

# 2021 Financial Clarification and Engagement Amendment

Addendum to Interim Report of the Constitutional Review Committee,  
Spring 2021

## **Purpose of this Amendment**

The financial system is one of the complex pieces of the ASSU, and the banking services and grants the ASSU provides to campus organizations is a core part of our role at Stanford. The constitutional language surrounding the financial system is in various instances unclear and outdated. In addition, the legislative bodies, who supposedly bear the fiduciary responsibility of the organization, have little understanding of the structure, status, and activities of many parts of the financial system.

This amendment seeks to improve the clarity of the constitutional language describing the financial system, and improve the engagement of the legislative bodies with its management. The proposed changes do not address every issue, but take a strong step towards these goals.

Key aspects of changed language includes:

- Clarify the definition of “fees” to include any number of fees to be charged to any population. All instances of singular “fee” are updated to “fees”.
- Clarify the function of fee surcharges, and replace unspecific “administrative overhead” terms.
- Improve the engagement of the legislative bodies with the financial system by providing regular reports from the FM’s office to the Legislative bodies.
- Revise language around legislative reserves, VSO reserves, to match current implementation.
- Clarify language around how fees interact with the ASSU general budget, and the role of surcharges. Does not represent a substantive change in rights/authority.
- Move QG/SG Language to Joint Bylaws. The GSC does not use the current system as described, and the language is unnecessarily detailed for the Constitution. Replace with more generic language allowing rules to be specified in bylaws.

Proposed Changes:

## Article V: ASSU Fees and Grants

### Section 1: Fees due to the Association

#### A. General

1. The Association ~~may~~<sup>shall</sup> charge<sup>levy</sup> a Student Activities Fees (the “Fees”) to the ~~on the graduate and undergraduate~~ populations of the Association. The purpose of the Student Activities Fees ~~are~~<sup>is</sup> to support student life at Stanford.
2. The fees charged to populations of the association need not be equal.

#### B. Fee Governance

1. General policies governing the Fees may be housed in appropriate Association bylaws.
2. The budgeting and disbursement of funds derived from the Fees will occur through appropriate legislation of the applicable Legislative bodies.

#### C. Management of the Student Activities Fees

1. All information pertaining to funds derived from the Fees shall be subject to the freedom of information requirements of the Association.
2. ~~All costs incurred by the Association in administering the approval, disbursement, and waiver processes, and in enforcing compliance by the recipients of funds derived from a fee, shall be paid by an administrative surcharge subtracted from the net amount received from that fee. The money remaining after subtracting the administrative surcharge shall be the allocable amount.~~ The Financial Manager, with the approval of both legislative bodies, will set surcharges on fees, to be applied upon collection. Surcharge revenue will be incorporated into the ASSU general budget, and will fall under the authority of the Financial Manager.
3. The Association Joint Bylaws ~~shall~~<sup>will</sup> define which entities are eligible for funding from the ASSU.
4. The University may block the distribution of funds derived from the Fee to any cause that it finds to be contrary to the policies and/or regulations established by the University, or outside of the educational mission of the University. The Financial Manager shall be responsible for ensuring compliance with any such

University mandate, and shall not be penalized for any actions taken consistent with such a mandate.

5. Funds disbursed according to a specific budget and/or purpose may not be spent except in a manner that follows that specific budget and/or purpose. The Financial Manager shall have the responsibility for ensuring that such budgets are followed, within the regulations established by the relevant legislative bodies and within the financial policies that the Financial Manager may enact.

## **Section 2: Collection of Student Activities Fees**

### **A. Collection Schedule**

1. By the end of the sixth week of Spring Quarter, the Financial Manager shall devise and submit to the Association legislative bodies, for approval, a schedule for the levying of the Fees. This collection schedule must conform to the following three principles:
  - a. The amount levied during each academic division of the year should be substantially the same. No Fees shall be levied during the Summer break.
  - b. The amount levied on each student each quarter shall be an integral amount of dollars. The schedule may add a rounding surcharge, which shall be the minimum practical to accomplish this goal.
  - c. The schedule shall specify the exact surcharges to be applied to amount of administrative overhead charged to each fee.

