Minutes

Board of Director's Meeting

February 13th, 2019

SU 418

Attendees:	Steve Deutsch	Samuel Halligan
	L. David Eaton	Stephanie Blaisdell
	N'Della Seque	Juan Molina
	Isabelle Hayes	Niza Cardona
	Fred DeStefano	

Others Present: Kevin Saunders, Melinda Cirillo, Ryan Goodwin, Kevin Paige, Corinna Caracci, Rosemarie Palmeri, Scott Myers

Recording Secretary: Angelina Auchmoody

Call to order: 11:30 a.m.

Unanimous Approval of Agenda and December Board Minutes. Brian asked for the minutes to be sent out earlier, Steve agreed that could be done.

ED Report

Steve explained the webinar that had taken place with Open24 and his excitement with the financial aspect of it. He said he will report more on it at the next meeting. He invited **Rosemarie Palmeri** to present her audit findings.

Audit Report

Rosemarie Palmeri presented her May 2018 audit of CAS's financial statements. She explained the letters she had distributed. "The first letter is a required communication with the governing body just incase there are items that need to be highlighted that may be different from the prior year or any other unusual things that would happen during the audit, there were none. Management affirms that complete books and records were given and required disclosures were met." She goes on to explain each page.

"Page one, the auditor's opinion, statements present fairly CAS's financial position. This page is critically important because it gets looked at to make sure things are fairly stated."

"Page two, Balance sheet or statement of financial position. This is a snapshot on May 31st, 2018 of what you have, what you owe out and what you have left over; your net assets. Areas to highlight: cash went up considerably as did other assets and investments. A large part of this increase was part of the fulfillment of your service contract, you are given certain enhancements and some cash flows in, that goes into cash and investments which causes a large increase in assets. Other current assets: a prepayment you made on your following years food service program. Liability section: deferred income increased considerably, part of the money that you get under the food service contract is for capital improvements and enhancements and the recognition of that revenue happens as you expand the

monies for the project. So, as the projects are completed, you're recognizing the revenue applicable to those pieces. The cost of projects had not yet been completed, there was a large amount of money sitting in the deferral for that item. The end is your net assets, as you see they increased from prior year, which means you had more revenue than expenditures. Net income and net loss are not important, as you are a non-profit, you are fulfilling a mission, your increases and decreases are basically result of the projects you're doing, what initiatives you're taking and the timing."

"Program expenditures, last year, 2017, you had $3.8 million in programming, this year about $560k. That is the timing of projects being completed and donated to the campus. So, the year before, Wooster and Starbucks for 2017, and 2018 the bakery was a huge project that wasn't completed yet. What happens is upon completion, the policy has been to take the completed asset for the real property portion (buildings) and that gets donated to the campus because you're in campus facilities. The equipment remains with CAS, but any fixed asset improvements to the building get donated over. In 2019 as the bakery is completed, you'll see a larger number donated over. You ended the year with revenue over expenses of $588k; that is the change in the net assets on the balance sheet. Statement of cash flows: between cash and accrual, cash does not equal profit. This shows how you spend money, what you received and how does it correlate to your change in cash."

"Page six, details fixed assets, large increase in construction and projects. That number changes year to year. Page seven, program expenditure footnote, large swing in grant numbers. You will also see on there a sustainability fund, but program numbers remain fairly constant. Note seven, deals with commitments to college and contractors."

"Food service contract, through date no items required additional disclosures or change to financial statements. Next year, 2019, you will be required to adopt the new accounting standard for financial reporting for not-for-profit. There are guidelines that SUNY issues; they would like written policies and procedures for key areas such as, cash receipts, cash disbursements, pay roll, and financial reporting, and I know this is in process. There are new guidelines for agency accounts, procedures for this will need to be documented as well. Compensation: IRS oversees this area and they want to see not-for-profits have good governance. Part of that is, how do you set compensation for management level and how do you document it?" **Melinda** added, "We were on our way to new policies and procedures for the new adopted system, then SUNY came down with new agency guidelines, so we had to work on all of that, first. Our high-volume agency accounts will be put into IFR's. It's not anything we're doing wrong, it's just a matter of where they want to see the funds housed, and it's not with CAS anymore." **Stephanie**, "For example, the agency accounts we used to use in orientation and athletics, we're no longer able to use, they have to be IFR's which is problematic because IFR's are less flexible. They're just tightening restrictions, it's not anything that we did wrong." **Rosemarie** clarified that this means a longer procedural process for getting things done.

