A bill to allocate Buffer Fund monies to the ASSU Financial Manager to upgrade the computer systems of the ASSU accounting staff

ASSU-S2013-4

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Submitted for Consideration:
May 14, 2013, to the Undergraduate Senate
May 15, 2013, to the Graduate Student Council

Action Requested:
2/3 approval of the Undergraduate Senate, where noted
2/3 approval of the Graduate Student Council, where noted

Background

WHEREAS, the ASSU Financial Manager is charged with overseeing financial accounting for both the ASSU and Stanford’s 700+ student groups, which includes both undergraduate and graduate student groups; and

WHEREAS, the ASSU accounting staff includes the ASSU Financial Manager, as well as three full-time employees and one part-time employee who report to the ASSU Financial Manager; and

WHEREAS, the ASSU accounting staff oversee the movement of over $70 million in ASSU funds every year, including the $15 million endowment and over $4 million in student fee money; and

WHEREAS, the accounting staff use standard business computer hardware and software to manage these funds; and

WHEREAS, the efforts of the ASSU accounting team are critical to the proper functioning of every student group, every funding request, every ASSU expenditure, and to a wide variety of Stanford departments that regularly work with student groups; and

WHEREAS, the hardware and software that the accounting staff uses is up to five years old, well past its capital depreciation cycle, but the ASSU does not have capital funds available to upgrade the hardware or software; and

WHEREAS, this results in a significant aggregate increase in wasted time for each accountant, since they must wait for minutes at a time for even simple spreadsheets to open; and it results in increased risk for the ASSU, because old hardware is more likely to fail, which would result in significant delays in processing requests for student groups and the ASSU; and

Capital Replacement
WHEREAS, the ASSU Financial Manager recommends an immediate replacement and long-term upgrade of the accounting team’s computer hardware and software; and

WHEREAS, the ASSU Financial Manager recommends that these purchases be capital purchases, i.e. purchases that are paid back over many years according to standard accounting practice; and

WHEREAS, these capital purchases will be paid back over a three-year depreciation window; and

WHEREAS, the total cost of this replacement and upgrade is estimated at $15,000, not including yearly operating costs that are already budgeted and will remain constant; and

WHEREAS, the maximum capital expenditure for this purpose is therefore $5,000/year for three years, including this year; and

Immediate funds

WHEREAS, the ASSU Financial Manager needs to pay one year of capital depreciation to make this purchase, amounting to a maximum of $5,000; and

WHEREAS, the ASSU Financial Manager needs to pay for miscellaneous expenses for the upgrade, including extra short-term backups, extra staff time, and a contingency for unexpected expenses, amounting to a maximum of $1,500; and

WHEREAS, the ASSU Overhead and Operating budgets do not contain monies that could be used for this project because it was not envisioned last spring; and

WHEREAS, the ASSU Financial Manager therefore requests $6,500 in immediate funds, and believes that these funds should come from the Buffer Funds; and

WHEREAS, the Buffer Funds are made up, in part, of unspent ASSU Overhead Budget funds — so using the Buffer Funds to finance a capital improvement to core infrastructure is a reasonable expense; and

WHEREAS, the ASSU Financial Manager does not believe that a $6,500 expenditure from the Buffer Funds will adversely impact the Association’s financial position; and

Spending authority

WHEREAS, the Joint Bylaws, Article VI §7.A.17 states: “The Graduate Buffer Fund and Undergraduate Buffer Fund shall be administered by the relevant legislative bodies in a manner specified in their by-laws;” and

WHEREAS, the Joint Bylaws, Article VI §7.A.17 also states: “Funds from the Undergraduate Buffer Fund, Graduate Buffer Fund, and Graduate Special Distribution Buffer Account may not be used for any purpose unrelated to special fees without 2/3 majority approval from both legislative bodies;” and
WHEREAS, this purpose is unrelated to Special Fees under the meaning of the Joint Bylaws, Article VI §7.A.17 — and therefore these expenditures require the consent of both legislative bodies; and

**Long-term financing**

WHEREAS, it has traditionally been the role of the ASSU Overhead Budget to finance capital infrastructure that benefits the ASSU as well as student groups; and

WHEREAS, a $5,000/year line-item addition to this budget is a reasonable and effective means of financing a major capital upgrade;

THEREFORE BE IT ENACTED BY THE JOINT LEGISLATIVE BODIES OF THE ASSOCIATION:

THAT the ASSU Financial Manager shall split the immediate costs of this upgrade, as defined above, equally between the Undergraduate and Graduate Buffer Funds; and

THAT the ASSU Financial Manager shall add the yearly capital depreciation of the upgraded & replaced assets into the annual ASSU Overhead Budget;

AND THEREFORE BE IT ENACTED BY THE UNDERGRADUATE SENATE:

THAT the ASSU Financial Manager may authorize expenditures of up to $3,250 from the Undergraduate Buffer Fund to effect this upgrade; and

THAT the Undergraduate Senate approves the associated expenditure from the Graduate Buffer Fund under the meaning of the Joint Bylaws, Article VI §7.A.17;

AND THEREFORE BE IT ENACTED BY THE GRADUATE STUDENT COUNCIL:

THAT the ASSU Financial Manager may authorize expenditures of up to $3,250 from the Graduate Buffer Fund to effect this upgrade; and

THAT the Graduate Student Council approves the associated expenditure from the Undergraduate Buffer Fund under the meaning of the Joint Bylaws, Article VI §7.A.17.