To Record the Joint Buffer Split of May 2004 in the GSC Policies

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Action Requested: Approval; Requires consensus or simple majority

WHEREAS to the Special Fees system has been split both politically and financially since Fiscal Year 1996, and the General Fee has been split politically and financially since FY2000,

WHEREAS the Association Buffer Fund has not reflected these splits,

WHEREAS a fair and historically based partition of the Buffer Fund would reflect the long standing split nature of the Fee system,

WHEREAS ASSU Financial Manager Kyle Alisharan and ASSU Capital Group Director Garrett Reed have researched the historical levels of the Association Buffer Fund, and have created an accurate model that tracks a theoretical split between Undergraduate Buffer Fund and Graduate Buffer Fund from FY1996,

WHEREAS the historical model of the split was determined as follows:

Beginning in FY1996, the split of the Association Buffer Fund was assumed to be strictly by population, as all contributions to the Fund were made on a population basis,

From FY1997 to FY1998, contributions to the Association Buffer Fund were calculated by population according to the actual fees levied to each population,

From FY1999 to FY2004, contributions to the Association Buffer Fund through fees and withdrawals by student groups and refunds were totaled to determine the net change in the Undergraduate Buffer Fund and Graduate Buffer Fund,

At the end of winter quarter of fiscal year 2004 the Association Buffer Fund (Account #2-2100-0-0-2250) held approximately $315,909,

As a result of these calculations, as of the end of winter quarter FY2004, the Undergraduate portion of the Association Buffer Fund was approximately $123,295, and the Graduate portion of the Association Buffer Fund was approximately $192,614,

At the end of Spring quarter FY2004, the Undergraduate portion of the buffer is projected to be approximately $83,000 and the Graduate portion approximately $179,000,

WHEREAS it is the belief of the Financial Manager that $83,000 may not be sufficient to ensure the financial stability of the undergraduate buffer for the start of next year,
WHEREAS the GSC should maintain written and readily available instructions to ensure the timely and complete execution of the Association Buffer Split over the next several years,

THEREFORE be it enacted by the Graduate Student Council of Stanford University

THAT the GSC By-laws be changed to reflect the following addition:

Add:
Appendix III: Management of the Graduate Special Distribution Buffer Account

Until removed by the Graduate Student Council through its usual procedures, the continued presence of this Appendix shall serve as a reminder that there are outstanding funds that should be transferred to the Graduate Buffer Fund, either from Graduate Special Distribution Buffer Account (GSDBA) or from the Undergraduate Buffer Fund.

A. As agreed upon by the GSC and the Undergraduate Senate in May 2004, the Association Buffer Fund shall be split into two funds: the Undergraduate Buffer Fund and the Graduate Buffer Fund.

B. The ASSU Financial Manager shall create the Undergraduate Buffer Fund and Graduate Buffer Fund, and dissolve the Association Buffer Fund, and on July 1, 2004 retire the name and account number for the Association Buffer Fund.

C. As of the end of Spring Quarter 2004, the Undergraduate Buffer Fund shall be set at $83,000 (100% of the undergraduate contribution to the Association Buffer Fund), and the Graduate Buffer Fund shall be set at $112,000 (100% of the graduate contribution to the Association Buffer Fund, less $67,000),

D. On July 1, 2004, the remaining $67,000 shall be transferred to a new account with a new number, called the Graduate Special Distribution Buffer Account (GSDBA). No later than each of these dates, 1/5 of the initial GSDBA shall be transferred to the Graduate Buffer Fund until the GSDBA has no funds remaining:
   January 10, 2005 ($13,400)
   April 1, 2005 ($13,400)
   July 1, 2005 ($13,500)
   October 1, 2005 ($13,400)
   January 1, 2006 ($13,400 or balance of GSDBA)

E. The ASSU Financial Manager shall give three weeks written notice to the ASSU Executive Committee of any potential transfers from the GSDBA to the Undergraduate Buffer Fund, along with a hardcopy of the Bill ‘To Implement the Partitioning of the Association Buffer Fund into the Undergraduate Buffer Fund and the Graduate Buffer Fund’. If funds are transferred from the GSDBA to the Undergraduate Buffer Fund, the
Undergraduate Buffer Fund is responsible for returning 50% of these funds back to the Graduate Buffer Fund within fifteen months of the transfer.

F. Statement of Purpose
"The Graduate Special Distribution Buffer Account shall be a temporary account created to ensure the transfer of graduate student contributions from the Special and General Fee buffer system of the ASSU to the Graduate Buffer Fund. It shall exist from July 1, 2004 through January 1, 2006. It shall serve as a fixed, defined, and temporary account during the transition from the (Joint) Association Buffer Fund to the split Undergraduate and Graduate Buffer Funds. After January 1, 2006, the GSDBA shall be dissolved with all remaining funds being transferred to the Graduate Buffer Fund."

G. In the event that money is transferred out of the GSDBA in support of the undergraduate fee system, it may only be done after all money has been depleted from the Undergraduate Buffer Fund.

H. In the event that the Graduate Buffer Fund becomes depleted, the Financial Manager may transfer money out of the GSDBA in support of the Graduate Fee System.

I. In the event that the Undergraduate Buffer Fund reaches a desired target level, the Financial Manager may transfer the remaining funds in the GSDBA to the Graduate Buffer Fund in advance of the specified transfer schedule.

J. The GSC Financial Officer shall work with the ASSU Financial Manager and Undergraduate Senate to verify that all agreed-upon transfers occur in a timely manner.

K. On or after March 1, 2006, the GSC Financial Officer shall review the GSC finances to determine if the original balance in the GSDBA (approximately $67,000) has been transferred to the Graduate Buffer Fund. If funds have been removed from the GSDBA to support the undergraduate fee system, the GSC Financial Officer will determine whether they have been properly repaid to the Graduate Buffer Fund.

Once all funds have been properly credited to the Graduate Buffer Fund, the GSC Financial Officer shall recommend to the GSC that this appendix, “Appendix III: Management of the Graduate Special Distribution Buffer Account” be removed, thus signifying that all debts are paid. He/she shall also work with the undergraduate leadership to expunge from the joint bylaws all references to the GSDBA, which at that point will be obsolete.

and all subsequent Appendices be re-numbered to reflect this addition.