

Associated Students Inc.



Finance Committee

Thu Aug 29, 2024 1:15 PM - 2:30 PM PDT

1. Call to Order

Samantha Ngo, Finance Committee Chair, called the meeting to order at 1:17 pm.

2. Roll Call

Members Present: Garibay, Her, Jain, Ngo

Members Absent: None

Liaisons Present: Daga, Hsgard, J. Morales

Liaisons Absent: None

According to the ASI Policy Concerning Board of Directors Operations, attendance is defined as being present prior to the announcement of Unfinished Business and remaining until the scheduled end of the meeting.

* Indicates that the member was in attendance prior to the start of Unfinished Business, but left before the scheduled ending of the meeting.

** Indicates that the member was in attendance for a portion of the meeting, but not in attendance prior to the announcement of Unfinished Business.

3. Approval of Agenda

(Garibay-m / Jain-s) The Agenda was approved by unanimous consent.

4. Approval of Minutes

None

5. Public Speakers

Members of the public may address Finance Committee members on any item appearing on this posted agenda.

None

6. Reports

a. Chair

Ngo welcomed everyone to the new school year and provided updates on her recent activities.

Over the last few months, she attended several events, including ASI summer trainings, and she completed the board leadership training. Ngo also met with Dr. Dave Edwards (ASI Executive Director) and Kathleen Postal (CFO) to understand her role and the expectations of the Treasurer.

To better serve the Committee, a key goal for the upcoming months will be to gain a deeper understanding of the budget and budgeting process.

b. Director of Student Government

Hesgard, Director of Student Government, thanked everyone for their engagement over the summer and responsiveness regarding schedules and participation.

She highlighted upcoming ASI and campus events, including Discoverfest next week, All Day ASI on September 12th, and the university's convocation on September 19th, encouraging participation.

Hesgard also announced that ASI scholarships opened with the start of classes and will close on October 14th, with more information on grading to follow. She reminded everyone that ASI is still hiring, with details available on the website and social media.

7. Unfinished Business

a. None

8. New Business

a. Discussion: Review of Roles and Responsibilities

The Committee will discuss their roles and responsibilities.

Ngo, Chair, yielded the floor to Hesgard, Director of Student Government, to review the Committee's roles and responsibilities, particularly for new members.

Hesgard began by outlining the committee's primary function, which includes holding hearings and making budget recommendations to the ASI Board of Directors. The committee is tasked with approving the annual budget for the next academic year, a process that begins in the fall and typically concludes by mid-March. Additionally, the committee oversees fiscal approvals throughout the year, which involve contingency requests and large financial transactions.

Hesgard emphasized the importance of the committee's oversight in managing a \$30,000 budget allocated for new and innovative programs, as well as additional needs for existing programs. The committee reviews single-item expenditures over \$5,000 and line-item transfers, ensuring responsible accounting practices. These responsibilities are critical in maintaining the financial integrity of the organization, especially when it comes to approving funds for various student organizations and programs.

The Committee also plays a role in reviewing and recommending changes to organizational financial policies, particularly those with a financial component. This includes policies related to research grants, funding for student organizations, and executive Senate areas. Furthermore, the committee is responsible for setting facility user fees for the Titan Student Union, Student Recreation Center, and Children's Center, ensuring that pricing structures are fair and aligned with the organization's goals.

Hesgard outlined the expectations for committee members, stressing the importance of attendance, active engagement, and outreach to constituents. Members are encouraged to ask questions, stay informed, and approach their roles with the mindset of a "prudent person," acting sensibly and promptly in their decision-making.

Ngo, Chair, opened the floor for questions and points of discussion.

There were none.

b. Discussion: Introduction to ASI Financial Statements

The Committee will review various accounts including investments, accounts receivable, pensions and post-retirement benefits.

Ngo, Chair, yielded the floor to Postal, CFO, to review the ASI Financial Statements.

Postal began by welcoming the committee and providing an overview of her role. As the CFO, Postal is responsible for overseeing the organization's finances, including

communication with the Board and Committees, managing budgets and planning, cash management, investments, and providing leadership within her departments.

