



ASSOCIATED STUDENTS INC
SF STATE UNIVERSITY

Financial Policy

Policy 301

Approved: 04/19/2006

Associated Students Incorporated of San Francisco State University
FINANCIAL POLICIES

1. Purpose

- 1.1. The Financial Policies are a set of guidelines established to ensure that financial standards (business best practices) are exercised responsibly by everyone who has authority and responsibility for the appropriate use of Associated Student Incorporated (ASI) funds.
- 1.2. The Financial Policies apply to the management of all funds collected or expended by Associated Students including but not limited to programs operated by ASI, Student clubs and organizations and ASI Reserves.
- 1.3. The Financial Policies shall conform to the "University Policy Related to the Associated Students" authorized by Campus President.

2. Definitions

- 2.1. Fiscal Year: The budget cycle runs from July 1 to June 30.
- 2.2. Reserve Funds: Reserve Funds are reserves that are established by the Board of Directors for future funding of specified uses or unanticipated expenditures.
- 2.3. Fund Balance: Fund Balance is an account into which all unexpended funds are transferred at the end of each fiscal year.
- 2.4. Associated Students Programs: Associated Students Programs are activities or operations managed by either a corporate officer or an employee of Associated Students.
- 2.5. Student Clubs or Organizations: Student Clubs or Organizations are campus student operations which have registered with and are officially recognized by the University Office of Student Programs/Leadership Development as an SFSU student club or organization.
- 2.6. Cultural and Special Events: Cultural and Special Events are projects funded by ASI not necessarily tied to either ASI Programs or Student Clubs or Organizations funding.

3. Student Body Association Fee

- 3.1. Student Body Association Fee of \$42.00 per student per semester (Fall and Spring Semesters) and \$20.00 per unit for summer session students or that fee currently approved by the Board of Trustees shall be collected by the University on behalf of Associated Students.
- 3.2. The Executive Director shall be responsible for coordinating with appropriate campus administrators to ensure that the student body association fee is collected and credited to the ASI account properly and expeditiously.

4. Reserves and Allowances

- 4.1. The Board of Directors shall on an annual basis evaluate all reserve categories, definitions, and funding levels for sufficiency. The Executive Director shall be responsible for preparing a statement of reserves and allowances to be included with the Associated Students annual fiscal year budget submission to the campus President for approval according to ABS 83-13.
- 4.2. When approved as specified below, allowances are to be transferred or allocated by the Executive Director to an appropriate existing or new operating budget line item for expenditure. Expenditures are not to be charged directly to reserves or allowance accounts.
- 4.3. The following Reserves and Allowances are defined and established by the Board of Directors:
 - 4.3.1. Debt Service Reserve: This reserve is established to assure repayment of \$3 million dollars. The debt is primary to all other ASI obligations. This means the debt must be paid first before any other expenses. All transfers require the approval of the Board of Directors. (A tax-exempt Auxiliary Organization Revenue Bonds was used for the construction of the Early Childhood Education Center building in 1996.)
 - 4.3.2. Contingency Reserve: This Reserve is established to protect the Associated Students in the event of a disruption in receipt of student fees or other revenues, or in the event of emergency expenditures that, if not paid, would endanger the fiscal viability of the corporation. This allowance level shall be sufficient to cover all costs of corporate default including, but not limited to: all contractual agreements, estimated fees for dissolution of the corporation, and outstanding bills. This reserve level is 10% of the total operating cost. This reserve can only be accessed with the approval of the Board of Directors.
 - 4.3.3. Capital Replacement Reserve: This reserve is established to provide for major improvements and repairs to the Children's Center Building. At a minimum \$15,000 annually shall be transferred into this reserve with a cumulative ceiling of \$200,000. All transfer requires the approval of the BOD.
 - 4.3.4. Development Reserve: This Reserve is established to fund new Associated Students programs that have the potential of expanding services to students. This reserve level shall be set to a minimum of .5% and 2% maximum of the total fiscal year budgeted revenues. This Reserve can only be accessed with the approval of the Board of Directors. And must follow the New Program Policy.
 - 4.3.5. Personnel Allowances: This allowance is established to fund salary adjustments (merit increases, comparability, equity adjustments, and cost of living increases) as well as new positions including existing, but currently vacant positions. This allowance can only be accessed with the approval of the BOD.
 - 4.3.6. Current Operation Allowances: This Allowance is established to fund unanticipated current year expenditures in existing Associated Students programs or organizations. This reserve level shall be set annually in the fiscal year budget and shall be equaled to 2% of the fiscal year budgeted gross expenditures. This Allowance can only be accessed with the approval of the Board of Directors.

