

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
WEDNESDAY, NOVEMBER 20, 2019
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, Timmothy Roberts at 2:30 p.m.

II. Roll Call

| Present | Absent | Staff/Guests |
|---|---|---|
| Czar Agcaoili Student Committee Member (voting) | Debra Hammond Executive Director (non-voting) | Jasmine Medina, Student Administrative Support Assistant II, Accounting & Finance |
| Sharon Eichten Associate VP, Budget Planning & Management (voting) | Dr. Shelley Ruelas-Bischoff Student Affairs Representative (voting) | |
| Joe Illuminate Executive Secretary (non- voting) | | |
| Asima Rahman Student Committee Member (voting) | | |
| Tammy Rassamekiarttisak Committee Co-Chair (voting) | | |
| Timmothy Roberts Committee Chair (voting) | | |
| Christian Ross Student Committee Member (voting) | | |

Czar Agcaoili arrived at 2:35 p.m.

III. Approval of Agenda

M/S/P (T. Rassamekiarttisak/A. Rahman) Motion to approve the agenda for November 20, 2019.

Chair, Timmothy Roberts requested to amend the Agenda to move Item V Icebreaker to Agenda Item VIII so that so that all members would be available to vote on the four agenda action items.

M/S/P (C. Ross/ T. Rassamekiarttisak) Motion to amend the agenda for November 20, 2019 to move Agenda Item V Icebreaker to Agenda Item VIII.

Amended Motion passes by General Consensus

Main Motion, as amended, passes by general consensus

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IV. Approval of Minutes

M/S/P (A. Rahman/T. Rassamekiarttisak) Motion to approve the minutes for November 06, 2019.

Main Motion passes by general consensus

V. Chair's Report

A. None

VI. Action Items

A. Risk Management Policy

M/S/P (T. Rassamekiarttisak/C. Ross) Motion to recommend the approval of the Risk Management Policy as presented.

Co-Chair, Tammy Rassamekiarttisak, stated that this policy was discussed at the previous three committee meetings. She noted out the following two points:

1. Language was added regarding risk assessments. A risk assessment is used to determine if it is acceptable for the USU to assume risk that would normally be assumed by the contractor. A risk assessment is typically completed when a contractor cannot meet the USU's minimum insurance requirements.
2. Language was added to the policy authorizing the Executive Director/designee to make limited exceptions to the policy.

Main Motion passes 5-0-0

B. Contracts Policy

M/S/P (T. Rassamekiarttisak/A. Rahman) Motion to recommend the approval of the Contracts Policy as presented.

Chair, Timmothy Roberts, stated that this policy was discussed at the previous three committee meetings. He discussed four key points:

1. The USU is committed to maintaining high standards of performance based upon fair, ethical and professional business practices. In summary, the USU utilizes sound business practices to obtain the best quality product at the fairest price.
2. The USU requires signed contracts with contractors, vendors, and suppliers who provide services; with clients who rent meeting rooms on a short-term basis; and with tenants who sublease office space on an annual basis.

Having signed contracts in place ensures that risk management processes are not bypassed because contractor or client activities can result in an insurance claim against the USU from injured third parties.

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3. The USU has five different contracts of which three are used for contracted services and two are used for clients who rent space:
 - The Contract for General and Professional Services
 - The Contract for Artistic Services
 - The Contract for Information Technology Consulting Services
 - The Terms of Reservation Agreement (short-term meeting room rental)
 - The Sublease Agreement (space rental).

4. The Executive Director/designee is authorized to make limited exceptions to the policy.

Main Motion passes 5-0-0

C. Corporate Credit Card Policy

M/S/P (T. Rassamekiarttisak/C. Agcaoili) Motion to recommend the approval of the Corporate Credit Card Policy as presented.

Chair, Timmothy Roberts, stated that this policy was discussed at the previous three committee meetings.

The current Credit Card Policy requires revision in order to incorporate changes in processes due to the implementation of the Concur Software. Concur is a software that is used to process Travel Request Approvals, Travel Expense Reports, and Corporate Credit Card Expense Reports. All credit card expense reports now require electronic submission using Concur.

