

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
FRIDAY, NOVEMBER 20, 2020
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, Jacob Akopnik at 3:02 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Jacob Akopnik, Committee Chair (voting)	Debra Hammond Executive Director (non-voting)	Kaila Lavin, SRC Director
Bryan Gonzalez Student Committee Member (voting)	Dr. Edith Winterhalter, Associate VP for Budget & Strategic Business Operations, Administration and Finance (voting)	Jasmine Medina, Accounting & Finance Administrative Support Assistant II
Jasmine Guerrero, Committee Co-Chair (voting)		Jonathan Navarro, Accounting Manager
Joe Illuminate Executive Secretary (non-voting)		
Juan Martinez, Student Committee Member (voting)		
Fernando Ortiz, Student Committee Member (voting)		
Sara Pelayo, Student Committee Member (voting)		
Dr. Shelley Ruelas-Bischoff Student Affairs Representative (voting)		

- *Dr. Shelley Ruelas-Bischoff joined the meeting at 3:08 P.M.*
- *Kaila Lavin left the meeting at 3:55 P.M.*

III. Approval of Agenda

M/S/P (B. Gonzalez/ S. Pelayo) Motion to approve the agenda for November 20, 2020.

Chair, J. Akopnik requested that the Agenda be amended to do the following:

1. Move Agenda VII, Discussion Items to Agenda Item VI.
2. Move Agenda Item VI, Action Items to Agenda Item VII.
3. Add Discussion Item A, Esports Addition to the Games Room.

MSP (S. Pelayo/J. Martinez) to amend the Agenda for November 20, 2020.

Amendment passes 5-0-0

Main motion, as amended, passes 5-0-0

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Approval of Minutes

M/S/P (J. Guerrero/ B. Gonzalez) Motion to approve the minutes for November 06, 2020.

Main Motion passes 5-0-1

IV. Chair's Report

None

V. Discussion Items

A. Addition of Esports Area in the Games Room

Kaila Lavin led the discussion and informed the committee that the USU recently received a donation from Alumnus Bill Imada in the amount of \$25,000 to be used to create a space for e-gaming/Esport in the Games Room

Associated Students (AS) has an existing Esports Sport Club which is to be included in this project. It is recommended that an area in the Games Room be upgraded to provide space specifically for Esports. The total estimated cost of the project is \$75,000. Funding for this project includes the \$25,000 Imada donation, a \$25,000 from AS, with the remaining \$25,000 to be contributed by the USU.

The USU will collaborate with AS to create a designated space in the existing lounge area in the Games Room for the CSUN Esports Club. The space will include gaming stations for the Esports Club to use free of charge during practice and competition play. The gaming stations can be used on a pay-for-play basis by the CSUN community during normal operating hours when they are not being used by the Esports Club.

Finance Committee members asked the following questions:

<i>How much is being renovated? Is the footprint of the Games Room changing?</i>	<i>The stage area we have right now will be upgraded and moved. The big cost is the furniture and computer space.</i> <i>No, the footprint will not change.</i>
<i>Is this being funded using additional student fees?</i>	<i>No – this will not be funded from additional student fees. The USU’s \$25,000 contribution is coming from unallocated reserves. Ongoing labor and facility costs will be absorbed the USU and ongoing operational costs specific to Esports will be funded by AS.</i>
<i>When will this project be completed? Will this be a part of the current construction?</i>	<i>Pending approval – work will be ready to start as early as January 2021. Our plan will be to open as soon as campus is open.</i>
<i>Will some of the funds be allocated to increase internet speeds?</i>	<i>Yes – Technology Support Services (TSS) will be responsible to provide recommendations to will provide o maximize internet speeds.</i>

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VI. Action Items

A. Petty Cash/Cash Advance Policy

M/S/P (J. Guerrero/F. Ortiz) Motion to recommend approval of the Petty Cash/Cash Advance Policy.

Committee Co-Chair, J. Guerrero went over the following changes since the last meeting which is highlighted in red. The principal change was to the Procedures section of the policy.

- Major discrepancies are to be reported immediately to the Executive Director and Associate Director, Accounting & Finance. [Section VI.C. Unannounced Audits].

Motion passes 6-0-0

B. First Quarter Budget Report (3&9)

M/S/P (B. Gonzalez/F. Ortiz) Motion to recommend acceptance of the First Quarter (3&9) Budget Report as presented.

Jacob Akopnik presented the First Quarter (3&9) Budget Report.

The purpose of this report is to summarize the financial results of the University Student Union as of September 30, 2020. This report reflects financial operations for the three-month period ended September 30, 2020. The optimal operating range is 25% of the yearly budget, although limits from 20% to 30% are acceptable.

The operating range percentage for any particular revenue or expense category is computed by taking the actual revenue or expenditure amount and dividing it by the revised budget amount for that category. The percentage indicates the total amount of revenue received or the total amount of expenditures incurred for the quarter.

Statement of Activities

- a. The Change in Nets Assets (net income) is \$1,092,894.
- b. The USU's budget is operating within the optimal range for Revenues (25.3%) and slightly below the operating range for Expenditures (18.4%).
- c. The overall budget for both the Revenues and Expenditure categories were reduced by \$550,542 which means the budget for the Change in Net Assets is zero (breakeven).