### **B. Fee Collection**

1. The University shall collect the appropriate amount in fees every quarter, at the same time it collects charges for tuition.
2. The University shall transfer all collected monies to the Financial Manager, who shall then distribute them into the appropriate financial accounts.

### **C. Fee Report**

1. The Financial Manager must publish a fee report by the end of Spring Quarter, detailing
  - a. All Fees to be charged in the coming financial year,
  - b. All Surcharges to be applied to fees upon collection, and
  - c. Contextualization of all statistics with respect to at least the prior two years.

2. The fee report must be publicly available and easily accessible to all members of the Association.

## Section 3. Fee Distribution

### A. Fee Oversight

1. The relevant legislative body shall retain ultimate authority over the disbursement of money from the Fee, subject only to the limitations imposed by this Constitution. Decisions regarding the Student Fee not provided for by the appropriate Bylaws must be made by a 2/3rds majority of the relevant legislative bodies.

### B. Allocable amounts

1. The allocable amount of the Fee shall be the total amount that may be disbursed from the Fee in a fiscal year. The Financial Manager shall not disburse funds from the Fee if such disbursement would cause the total amount disbursed to exceed the allocable amount.
2. The allocable amount of a Fee shall be calculated as: the gross amount received from the fee, minus ~~the administrative surcharges applied~~ charged to the fee, minus all waivers granted, plus the gross amount of the Programming Reserves. reserve and excess funds added to the allocable amount.
  - a. The allocable amount for a Fee shall be approximately budgeted according to this calculation in the Spring Quarter by the Financial Manager, and this budget shall be approved by the Association legislative bodies.
  - b. The Financial Manager may make adjustments to this formula in his/her discretion, and such adjustments shall be binding in the calculation of the allocable amount.
  - c. The Financial Manager shall be responsible for making all estimations necessary in the calculation of the allocable amount, and his/her estimations shall be binding in the calculation of the allocable amount until actual figures are available to replace the estimations.
3. The Financial Manager shall be responsible for monitoring the total disbursed amount, ensuring that the allocable amount reflects the most accurate available data, and providing regular updates to the relevant bodies about the status of all Fees.

4. The Financial Manager may adjust the allocable amount at any time where it is necessary to ensure that the Association retains sufficient liquid assets to pay expenses, including but not limited to monies previously disbursed from that Fee.

### **C. Excess Funding**

1. If any non-Annual Grant money remains unspent at the end of the fiscal year, the Joint Bylaws will specify instructions for transferring the remaining funds<sup>1</sup>

### **C. Programming Reserves**

1. The Legislative Bodies may maintain programming reserves, which will consist of funds derived from student fees, taxes on unspent funding, and undisbursed or unspent general fees. All policies governing Fees apply to programming reserves. Programming reserves may be used as reserves for future programming grants, as described in this article.

## **Section 4. Fees Waiver**

### **A. General**

1. Any member of the Association shall be entitled to a full refund of any fees he/she paid to the Association under this Article. This amount shall be specified in the collection schedule for the fees, and should be as close as practical to the actual per-member amount collected for the fee in question.
2. Obtaining a waiver may deprive the member of the Association of some or all of the services derived from the fee.

### **B. Refund Schedule**

1. The Financial Manager shall set a timeline by which the Undergraduate Fee may be waived, consistent with the Constitution, this Fee Statement, the Association bylaws, and the bylaws of the relevant Association legislative body.
2. This timeline shall occur once every quarter, excluding Summer Quarter.
3. The Financial Manager may present a bill to alter or extend the timeline, and its approval shall require a 2/3 vote of the relevant Association legislative body.

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<sup>1</sup> This is removed because it's handled in Article V, Section 9, and belongs in that section

### C. Waiver Buffer Surcharge

1. The Association may set a surcharge on top of the Undergraduate Fee to guard against waivers of this fee.
2. The amount charged shall be set annually by the Financial Manager, and shall be appropriately calculated according to the Fee waiver rate from the previous fiscal year.

## Section 5. Routine Analysis of Funding System

1. Three years after the full implementation of the system, and at least every three years thereafter, the ASSU Financial Manager ~~must~~ call a special meeting of the Executive Committee and develop a plan to analyze the funding system. By the first meeting of Spring Quarter, the Executive Committee shall jointly present a report detailing the impact of the funding system, and propose any appropriate changes to ensure the funding system results in optimal outcomes for students and student organizations.
2. The analysis ~~must~~ include, at minimum, a public survey and analysis of financial data from the past three years.

## Section 6: Determination of the Fees

### A. General Process

1. The Fees ~~will~~ be determined by the Association's ~~programming~~ budgetary costs divided by a reasonable estimate of graduates and undergraduates populations ~~who are each charged a separate fee.~~ The Association programming costs ~~budget~~ includes ~~overhead costs,~~ known programming costs (*i.e.*, Annual Grants), predicted programming costs (*i.e.*, General Fees), waiver buffers, and surcharges ~~and relevant administrative charges.~~ Article VI of the Constitution details the budgetary process.

### B. Population

1. All members of the Association shall be charged the portions of the Fees that pertains to their enrollment status.
  - a. Coterminal students shall be charged the undergraduate fee when paying undergraduate tuition and the graduate fee otherwise.
  - b. Students on a leave of absence shall not pay ~~the~~ Fees.

- c. Students registered as “permit to attend for services only” (PSO) shall pay the Fee.
- d. Students registered for a graduation quarter shall not pay the Fees.
- e. Students studying off the home campus shall pay the Fees.

### C. Purpose and Philosophy

- 1. The Fees shall support extra-curricular, co-curricular, and social programming expenses for student organizations that serve or involve the students.
- 2. The following criteria should be considered before Grants are allocated using the Student Fees:<sup>2</sup>
  - a. Established funding policies for each line item
  - b. Evaluation of outside revenue
  - c. Impact on student body and/or community impact
  - d. Benefit to the relevant population, past and future
  - e. Past performance/budgeting
  - f. Waiver rates
- 3. To the maximum extent practical, exactly 100% of the Fees should be spent every year, to give students the benefit of the money they paid. Administrative surcharges are excluded.

### D. Disbursement

- 1. The Fees shall be disbursed either by Annual Grants previously approved by the populations of the Association, or by Grants funded by General Fees. ~~in three processes, known as Annual Grants, Standard Grants, and Quick Grants.~~ The rules of these processes will be provided for in this Article and relevant Association bylaws.
- 2. The relevant Association legislative body, and its funding committee, shall oversee most decisions related to their populations’ Fee portion.
- 3. Wherever practical, the distribution of the Fees across populations shall be coordinated to reflect the approximate benefit that students receive from any distribution of funds.
- 4. The relevant Association legislative body shall attempt to allocate exactly the amount of allocable funds derived from the fees each quarter. The Financial Manager shall determine the apportionment of Annual Grants funds among each

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<sup>2</sup> Interpreted as part of the August 28, 2019 Letter of Acceptance to be subject to the following condition: “The criteria must be applied consistently for all student organizations and consistent with University policy and the law.”

quarter to provide maximum opportunity for Standard and Quick Grants while ensuring the stability of the Association cash flow.

## Section 7: Annual Grants

### A. General

1. Annual Grants shall be allocated prior to the beginning of Fall Quarter each year and shall be the primary means of funding large expenses from the Fees.

