

Florida International University
Student Government Association
Activity and Service Fee
Accumulated Cash Balance, Deferred Maintenance Plan and
Room Rental Funding Balance

Approved: March, 2021

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Accumulated Cash Balance and Deferred Maintenance Plan

I. Purpose

The purpose of the Activity and Service Fee Accumulated Cash Balance and Deferred Maintenance Policy is to designate dedicated funding for the specific purpose of: 1) an emergency cash reserve; 2) an SGA contingency cash reserve (to be renamed SGA Accumulated Cash Balance (ACB) for special, unplanned investment or expenditure opportunities and 3) an account to address deferred maintenance items for CITF constructed structures (Graham Center, Wolfe University Center, Wellness and Recreation Center at MMC and BBC and the BBC Pool).

II. Structure

Collection of Student Fees:

Collections of student A&S fees are deposited into a central activity number and this activity number is not used for operations. The Central (Deposit) activity number is the repository for the collection of all student A&S fees and is to remain intact so that funds could be disbursed per the SGA Annual Allocation and under the statutes of the Finance Code. An additional activity number includes

the two (2) already existing accounts which are the main reserve and the SGA contingencies.

A. Current Structure

- a. The existing Main Reserve account is used for the purpose of unforeseen emergencies, budget deficiencies, and things which benefit the student body but have no other way of receiving funding. The person in charge of this account is the Senior Vice President for Academic and Student Affairs, but would require that he/she inform Student Government Association (SGA) of the intention to use such funds.
- b. The SGA Contingency account is earmarked into three (3) separate contingencies: one for MMC; one for BBC; and one for University Wide. This account is used for the sole purpose of unplanned investment or expenditure opportunities. Each Campus Specific Budget Committee has the sole control of their contingency with the exception of the UW Contingency; which is governed by the University Wide Budget Committee. The entirety of this account is stewarded by the A&S Business Office and is viewable by SGA via the A&S Business Office.

B. Proposed Structure

- a. The existing Main Reserve will continue to function as it was established.
- b. Because of the one SGA constitution, the three contingencies will be combined into one to address university-wide issues regardless of campus. The balances in the contingencies as of the end of the 2019-2020 will become the beginning balance for 2020-2021. There will be only one contingency that will be renamed the SGA Accumulated Cash Balance (ACB) that will continue to be used and replenished while the two campus specific contingencies will be eliminated. The 2019-20 unused balance that previously was allocated to the three contingencies will be directed to the establishment of the Deferred Maintenance account for this one year only.
- c. A Deferred Maintenance activity number will be dedicated to address projects and repairs for the timely and continuous maintenance of CITF structures.

III. Formation of the Deferred Maintenance Account

The Deferred Maintenance Account is formed to address continuous maintenance and repair items in the Division of Academic and Student Affairs for CITF buildings.

Once this policy is established, all deferred maintenance requests for funds will be addressed through this process and requests from directors for deferred maintenance projects need to go through the Associate Vice President for Auxiliary Operations for consideration through the Deferred Maintenance account. Such requests for funding will not be accepted through the annual SGA Budget Request process. There is a one-time opportunity to use 2019-2020 year-end A&S available balances that were larger than usual to establish a substantial initial funding to address infrastructure needs in the division. Because of the COVID-19 remote learning/work requirement, departments were not able to execute previously planned face-to-face activities which resulted in year-end savings. The deferred maintenance account will be formed from June 30, 2020 available balances in identified A&S activity numbers in the Division of Academic and Student Affairs.

Deferred Maintenance funds will remain in an activity number that will be established to address A&S deferred/preventive maintenance issues and shall not be transferred to departments for their use to address maintenance issues. The fund balance will carry-over from one year to the next. The proposed uses and expenditure history of the activity number will be placed on the Activity and Service Business Office web portal to ensure transparency of the use of the funds.

The A&S Business Office, under the supervision of the Assistant Vice President for Administration will have stewardship of the deferred maintenance activity number. This will enable administrative oversight and financial accountability to the Senior Vice President and the Office of Financial Planning. The identified uses for the funds will be determined by the Associate Vice President for Auxiliary Operations after SGA authorizes the list of anticipated deferred maintenance issues. Approval from the Activity & Service Business Office (ASBO) will not be needed to determine the use of the deferred maintenance funds, but once the use is determined, the AVP for Auxiliary Operations must work with the ASBO Office to process expenditures from the established activity number for this purpose.

If a deferred maintenance situation is deemed an emergency and the fund balance in the deferred maintenance activity number is insufficient to address the cost to address the item, a request can be made to the Senior Vice President for Student Affairs for funding from the main reserve to address such emergency repair.

IV. Subsequent Funding/Replenishment

The aforementioned funds will be replenished in the order as follows:

1. Deferred Maintenance
2. Main Reserve

3. SGA ACB

1. Deferred Maintenance:

Replenishment of this account is taken from available balances at the end of each fiscal year. After the close of the fiscal year, the monies remaining in Fund 451 departments will be swept. From the funds that are swept, the amounts that came from the A&S activity numbers for the MMC and BBC Wellness and Recreation Center (including the pool), the Graham Center and the Wolfe University Center, Student Media, SGA, GPSC and Campus Life will be added to the balance in the Deferred Maintenance activity number.

2. Main Reserve:

Off the Top Beginning of each fiscal year:

Every year 0.5% of the annual A&S revenue projection for the year will be taken from the top of the projected revenues to be deposited into the Main Reserve.

End of Year:

After the replenishment of Deferred Maintenance, 50% of the amount remaining in Fund 451 bottom-line shall be deposited into the Main Reserve. The remaining 50% of the balance will be disbursed to replenish the SGA ACB.