Postal detailed the structure of her departments, which include finance and accounting, building engineering, information technology, and internal auditing.

The finance and accounting department manages all fiscal responsibilities, such as accounts payable and receivable, payroll, budgeting, and financial reporting. This includes preparing financial statements and managing the audit process with independent auditors to ensure accuracy and compliance.

In building engineering, the focus is on facility maintenance and capital projects, including repairs, custodial services, and minor construction. The department also oversees specialized staffing, such as electricians and HVAC specialists, ensuring all certifications are up-to-date.

The information technology team, although small, plays a crucial role in maintaining hardware and software, managing help desk support, and coordinating with campus IT for data and software services.

The internal auditor ensures compliance with policies and procedures, identifies areas of risk, and helps minimize organizational risk by implementing new policies as necessary.

Postal concluded by highlighting her role in managing two key fees: the Associated Students Fee (AS) and the Titan Student Union Fee (TS). These fees support various programs, including student government, programming, athletics, and infrastructure. She discussed the budgeting process, reserve funds, and long-term financial obligations, including pension liabilities and retiree medical benefits.

Ngo, Chair, opened the floor for questions and points of discussion.

There were none.

9. Announcements/Member's Privilege

Ngo mentioned that the Center for Leadership was hosting a welcome meeting that day from 4:00 PM to 6:00 PM at SMH, 3230. This event was open to all students and presents an excellent opportunity to meet executives from various companies. Ngo highlighted that attending this event could potentially lead to scholarship opportunities.

10. Adjournment

Samantha Ngo, Finance Committee Chair, adjourned the meeting at 2:00 pm.



ASI Board Treasurer-Secretary (Sep 17, 2024 13:49 PDT)

Samantha Ngo, Finance Committee Chair



Erika Perret-Martinez, Recording Secretary

Roll Call 2024-2025

08/29/2024 Finance Committee Meeting

Attendance	Board Members			
			Present	Absent
COMM	GARIBAY	JOEL	1	
ART	HER	BENJAMIN	1	
ECS	JAIN	KAVIL	1	
CHAIR/TRES	NGO	SAMANTHA	1	
			Present	Absent
			4	0

QUORUM 4
Majority 3

Attendance	Liaisons			
			Present	Absent
DIR STU GOV.	HESGARD	REBECCA	1	
ASI PRES.	MORALES	JOE	1	
ASI CHAIR	DAGA	KESHAV	1	
			Present	Absent
			3	0

*Recording Secretary: Erika Perret-Martinez

Pres Designee:

Chair Designee: Keshav Daga











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Final Audit Report

2024-09-18

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By:	Susan Collins (sucollins@fullerton.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAj8tz87o8NHht-INWpjuWqfS2DljGEnXw

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-  Agreement completed.
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F I N A N C E
C O M M I T T E E

R O L E S &
R E S P O N S I B I L I T I E S



P U R P O S E

1. Hold hearings and refers budget recommendations to the ASI Board of Directors.

- **Annual Budget Process**
- **Fiscal Approvals Throughout the Year**
 - Contingency Requests
 - Single Item Expenditures Over \$5,000
 - Line-Item Transfers

P U R P O S E

2. Develop, review and make recommendations concerning organizational financial policies.

- **Policies Concerning...**
 - Research Grants
 - Funding Provided to Students and Student Organizations
 - Executive Senate

P U R P O S E

3. Make recommendations on facility user fees.

- **User fees for TSU, SRC, and Children's Center**
 - Students
 - Faculty/Staff
 - Community members

R E S P O N S I B I L I T I E S

1. Attendance
2. Willingness to Learn
3. Outreaching to Constituents
4. Staying Engaged

T H E P R U D E N T P E R S O N

1. Such a person ***acts sensibly, does things without serious delay, and takes proper but not excessive precautions.***
2. The actions of a prudent person in a similar situation are the guide in determining whether an individual's actions were ***reasonable.***

**W H A T T O P I C S
D O E S T H E A S I
F I N A N C E
C O M M I T T E E
C O V E R ?**

C O M M I T T E E T O P I C S

1

Introducing ASI
Financial Statements

2

The ASI Budget Process,
Methodology, and Timeline

3

Capital Funding
Expenditures

4

Receive Updates on Student Government,
Operations, and Administrative Budget

5

Discussing ASI President's
Budget Recommendations

6

Reviewing the Structure of
ASI Investments

A N Y Q U E S T I O N S ?