RHSA

Corinna presented her proposal for the need to increase the RHSA budget by $13k. She explained the ways in which they would reallocate $13k from their existing budget by cutting down on some costs throughout the semester. **Corinna** proposed for an additional $13k to compensate the office hours worked by the executive board members of RHSA. **Steve** and **Dave** second the motion.

Melinda, "The decrease in enrollment from fall to spring right now is putting us $350k in the hole from where we were last year for meal plans. Yes, we are flourishing year after year, but I don't see that happening in the coming years. So, we don't have a lot of extra funding, I know we spoke last time about the $500k from Sodexo, it's actually going into two pieces of equipment that we're renovating, that have to be done because of the age of the equipment and all the project work. We're probably not going to see the year we had last year, this coming year. Last year it was 150 meal plans less from spring to fall, this year closer to 200." **David**, "I'd like to address that, the enrollment comparison from last spring to this spring, we had almost 200 more students. So, it has more to do with residence hall occupancy than enrollment."

Brian, "Come programming allocation time, what we're doing here wouldn't effect that?" **Steve**, "It would come from programming money and we would find a way to offset other money in the college with RHSA programming money and they would get paid from a different source." **Corinna**, "It might not be hard money, it might be housing it might be bookstore or meal plans."

David, "All we're discussing here is whether or not the capital will be made available, not the vehicle to do it." **David** restated, "The increase takes place should we choose to approve it based on their request and it's contingent upon the institution being able to come up with a method for compensation, if that doesn't happen then we can't go forward, and the contingency is not met."

Brian, "In principle I support this, I think it would be great to allow more students who might not be able to afford to do this kind of work, to be able to do it. But I guess my main question for right now is, of that limited pool of programming money that we have right now, from the start, $13k more of it is going to RHSA?" **Steve**, "No we'd increase it by $13k." Referring to compensation for the members, **Brian** asked if this was common among RHSA's. **David**, "For As long as I have been involved with SA, they have been compensated, very large stipends actually. It's done so based on the principle that if you do that job and you do it correctly you limit your ability to go downtown and bartend or work at the bookstore, so people who have less means than others are denied the opportunity to do those things if they have to do them on a pro-bono basis. So, that's really my argument and for the 10-15 years that I advised the SA I supported that based on that principle and I support based on this principle as well." **Brian**, "I agree, I guess the other part of that question is, who oversees it? If they're not doing their job after they get elected, whose deciding these things, or do they just get it because they were elected?" **David**, "The fiscal designee for SA, they have to sign off on every expenditure on disbursing orders and that includes office hours." **Sam** added, "We're a part of a regional affiliate and the majority of the schools in that regional affiliate get compensation somehow, either through res-life funds, the CAS system or something else."

David proposed a friendly amendment, **Stephanie** clarified, "This is contingent upon the administration figuring out a mechanism to provide remuneration of some sort because I think the more we talk about time sheets and minimum wage we're treading into dangerous territory. The SA gets a stipend. it's not contingent upon their hours."

Amendment to the proposal, Steve, "The proposal is to increase RHSA funding for $13k a year towards executive board members compensation, contingent upon the campus administration developing a system to do so."

Brian expressed concern that there will not be any administrative authority to oversee that the jobs are being done accurately and students will receive the stipend solely based on being elected into that position. **David** answered, "The trustee's rules for the disbursement of the activity fee give a significant amount of latitude to the student government to spend their money as they wish; it works on a principle that those are honorariums. The SA, say you had an officer who just was absent, the senate and the rest of the executive board are upset, they could impeach the officer and they do not receive the stipend. There are a lot of checks and balances in terms of how the money is spent." **Stephanie**, "RHSA acts a little bit differently than other student organizations because it is sort of tied into administration because of the representation through residence halls. We also just finalized plans for RHSA E-board members to meet with cabinet members which is replicating what SA E-board members do. There's infrastructure sort of engrained in these positions that make it less likely that an E-board member would not fulfill their responsibilities."

Brian wanted to clarify that the $13k will come from CAS programming and it will not be taken from someone else. **Kevin**, "One clarifying word, put, "campus" in front of administration, just so there's no confusion on what administration is deciding this, or deciding that there is a mechanism to pay these people." **Steve** agreed to add this information to the amendment. **Steve**, "All in favor of this proposal to add $13k to the programming for this purpose."

Unanimous decision to add $13k to the RHSA budget

Investment committee

Steve, "Brian, Dave, Mel, Shelly, and myself met with Joe Visconti our financial advisor, met to review our investment policy, the main changes that we made were mainly to highlight and emphasize social responsibility. Changes are in the second paragraph on the investment objective, number three, and the appendix, number one. All of these were to strengthen social responsibility." **Steve** invited them to discuss the investment policy.

Brian motions to discuss the policy and **David** seconds it.

Stephanie, "I just have a couple of questions, one, based on what Rose was saying, this talks about money in excess, so does this policy cover having more money in a given account than the FDIC guarantees." **Melinda**, "No, currently this addresses everything we have in our Schwab portfolio which Joe Visconti manages. All of the money she was talking about, sprinkled through our checking account, savings account, agency funds, M&T collaterized our money. In order to protect our funds, she's saying, we should probably open more accounts or put more into our investment account, but we cannot because we have to stay limber enough to use our funds when we need them.

Stephanie, "I was curious under the social criteria, #2 it includes 'gaming,' can anyone talk about that?" **Stephanie** questioned an investment decision on "gaming" (casinos) – feels it may warrant some further explanation.

All in favor of the policy as presented. Unanimous decision to approve investment policy.

New Business

Brian, "In May of last year we had talked about exploring compostable product costs."

Ryan, "We have, we started integrating them into our program for catering, we ordered compostable platters, at N'pressed we use them for smoothie and juice cups. Our problem when we met with EcoWare is an accessibility concern. To get it from Sysco we have to order 5 cases a week and that is too much for us right now. We are looking into having other schools carry the same items for storing purposes. Otherwise, the price we see would raise significantly so then it becomes more cost to the student. Our goal is to go completely compostable, but we need to figure out some solutions for other locations such as Pomodoro's and other hot foods. We did the straws, we did the cups, were focusing on catering, we're going to focus on the sandwich containers. **Brian**, "Before all of that I would say, to the extent that you're able, I would place the reusables for catering before all of those things. With composting, doing it piecemeal almost makes it more difficult because people don't know what's compostable and what's not."

Ryan, "I would love to do that, but ultimately some of those things I'm already getting hit on pricing and availability because of accessibility. The higher cost to us means higher cost to the consumer. It's a logistical issue." **Steve**, "How are you doing financially on this campus this year?" **Ryan**, "Not great, it's hard when you write a budget and meal plan holders are well below that. Melinda said $350k but it will probably be double that." **Steve**, "Maybe if we want to do something like this, maybe we increase the price of the meal plans."

Brian expressed to **Ryan** that he is appreciative of his efforts, but feels that buying all compostable materials rather than piecemealing would only be a 5-10 cent increase in pricing. **Ryan** informed him that because of the accessibility issues it would be a bigger increase in pricing than just a few cents and that would impact the students greatly.

David, "I know it would be better to do it wholesale but the fact that we're doing it piecemeal as gingerly as we can, it's a great thing. On the other side, there are students in our community where that nickel does not matter. We're seeing financial stress on a part of high need students that we haven't seen before and every $5 makes a difference and financial aid cannot close the gap for high need students like it used to. The Perkins loan going away took $700k in aid out of our budget for this year, so we need to be able to make progress in fiscally responsible ways.

Brian requested a report on the Farmer's Market and discussed the name change issue of the buildings on campus. "One other urgent thing I wanted to consider, the Hasbrouck name change issue, the college council is kind of dragging their feet on it. Our operations are in Hasbrouck so I thought that we as a board could lend our voice to the chorus to the college council that we would like these names changed, albeit a phone call or formal email, etc."

David motioned for discussion, **Brian** seconds it.

Unanimous decision for Steve to send the letter to the college council regarding the building names on behalf of the Board.

Meeting Adjourned 12:54