

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
OCTOBER 04, 2017
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, Jazmin Hernandez at 11:17 a.m.

II. Roll Call

Present	Absent	Staff/Guests
Aisha Bahadar, Student Representative (voting)	Debra Hammond, Executive Director (non-voting)	Emery Hernandez, Student Administrative Assistant
Sharon Eichten, University Representative (voting)	Habiba Naqvi, Committee Co-Chair (voting)	
Jazmin Hernandez, Committee Chair (voting)	Iris Ramirez, Board Chair (non-voting)	
Joseph Illuminate, Executive Secretary (non-voting)		
Cassidy Jimenez, Student Representative (voting)		
Alexis Lopez, Student Representative (voting)		
Clarissa Mejia, Student Representative (voting)		
Angela Pham, Student Representative (voting)		
Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting)		

Dr. Ruelas arrived at 11:20 a.m.

III. Approval of Agenda

M/S/P (A. Lopez / C. Jimenez) Motion to approve the agenda for October 04, 2017.

Main motion passes by general consensus

IV. Approval of Minutes

M/S/P (C. Mejia / C. Jimenez) Motion to approve the minutes for May 12, 2017.

Main motion passes by general consensus

V. Chair's Report

Chair, Jazmin Hernandez thanked those who attended the fall 2017 Orientation. She appreciates everyone's time and commitment toward the committee.

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VI. Action Items

A. 2017-18 Finance Committee Goals

M/S/P (A. Bahadar / A. Lopez) Motion to accept the 2017-18 Finance Committee Goals as presented.

Chair, J. Hernandez, explained that the goals were discussed at the Orientation held in September.

No.	GOALS
1	Revise the following policies and procedures (5.31.18): <ul style="list-style-type: none"> • Travel Policy * • Credit Card Policy* • Risk Management & Contracts Policy • Fixed Assets Policy • Cash Donations Policy
2	Update the long-term plan to ensure there are sufficient financial resources for the estimated costs of USU Renovation Project as determined by the Brailsford & Dunlavey report (12.31.17).

- J. Illuminate explained that the Travel Policy and the Credit Card Policy were revised last fiscal year. However, further revision is required because of the implementation of Concur. Concur is a software utilized to process pre-approval travel requests, travel expense reports, and AMEX credit card expense reports. Concur is gradually enhancing business efficiency by reducing the quantity of purchase orders, vendor invoices, and vendor payments. In addition, there is a reduction in the time expended processing monthly credit card reports for both the cardholder and for Accounting & Finance. In addition, Accounting & Finance saves time preparing the AMEX vouchers because an e-voucher is uploaded directly into the PeopleSoft accounting system without the need to enter every transaction line by line.
- The Risk Management and Contracts Policy requires updates due to the improvements made to risk management and contracting processes over the summer. USU contracts were updated to include insurance-related language in the Insurance Requirements in Contracts (IRIC) manual. A new contract was created specifically for IT Vendor Services due to the ever-increasing incidence of cyber-attacks. The Contractor Risk Assessment form is more user-friendly due to addition of dropdown menus that facilitates filling out the form.
- The Fixed Assets Policy has not been updated in over ten years. It requires updating to reflect current fixed asset practices.
- The Cash Donations Policy needs revision in order to give the USU more flexibility in making donations.

Main motion passes 7-0-0

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B. Funding Reallocation

M/S/P (A. Pham / S. Eichten) Motion to reallocate \$39,278.86 from the 2017-18 operating budget to the 2017-18 capital outlay budget in order to purchase five scoreboards for the Student Recreation Center.

The purchase of five scoreboards was approved in the operating budget for the 2017-18 fiscal year. The initial quoted price for each scoreboard was less than \$5,000. However, the installation cost for each scoreboard was not taken into account in the unit price. As a result, the unit cost of each scoreboard actually exceeds \$5,000, which reclassifies the purchase as fixed asset instead of an operating expense.

This situation was discussed with CohnReznick, the USU's audit firm. They also agree that the scoreboard purchase should be categorized as a fixed asset.

J. Illuminate explained that the definition of fixed asset is a purchase that has a unit price greater than \$5,000 or and has a productive capacity of one year or more. The Board of Directors approves all capital outlay purchases.

There is no fiscal impact since the funds are simply being reallocated from one budget to another.

Main motion passes 7-0-0

VII. Discussion Items

A. Campus Budget Presentation

Sharon Eichten presented a PowerPoint presentation "CSU Budget Overview" for the committee.

Both the State and CSU focus on incremental budgeting, which emphasizes an increase in the projected budget based on the prior year. In November, the CSU Board of Trustees will discuss and recommend the next year support budget request that will be submitted to the Department of Finance. This initializes the 2018-19 fiscal year budget planning process. In January, the Governor provides the first read of the next year's budget. From March to May, the Chancellor's Office sends representatives to Sacramento to lobby on behalf of the CSU, with the goal of influencing the amount of state funding allocated to campuses. The most crucial and determinant month is May. In May, the Governor has a better understanding of the state's resources available to allocate to each campus-based on April tax receipts. By June, the Legislature approves the state budget for the Governor's signature. S. Eichten reminded the committee that the campuses are very limited in dollars, and that they usually receive far less than the amount they originally requested.