Finance Committee
August 29, 2024
CFO Oversight



CALIFORNIA STATE UNIVERSITY
FULLERTON™



CFO Departments



Finance/Accounting



Building
Engineering



Information
Technology



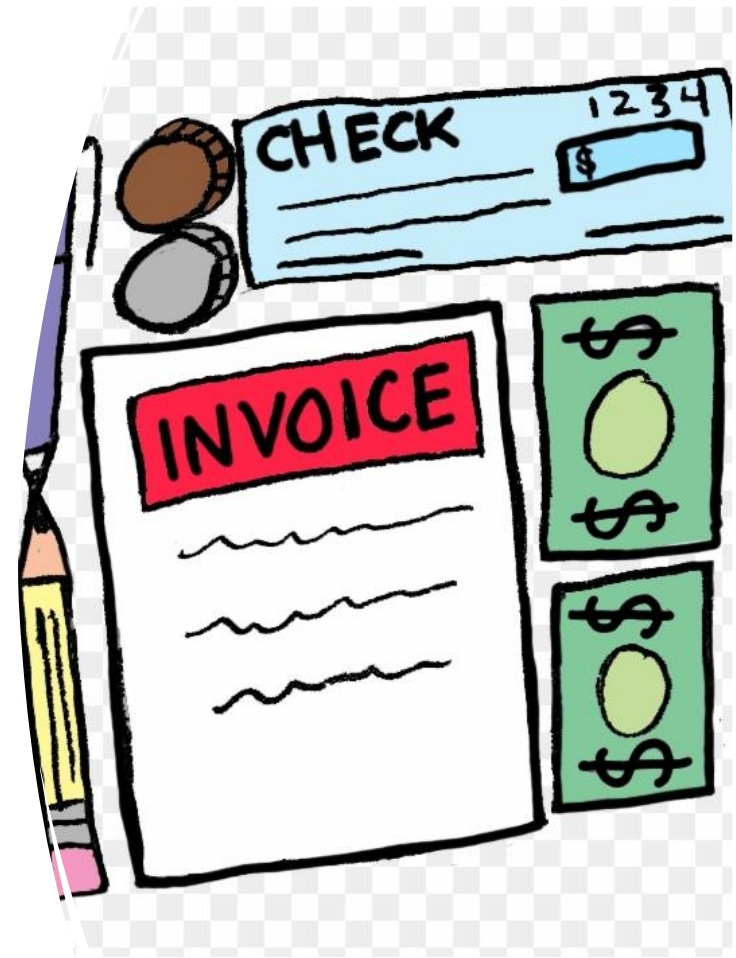
Internal Auditor

Finance/Accounting

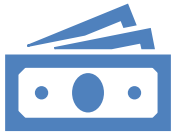


Finance/Accounting

- Accounts Payable (AP)
 - Check processing
 - Purchase Order set up
 - Credit Card Expense
- Accounts Receivable (AR)
 - Accruing Income
 - Grants Management
 - Account reconciliation



Finance/Accounting



Payroll

Bi-monthly payroll processing
Benefits reconciliation



Budget

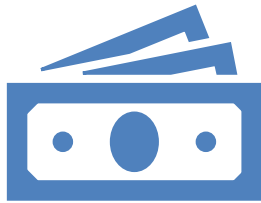
Annual development
Monthly/Quarterly analysis of Budget to Actual