Timmothy explained that the amount of the maximum individual transaction limit has been moved from the policy section to the procedure section. He pointed out that the individual credit card transaction limit has increased from \$5,000 per transaction to \$7,500 per transaction. Raising the individual transaction limit increases business efficiency because the amount of invoices, purchases orders, and checks issued to vendors will continue to decline.

Finally, language authorizing the Executive Director/designee to make limited exceptions to the policy, was moved from the Procedure section to the Policy section.

Main Motion passes 5-0-0

D. 3&9 First Quarter Budget Report

M/S/P (A. Rahman/C. Agcaoili) Motion to accept the 3&9 First Quarter Budget Report.

Committee Chair, Timmothy Roberts explained that the USU does a thorough budget review every quarter. The First Quarter Budget Report is for the First Quarter ended September 30, 2019. The term "3&9" signifies that there are three months of actual data and nine months of projected data.

Committee Co-Chair, Tammy Rassamekiarttisak explained that the purpose of this report is to summarize the financial results of the University Student Union (USU) as of September 30, 2019. This report reflects financial operations for the three-month period ended September 30, 2019. The optimal operating range is 25% of the yearly budget, with limits ranging from 20% to 30% being acceptable.

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Summary

The USU's financial performance for the first quarter is solid. Total revenues and expenditures are within the operating range (26.8% and 22.4% respectfully). There is an \$803,547 surplus and approximately \$5.3 million in cash on hand.

Revenues

Total revenue is \$4,931,306, which represents 26.8% of the revised budget of \$18,421,134.

- **Rental Income: SRC Lockers and Towels (47.6%)**
This category is above the operating range because most of the semester locker and towel service were sold at the beginning of the fall semester.
- **Program Income (17.5%)**
This category is below the operating range. The Games Room does not open until the start of the fall semester in late August 2019. It is anticipated that revenue will be within the operating range by December 31, 2019.
- **Summer Camp (48.7%)**
This category is above the optimal range because of deferred summer camp revenue carried over from the 2018-19 fiscal year.
- **SRC-Related Income (45.9%)**
This category includes income generated from the Pro Shop, Intramurals, and memberships. Membership income is the largest revenue source in this category.

This category is above the optimal range because deferred membership income is carried over from the 2018-19 fiscal year. In addition, the University Corporation made a payment of \$9,202 for memberships for their staff employees.
- **Grant Income (0.0%)**
This category is below the optimal range. The Division of Student Affairs will be invoiced in the second quarter to reimburse the USU for expenses incurred for the African American/Black Student Success Initiative (Campus Quality Fee).
- **Interest Income (100.0%)**
This category is above the optimal range because it is now the current practice for the campus to credit the USU's System Wide Investment Fund Trust (SWIFT) account with the total annual estimated amount of investment income in the first quarter.
- **Miscellaneous Income (32.7%)**
This category is above the optimal range because the Auxiliary Organization Risk Management Alliance (AORMA) workers compensation (\$10,629) and general liability (\$27,947) dividends were received during the first quarter.

Expenditures

Total expenses for this period were \$4,127,760, which represents 22.4% of the revised budget of \$18,421,134.

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○ **Staff Salaries (22.4%)**

The budget for this category was reduced by \$81,666 including \$69,570 in the SRC-Facilities department due to a staff reorganization.

○ **General Operating Expenses (31.9%)**

This category is slightly above the operating range due to the following:

1. Sunny Days Camp food costs paid in the first quarter for camp taking place in July and August.
2. Marketing department giveaway purchases (\$25,696) at the beginning of the semester.

○ **Supplies and Services (21.1%)**

There was a \$15,000 budget transfer from administrative contingencies to contract with Brailsford & Dunleavy to provide guidance in the development and update of the renovation financial model.

○ **Travel (8.1%)**

This category is below the optimal range. Travel for major regional and national conferences, such as the Association of College Unions International (ACUI), Auxiliary Organization Association (AOA), and National Intramural-Recreation Sports Association (NIRSA) do not take place until later in the fiscal year.

