# 75th Senate

Fall Session

# S.R. 29B

Bill Type: Bylaws Change

## A Bill To Expedite The Usage of Student Fees

A bill, brought by **Senator Dan Siddiqui,** joined by **Senator Aryaman Singh** to amend existing By-Law regulations around the usage of student fees from Associated Students Reserve Accounts to empower the officers of ASUCSB to more freely access funds.

*Whereas, Associated Students at UCSB is supported by over 23,000 undergraduate students and oversees a budget of almost $19 million annually; and,*

*Whereas, Article 2 of the Associated Students Constitution, The Student Bill of Rights, guarantees all students the right to responsible allocation of student fees by Associated Students; and,*

***Whereas, Associated Students is meant to be a student-run organization, which extends to management over student fees that are collected; and,***

***Whereas, these proposed By-Law changes would give future Senate cohorts greater control over all student funds and result in more effective fiscal management; and,***

***Therefore, be it enacted by Associated Students in the 75th Senate assembled,*** the following clauses will go into effect in the Bylaws of the AS Legal Code under ***Article IV—Disbursement of Associated Students' Funds, Section 9—Reserves:***

Reserves are those monies that have accumulated from prior years. By delegation of authority, the Regents have made the Chancellor responsible for the fiscal solvency of the Associated Students and thereby ensure that any activity under control of the student government is operated in accordance with sound business practices consonant with University policies and procedures (see System wide University Policies Applying to Campus Activities, Organizations and Students). The Chancellor has, in turn, delegated the normal daily activity of the Associated Students to the Senate, who in turn, has delegated it to the A.S. Executive Director, in keeping with the A.S. Legal Code and the job description of the A.S. Executive Director.

A) Reserves Policies and Guidelines:

1) Monies shall be kept on deposit in a federally insured bank, savings & loan, credit union, UCSB Short Term Interest Program (STIP) or brokerage firm, which provides casualty insurance to depositors at least equal to that of a federally insured institution.

2) Funds kept on deposit in a brokerage firm must be managed by a Securities and Exchange Commission (SEC) Registered Investment Advisor (RIA) who is registered with the International Board of Standards and Practices for Certified Financial Planners (IBCFP).

3) Funds not kept in a federally insured bank, savings & loan, or credit union must be reviewed quarterly by the Investments Advisory Committee and the Executive Director. The Chairperson of the Investment Advisory Committee or their delegate must report to the Senate at least quarterly, and must include in their report:

a) The total value, in U. S. dollars, of all funds in the reserves account which are not on deposit in a federally insured bank, savings and loan, or credit union.

b) A complete explanation for any gains or losses incurred.

c) A total of all brokerage fees incurred in the current quarter including commissions paid, front or end load amounts, and other broker related expenses.

d) An overview stating whether or not expected return levels have been accomplished, and what are future estimated rate of returns, based on a ninety percent (90%) confidence level.

4) All expenses relating to funds not kept in a federally insured bank, savings and loan, or credit union must be fully disclosed in quarterly reports of that firm and reviewed by the Investments Advisory Committee and the A.S. Executive Director.

5) All investments and deposits must be socially responsible. The Senate shall ensure that investments and deposits are socially responsible by approving all investments and deposits with a two-thirds (2/3) vote.

6) Reserves may be placed or transferred into other socially responsible investment projects and/or ASUCSB accounts, including but not limited to the Senate Unallocated account with a two-thirds (2/3) vote of the Investments Advisory Committee and the Senate.

7) Capital Reserves will be seventeen percent (17%) of the annual amount of A.S. membership fees received by Associated Students. This amount would not include those funds transferred directly to departments (Article IV, Section 2 funds) or funds for Daily Nexus, La Cumbre Yearbook, Parking, or UCSA. (Note: Outside and campus auditors were consulted regarding the amount Associated Students should set aside for Capital Reserves and it is recommended that the auditors be consulted annually).

8) ~~At the discretion of the A.S. Executive Director, t~~The Associated Students Investments Advisory Committee shall be empowered to access and use ~~is allowed~~ up to ten percent (10%) of the Reserves amount to invest in short term investments during that fiscal year in a bona fide manner from all officers, employees, and members of the Associated Students.

9) When Capital Reserves doubles the minimum amount necessary as defined in paragraph 7, the following policy shall go into effect regarding the distribution of funds:

a) Take the total amount of Capital Reserves as of December 31st of the current year, minus the dividends and interest.

b) Double the minimum required in Capital Reserves after adjustment in paragraph 7 above.

c) Subtract the difference in (a) from (b) arriving at the grand total.

d) Twenty-five percent (25%) of the Grand Total shall be available for use in the operating budget for the next fiscal year.

10) Funds which exceed those that are needed for the above-mentioned collateral may be spent on the following:

a) Major equipment purchases
b) Equipment renovation
c) Facility renovation
d) Startup costs for new programs and business services.

11) Approval of expenditures of such funds shall be accomplished by a three-fourths (3/4) vote of the Senate. The recommendation of the Investments Advisory Committee should be sought before any Reserve withdrawals are voted on by the Senate.

