

**STUDENT UNION BOARD OF DIRECTORS
FINANCE COMMITTEE**

**Meeting Minutes
October 5, 2022
3:00 PM**

This is a hybrid meeting.

In-person: Student Union Inc. Building, Conference Room 6

Telecommute meeting by Zoom Video Conference.

This meeting is being facilitated in person and through an online Zoom format.

Voting Members Present: Kathryn Blackmer Reyes, Andrea Cabrera-Sanchez, Dr. Sonja G. Daniels, Jeet Parekh, Kathleen Prunty (BOD Designee)
Voting Members Absent: James Figueroa, Peter Lee
Updated Attendance: James Figueroa was updated to present at 3:08 PM
Peter Lee was updated to present at 3:17 PM
Non-Voting Member Present: Tamsen Burke

I. CALL TO ORDER

Director Cabrera-Sanchez called the meeting to order at 3:04 p.m.

II. ROLL CALL

Director Cabrera-Sanchez asked Kelly Goldsmith to take roll. Kelly Goldsmith completed a verbal roll call.

III. APPROVAL OF OCTOBER 5, 2022 MEETING AGENDA

Director Cabrera-Sanchez asked for any changes to the agenda.

Director Cabrera-Sanchez asked for a motion to approve the agenda.

Director Parekh motioned to approve the agenda; Ms. Prunty seconded the motion.

Vote on the Motion: 5-0-0 Motion Passed

IV. APPROVAL OF SEPTEMBER 7, 2022 MEETING MINUTES

Director Cabrera-Sanchez asked for any changes to the minutes.

Ms. Prunty requested changes to the second last paragraph under item VI. B. She did not agree with the representation of this statement and clarified that there wasn't an agreement made during the meeting with Ms. Burke, Ms. Prunty, and Patrick Day that the university was going to provide monthly reports on the use of the university fees. Ms Prunty requested the word "stated" be added after "Ms. Burke" to reflect the comments as a statement by Ms. Burke and not a reflection of what was said during the meeting that occurred outside of the finance committee meeting. She also requested striking "in compliance with Title 5 and Education Code, as well as both the Student Referendum and Alternative Consultation done in separate years." This was not said during the finance committee meeting.

The committee discussed the recommended changes. Ms. Prunty wanted the committee to understand that the university did not agree to provide monthly reports regarding the use of

university fees. The university would be happy to share information with the committee which could be done through an invitation to the CFO requesting a presentation.

Ms. Burke explained that the word “They” implies that the responsibility would lie with the Student Union and the university to prepare the reports. The Student Union (SU) also has access to the information to that account so Ms. Burke made it a collective responsibility of “us” (Ms. Burke, Ms. Prunty, and Mr. Day), to make sure that the finance committee knows what’s happening in the 73000 Student Union Trust account.

Director Cabrera-Sanchez asked for a motion to approve the meeting minutes with the changes. **Director Daniels motioned to approve the meeting minutes with the changes; Director Figueroa seconded the motion.**

Vote on the Motion:

7-0-0

Motion Passed

V. DISCUSSION ITEMS

A. Committee Goals for Fiscal Year 22/23

Ms. Burke confirmed the goals the committee discussed during the last committee meeting. Information on the budget process in its entirety and understanding the accounting of the trust fund. Ms. Burke asked that if there are additional goals the committee would like to accomplish this year that we make sure that we are focusing on the work of this committee.

B. Development of the Budget Planning and Process for Fiscal Year 23/24

Ms. Burke reviewed the budget timeline outline. Based on a recommendation from the Finance Committee last year, the budget process will begin earlier. She explained that the outline includes the roles and responsibilities of the Finance Committee, SU executive team, and department directors and managers in preparing and reviewing their budgets. Also included are the roles of the board and university administrators as part of the approval process. Ms. Burke reviewed the schedule and explained that the board will need to approve the budget late April. In preparation for the budget, the committee needs to review and approve the budget timelines, guidelines for budget development, and budget policies. All departments will receive their budget materials and templates in January to start developing their budgets. A forecast for the remaining year's budget will be submitted in January and include a spend down of each of the specific accounts that have been allocated funds. This is to provide transparency of use of the 2022-23 budget and in anticipation of next year's budget. Department managers and directors will have a deadline in February to turn in their budgets. The executive team will compile all 25 budgets into one budget for review.