General Ledger

Creating journal entries
Account reconciliation and analysis

Finance/Accounting



Financial Statement

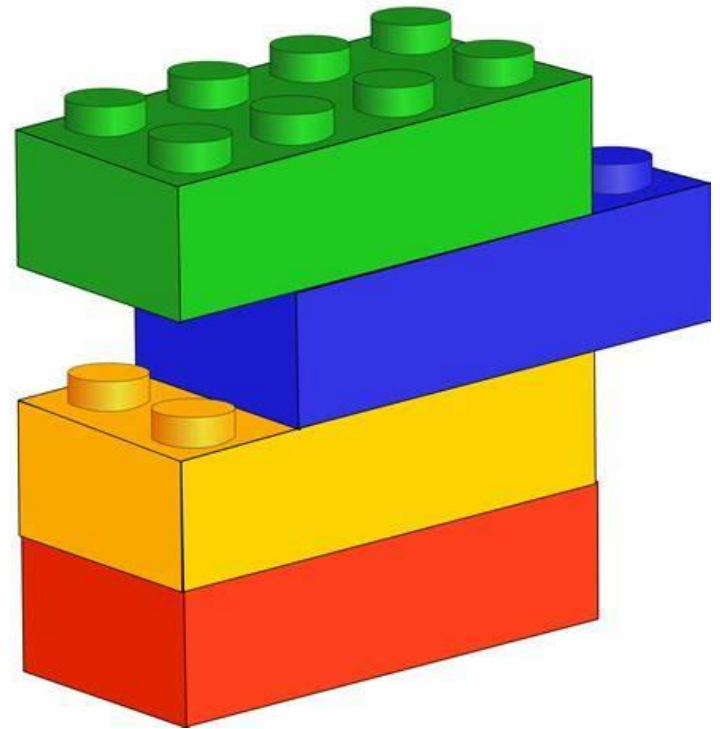
Prepared Monthly & Quarterly
Reviewed with Executive Director
Quarterly presented to the Finance
Committee and Board of Directors



Audit

Annual financial audit, by outside
accounting firm
Children's Center audit for the
California Grants

Building Engineering



Building Engineering



Repairs and maintenance



Custodial / Landscaping



Capital Projects

10-year Infrastructure
Planning

Building Engineering



Minor Construction



Staffing:

Electricians

Plumbers

HVAC Specialist

OSHA Certified

Information Technology



Information Technology



Hardware &
Software



Staff Setup



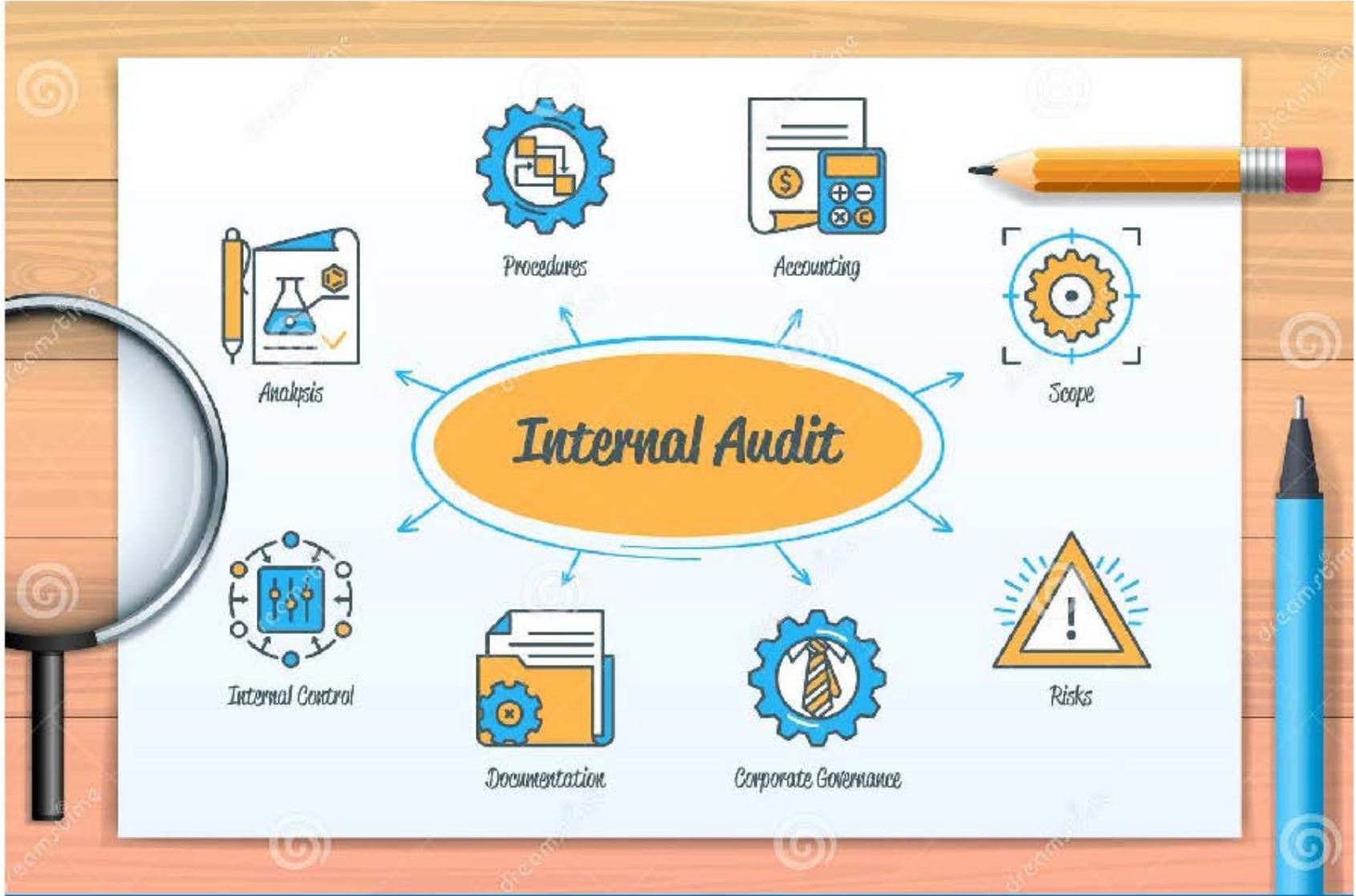
Helpdesk



Coordinate with
Campus IT



Keep things
running



Internal Audit



Procedures



Accounting



Scope



Risks



Corporate Governance



Documentation



Analysis



Internal Control

Questions?



Finance Committee
August 29th
Introduction to ASI Accounting

Kathleen Postal, CFO



CALIFORNIA STATE UNIVERSITY
FULLERTON™

Organization Financial Operations Overview

- Associated Students, Inc.
 - Student Government and Programming
 - ICCS and Funded Campus Groups
 - Student Programs including concerts, speakers and AICA
 - Children’s Center
 - Grant Management and Tuition
 - Infrastructure
 - HR, Finance and Accounting, Building Engineering Services, IT
- Titan Student Center
 - Titan Student Union
 - UCC, TBB and Arts & Exhibits
 - Student Recreation Center
 - Membership, Classes, Outdoor Adventure

Organization Financial Operations Overview

- Agency/Clubs
 - Provide services for all clubs including training, and expense payments
 - Establish accounts, create weblinks for cash collections and payment processing for club activity
 - Provide reporting
- Athletic Transaction Processing
 - Provide payment processing for Athletics

ASSOCIATED STUDENTS REVENUE FUND BALANCE			
AS	2022-2023 ACTUAL	2023-2024 ESTIMATE	2024-2025 PROPOSED
ASB DEPOSITORY FUND (TB001)			
PRIOR YEAR FUND BALANCE	\$ 231,092	\$ 251,152	\$ 218,026
DEPOSITORY FEES	\$ 6,659,454	\$ 7,245,403	\$ 7,599,091
INTEREST INCOME	\$ 9,060	\$ 16,647	\$ 25,000
SUB-TOTAL	\$ 6,899,606	\$ 7,513,202	\$ 7,842,117
EXPENDITURES	\$ 6,638,886	\$ 6,984,216	\$ 7,460,489
UNCOLLECTED STUDENT FEES	\$ 9,568	\$ 15,000	\$ 10,000
UNFUNDED PENSION LIABILITY		\$ 295,960	\$ 258,045
EXPENSE TOTAL	\$ 6,648,454	\$ 7,295,176	\$ 7,728,534
ENDING FUND BALANCE	\$251,152	\$218,026	\$ 113,583
ASSOCIATED STUDENTS			
RESERVE FUND BALANCES	BALANCE 06/30/2023	EXPECTED BALANCE 06/30/2024	PROJECTED BALANCE 6/30/2025
Catastrophic		\$ 360,000	\$ 360,000
Loss of External Funding		\$ 434,250	\$ 434,250
Working Capital		\$ 414,250	\$ 414,250
Children Center	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Equipment		\$ 18,680	\$ 20,000
TOTAL RESERVE	\$ 3,000,000	\$ 4,227,180	\$ 4,228,500