For the 2017-18 fiscal year, the CSU requested an additional allocation of \$343.7 million. The allocation included the following line items:

- Graduation Initiative 2025 (GI 2025)
- Compensation increases for faculty and staff
- Deferred Maintenance

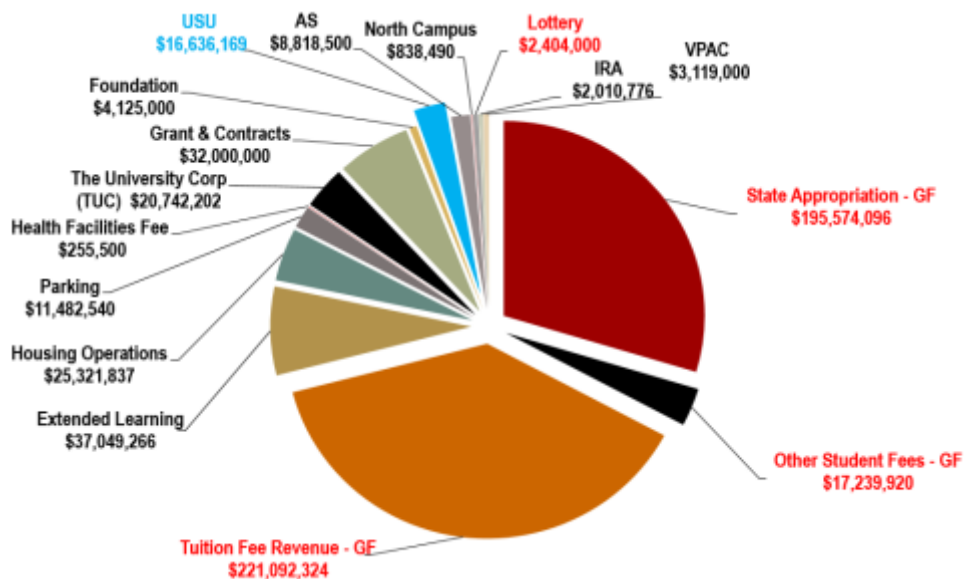
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- Mandatory Costs, such as Health and Retirement increases

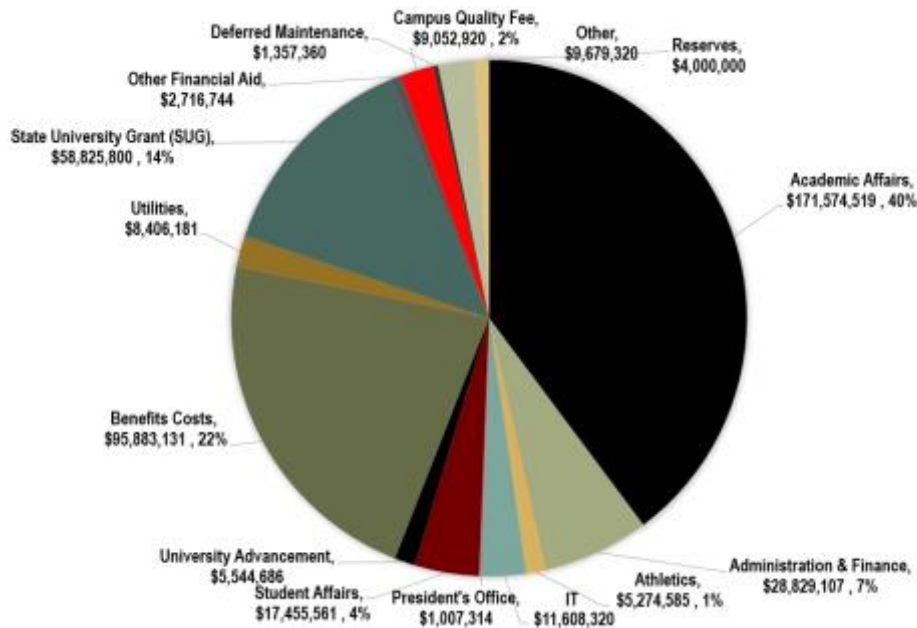
The CSU's 2017-18 actual incremental increase received was a total of \$252.0 million, which included the following items:

- GI 2025
- Compensation increases
- Mandatory costs

The 2017-18 General Operating Fund has increased from the previous year. The total Campus Operating Revenue (including auxiliaries) is approximately \$602.7 million and is broken down as follows:



The Total Campus **General Fund** Operating Expenses (excluding auxiliaries) are approximately \$433 million and are broken down as follows:



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S. Eichten explained that costs such as health, retirement, and the over enrollment of students has decreased the amount of funds available to cover expenses. The campus also plans to have 3.5% equivalent of the operating budget to set aside for fiscal emergencies (reserves).

The GI 2025 is the CSU's premier initiative. Its objective is to increase graduation rates while eliminating opportunity and achievement gaps. The campuses want to provide extra help, such as mentors and graduate and retention specialists, to help struggling students overcome barriers and reach the graduation finish line.

Topics addressed in the GI 2025 are the following:

- Academic preparation
- Enrollment Management
- Student Engagement and Well-Being
- Financial Aid

CSUN received \$5.9 million in permanent funding in 2017-18 for GI 2025.

S. Ruelas-Bischoff and S. Eichten both explained that the most crucial years to academic achievement and success are the first two years of attendance. During this time, dropouts occurs more frequently. There has been a gradual increase in the number of students reaching their second year. The Governor is emphasizing that a student graduate in four years, while typical graduation timeframe for CSUN students is six years.

VIII. Announcements

Chair, Jazmin Hernandez wished the students good luck on their midterms.

IX. Adjournment

Committee Chair, Jazmin Hernandez adjourned the meeting at 12:12 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance