A bill to allocate Buffer Fund monies to the ASSU Financial Manager 
to upgrade the ASSU & VSO accounting systems 
ASSU-W2013-2

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Submitted for consideration:
January 15, 2013 to the Undergraduate Senate
January 16, 2013 to the Graduate Student Council

Action Requested:
2/3 approval by the Undergraduate Senate where noted; and
2/3 approval by 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 650+ student groups, which includes 
both undergraduate and graduate student groups; and

WHEREAS, the primary accounting tool for the ASSU and student groups is an online 
tool called MyGroups2, which is a web interface to the ASSU’s internal accounting 
software that allows student groups to view and manage their own finances; and

WHEREAS, MyGroups2 and the ASSU’s accounting software 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 servers and software that run this critical infrastructure are over 
seven years old, well past their standard capital depreciation cycle, but the ASSU does 
not have capital funds available to replace the servers or software; and

WHEREAS, this results in poor service, because MyGroups2 is slow; and it results in 
increased risk for the ASSU, because old hardware is more likely to fail, which would 
be catastrophic for student groups and the ASSU; and

Capital Replacement
WHEREAS, the ASSU Financial Manager strongly recommends an immediate 
replacement and long-term upgrade of the infrastructure that supports MyGroups2 
and the backend accounting 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 five-year depreciation window; and

WHEREAS, the total cost of this replacement and upgrade is estimated between $20,000 and $30,000, not including yearly operating costs that are already budgeted and will remain constant; and

WHEREAS, the maximum capital expenditure for this purpose is therefore $6,000/year for five 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 $6,000; 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 $2,000; 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 $8,000 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 $8,000 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 is used by the ASSU as well as student groups; and

WHEREAS, a $6,000/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 $4,000 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 $4,000 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.