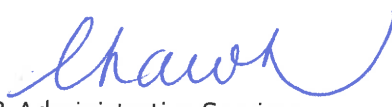




MEMORANDUM

DATE: May 3, 2016

TO: Karen S. Haynes, Ph.D.
President

FROM: Linda L. Hawk, Ed.D. 
Vice President, Finance & Administrative Services

SUBJECT: Associated Students, Inc. Proposed Budget for FY 2016-17

On March 18, 2016, the ASI Board of Directors approved a proposed budget for Associated Students, Inc. for FY 2016-17. This budget was previously passed and recommended to the Board of Directors by the ASI Internal Operations Committee. On April 21, 2016, the budget was reviewed and approved by the University Budget Review Committee, a cross-divisional committee convened by ASI with Katy Rees (FAS), Bridget Blanshan (SA), Sean Briner (UA), and Jay Franklin (AA) as voting members and Bianca Garcia (ASI Executive Vice President and ASI Student Representative), Deb Fritsvold (ASI Manager of Operations), and Dan Cornthwaite (Interim Executive Director, ASI) as representatives of ASI.

Attached please find the proposed ASI Master Budget for FY 2016-17 and an ASI Reserves Analysis as presented to the Internal Operations Committee, the ASI Board of Directors, and the University Budget Review Committee.

The majority of the changes to the revenue projection for FY 2016-17 are the result of lower than anticipated student enrollment and the direct effect on ASI's revenue; implementation of a two-percent cost of living professional staff salary increase in 2015-16, and one professional staff reclassification. The increases are offset by the deletion of a line item that was an anticipated but not actualized expense for University Student Union utilities and the anticipated transfer of \$60,600 from the ASI Working Capital Reserve to the operating budget.


Highlights of specific changes to the FY 2016-17 budget include:

1. **Lower than anticipated student enrollment:** The ASI budget allocation process begins in early January. This year, the spring enrollment figures and projections for next year were not available until after the ASI budget process nearly concluded. The lower target enrollment figures for next fiscal year caused a budget gap of \$60,600 between the anticipated revenue stream and the approved budget. On March 4, 2016 the ASI Internal Operations Committee created a BOD student committee to work with ASI professional and student staff to identify \$60,600 in budget cuts for future consideration. If the cuts are not identified, ASI will transfer \$60,600 from its reserves to cover the difference.


2. **Increase of a two percent cost of living raise and one professional staff employee reclassification:** On December 11, 2015 the ASI Executive Committee approved the UARSC recommended two percent cost of living raise for all professional staff. At a February 5, 2016 Executive Meeting, the Executive Director announced the increased responsibilities and resultant salary adjustment for a professional staff member.

I commend Dan Cornthwaite, Deb Fritsvold, and Bianca Garcia for their diligence in developing and maintaining fiscal prudence and integrity of ASI, Inc. and recommend approval of the ASI, Inc. Budget for FY 2016-17.

I approve the FY 2016/2017 Budget for the Associated Students, Inc.



Karen S. Haynes, Ph.D.
President



Date

ASI MASTER BUDGET 2016/2017

| Description | OPERATIONS | | | STUDENT SERVICES | | | | | | | | TOTAL |
|----------------------------------|----------------|----------------|---------------|------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|------------------|
| | 2121 | 2101 | 2110 | 2108 | 2116 | 2104 | 2107 | 2102 | 2103 | 2111 | 2118 | |
| Salaries: Prof Staff not incl ED | | 106,921 | | 43,623 | 51,380 | 51,380 | 51,380 | 44,652 | | | | 349,336 |
| Salary: Executive Director | | 101,928 | | | | | | | | | | 101,928 |
| Benefits: Executive Dir 49% | | 49,945 | | | | | | | | | | 49,945 |
| UARSC benefits: staff = 40% | | 42,768 | | 17,449 | 20,552 | 20,552 | 20,552 | 17,861 | | | | 139,735 |
| UARSC education benefit | | 9,600 | | | | | | | | | | 9,600 |
| Salaries-Student Assistants | | 17,230 | | 19,735 | 36,231 | 36,231 | 34,000 | | 13,050 | 12,150 | 11,250 | 179,877 |
| UARSC benefit SA 4% | | 689 | | 789 | 1,449 | 1,449 | 1,360 | | 522 | 486 | 450 | 7,195 |
| UARSC Admin charge 8% | | 13,409 | | 6,528 | 8,769 | 8,769 | 8,583 | 5,001 | 1,086 | 1,011 | 936 | 54,091 |
| Professional Development | | 4,500 | | | | | | | | | | 4,500 |
| Travel | | 7,500 | | | | | | 8,500 | 4,000 | 1,000 | 7,150 | 28,150 |
| Student Activities | | 500 | 16,000 | 18,154 | 23,310 | 23,310 | 101,485 | 28,989 | 1,000 | 38,629 | 4,520 | 255,897 |
| Office Equip/computers&copiers | | 900 | 300 | 1,200 | 6,228 | 6,888 | 1,500 | 1,200 | 300 | 300 | 300 | 19,116 |
| Telecommunications/Phones | | 6,000 | | | | | | | | | | 6,000 |
| Auditing Expense | | 19,500 | | | | | | | | | | 19,500 |
| Accounting, including ICR&SB8 | 131,923 | | | | | | | | | | | 131,923 |
| Postage/Mail | | 500 | | | | | | | | | | 500 |
| Office Supplies | | 7,774 | | | | | | | | | | 7,774 |
| Insurance-CSURMA | | 9,803 | | | | | | | | | | 9,803 |
| Utilities/Custodial | | | | | | | | | | | | 0 |
| Membership Dues AOA/NACA | | 1,380 | | | | | | | | | | 1,380 |
| Tax and License | | 750 | | | | | | | | | | 750 |
| REQUESTED EXPENSES | 131,923 | 401,597 | 16,300 | 107,479 | 147,919 | 148,579 | 218,860 | 106,203 | 19,958 | 53,576 | 24,606 | 1,377,000 |

BOD Total 204,342

| | |
|------------------------|-----------|
| Projected Revenue | 1,316,400 |
| Transfer from Reserves | 60,600 |
| Projected Expenses | 1,377,000 |
| Remainder | 0 |

| | |
|-------------------------------|------------------|
| BOD Total | 204,342 |
| Total Student Services Budget | 843,480 |
| Total Operations Budget | 533,520 |
| TOTAL | 1,377,000 |

61%
39%

ASSOCIATED STUDENTS, INC.

Estimated Revenue FY2016-2017

| | Estimated Headcount | | Fee per Student | | Estimated Revenue |
|-----------------------------|------------------------|---|--------------------|---|----------------------|
| Projected Headcount: Fall | 13,000 | X | 50 | = | 650,000 |
| Projected Headcount: Spring | 12,750 | X | 50 | = | 637,500 |
| Extended Learning: Annual | | | | = | 83,000 |
| Investment Income: Annual | | | | = | 6,500 |
| TOTAL | | | | | 1,377,000 |

Figures from Enrollment Management Services:

| | | | | | |
|-----------------------------------|---------------|----------|-----------|----------|------------------|
| <i>Fall 2016 Est Headcount:</i> | <i>12,802</i> | <i>X</i> | <i>50</i> | <i>=</i> | <i>640,100</i> |
| <i>Spring 2017 Est Headcount:</i> | <i>11,736</i> | <i>X</i> | <i>50</i> | <i>=</i> | <i>586,800</i> |
| <i>Extended Learning: Annual</i> | | | | | <i>83,000</i> |
| <i>Investment Income: Annual</i> | | | | | <i>6,500</i> |
| TOTAL | | | | | 1,316,400 |

| | |
|--|---------------|
| DIFFERENCE BETWEEN RECOMMENDED AND OUR BUDGET | 60,600 |
|--|---------------|

ASSOCIATED STUDENTS, INC.
STATE OF RESERVES

JUNE 30, 2015

TOTAL AMOUNT IN RESERVES as of June 30, 2015: 632,664

| | <u>AMOUNT REQUIRED</u> | <u>AMOUNT HOLDING</u> | <u>DIFFERENCE</u> | <u>FINAL EST. AMOUNT HOLDING IN EACH RESERVE</u> |
|--|------------------------|-----------------------|-------------------|--|
| 1. Working Capital and Current Operations | 344,250 | 452,664 | 108,414 | 350,064 |
| 2. Capital Equipment Replacement and Acquisition | 52,500 | 50,000 | (2,500) | 52,500 |
| 3. Planned Future Growth | <u>137,700</u> | <u>130,000</u> | <u>(7,700)</u> | <u>137,700</u> |
| AMOUNT IN EACH RESERVE | 534,450 | 632,664 | 98,214 | 540,264 |

Amount over minimum in the three reserves

Amount to transfer to Operating Budget from Reserve 2 to cover the cost of 21 computers

Amount available to transfer into Operating Budget to cover revenue deficit

Difference Remaining

98,214
-31,800
-60,600

5,814 (included in Final Estimated Amount Holding)




Associated Students, Inc.

California State University, San Marcos
San Marcos, CA 92096-0001
(760) 750-4990 Fax (760) 750-3149

Established 1991

MEMORANDUM

DATE: May 5, 2016
TO: Linda Hawk
Vice President, Finance and Administrative Services
FROM: Dan Cornthwaite
Interim Executive Director, Associated Students, Inc. 
RE: Associated Students, Inc. Reserve Analysis for FY 2016-17

Attached please find the Associated Students, Inc. Reserve Analysis for FY2016-17 as per the ASI Corporate Reserve Policy.

Please feel free to contact me with any questions or concerns.

approved
Linda Hawk
VP FAS/CFO
5-5-16

Associated Students, Inc.
 CSU San Marcos
 Reserve Analysis
 2016-2017

| | 06/30/14 BALANCE (Actual) | 06/30/15 BALANCE Actual | 15-16 BUDGETED CONTRIB | 15-16 BUDGETED ALLOC | 06/30/16 BALANCE (Projected) | 16-17 BUDGETED CONTRIB | 16-17 BUDGETED ALLOC | 06/30/17 BALANCE (Projected) |
|-----------------------|---------------------------------|-------------------------------|------------------------------|----------------------------|------------------------------------|------------------------------|----------------------------|------------------------------------|
| EQUIPMENT REPLACEMENT | \$50,000 | \$50,000 | \$0 | \$2,500 | \$52,500 | \$0 | \$0 | \$52,500 |
| FUTURE PROGRAMS | \$130,100 | \$130,000 | \$0 | \$7,700 | \$137,700 | \$0 | \$0 | \$137,700 |
| WORKING CAPITAL | \$452,178 | \$452,664 | \$0 | (\$42,000) | \$410,664 | \$0 | (\$60,600) | \$350,064 |
| GRAND TOTAL | \$632,278 | \$632,664 | \$0 | (\$31,800) | \$600,864 | \$0 | (\$60,600) | \$540,264 |