

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
MARCH 13, 2015
MINUTES**

I. Call to Order

The meeting was called to order by A. Wheaton at 2:22 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Francisco Contreras, Student Representative (voting)	Pierre Jackson, Student Representative (voting)	Jimmy Francis, SRC Director
Sharon Eichten, University Representative (voting)	Arianna Mesbahi, Student Representative (voting)	
Brenda Flores, Student Representative (voting)	Perlita Varela, Committee Chair (voting)	
Debra Hammond, Executive Director (non-voting)		
Stephanie Ibarria, Student Representative (voting)		
J. Illuminate, Executive Secretary (non-voting)		
Jesus Martinez-Ramirez, Board Chair (non-voting)		
David O'Neill, Student Board Representative (non-voting)		
Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting)		
Asia Wheaton, Student Board Representative (voting)		

Jesus Martinez-Ramirez arrived at 2:25 p.m.

III. Approval of Agenda

M/S/P (S. Ruelas-Bischoff/B. Flores) motion to approve the agenda for March 13, 2015.

Main motion passes by General Consensus

IV. Approval of Minutes

M/S/P (F. Contreras/B. Flores) motion to approve the minutes for February 20, 2015.

Main motion passes 3-0-2

V. Chair's Report

Asia Wheaton welcomed new student committee member Stephanie Ibarria, who is a business management major.

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VI. Action Items

A. Credit Card Policy & Procedure

M/S/P (S. Eichten/B. Flores) motion to recommend approval of the revisions to the Credit Card Policy.

The original motion for this action item was to recommend approval of the revisions to policy *and procedure*. The “and procedure” language was deleted from the motion since the committee and Board of Directors only approves revisions to the policy and not the procedure.

David O’Neill reviewed the revisions to the policy. He also highlighted the significant revisions to the procedures as an information item.

1. The procedure precisely clarifies that the corporate credit card cannot be used to purchase capital outlay (fixed assets purchases) for any purchase that would require a standard agreement or performance contract.
2. The Associate Director, Finance & Business Services is the administrator of the corporate credit card program, not the Accounting Manager.
3. The list of positions authorized to be corporate credit cardholders was deleted. Instead, the Executive Director determines who is authorized to be a corporate credit cardholder.
4. Electronic receipts are acceptable as supporting documentation for purchases.
5. Credit cardholders are may be held personally liable for charges if a receipt is not provided unless a written exception is provided by the Executive Director.
6. The use of personal debit and credit cards is authorized by staff and student employees if the use of the corporate credit card is not feasible.
7. The Executive Director is authorized to make limited written exceptions to the Corporate Credit Card Policy and Procedure.

Motion passes 5-0-0

VII. Discussion Items

A. 2015-16 Proposed Capital Outlay Budget

Asia Wheaton reviewed the proposed 2015-16 capital outlay budget totaling \$147,173:

Item #	ItemDescription	Category	Base Cost	Contingency	Total Cost
1	Northridge Center (NRC) Event Lighting Equipment	Equipment	\$ 12,042	\$ 1,204	\$ 13,246
2	Executive Board Room Furniture	Furniture & Fixtures	\$ 11,751	\$ 1,175	\$ 12,927
3	Budget Preparation Software	Software	\$ 75,000	\$ 7,500	\$ 82,500
4	Pride Center and Veterans Resource Center (VRC) Relocation	Leasehold Improvements	\$ 10,000	\$ 1,000	\$ 11,000
5	Plaza del Sol Performance Hall (PDSPH) Fire Curtain Upgrade	Equipment	\$ 25,000	\$ 2,500	\$ 27,500
	TOTAL		\$ 133,794	\$ 13,379	\$ 147,173

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The purpose of the capital outlay budget is to purchase fixed assets which are defined as any single item with a value or purchase price greater than \$5,000 which is used in a productive capacity in the student union for more than one year.

Each line item in the budget has a 10% contingency to account for changes in price or scope of the purchase. She noted that the capital outlay budget is subject to change.

Fixed assets are classified into five different categories with each category having a useful life:

- Computers & Peripherals – 3 years
- Equipment – 5 years
- Furniture & Fixtures – 5 years
- Leasehold Improvements – 15 years
- Software – 3 years

Fixed assets are depreciated evenly over their useful lives. For example, if a machine categorized as equipment has a cost \$5,000, then the annual depreciation would be \$1,000 per year for each of the five years.

The definition of useful life is the period of time during which an asset is expected to be usable for the purpose it was acquired. It may or may not correspond with the actual physical life or economic life. For example, a machine categorized as equipment, has a useful life of five years for bookkeeping purposes, but may actually physically last for 10 to 15 years.

Useful lives are shorter for fixed assets categories with higher obsolescence rates. That is why the useful life for the Software and Computers & Peripherals categories are only three years. Leasehold Improvements have the longest useful life because leasehold improvements are additions, alterations, remodeling, or renovations to buildings.

B. 2015-16 Proposed Repair & Replacement Budget

Asia Wheaton reviewed the 2015-16 Proposed Repair & Replacement Budget totaling \$711,536:

Item #	Item Description	Base Cost	Contingency	Total Cost
1	Grand Salon Audio System	\$ 103,235	\$ 10,323	\$ 113,558
2	Executive Board Room Audio System	\$ 58,827	\$ 5,883	\$ 64,710
3	Moorpark Room Audio Visual System	\$ 35,314	\$ 3,531	\$ 38,846
4	Portable Audio System	\$ 30,466	\$ 3,047	\$ 33,512
5	Mobile Projection System	\$ 30,708	\$ 3,071	\$ 33,779
6	Plaza del Sol Performance Hall (PDSPH) Audio Visual System	\$ 90,000	\$ 9,000	\$ 99,000
7	Student Recreation Center South Side Hill Renovation	\$ 178,301	\$ 17,830	\$ 196,131
8	Games Room Renovation	\$ 120,000	\$ 12,000	\$ 132,000
9	Northridge Center (NRC) Renovation	\$ -	\$ -	\$ -
	TOTAL	\$ 646,851	\$ 64,685	\$ 711,536

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Major purchases are generally defined as purchase or group of similar purchases with a value greater than \$100,000. A recent example of a major purchase was the recent replacement of exercise equipment in the Student Recreation Center.

Major Repairs & Replacements are renovation projects with a value greater than \$100,000. An example of a major repair and replacement project was the painting of the exterior of all USU buildings several years ago.

Major Repairs & Replacements are included in the USU's 30 year Repair & Replacement Plan. The 30 year plan is in the process of being updated by a company called Sightlines. The updated Repair & Replacement Plan will be completed by fiscal year end.

The 30 year Repair & Replacement Plan indicates how much money the USU needs to transfer into the USU's Repair and Replacement fund each fiscal year in order to have sufficient funds on hand to make needed repairs when they come due. Currently, the USU transfers an average of \$1,550,000 each year into the Repair & Replacement fund. The Repair & Replacement fund is administered by the campus on behalf of the USU.

The NRC Renovation cost is not shown because the costs are still in the process of being developed.

Asia pointed out that each line item has a 10% contingency and that the proposed budget is subject to change.

VIII. Announcements

None

IX. Adjournment

The meeting was adjourned by Asia Wheaton at 3:08 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, Finance & Business Services