B) Trustee Reserves:

1) The Trustee Reserves must equal the account balances in the trustee accounts. Any transfers to ensure this amount will be done at year-end.

C) Suspense Account Policy:

1) The remaining balance for the previous fiscal year's Suspense Account after closing is to be placed in the operating budget two (2) fiscal years hence (Example: Year-end 6/30/02 balance placed in budget for 03/04).

a) Unallocated can be funded as a line item for purposes of forming and preparing the budget for the next fiscal year.

b) Capital Reserves can be funded as a line item for purpose of forming and preparing the budget for the next fiscal year.

D) Reserves Interest Policy:

1) A three (3) year average (based on current year plus last two (2) fiscal years) of the interest and dividends from Capital Reserves shall be placed in the operating fund in the budget income for the fiscal year two (2) years hence. (Example: year-end 6/30/04 balance placed in budget for 2005-2006).

2) However, if the Capital Reserves amount does not meet the mandatory seventeen percent (17%) rule as of June 30th of the prior fiscal year, the amount needed will be retained for the fiscal year two (2) years hence budget under the Capital Reserves budget line item not to exceed ten percent (10%) up to $10,000. (Example: June 30, 2004 short in Capital Reserve will start payback on the 2005-2006 budget).

3) Capital Reserves can be funded as a line item for the purpose of forming and preparing the budget for the next fiscal year.

4) All of the interest from Trustee Reserves shall be placed in the operating fund in the budget for the fiscal year two (2) years hence. (Example: year-end 6/30/04 balance placed in budget for 2005-2006).

E) Capital Improvements Policy:

1) Capital Improvements shall be spent according to the following guideline:

a) Equipment purchases under $5,000.00.

b) Startup costs for programs, and new business services under $5,000.00.

c) One-time expenses to improve an existing program or service under $5,000.00.

d) Facility renovation or improvements under $5,000.00

2) Money not spent or appropriated at the end of the fiscal year shall be put into the Suspense Account to be used in the budget for the next fiscal year.

3) Capital Improvements shall be funded as a line item for the purpose of forming the budget for the next fiscal year.

4) The University Center is responsible for Associated Students building maintenance. Associated Students is responsible for contents only.

5) Money not spent or appropriated at the end of the fiscal year shall be put into the Suspense Account to be used in the budget for the fiscal year two (2) years hence. (Example: year-end 6/30/02 balance placed in budget for 03/04).

F) Program Board Capital Reserves Policy:

1) Program Board Capital Reserves are funded by those monies remaining in the Program Board Operating Account at the end of each fiscal year and which protect the operating solvency of the Program Board.

2) Funds may be spent on the following:
- a) To replace and purchase equipment
- b) To promote "in house" events
- c) To cover Program Board deficits
- d) To cover one time unexpected/unbudgeted needs
- e) To cover facility/minor office renovations.

3) Program Board Capital Reserves monies shall never Fall below a base of fifty thousand dollars ($50,000) without a two-thirds (2/3) vote of Program Board, and the Senate.

4) Approval of the expenditures of the Program Board Reserve funds shall be accomplished as follows:

a) Expenditures of up to fifteen thousand dollars ($15,000) require a two-thirds (2/3) vote of Program Board.

b) Expenditures of fifteen thousand dollars ($15,000) or more requires a two-thirds (2/3) vote of Program Board and the Senate.

5) Upper Reserve Limit:

a) The Program Board Capital Reserves Account shall not exceed the amount of two hundred fifty thousand dollars ($250,000). All monies over two hundred fifty thousand dollars ($250,000) on June 30th (end of fiscal year) shall be spent in the following fiscal year or shall be transferred to the Program Board Operating Account.

G) KCSB Capital Reserves Policy:

1) The KCSB Capital Reserves are funded by those monies which are remaining in the KCSB Operating Account at the end of each fiscal year and which protect the operating solvency of KCSB.

a) If KCSB as a whole shows a positive balance in the KCSB Operating Account, then that amount will be automatically carried forward to the KCSB Capital Reserves Account.

2) The funds may be spent on the following:

a) To replace and purchase equipment
b) To promote “in house” events
c) To cover KCSB deficits
d) To cover one time unexpected/unbudgeted needs
e) To cover facility/minor office renovations

3) KCSB Capital Reserves monies shall never Fall below a base of fifty thousand dollars ($50,000) without a two-thirds (2/3) vote of the KCSB Executive Committee and the Senate.

4) Approval of the expenditures of the KCSB Capital Reserves Funds shall be accomplished as follows:

a) Expenditures of up to fifteen thousand dollars ($15,000) require a two-thirds vote of the KCSB Executive Committee.

b) Expenditures of over fifteen thousand dollars ($15,000) require a two-thirds (2/3) vote of KCSB Executive Committee and the Senate.

5) Upper Reserve Limit:

a) The KCSB Capital Reserves Account shall not exceed the amount of two hundred fifty thousand dollars ($250,000). All monies over two hundred fifty thousand dollars ($250,000) on June 30th (end of fiscal year) shall be spent in the following fiscal year or shall be transferred to the Communications Personnel Account.