### B. Approval of Annual Grants

1. Annual Grants shall be given only for expenses that can be predicted accurately. Accurate predictions shall include, but are not limited to, actual figures from one or more previous similar expenses, or actual quotes for the proposed expenses. Expenses that cannot be predicted accurately, or expenses that are tentative, are not appropriate for Annual Grants.
2. The relevant Association legislative body bylaws shall set a timeline and a process for the approval of Annual Grants. The relevant Association legislative body shall enforce any deadlines strictly. Exceptions shall only be given for special circumstances, and require approval of the relevant Association legislative body.
3. To request an Annual Grant, a student organization shall follow the standard process set by the relevant Association legislative body in their bylaws.
  - a. The process shall require that the organization submits a specific budget detailing the expenses for which an Annual Grant is sought, a full current budget and a summary of actual expenditures to the relevant Association legislative body's Funding Committee.
  - b. The relevant Association legislative body Funding Committee shall have the power to modify requests as it sees fit, and shall recommend a full package of Annual Grants to the relevant Association legislative body for approval at least 31 days before the Spring Quarter General Election.
  - c. The relevant Association legislative body must approve the package of recommended Annual Grant requests by a 2/3 vote; if the package of Annual Grants is not approved, the Funding Committee must propose a new package of Annual Grants requests within five days.
  - d. The Elections Commissioner shall authorize the placement on the ballot of all approved Annual Grant requests.
4. If a student organization is not satisfied with the Annual Grant approved in the standard process, they may petition the student body directly for a different Annual Grant.
  - a. The organization shall prepare a budget detailing the expenses for which an Annual Grant is sought, and submit this, along with the current budget and a summary of actual expenditures, to the Elections Commissioner in the form of a petition. The budget detailing the expenses may only include expenses



requested in the budget originally presented through the ~~Legislative Body's~~ ~~UG Senate's~~ standard process. Such petitions must bear the signatures of 15 percent of the members of the relevant Association population, and request the placement of the amended Annual Grant on the ballot for consideration.

- b. The Elections Commissioner must examine for authenticity the signatures on the petitions within seven days after receiving it. Upon verifying the petition, the Elections Commissioner shall place the Annual Grant on the ballot for consideration by the relevant population of the Association.
- c. The relevant Association legislative body shall have the authority to specify the form in which the detailed budget and summary of actual expenditures must be presented and the information they must contain, and to establish regulations defining the proper form for petitions and governing the circulation thereof.
- d. Petitions shall not be accepted less than seven days before the election, and the Elections Commission shall have the power to set a specific deadline consistent with this section that shall be binding upon groups.
- e. The ballot shall list the amended Annual Grant, and shall contain a statement approved by the relevant Association legislative body that explains why the Annual Grant is listed separately from the Annual Grants package.
- f. The Association legislative bodies shall not have the power to remove an Annual Grant from the ballot which has properly qualified under this section.
- g. The relevant Association legislative body may, by 2/3 vote, allow an Annual Grant to qualify for the ballot under this section even if it has not properly qualified under this section due to extenuating circumstances.

### **C. Approval by the Association**

1. All members of the Association who are charged the Fee shall be eligible to vote on each Annual Grant. During the general election, each member of the Association may cast one vote either in favor or in opposition to each Annual Grant. An Annual Grant shall be deemed to have passed if a majority of those voting on it were in favor.
2. During the general election a summary of all financial information submitted by the student organization seeking an Annual Grant shall be made available to all members of the Association.

### **D. Unapproved Annual Grants**

1. If an Annual Grant is not approved because a majority of voters did not approve the grant, the relevant Association legislative body shall not fund the same expenses in the same amounts through another process, and shall consider the Annual Grants rejection in their funding decisions.

## E. Modifications to an Annual Grant

1. Although it is mandated that Annual Grants be allocated to expenses that can be projected accurately, if it becomes necessary, a group may request to modify the Annual Grant it received at any time during the fiscal year. This request shall pass by a 2/3 vote of the relevant Association legislative body .

## Section 8: Standard Grants

### A. General

1. Standard Grants shall be allocated routinely by the relevant Association legislative body, and shall be the primary means of funding VSO expenses.
  - a. Applications for Standard Grants shall be solicited at most twice per month.
  - b. The relevant Association legislative body's funding committee, with the guidance of the Financial Manager, shall set allocation targets for Standard Grants funds to ensure the efficient distribution of events and the proper balancing of funds during each round to effect maximum benefit for the student body without reducing available funds during the year.

### B. Approval of Standard Grants

1. The bylaws of the relevant Association legislative body shall set a timeline and a process for the approval of Standard Grants. Deadlines shall be enforced strictly.
2. To request a Standard Grant, a student organization shall follow the standard process set by the relevant Association legislative body in their bylaws.
  - a. The process shall require that the organization submits a specific budget detailing the expenses for which a Standard Grant is sought.
  - b. The relevant Association legislative body funding committee may require additional materials to be submitted, and shall have the power to determine the form of the budgets to be submitted. The funding committee shall ensure that the process appropriately balances efficiency with the need for completeness.
3. The relevant Association legislative body may, by majority vote, approve each Standard Grant. Grants that are not approved shall not be disbursed.
4. The Financial Manager shall disburse approved Standard Grants as quickly as practical.

## Section 9: Quick Grants

### A. General

Quick Grants shall be allocated by the funding committee on an as-needed basis for expenses that could not be predicted in time for an Annual or Standard Grant. The funding committee

should make all practical efforts to approve or deny Quick Grants within seven days of receipt, consistent with this section.

## **B. Approval of Quick Grants**

1. The bylaws of the relevant Association legislative body shall set a timeline and a process for the approval of Quick Grants.
2. To request a Quick Grant, a student organization shall follow the standard process set by the relevant Association legislative body in their bylaws.
  - a. The process shall require that the organization submits a specific budget detailing the expenses for which a Quick Grant is sought.
  - b. The relevant Association legislative body funding committee may require additional materials to be submitted, and shall have the power to determine the form of the budgets to be submitted. The relevant Association legislative body shall ensure that the process appropriately balances efficiency with the need for completeness.
3. Quick Grants under \$6,000 shall not require the approval of the relevant Association legislative body, though approval may be sought if the relevant Association legislative body funding committee deems it necessary, or if unanimous consent of the funding committee is not reached.
4. Quick Grants of \$6,000 or more shall require the  $\frac{2}{3}$  approval of the relevant Association legislative body prior to being disbursed.
5. The Financial Manager shall disburse approved Quick Grants as quickly as practical.

## **A. General**

1. In the determination of the Fees, the Legislative Bodies may budget for unpredictable programming expenses not covered by any Annual Grant, and include General Fees to cover these predicted expenses.
2. Over the course of the year, the Legislative Bodies may grant funds for programming, from collected General Fees and Programming Reserves.
3. The Bylaws must specify procedures for the application, consideration, and approval of all such grants.

# **Section 9: Unspent Funding and Reserve Funds**

## **A. General**

1. It is the intent of the students of Stanford University to rein in the long-term growth of groups' reserve funds. To balance this goal with the diverse reasons for groups to have retained reserve funds historically, all unspent funding allocated to a group in a given

year through Annual Grants shall be taxed, unless otherwise exempted by the relevant Association legislative body.

2. The remaining unspent funding that is not taxed shall be added to that individual group's reserve account, ~~if one currently exists~~. All unspent funding allocated to a group in a given year through Standard or Quick Grants will be transferred to the Programming Reserves of the relevant legislative body. ~~automatically added to the allocable amount for the next year at the close of the fiscal year.~~
3. Any funds derived from student fees must be returned to the Programming reserves of the relevant legislative body, except funds allocated to the ASSU by approved fee surcharges.

## B. Tax on Unspent Funding

1. The Tax on Unspent Funding shall be assessed on the total amount of funding (from Annual, Standard, or Quick grants) unspent in a given fiscal year.
2. Tax rates will be indexed to the size of a group's existing reserve funds, plus its amount of unspent funds, as a percentage of its budget in a fiscal year.
3. For the purposes of this subsection, a group's "budget" will be defined as the sum of its Annual, Quarterly, and Quick grant allocations in a given fiscal year.
4. The Financial Manager will have the power to set progressive tax rates, subject to majority approval by the relevant Association legislative body. No tax rate shall exceed 100%.
5. For groups with reserve holdings no greater than 80% of their budget, the Tax on Unspent Funding shall be 0%.
6. Revenue from the Tax on Unspent Funding will be deposited into the relevant programming reserves. ~~a fund to support Standard and Quick Grants in the next fiscal year.~~

## C. Exemption from the Tax on Unspent Funding

1. The relevant Association legislative body shall have the power to exempt groups from the Tax on Unspent Funding.
2. A group may apply for an exemption for one of the following reasons:
  - a. Holding reserves to pay for up-front costs that are not covered entirely by other ASSU funding sources
  - b. Extenuating circumstances that necessitate additional funds being held untaxed into the following fiscal year. Extenuating circumstances shall be discretionarily defined by the Financial Manager. The relevant Association legislative body may overrule.
3. To request an exemption, a group shall submit a request to the Senate funding committee detailing, among other things:
  - a. The reason they need an exemption
  - b. The anticipated balance of their reserve account throughout the year
  - c. The group's requested maximum reserve amount

4. An exemption may be approved by a  $\frac{2}{3}$  vote of the relevant Association legislative body.
5. Every two years, the Funding Committee shall review the size and use of a group's reserve during winter quarter to determine whether it is consistent with the group's initial plan. Upon a  $\frac{2}{3}$  vote of the relevant Association legislative body, the group's reserves shall be transferred into the Quick Grants Fund and the group will be unable to apply for an exemption in the next academic year.

# Article VI: Association Finances

## Section 1. Budget

### A. General

1. All Association funds shall be expended within the purposes of the Association, and within the educational purposes of the University. ~~All funds derived from fees levied upon members of the Association shall be expended within the educational purposes of the University.~~<sup>3</sup>
2. No funds shall be received or expended by the Association or its agencies unless authorized by the Operating Budget or Capital Budget of the Association or by the budget of the relevant Association agency. Authorization shall consist of the approval by the relevant Association legislative bodies of the appropriate budget or a modification thereof.

### B. Operating Budget

1. The Operating Budget of the Association shall be used for the basic operating expenses of the Association. These shall include, but not be limited to, the Association legislative bodies, the President and Vice President, the Financial Office, the Association Office, the Students' Organizations Fund, the Nominations and Elections Commissions, and such other activities and expenses as are so classified by the Association legislative bodies. The Operating Budget shall be divided into two parts, representing those expenses funded by the Operating Budget Allowance provided by the University, and those expenses not so funded.
2. Sources of funds for the Operating Budget shall include, but not be limited to, the Operating Budget Allowance provided by the University, the income earned from the investment of funds owned by or in the custody of the Association, the net operating profit of the profit-making agencies of the Association, indirect cost recovery charges, and gifts. The Association legislative bodies shall adopt policies governing the rates of

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<sup>3</sup> Article VI governs funds that are not derived from fees levied upon members of the association, so this does not belong here. It is included in Article V

reinvestment, if any, out of income from different sources. Solicitation of gifts from sources outside the University shall be undertaken in accordance with University policies regarding gift solicitation and acceptance, and in consultation with the appropriate University officers.

3. The Association shall annually negotiate with the University an Operating Budget Allowance. The funds in this allowance are to be used for the basic operating expenses of the Association, including but not limited to all or part of the expenses of the Association legislative bodies, the President and Vice President, the Financial Office, the Association Office, the Students' Organizations Fund, and the Nominations and Elections Commissions. The procedures by which the Association formulates and approves its annual request for this allowance, negotiates this request with the University, and accepts the results of these negotiations, shall be specified in the Association By-Laws.
4. By a date specified in the Association By-Laws, but in any case no later than the beginning of the new fiscal year, the Association legislative bodies shall approve the operating budget for that fiscal year. If the Association legislative bodies do not approve a budget by this deadline, the budget for the new fiscal year shall be identical to that of the previous fiscal year. All modifications to the operating budget shall be approved by the Association legislative bodies before becoming effective.
5. Upon approval by the Association legislative bodies, but in any case no later than the beginning of the new fiscal year, the Financial Manager shall submit the operating budget approved by the Association legislative bodies, or the previous year's budget if no new budget has been approved, to the President of the University or designee. Within 14 days after the receipt of this budget, the President or designee shall either approve the Operating Budget, or shall return it to the Association legislative bodies with a statement of the modifications necessary for it to be approved. Any adjustments to that part of the operating budget funded by the Operating Budget Allowance shall require the approval of the President of the University or designee.