TITAN STUDENT CENTERS			
REVENUE FUND BALANCE			
TSC	2022-2023 ACTUAL	2023-2024 ESTIMATE	2024-2025 PROPOSED
REVENUE FUND (TCUOP)			
PRIOR YEAR FUND BALANCE	\$ 10,499,561	\$ 6,479,658	\$ 5,152,172
FEE REVENUE	\$ 12,550,291	\$ 13,436,819	\$ 14,065,159
INTEREST INCOME - REVENUE FUND	\$ 61,681	\$ 105,000	\$ 80,000
CAMPUS A/R ADJUSTMENT	\$ 47,775	\$45,246	\$45,000
SUB-TOTAL	\$ 23,159,308	\$ 20,066,723	\$ 19,342,331
EXPENDITURES			
BUDGET & RETURN TO OPERATIONS	\$ 12,202,566	\$ 10,873,087	\$ 11,467,255
POTENTIAL UNCOLLECTED STUDENT FEES	\$ 61,942	\$ 60,000	\$ 60,000
FACILITY BOND PAYMENT	\$ 1,573,102	\$ 1,577,025	\$ 1,575,275
CSU GENERAL OVERHEAD EXPENSE	\$ 46,866	\$ 45,500	\$ 46,500
TRANSFER TO UNFUNDED PENSION LIABILITY		\$ 488,939	\$ 584,178
TRANSFER TO REPAIR & REPLACEMENT	\$ 1,725,174	\$ 800,000	\$ 971,841
TRANSFER TO CATASTROPHIC FUND (TCUOP)	\$ 1,070,000	\$ 1,070,000	
SUB-TOTAL	\$ 16,679,650	\$ 14,914,551	\$ 14,705,049
ENDING FUND BALANCE	\$6,479,658	\$5,152,172	\$4,637,282
TITAN STUDENT CENTERS			
RESERVE FUND BALANCES	BALANCE 06/30/2023	EXPECTED BALANCE 06/30/2024	PROJECTED BALANCE 6/30/2025
Repair & Replacement Fund (TCUMR)	\$ 6,984,092	\$ 7,784,092	\$ 8,205,933
Catastrophic Fund (TCUCE)	\$ 3,733,900	\$ 4,829,926	\$ 4,829,926
Economic Uncertainty Fund (TCUOP)	\$ -	\$ 3,000,000	\$ 3,000,000
Equipment Replacement - Local Reserve		\$ 282,000	\$ 290,000
TOTAL RESERVES	\$ 10,717,992	\$ 15,896,018	\$ 16,325,859

Budgeted Operating Fees

ASI \$7,460,489

TSC \$13,001,377

- ASI funds Athletic Scholarships by \$2,215,765 (29.7%), leaving \$5,244,724 (70.3%) for ASI Programming and Operations.
- Spent in One Year, cannot Carryforward to Next Year
- Adjusted if Headcount Is Short
- Overage Stays Stateside if Headcount Exceeds Budget
- Meet Both Operational Needs, Capital Needs and Long-Term Obligations