○ **Fees and Charges (11.2%)**

This category is slightly below optimal range because merchant charges for Sunny Days Camp will not occur until February 2020 when camp registration begins.

○ **Reserves (0%)**

Please reference the Unallocated and Designated Reserves Summary included as part of this report.

○ **Postretirement Related Charges (25.0%)**

This category had a \$49,706 decrease in postretirement expense. Adjustment to this category is made based on periodic updates to the USU's actuarial valuation report prepared by the USU's actuarial consultant, Demsey-Filliger. Adjustments, either positive or negative, can be significant depending on changes in the discount rate.

Statement of Changes in Financial Position

Total assets are \$6,273,406 of which \$5,306,305 is liquid cash. Total liabilities are \$3,673,466 of which \$2,890,543 is the estimate to pay for the projected medical expenses of current and future USU retirees eligible to participate in the Retirement Health Benefits Plan (RHBP).

Investment Summary

The USU has received investment income of \$88,695 of which \$86,945 is income earned on balances on deposit in the USU's Systemwide Investment Fund Trust (SWIFT).

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Unallocated Reserves

The unallocated reserves balance is \$294,506, an increase of \$44,506 over the board approved budget of \$250,000. Budgeted funds returned to unallocated reserves included the following:

1. Postretirement expense
2. Staff Salaries
3. Interest income

Designated Reserves

A total of \$151,404 of designated reserves was transferred to the operating budget during the first quarter for general salary increases, employer-paid taxes, and vacation advances.

Capital Outlay

The capital outlay budget is \$168,147. Please reference the Capital Outlay Summary for the status of each capital outlay project.

Foundation

The total cash balance on deposit at the CSUN Foundation is \$304,359 of which \$195,051 is unrestricted and \$109,309 is restricted.

Work Study

The USU has expended \$2,176 as of September 30, 2019. The first work-study payment is expected to be received in November 2019.

Main Motion passes 5-0-0

VII. Discussion Items

A. Travel Policy

J. Illuminate explained that the Travel Policy was discussed at the November 06, 2019 committee meeting. He pointed out the changes to the policy and procedure changes since the 11/06/19 meeting.

1. Language was added to clarify that alcohol is not an allowable reimbursable travel expense because it does not meet the definition of a subsistence expense.
2. Language was added to ensure all international travel is approved by the Executive Director/designee in consultation with the Associated Vice President of Student Life.
3. Language was added to ensure that Travel Requests to AB 1887 prohibited states must be approved by the Executive Director/designee in consultation with the Associated Vice President of Student Life. In addition, approval to travel to prohibited states must be documented using the newly created Request for Approval of Travel to Prohibited States form.
4. Two additional exceptions were added to the Exception List to travel to prohibited states:
 - a. Enforcement of Federal or California law
 - b. Litigation

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VIII. Ice Breaker

Committee Co-Chair, Tammy Rassamekiarttisak, led the icebreaker called “Sparks of Positivity”. The group stood in a line with their eyes closed. Two individuals were picked at the same time to tap the shoulders of a person closed when a positive statement was said by Tammy. For example, “Tap a person’s shoulder if they have made you smile”. The two individuals would tap the shoulders of the person who made them smile. The purpose of this ice breaker was to spread positivity within the group.

IX. Announcements

1. Committee Chair, Timmothy Roberts and Co-Chair, Tammy Rassamekiarttisak gave all the committee members a “Thank You” card and snacks as gifts of appreciation for their work on the committee. They encouraged everyone to return to the committee for the spring 2020 semester.
2. Committee Chair, Timmothy Roberts asked the student committee members to submit their spring 2020 class schedules so that meetings for the spring semester can be scheduled.
3. Committee Co-Chair, Tammy Rassamekiarttisak encouraged everyone to attend U-Day on Friday, December 06, 2019 at 12:30 p.m. in the Northridge Center.

X. Adjournment

Committee Chair, Timmothy Roberts adjourned the meeting at 3:38 p.m.

Respectfully Submitted By,

Joseph Illuminate
Associate Director, USU Accounting & Finance