### **C. Other Budgets**

The budgets of all Association agencies shall be prepared in accordance with procedures provided in the Association By-Laws, and shall be approved by the Association legislative bodies prior to the beginning of each fiscal year. All modifications to these budgets shall be approved by the Association legislative bodies before becoming effective.

### **D. Capital Expenditures**

All capital expenditures of the Association and its agencies shall be contained either in the Operating Budget of the Association or the budgets of such agencies, or in a separate Capital Budget. This Capital Budget, and all modifications to it, shall be approved by the Association legislative bodies before becoming effective.

## Section 2. Students' Organizations Fund

### A. General

1. The Students' Organizations Fund (herein after referred to as "the Fund") shall be the depository for the receiving, holding, disbursing, and accounting for the monies of the various organizations using the Fund.
2. The Fund is distinct from, and does not include, any money derived from student fees.
3. The Financial Manager shall have the power to make rules and regulations governing the operation of the fund and the handling and protection of the monies deposited with it, including the powers to make a charge against any organization to cover the expense of handling that organization's funds and to determine the disposition of funds deposited in inactive or unclaimed accounts. The Association legislative bodies shall retain the ultimate authority over all rules and regulations of the Fund.
4. The Financial Manager shall be responsible for the enforcement of the rules of the Fund.
5. All rules and regulations imposed on the fund, or policies related to its use shall be published annually by the Financial Manager and clearly communicated to all organizations using the fund.

### B. Banking Requirement

1. Any student organization which receives funds from fees assessed upon the members of the Association shall be required to deposit all funds of that organization with the Students' Organizations Fund and to comply with its rules and regulations. This requirement shall be independent of, and in addition to, any University regulations concerning the handling of student organizations' monies.
2. The relevant Association legislative bodies shall have the authority to specify the conditions and terms under which, and the process by which, exemptions from this requirement may be made, and to provide for the enforcement of this requirement through appropriate sanctions. No exemption shall be approved for a period longer than one fiscal year, nor earlier than during the fiscal year preceding the one for which the exemption is valid. The relevant Association legislative bodies shall retain the ultimate authority over the approval, modification, and termination of all exemptions.
3. Any other student organization recognized by the University may deposit its monies with the Fund, provided that it complies with the Fund's rules and regulations.

## Section 3. Financial Manager

### A. Duties



Subject to the provisions of this Constitution and of the Association By-Laws, the Financial Manager shall be directly responsible to the Association legislative bodies for the performance of the following duties:

1. As chief financial officer of the Association, the Financial Manager shall exercise control over the budget and finances of the Association and its agencies on a day-to-day basis, and shall report on their condition to the Association legislative bodies.
2. As comptroller of the Association, the Financial Manager shall ensure that all expenditures of funds from the Association, its agencies, or the Students' Organizations Fund, are duly authorized and documented and within the purpose, functions, and budget of the specific agency or organization.
3. The Financial Manager shall supervise the disbursement and refunding of funds derived from the Association and Special Fees, and shall ensure that organizations receiving such funds remain in compliance with their authorized budgets.
4. The Financial Manager shall assume such additional responsibilities as are provided in this Constitution, the Association By-Laws, the Undergraduate Senate By-Laws, and the Graduate Student Council By-Laws, or by the Association legislative bodies.

## **B. Selection and Term of Office**

1. The process for selection of the Financial Manager shall be specified in the Association By-Laws, provided that the Financial Manager must be confirmed by a two-thirds vote of the Association legislative bodies before taking office.
2. The term of office of the Financial Manager shall be for one year and shall begin at a date specified in the Association By-Laws. The Association By-Laws may also specify a term limit.

