

**Services and Activities Fee Committee
Minutes
March 27, 2013**

Meeting called to order: Isa Loeb, chair, called the meeting to order at 5:33 p.m.

Attendance:

Student Members: Matthew Baird, Isa Loeb, Zachary Russell, Dustin Waddle-Ford, Kylea Wells Brown and Clint Wylie. New member: Caitlin Malarkey

Professors and Professional Staff: Jack Baker, John Bowen, Kay Kenison, Scott Robinson, Todd Shiver and Connie Williams.

Excused: Sharon Jonassen

Agenda:

MOTION: Dustin Waddle-Ford made a motion to amend the agenda to vote on item #1335 at tonight's meeting. Zachary Russell seconded. Motion carried

MOTION: Kylea Wells Brown made a motion to add public comment at the end of new business. Zachary Russell seconded. Motion carried.

MOTION: Dustin Waddle-Ford made a motion to approve the agenda as amended. Zachary Russell seconded. Motion carried.

Approval of Minutes:

MOTION: The minutes of February 27, March 6, March 9 and March 22 were approved as submitted with the correction of the name "Zack" to "Zach". Motion carried.

Chair's Report/Communication:

Memo from Dean of Student Success Sarah Swager supported the S&A 2014-2017 Base Funding budget.

Public Comment:

Clint Wylie, ASCWU BOD Executive VP introduced Caitlin Malarkey was introduced as the newest member of the S&A Committee. Clint also has two alternates Ashley Stubbs and Taylor Robb and two members for next year's S&A Committee-Ashley Stubbs and Matthew Baird.

Supplemental Requests to be voted on: none

Supplemental Requests - Presentations:

#1335- \$1,060.90 (Revised \$761.60) – CWU Beta Alpha Psi – NW Regional Meeting-William Hayes: The Beta Alpha Psi officers and members are requesting supplemental funds to travel, hotel and registration to the 2013 Beta Alpha Psi Northwest Regional Meeting in Spokane, Washington, April 12-13, 2013. They will be presenting a “best practices” presentation at the meeting. They are encouraging participation of the younger members to gain knowledge on Beta Alpha Psi and to encourage membership and to expand the chapter at CWU. Each participant will be paying \$85.00 for registration and their food expenses. They have also requested funds from Club Senate and Student Academic Senate. This will be voted on at tonight’s meeting.

MOTION: Zachary Russell made a motion to approve \$561.60 in supplemental funds for travel, hotel and registration to the 2013 Beta Alpha Psi Northwest Regional Meeting in Spokane, Washington, on April 12-13, 2013. No second. Motion failed.

MOTION: Kylea Wells Brown made a motion to approve \$400.00 in supplemental funds for travel, hotel and registration to the 2013 Beta Alpha Psi Northwest Regional Meeting in Spokane, Washington, on April 12-13, 2013. Caitlin Malarkey seconded. Motion carried.

#1336 - \$3,452.00 - CWU Trumpet Club – International Trumpet Guild’s Convention – John Harbaugh: The CWU Trumpet Club is requesting \$3,452.00 in supplemental funds for travel, hotel, printed programs, and registration for 5 members and a faculty advisor/conductor to perform at the International Trumpet Guild’s Convention in Grand Rapids, Michigan, on June 11-15, 2013. There are CWU trumpet Choir have been invited by juried, blind audition. They will be paying for their meals and travel to Seattle. A performance at an international event benefits all Central with their visibility and reputation.

MOTION: A motion was made to vote on the request of the CWU Trumpet Club at tonight’s meeting. Motion failed (1 – yes, 4 no)

#1337 - \$1,900.00 - National Social Science and Technology Conference – Rex Wirth: The Public Policy Club attended the National Social Science and Technology Conference on March 23-26, 2013 in Las Vegas, Nevada and is asking for \$1,900.00 in reimbursement for travel, registration, meals and lodging. There were 11 undergraduates presenting papers of which 6 were seniors presenting their capstone policy analyses. This conference allowed the students to demonstrate the analytical, oral and writing skills before a national audience. Every student presented and was published in the conference brochure. These students will also be presenting at SOURCE. This request is after the conference, but it was turned in on time. S&A had set-aside meeting time for base budget discussions hearing no supplemental requests, and then no meetings because of finals week and spring break. This will be voted on at the next meeting.