Ms. Burke explained that in the mid-year forecast the student wage line could potentially be higher due to the new Operating Agreement. The SU is spending a significant amount of money around students and service around events that we would have normally collected in reimbursable expenses. In anticipation of being over budget, Mr. Banks is keeping a monthly total and tracking what real expenses are incurring for Event Services.

Ms. Burke answered questions from the committee which included explaining that new managers and supervisors will go through a training that helps them understand how to develop their budget and how to read the forecast. For directors and supervisors who are still in their positions, a manual was prepared for them so they know exactly what every account is and what the designated accounts are. She explained that there will be a push this year for a very strong initiative around goals and what departments are going to accomplish this year that speaks to any requests for an increase in money. There will be a document that will need to be submitted as part of this process.

Ms. Burke explained that in February, each director and manager will be responsible for doing a budget presentation to the executive team. As per a recommendation made a year ago, anyone on the Finance Committee or the board can attend those presentations. Typically there are two meetings scheduled for the Finance Committee to review the budget before it goes to the board for approval.

Ms. Prunty asked about the Finance Committee to-do note at the bottom of the timeline. Ms. Burke clarified that only if the committee members want to attend the in-service would they need to vote on a date.

C. SSETF Financials for Funding

Ms. Burke explained that for transparency, and to make sure the Finance Committee understands that while we receive student fees, we need to recognize IRA funds as an additional source of revenue/expenses. The IRA funds are the Student Success, Excellence and Technology Fee (SSETF). The SU funds are provided to the SU club sports and intramural programs based on the Memorandum of Understanding which were agreed upon when they were moved from Associated Students to the SU. Club sports teams have to submit a budget, which is reviewed by a student committee, and then the funds are allocated to the club sports that are registered and active for the year. The budgets are managed through the SU finance and accounting department. The new funding received this year is for staffing of Esports and student supervisor work in oversight of club use of facilities. This is a two year allocation, it is not permanent money. A year-end report is required to be submitted that shows how we contributed towards student success and excellence as a part of the use of those funds.

Club sports and intramurals are critical programs and they impact a number of students that are involved in the programs. Director Daniels is looking forward to seeing how SRAC and the team will continue to use those funds and how they report back to the university.

Ms. Burke explained that these funds will be in the budget because they need to be reported as revenue and expenses.

VI. DISCUSSION/ACTION ITEMS

A. Adopt Updated Resolution No. 10.21.22.02 Authorizing the Deposit and Withdrawal of CSU San Jose Student Union Monies in the Local Agency Investment Fund (LAIF)

1. **BACKGROUND:** In 1976, the State of California established an Investment Fund in the State Treasury to be used by local agencies to pool their resources for investment. The SU began participating in the Fund in 1992. The updated resolution reflects the current individuals who are authorized to transfer funds into or out of the LAIF account.

Director Cabrera-Sanchez read the background information. Ms. Burke explained the funds in this account have not been touched so she would like to close the account and move the funds to a different account. In order to close the account the committee needs to review the resolution and give authority to the new signees to transfer the funds out and close the account.

Ms. Burke answered questions from the committee. She explained that the funds would be deposited into the long term investment account and the action on this item, as part of the resolution, is for the committee to give the signees authority to be able to withdraw from the account.

Director Cabrera-Sanchez asked for a motion.

Ms. Prunty motioned to approve Tamsen Burke and David Alves as signers on the LAIF account which is Resolution No. 10.21.22.02; Director Parekh seconded the motion.

Vote on the Motion: 7-0-0 Motion Passed

B. Approve the Withdrawal and Closure of the CSU San Jose Student Union LAIF

Director Cabrera-Sanchez asked for a motion.

Director Parekh motioned to approve the withdrawal and closure of the CSU San Jose Student Union LAIF account; Director Lee seconded the motion.

The committee discussed the motion and a recommendation was made to add a statement to the motion regarding where the funds would be deposited. Ms. Burke explained that the account is non-performing and would like to close it. Ms. Burke agreed that the funds would be deposited into the UBS long term investment account.

Director Cabrera-Sanchez asked for a motion to approve the withdrawal and closure of the CSU San Jose Student Union LAIF account with money to be deposited into UBS long term investments.

Director Parekh motioned to approve the withdrawal and closure of the CSU San Jose Student Union LAIF account with money to be deposited into UBS long term investments; Director Daniels seconded the motion.

Vote on the Motion: 7-0-0 Motion Passed

VII. MEETING ADJOURNMENT

Director Cabrera-Sanchez asked if there were any objections to adjourning the meeting. Hearing no objections, the meeting was adjourned at 3:51 p.m.