## **C. Removal**

The Financial Manager may be removed by a vote of 2/3 of the membership of each Association legislative body. The Financial Manager must be notified in writing of the intent to introduce such a motion not less than forty-eight hours prior to the opening of each meeting of an Association legislative body at which the motion will be considered, and must be given an opportunity to speak in opposition to the motion at each such meeting.

## **D. Association Staff**

The Association Staff shall provide administrative and financial services for the Association, its agencies, the Students' Organizations Fund, and student organizations designated by the Association legislative bodies. The Office shall function under the supervision of the Financial Manager. Secretarial and other staff members shall be employees of the University, and their employment shall be under the Financial Manager, who for these purposes shall function as a department head in the appropriate University administrative structure.

## **Section 4. General Provisions**

### **A. Fiscal Year**

The fiscal year of the Association and its agencies shall be specified in the By-Laws of the Association.

### **B. Annual Audit**

The financial records of the Association, its agencies, and the Students' Organizations Fund shall be reviewed annually by an independent outside auditor accepted by the Financial Manager.

### **C. Contracts**

1. Any agreement or contract proposed to be entered into by the Association or any of its agencies shall be presented to the Financial Manager for prior approval and signature. The Financial Manager shall retain copies of all approved contracts. The Association, its agencies, and the Students' Organizations Fund will not be held responsible for contracts not signed by the Financial Manager; such contracts shall be the personal responsibility of the persons signing them. The Association legislative bodies shall have the ultimate authority over the approval of all contracts.
2. No agent, officer, employee, or other person shall make any contract, agreement, promise, or undertaking in the name of or on behalf of the Association or its agencies, except pursuant to authority contained in this Constitution or otherwise granted by the Association legislative bodies.

### **D. Borrowing**

The Association shall have the power to borrow money. The Association legislative bodies shall jointly have the ultimate authority over the approval of all borrowing.

## **Section 5. Reports to the Legislative Bodies**

### **A. Annual Financial Report**

1. The Financial Manager must annually present to the executive and legislative bodies a detailed report of all association finances and business. This report must detail all the standing of all endowments, investments, loans, and other financial vehicles, with contextualization of all statistics with respect to at least the prior two years.

2. This report will detail all business enterprises and ventures of the ASSU, including legislative, executive, and judicial branches, community projects, commissions, committees, and businesses, including those housed within SSE.
3. At the discretion of the Financial Manager, this report may be presented in closed session of the legislative bodies, as the report details proprietary business of the Association. Full printed or digital copies of the report must be provided to all members of the legislative bodies, elected members of the Executive branch, and must be archived for future access.
4. This report must be presented to a given legislative body no less than two weeks before the presentation of the operating budget for approval by the legislative bodies.

## **B. SSE Quarterly Report**

5. Following all meetings of the SSE Advisory Board, the Financial Manager must promptly submit to the ASSU President and legislative bodies a report of the meeting and materials as relevant.
6. At the discretion of the Financial Manager, this report may be presented to the legislative bodies, by public or closed session, as the report details proprietary business of the Association. Full printed or digital copies of the report must be provided to all members of the legislative bodies, elected members of the Executive branch, and must be archived for future access.

**2021 FINANCIAL REFORM ACT:  
BILL TO PLACE FINANCIAL AMENDMENT ON SPRING 2021 GENERAL  
ELECTION BALLOT  
[J-S2021-??]**

**AUTHOR:** ASSU 2020-21 Constitutional Review Committee

**SPONSOR:** Tim Vrakas, UGS22

**DATE SUBMITTED:** 2021-04-03

**ACTION REQUESTED:**  $\frac{2}{3}$  approval by each legislative body

**BE IT ENACTED BY BOTH LEGISLATIVE BODIES:**

**THAT** The above proposed constitutional amendment be placed on the Spring 2021 ASSU General Election Ballot for the undergraduate population, with the accompanying ballot text provided, under the title “Financial Clarification and Engagement Amendment”.