

Associated Students Board of Finance  
Humboldt State University  
Monday, October 26, 2015  
Nelson Hall East, 120  
Minutes #2

**Call to Order**

Alexis Hernandez, Administrative Vice President, called the Board of Finance meeting to order at 3:00 p.m. on Monday, October 26, 2015 in Nelson Hall East 120.

**Roll Call**

Members Present: Juan Cervantes, Graciela Chipres, Alexis Hernandez, Joseph Mularky

Advisor Present: Joan Tyson

**Approval of the Agenda**

MOTION: CHIPRES/CERVANTES move to approve Agenda #2 dated October 26, 2015

APPROVED

**Chair's Report**

Hernandez did a lot over the week and will report more during the A.S. Council meeting.

**Public Comment**

*There was no public comment.*

**Approval of Minutes**

MOTION: CHIPRES/CERVANTES move to approve minutes #1 dated October 12, 2015

APPROVED

**Old Business**

- A. Request to Change the Publication Date for the Cultural Times – **Action Item**  
Amy Westmoreland, MultiCultural Center Director, requests the publication date for the Cultural Times be changed from Monday, December 7, 2015 (per paragraph 10 of the Associated Students State University 2015-16 Budget Policies and Procedure) to a different date during the first week of the 2015-16 Spring Semester.

Westmoreland presented on what the Cultural Times is and requested to move the deadline to mid-January. The reason for the date change is because there are some MultiCultural Center events that are coming up that should be included in the magazine and some students are prioritizing their time and energy in school; they may not be interested in publishing work. Westmoreland noted the change will enable the students to engage more in the magazine, and the magazine will be of better

quality.

*There was no public comment.*

MOTION: CERVANTES/CHIPRES move to approve the Request to Change the Publication Date for the Cultural Times APPROVED

Cervantes asked if the publication date in the 2015-16 Spring Semester will have the same publication date. Westmoreland said that publication date will stay the same. Cervantes also asked if the date change would be only for this academic year or if the MultiCultural Center is looking to change it next year. Westmoreland said possibly, but would like to see how it works for this year. Cervantes mentioned there are students who will leave at the end of the 2015-16 Fall semester and may not be able to view the publication if it is published in January. Westmoreland noted she did not consider that, but could possibly publish the magazine in a digital form in December, 2015. It was also noted that this exception was for this year only and could be considered into the future as needed.

- B. Reserve Policy, Fund Designation and Procedure for Expenditure – **Action Item**  
 The Associated Students Reserve Policy and Fund Designation provides guidelines for basis of the annual review of the A.S. fiscal viability, and to provide the Council and General Manager sufficient funds to address contingencies, emergencies and budgetary impact and at the same time to have adequate working capital to maintain programs, services, facilities, finance non-routine replacement, meet the needs of future growth, and other priorities that the A.S. Council may have that falls within the Mission of the Associated Students. Changes are indicated by utilizing ~~strikethroughs~~ and underlined print.

In May 2015, when Joyce Lopes, Vice President of Administrative Affairs approved the AS 2015-16 budget on behalf President Rossbacher, Joyce Lopes recommended that AS under goes a review of its reserve policy to include specific funding levels to determine whether the reserve balance in on track to meet the needs of the AS. That result of that review is the proposed revised Reserve policy.

The purpose of the reserve policy, as outlined in the “Purpose” is to provide guidelines for basis of the annual review of the AS fiscal viability, and to provide the Council and General Manger sufficient funds to address contingencies, emergencies and budgetary impact and at the same time to have adequate working capital to maintain programs, services, facilities, finance non-routine replacement, meet the needs of future growth, and other priorities that the AS Council may have that falls within the Mission of the Associated Students.

We have three reserve funds;

1. Operating Reserve
2. Capital Purchases Reserve, and
3. Special Projects & Facilities Reserve

All of which are given further definition in the policy.

There policy also outlines the procedures for the expenditure of AS Reserves which does require review by the Board of Finance, approval by the AS Council and approval by the University

President (or designee) which in our case is Joyce Lopes, the Administrative Affairs VP. The recommended changes in this document are indicated by utilizing ~~strike-throughs~~ and underlined print.

There are two notable changes

1. The first is found on the second page that reads..." The maximum amount which should be retained for on-campus reserves combined is up to 30% of current year expenditures.....
2. Page three that increases the amount from \$2,000 to \$5,000.

The recommendation for the first change is the result of research on non-profits guidelines regarding this topic and other CSU's. While there are general guidelines for setting operating reserve goals, they should always be accompanied by "it depends". Most standards are based on a formula to have enough unrestricted cash to cover operating expenses for a number of months. A commonly used reserve goal is three to six months' expenses.

Three months, or 30% of our operating expenses, based on 2015-16 projected numbers is approximately \$345,000--which is higher than the recommended 30% maximum per the policy, by about \$50,000, but we do have some pending projects.

In addition, we have been funding our budget out of our reserves over the past 5+ years, so by the end of next year we will close to the 30% goal.

The "depends" for us as mentioned above is that a lot of our reserve needs are for cash flow purposes. For example we fund the payment of all AS expenditures up front and we submit a claim for reimbursement from our AS fee account that is held in a state trust account. Also, we fund all of the payments for IRA expenditures up front and we request reimbursement from the IRA trust account held on the state side on a monthly basis. We also depend on our reserves for summer operations.

The second change referred to is on page three. It increases the amount from \$2,000 to \$5,000 if a situation arises that that the General Manager can commit to if a situation should arise and standard procedures cannot be met.

*There was no public comment.*

MOTION: CERVANTES/CHIRPES move to approve the Reserve Policy, Fund Designation and Procedure for Expenditure APPROVED

Cervantes asked if \$5,000 is a sufficient amount for the General Manager if an emergency arises or if there is an unscheduled, routine maintenance repair. Tyson responded that it was.

- C. Review and approval of Associated Students 2014/2015 Comparison of Budget to Actual – **Action Item**  
As per AS Fiscal Code 9.01 the Board shall review and recommend approval of the annual comparison of budget to actual program budget details. The Comparison of Budget to Actual details the budgeted revenue and expense of each AS Program.

Tyson stated that the AS Fiscal Codes requires the Board of Finance to review the budgeted and actual spent amount for each program of the prior fiscal year (See 2014/15 Comparison of Budget to Actual document attached to these minutes). This document show the comparison of what programs were budgeted to spend and what they actually spent.

*Cervantes left the meeting at 3:29 p.m.*

*There was no public comment.*

MOTION: CHIPRES/MULARKY move to approve the Review and Approval of Associated Students 2014/2015 Comparison of Budget to Actual APPROVED

Tyson went over the document highlighting variances in each program. Programs are provided with a monthly financial statement and they are also expected to maintain a record-keeping system. It was explained that the net-income (unspent budgeted funds) is distributed into the reserves per the reserve policy. This item will be forwarded to the AS Council for final approval.

### Announcements

Hernandez announced that he has met with Cervantes to discuss strengthening the relations between the A.S. Council and A.S. programs. The A.S. Executive Committee is already reaching out to A.S. programs.

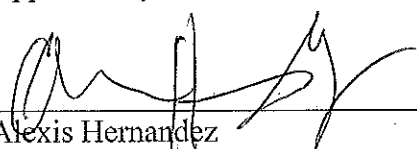
### Adjournment

Hernandez adjourned the meeting at 3:38 p.m. without objection.

Recorded by:

Patric Esh  
A.S. Council Assistant

Approved by:

  
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Alexis Hernandez  
Administrative Vice President