII. Announcements
Chair, Johnson thanked Sven Saaretalu for taking the initiative to present the HRMS and Payroll policy action items to the committee and to the Board of Directors.

IX. Adjournment
The meeting was adjourned by Chair, C. Johnson at 3:42 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, Finance & Business Services