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The Financial Impact of Spring 2020 Virtual University on the Operating Budget

The 2020-21 Operating Budget was prepared under the assumption that fall 2020 would be virtual instruction and that spring 2021 would be in-person instruction. After the Board approved the 2020-21 Operating Budget, the CSU made the decision to continue virtual university for the entire 2020-21 fiscal year. As a result, it was necessary to reduce the budget for non-student fee revenue, salaries & benefits, and operating expenditures in accordance with the following table:

Financial Category	Amount
Total Revenue	(\$550,541)
Salaries, Wages, and Benefits	(\$2,085,576)
Operating Expenses	(\$749,490)
Subtotal – Expenditures	(\$2,834,871)
Add Back: Unallocated Reserves	\$2,284,329
Total – Expenditures	\$(550,541)

The following points are important takeaways from the data in the table:

1. Revenue

- a. The budget for student fee revenue was not reduced because virtual instruction does not have a direct impact on the transfer of student fees from the Revenue Fund to the Operating Budget.
- b. The budget for internally generated revenue decreased by \$550,541 e.g. meeting room & equipment rentals, SRC-related income, summer camp, and miscellaneous income.

2. Salaries, Wages, and Benefits

- a. The budget for Student Wages was reduced by \$1,922,064
- b. The budget for Staff Salaries decreased by \$156,337.
- c. The budget for Hourly Wages increased by \$21,957.
- d. The budget for Staff Benefits was reduced by \$29,132.

3. Operating Expenses

- a. The budgets for the following operating expenditure categories were reduced:
 - i. General Operating Expenses: \$58,319.
 - ii. Supplies & Services: \$41,640
 - iii. Repairs & Maintenance: \$620,113 of which \$555,000 is attributable to Custodial Services.
 - iv. Fees & Charges: \$16,408.

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4. Total Expenditures

- a. The budget for Total Expenditures decreased by \$550,542.

5. Unallocated Reserves

Our Unallocated Reserves practice is to reclassify unutilized funds in the budget to Unallocated Reserves. The reductions in the budget for Salaries, Benefits, and Operating Expenditures were redirected to Unallocated Reserves.

The outcome of this process has resulted in a significant increase in the Unallocated Reserves budget from \$250,000 to \$2,509,887 which is an increase of \$2,284,329. The \$2,284,329 increase in unallocated reserves is the result of offsetting the reduction in revenues and expenditures against reserves. The reduction in expenditures was four times the reduction in revenue.

These additional reserve funds may now be repurposed to student-focused priorities. The following are examples of potential funding opportunities:

- a. Justice Scholarship
- b. Quentin Thomas Scholarship*
- c. Emergency Fund for LGBTQIA+ students
- d. Emergency Fund for Undocumented Students
- e. Matador Food Pantry-basic needs*
- f. Resilient Scholars
- g. Grants for books, supplies, bookstore grants*
- h. Matacare funding
- i. Temporary Emergency Housing funding*
- j. Funding to support international students
- k. Scholarships that each of our three affinity centers could offer
- l. University recognition for students that have passed away
- m. Incentive gift cards for students to engage with our USU programs*
- n. Gift cards for students to participate in a USU trivia contest*
- o. Care Packages sent to Random/Targeted CSUN Students prior to finals with CSUN Gear, gift cards, etc.*
- p. Providing dinners for the holidays for families in need (USU BOD Project)*

**Requires more Immediate Action*

The Committee had the following questions/concerns:

1. Can we pick multiple funding opportunities?	<i>Yes, you can express your opinion on any of the funding opportunities listed or suggest ideas for other funding opportunities not on the list.</i>
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<p>2. How was this initial list of funding opportunities generated? Was it a discussion item with the Board?</p>	<p><i>This list was put together by Debra Hammond, BOD Chair Melanie Alvarez and Vice Chair Alberto Martinez.</i></p>
<p>3. Is there a COVID-19 relief option?</p>	<p><i>Yes, this falls under the Matacare Funding option.</i></p>
<p>4. I like the idea of being able to use this surplus for students. We should be using this to provide funding to the food pantry first and scholarships after.</p>	
<p>5. Students have a huge concern about internet/technology accessability. Maybe we can utilize some funding to provide students with internet/technology.</p>	

Statement of Changes in Financial Position

Total assets are \$8,458,079 of which \$7,549,491 is liquid cash. Total liabilities are \$4,753,118 of which \$3,582,089 are the estimate to pay for the projected medical expenses of current and future USU retirees who are in the Retirement Health Benefits Plan (RHBP). Total Net Assets are \$3,704,961.

Investment Summary

Total investment income is \$81,593 of which a total of \$81,484 is from our investment in the CSU Systemwide Investment Fund Trust (SWIFT).

Unallocated Reserves

During the first quarter, Unallocated Reserves were increased by \$2,284,329. This budget is now \$2,259,887.

Designated Reserves

A total of \$39,626 of Designated Reserves was transferred to the operating budget during the quarter for vacation advances, employer-paid payroll taxes, and a salary reclassification.

Capital Outlay

The capital outlay budget is \$45,589. No capital outlay expenditures were incurred during the first quarter.

Foundation Account Balances

The USU Foundation account has a cash balance of \$279,658 of which \$180,381 is unrestricted and \$99,277 is restricted.

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Work Study

The USU has expended \$664. No Work Study funds have been received because the first invoice for Work Study will occur in the second quarter.

Motion passes 6-0-0

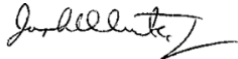
VII. Announcements

J. Akopnik mentioned that there will be a special final Finance Committee Meeting on Friday, December 4th at 3:00 p.m. The purpose of this meeting is to approve funding for the Esports space in the Games Room. The meeting should take no more than 30 minutes.

VIII. Adjournment

Committee Chair, Jacob Akopnik adjourned the meeting at 4:12 p.m.

Respectfully Submitted By,



Joseph Illuminate
Associate Director, USU Accounting & Finance