

LOS ANGELES COMMUNITY COLLEGES OFFICE OF THE CHANCELLOR ADMINISTRATIVE REGULATIONS	INDEX NUMBER: S-3
REFERENCE:	TOPIC: ASO Fund Management
ISSUE DATE: June 3, 2010	INITIATED BY: Educational Support Services Division
CHANGES: Replaces Administrative Regulations E-26, 27, E-28, E-29, E-30, E-31, E-33, E-46	DATES OF CHANGES:

1. RESPONSIBILITIES OF THE FINANCE COMMITTEE

a. Membership

- (1) A Finance Committee shall be established with membership limited to the following:
 - (a) The Treasurer/ Financial Officer of the Associated Student Organization, who shall act as the Chairperson and a voting member of the Finance Committee.
 - (b) President of the Associated Student Organization.
 - (c) One elected member of the governing body of the Associated Student Organization appointed by the President of the Associated Student Organization and approved by a majority of the governing body.
 - (d) The Chief Student Services Officer or ASO Advisor.
 - (e) One faculty member appointed by the President of the College.
 - (f) The Chief Business Officer (or designee), serving as ex-officio member with no vote.
- (2) The Chief Business Officer (or designee) is responsible for ensuring that all actions by the Associated Student Organization Finance Committee are in accordance with Board Rules and District Policies, and is required to report to the College President any potential violations.
- (3) Student members of the Finance Committee must be paid members of the Associated Student Organization.

b. Responsibilities

(1) The ASO Finance Committee shall:

- (a) Plan, approve and submit the initial annual ASO budget, prepared on a line item basis, to the Associated Student Organization governing body for approval.
- (b) Submit the initial approved annual ASO budget to Chief Student Services Officer who shall forward it to the College President for approval.
- (c) Determine the disposition of financial requests, which alter the original fiscal operation plan, such as creation/deletion of accounts, transfer of funds, account augmentation, etc.
- (d) Oversee fiscal accountability of ASO funds.
- (e) Monitor, evaluate and assist the ASO Treasurer/ Financial Officer in the execution of the ASO budget expenditures and record keeping.

2. PROCEDURES

- a. Action taken at any ASO Finance Committee meeting is not considered legal unless there is a quorum of three voting members with a minimum of two students and the Chief Student Services Officer or ASO Advisor.
- b. A minimum of three favorable votes is required for Finance Committee approval on an item, regardless of the number of committee members present.
- c. ASO expenditures from approved budget line items and General Operations Accounts (e.g., supplies, printing and on-going equipment Maintenance agreements) that are \$1,000 or less, while subject to the approval requirements contained in Administrative Regulation S-4, Section 1, do not require Finance Committee approval prior to those expenditures. All other expenditures from approved budget line items and General Operations Accounts, with the exception of specific expenditures previously approved by the Finance Committee and expenditures for travel from an approved budget line for travel, require Finance Committee approval prior to their expenditure. However, all requests pertaining to the alteration of the initial ASO budget must be referred to the Finance Committee before submission to the governing body of the Associated Student Organization for action. Recommendations of the Finance Committee on all requests received must be reported in writing to the governing body.
- d. Actions of the Finance Committee may be overridden or amended by a 2/3 of the ASO governing body, present and voting at the meeting when such actions are reported. Actions overridden or amended shall be referred back to the Finance Committee for further consideration.

- e. The Finance Committee shall consider items overridden by the ASO governing body at its next regularly scheduled meeting. The action on those items must be reported in writing at the next regularly scheduled meeting of the governing body.
- f. Any item overridden once by the governing body, and not approved by the Finance Committee upon its review and reconsideration, may be approved by a vote equal to 2/3 of the full governing body of the ASO, at a subsequent meeting.
- g. Only the Finance Committee shall have the authority to determine the budgetary source or sources of budget line items.

The college president, or designee, as trustees, shall review all proposed Associated Student Organization Fund expenditures and may disallow inappropriate expenditures. If the College President disallows expenditures, the College President shall notify the ASO President in writing.

3. BUDGET

- a. The Associated Student Organization annual budget shall outline and control in detail the entire ASO student financial program for each fiscal year.
- b. Budget Development
 - (1) No later than the Monday of the first week in April, the Chief Business Officer (or designee) shall provide the ASO Finance Committee with a report on the expected revenue, from all sources, for the upcoming school year, and historical data on expenditures.
 - (2) No later than the third week in May, the ASO Finance Committee shall prepare, approve and submit the proposed budget for the upcoming fiscal year, prepared on a line item basis, to the Associated Student Organization governing body for approval.
 - (3) The Associated Student budget for the fiscal year, commencing July 1, shall be completed and approved by the ASO governing body and submitted to the College President through the Chief Student Services Officer no later than June 30.
- c. If the Associated Student Organization fails to enact a budget, the College President is authorized to adopt the immediately preceding fiscal year's budget to ensure continuity of operation.
- d. Until the annual budget is approved, the College President may authorize, in writing, financial actions necessary to fulfill legal contracts and commitments. The Chief Business Officer or designee is not permitted to make any expenditure during that period without written approval of the College President. The Associated Student Organization President, Chief Student Services Officer and ASO Advisor shall be notified in writing within three working days of such action.

- e. Approval of the budget does not eliminate the requirement for an individual authorization for expenditures where authorization is specifically required.
- f. Adjustments to the annual fiscal operation plan must follow the same approval procedure as the original fiscal operation plan.
- g. The Chief Business Officer (or designee) will furnish a prior year balance accounting to the ASO governing body, to the Chief Student Services Officer, and the ASO Advisor by September 1.

4. RESERVES

- a. The Chief Business Officer (or designee) shall provide the ASO Finance Committee with quarterly reports on the status (including interest and expenditures) of all reserves.

- b. Project Reserves

- (1) The Associated Student Organization may, by action of the governing body and with the approval of the College President, set aside funds for a specific future project, which shall be classified as a Project Reserve.
- (2) All established Project Reserves must be reviewed annually by the Chief Business Officer or designee and recommend any adjustments to the Finance Committee, which shall make recommendations to the governing body and the College President for approval.
- (3) Project Reserves may be established from current operating funds, gifts, or by segregation of available surplus. Interest earned by such funds may be credited to the project reserves earning it. Establishment of, addition to, or reduction of a Project Reserve must be approved by a 2/3 vote of the Associated Student Organization and the College President.
- (4) The College President has the authority to cancel Project Reserves as deemed necessary to assure that the Associated Student Organization Fund activities are conducted in a prudent and responsible manner.

- c. Working Capital Reserve

Working Capital Reserves must be established for scholarships or other identified needs.

- d. Contingency Reserves

- (1) The Associated Student Organization may, by action of the governing body and with the approval of the College President, set aside funds for contingencies.

- (2) Contingency Reserves shall be reviewed annually by the Chief Business Officer or designee and adjustments recommended to the Finance Committee, which shall make recommendations to the governing body and the College President for approval.

5. ASO FUND-NET WORTH

- a. Profit or loss on ASO financial operations shall be closed/posted to Associated Student Organization net worth and is available for subsequent budgeting, except when a deficit balance exists in net worth. Net worth consists of the difference between assets (what is owned) and liabilities (what is owed); the net worth of the Associated Student Organization is divided into two parts.

- (1) Reserves, which earmark a portion of the ASO equity for inventory investment, future specific projects, and unknown contingencies.

- (2) Surplus, which is the portion of the ASO equity available for use.

6. PROFITS FROM ASO ACTIVITIES

- a. Profits from Associated Student Organization activities are Associated Student Organization funds, and may not be credited to trust accounts, or later diverted to accounts of special groups, or the college general fund.
- b. Sharing of income and expenses from activities co-sponsored by the Associated Student Organization and the District must be agreed to in writing prior to initiation of the activity. This Agreement shall be ratified by the ASO Governing Body and signed by the ASO President and the College President.

7. LOANS

- a. The Associated Student Organization may co-sponsor or loan funds to clubs or other campus groups through written agreement with the Governing Body. Such co-sponsorships or loans must be made through regular procedures involving the recommendation of the Finance Committee and approval of the Governing Body and have the approval of the College President. Procedures for the repayment of the loans and/or agreement to participate in profits must be made in writing prior to any agreement.

8. AUDIT

- a. Associated Student Organization Fund books, financial records and procedures are subject to annual audit. The ASO may also request an external audit, but the cost of that audit will be paid out of ASO funds.

- b. Reports of the audit are submitted to the ASO Advisor, ASO President, the Chief Student Services Officer, the Chief Business Officer, the President of the College, and the Chancellor.
- c. Audit information, except that containing confidential information, shall be released to the Associated Student Organization by the College President or designee.