3. SGA ACB

The SGA ACB account balance will be reviewed during the budget allocation process. There is no maximum for the ACB account and any remaining balance in the SGA ACB account as of June 30 will remain in the account.

Thus, when and if, remaining monies that are to be swept up from the previous year are determined, funds will first be removed to fund the Deferred Maintenance account. Funding remaining after that will be distributed as 50% for the Main Reserve and the remaining 50% to the SGA ACB.

V. Criteria for Use of Funds

A. Deferred Maintenance:

The Associate Vice President for Auxiliary Operations, in collaboration with the Director of Facilities Planning for the Division of Academic and Student Affairs and CITF building directors will identify and prioritize deferred maintenance projects. The Activity and Service Business Office will be responsible for the accounting, processing of expenditures of these funds, and maintenance of budget/expenditure through the ASBO website.

B. Main Reserve:

This account will be held by the Senior Vice President of Academic and Student Affairs who will be responsible for the determination of instances for use of the funds. In the event of an emergency, the SVP shall notify the appropriate SGA representatives of the intended use of the funds.

C. SGA ACB :

- Funding cannot be used for personnel hires.
- Funding can only be used for non-recurring (one-time) purposes.
- Items cannot be funded if they are identical to a request presented at the annual budget hearing or currently funded by the current A&S fiscal year. Exceptions to this rule can be made in extenuating circumstances.
- An SGA ACB Request form will be required for consideration of use of SGA ACB funds.
- Should the Student Body president authorize and present the expenditure to the Executive Board, the SGA Executive Board will review request for funds for specific goods and projects for any campus or location. Any request totaling more than \$5,000 will require Sr. Vice President for Academic and Student Affairs or designee approval.
- All approved short-term projects/expenditures must be made within the fiscal year and adhere to Purchasing and/or Controller's Office deadlines and requirements.

VI. Procedures to Access Funds

Deferred Maintenance:

A list of the anticipated projects with estimated costs (with vendor price quotations) will be presented to the Student Government Association in November of each year (after the initial year of its establishment). The Associate Vice President will be responsible to determine the priority of the projects in relation to available resources and urgency of needs amongst the various CITF buildings/structures. The Associate Vice President for Auxiliary Operations will work with the A&S Business Office for processing the expenditures of these funds. The Associate Vice President for Auxiliary Operations will provide SGA (at their annual budget process) a report of the status of the intended projects and fund utilization.

Main Reserve:

If expenditure is an emergency: The SVP of DASA is authorized to make such expenditures and notify SGA of such expenditure as soon as possible.

An emergency shall be defined as an unforeseen or unplanned event or occurrence that requires immediate action in order to preserve the health, life, or safety of persons in A&S funded buildings, as well as instances that require immediate action and funding in order to preserve the structural integrity of A&S funded buildings.

If expenditure is for a non-emergency purpose: The SVP for DASA shall discuss the intended use of the funds with the SGA President to gather consensus.

SGA ACB :

Any planned usage of SGA contingency funds shall be proposed by the SGA President to the Executive Board using the SGA ACB Request Form.

SGA ACB :

Step 1: All proposals must be approved by a simple majority of the Executive Board. Proposals will be heard and voted upon during the next E-Board meeting following the submission of the request.

Step 2: Once the proposal has received approval from the SGA Executive Board, any request above \$5,000 will be sent to the Sr. Vice President for Academic and Student Affairs or designee for review and approval. The SVP shall have 15 school days from the date of approval to act on the expenditure recommendations, which shall be deemed approved if no action is taken within 15 school days. If any line item or portion thereof within the expenditure is vetoed, the Sr. Vice President for Academic and Student Affairs shall have 15 school days to make new expenditure recommendations for the vetoed portion of the proposal.

Step 4: Once the Senior Vice President for Academic and Student Affairs has approved the expenditure, the decision is given to the representative from the Activity and Service Business Office for processing.

VII. Special Provision

Funds in the Deferred Maintenance, Main Reserve and the SGA ACB account will not be swept up at the end of the year as other remaining balances in the 451 funds. Funding will continue from one year in case there is a need to address possible high cost needs.

VIII. Timing

The application for SGA ACB funding will be available for a period of time as determined by the Student Body President each year. Should a proposal be approved, it shall be heard at an Executive Board meeting expeditiously. Should a need for emergency funding present itself, the application can be opened on a case-by-case basis as determined by the Student Body President.

IX. Notification of Funding

Deferred Maintenance

The A&S Business Office will issue the annual budget for the Deferred Maintenance account once the FIU Controller's Office has completed year-end accounting. The A&S Business Office will notify SGA and the Associate Vice President of Auxiliary Operations of available funding.

SGA ACB

Upon the final approval by the Senior Vice President for Academic and Student Affairs and SGA Executive Board, the A&S Office will be contacted of the approved appropriations. It will be the A&S Office that will notify the requestor of the final decision that was made on their request.

- If approved, and there are any specifications-proviso language, the A&S Office will have it specified in the notification letter.
- If denied, the A&S Office will advise requestor of who to contact to receive further information regarding the denial. All decisions are final; there is no appeal process.
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X. Reporting – Deferred Maintenance

The Associate Vice President for Auxiliary Operations or his designee will report to the Student Government Associate yearly, at the annual SGA Budget Allocation process, of the progress being made on deferred maintenance initiatives.

XI. Room Rental Funding

The Student Government Association will determine a yearly allocation for room rentals through the yearly SGA Budget Allocation process. Any unused balance in the Room Rental line on June 30 of each year shall remain in the account and be carried-forward to the next fiscal year. If the balance for room rentals ever reach a \$0 balance, a request can be made for consideration from the SGA ACB.