4.3.7. Jenny Low Chang Endowment Reserve Fund: This scholarship fund is established at \$20,000 to accumulate earnings to be allocated to individual students at San Francisco State University as scholarships, in a manner approved by the Board of Directors. This reserve, other than interest earnings attributable to the existence of the Reserve, can only be accessed with the approval of the Board of Directors.

4.3.8. Student Club/Organization Allowance: This Allowance is established to contribute to the operating expenditures of student clubs or organizations officially recognized by the University Office of Student Programs/Leadership Development. The authority to allocate funds from this allowance is delegated to the Finance Committee.

5. Budget

5.1. The Board of Directors delegates to the Finance Committee the following authorities and responsibilities to be executed on behalf of the Board of Directors:

5.1.1. to prepare and submit to the Board of Directors for review and approval the annual fiscal year budget commencing on July 1st of each calendar year and ending June 30th of the following year.

5.1.2. to review and recommend changes to the Board of Directors in the fiscal year budget.

6. Fund Balance

6.1. The Board of Directors delegates to the Executive Director the authority and responsibility to transfer all unexpended funds into Fund Balance at the end of each fiscal year per the audited financial statements prepared by a Certified Public Accounting firm.

7. Investment

7.1. The Board of Directors delegates to the Executive Director the authority and responsibility to invest Associated Students funds according to the Investment Policy.

8. Authority for Corporate Expenditures

8.1. To ensure that funds are expended according to the financial policy, the annual fiscal year budget and as intended by the Board of Directors, the Board of Directors delegates to the Executive Director the authority and responsibility to: authorize in writing all expenditures and commitments of ASI funds, and to ensure that the expenditures are properly submitted and meet the intent of the budget and the Board of Directors' guidelines.

8.2. Any expenditure exceeding \$ 5,000.00 shall require the approval of the Board of Directors before the commitment of any funds. The ASI President, besides the Executive Director, shall also authorize, in writing, the commitment of funds exceeding \$5,000.00 on behalf of the Board of Directors. All expenditures in excess of \$5,000 shall also require A.S. Budget Review Board approval prior to expenditure of funds.

9. Transfer of Funds

- 9.1. To ensure that corporate expenditure transactions are handled effectively and efficiently, the Board of Directors delegates to the Executive Director the authority and responsibility to transfer funds either under the specific direction of the Board of Directors or as deemed appropriate by the Executive Director as part of the normal operation of the corporation into or out of existing ASI program budgets and student club or organization budgets. Transfer of funds in excess of \$5,000 shall also require A.S. Budget Review Board approval.

In the absence of the Executive Director for a period of more than five business days, the Associate Executive Director or the A.S. Vice President for Finance (or, in the absence of both these individuals, another member of the Board of Directors), whomever is available, is authorized to release or commit funds on behalf of the Executive Director should the efficient operation of the corporation be imperiled.

10. Authority of Amendment

- 10.1. The Financial Policies may be amended only with a 2/3 approval of the Board of Directors.

REVISIONS & APPROVAL DATES:

DATE

April 25, 2001	Approved by the Board of Directors
June 23, 2004	Approved by the Executive Committee
April 17, 2006	Reviewed & Approved by the Finance Committee
April 19, 2006	Approved by the Board of Directors