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,674,428	\$ 1,066,060
Accounts receivable, net of allowance for doubtful accounts of \$4,437 (2023) and \$1,701 (2022)	851,585	298,117
Accounts receivable, related party	464,875	2,929,251
Investments	20,211,720	16,753,127
Furniture and equipment, net of accumulated depreciation	1,446,833	1,284,877
Other assets	<u>134,240</u>	<u>108,891</u>
Total Assets	<u>\$ 24,780,681</u>	<u>\$ 22,440,353</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 224,175	\$ 223,786
Related party payable	808,177	573,677
Accrued expenses	1,045,808	1,308,031
Deferred revenue	524,142	400,308
Funds held for others	441,539	451,845
Related party funds held for others	426,943	442,797
Unfunded pension obligation	9,971,143	6,362,359
Unfunded post-retirement liability	<u>2,672,470</u>	<u>2,432,170</u>
Total Liabilities	16,117,397	12,194,973
Net Assets:		
Without donor restrictions:		
Undesignated	3,501,658	6,283,140
Board designated (See Note 8)	<u>4,986,187</u>	<u>3,894,414</u>
Total Without Donor Restrictions	8,487,845	10,177,554
With donor restrictions		
	<u>184,439</u>	<u>67,826</u>
Total Net Assets	<u>8,672,284</u>	<u>10,245,380</u>
Total Liabilities and Net Assets	<u>\$ 24,780,681</u>	<u>\$ 22,440,353</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON
Statements of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Student activity fees	\$ 17,711,917	\$ -	\$ 17,711,917
In-kind contribution of facilities	0,420,525	-	0,420,525
Grants and contributions	1,284,406	253,820	1,538,316
Student center fees	1,408,425	-	1,408,425
Other	717,363	-	717,363
Children's Center tuition	597,565	-	597,565
Administrative fees	330,815	-	330,815
Net assets released from restrictions	137,207	(137,207)	-
Total Revenue and Support	30,616,313	116,613	30,732,926
Expenses:			
Program services:			
Student services	13,444,904	-	13,444,904
Student recreation center	3,847,138	-	3,847,138
Children's Center	2,973,531	-	2,973,531
Total Program Expenses	20,265,573	-	20,265,573
Supporting services:			
Building services	2,685,783	-	2,685,783
Public services	162,853	-	162,853
Administrative	6,280,658	-	6,280,658
Total Supporting Services	9,138,204	-	9,138,204
Total Operating Expenses	29,403,867	-	29,403,867
Change in Net Assets from Operations	1,212,446	116,613	1,329,059
Non-Operating Income (Expense):			
Pension and postretirement related changes other than service cost	(3,665,026)	-	(3,665,026)
Investment return	762,871	-	762,871
Total Non-Operating Expense	(2,902,155)	-	(2,902,155)
Change in Net Assets	(1,689,709)	116,613	(1,573,096)
Net Assets, beginning	10,177,554	67,826	10,245,380
Net Assets, ending	<u>\$ 8,487,845</u>	<u>\$ 184,439</u>	<u>\$ 8,672,284</u>

Assets

- **Cash – cash and investments**
 - Bank of America (ASI, PR, TSU, Agency, IRA)
 - LAIF - This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer.
 - City National Bank – **City National Bank** offers a wide variety of premier financial services and actively manages our portfolio.
- **Accounts Receivable – entities or persons who owe us money**
 - CSUF (Athletics)
 - Tuition for Children's Center
 - Third Parties who utilize our conference facilities, TBB, SRC and the Children's Center

Liabilities

- Current Liabilities – Accounts Payable, Accrued Expenses, Deferred Income
- Long Term Liabilities
 - Pension
 - VEBA – Retiree healthcare costs

Long Term

- Pension
 - All employees
 - Retired and Active
 - Actuarial Review
 - FY23 – \$9.5M

Employee Health Benefits

- VEBA – Voluntary Employee Benefits
 - All employees with vesting schedule
 - Plans are identical to what is offered to active employees but only health
 - Assets have been set aside years ago and separately accounted for in CNB
 - A separate trust has been established to account for these assets and payments made for the medical coverage.
 - Actuarial Review – variable used in calculations were adjusted
 - FY23 - \$7.3M

Next Session:

Audit

Budget Process

Questions?