#1338 - \$2,847.00 - Fellowship of Christian Athletes – Hillary Franks: The Fellowship of Christian Athletes is requesting \$2,847.00 in supplemental funds for travel, lodging, and meals to Guatemala on June 9-19, 2013, to teach and share their knowledge and skills to teach at a primary school, put on a sports clinic for the children and possibly work with individual families offering nutrition workshops. They have received funds from club senate, and have been fund raising. Each person will be contributing \$200.00 to help cover expenses. The students on the

trip will benefit by sharing a cultural teaching experience and on their return will present their experiences. This request will be presented at the next meeting.

New Business:

Letter from State Auditor dated 3/18/2013 to James L. Gaudino, President. (See attached)

Letter response dated 3/27/2013 to S&A Committee from Connie Williams regarding State Auditor Office Letter Response.

The following excerpts are from the State Auditor’s Office letter dated March 18, 2013:

- “The Fiscal years 2012 and 2013, the University was not in compliance with RCW 28B.15.041 and 26.B.15.045 when it charged CERTAIN administrative support costs to the student and activities account.”
- “We have also identified some costs that may be allowable, but we question the basis used to allocate them to the S&A Fee Fund since the University applied a pre-determined percentage to categories of administrative support costs without demonstrating the percentage was justifiable.”

Since 2011, the University has allocated administrative support costs to self-support programs/funds which utilize these services. Prior to this allocation, the University had funded all administrative support costs primarily through the state operating fund which funds the majority of faculty and staff salaries and departmental expenses. The state reduced appropriations in 2009. As a result, funding all administrative services from the general operating fund would be impossible without potential faculty, staff, or program reductions.

Over the past two years CWU has worked closely with the Office of the Attorney General and the S&A Committee to ensure that S&A Fees support only those administrative functions that serve S&A programs.

The letter the State Auditor’s Office (SAO) released on 03/18 is a summary of the review of the Administrative Services allocation for F& 2012 and FY 2013 and identifies three categories of administrative support costs:

- a. Those the SAO deems reasonable supported
- b. Those for which the SAO deemed the basis questionable.
- c. Those the SAO believes are not in compliance.

CWU RESPONSE – ACTION ITEMS

1. CWU is preparing a response letter to the SAO and will provide a copy of the response letter to the Board of Trustees and S&A Committee members.
2. CWU is preparing a reconciliation of the Administrative Service Costs to the S&A Committee for FY 2012 which will include:

- a. Removing the cost categories that the SAO deems “Not in compliance with 28B.15.041 and 28B.15.045 (President, Board of Trustees, OMBUDS, etc., Public Safety, Faculty Relations).
 - b. Removing cost categories that the SAO deems “Basis is questionable” (Public Relations, BFA, Facilities Management).
 - c. Providing additional documentation on the cost categories and basis for IT Policy & Management and IT Application & Enterprise Information Systems.
 - d. Maintaining cost categories deemed “Basis is reasonably supported” (Purchasing, Accounts Payable, Payroll, Human Resources, Mail, Budget, and Student Financial Services.)
3. The SAO letter referred to the FY 2013 Administrative Cost allocation as based on a percentage of salary or “pro-rata basis.”

The S&A Committee approved the unit-based methodology of \$674,403 at the dispute resolution meeting of May 3, 2012, as reported by the S&A Committee Chair in the meeting of May 9, 2012. The FY 2013 unit based calculation of \$674,403 was resubmitted to the S&A Committee on November 14, 2012.

At the S&A meeting of November 28, 2012, the University agreed to reduce the unit based calculation from \$674,403 to \$571,167, which was approved by the S&A Committee.

CWU is preparing a reconciliation of FY 2013 which will include:

- a. Removing cost categories that the SAO deems “Basis is questionable” (BFA, Facilities Management, Public Relations/University Development).
 - b. Providing additional documentation on the cost categories and basis for IT Policy & Management and IT Application & Enterprise Information Systems.
 - c. Maintaining cost categories for cost categories deemed “Basis is reasonably supported” (Purchasing, Accounts Payable, Payroll, Human Resources, Mail, Budget, and Student Financial Services.)
4. CWU is preparing a revision of the FY 2014-2017 Base Funding Request to include:
- a. Removing the cost categories that the SAO deems “Not in compliance with 28B.15.041 and 28B.15.045 (Public Safety)
 - b. Removing cost categories that the SAO deems “Basis is questionable” (BFA).
 - c. Providing additional documentation on the cost categories and basis for IT Policy & Management and IT Application & Enterprise Information Systems.
 - d. Maintaining cost categories for cost categories deemed “Basis is reasonably supported” (Purchasing, Accounts Payable, Payroll, Human Resources, Mail, Budget, and Student Financial Services).
5. CWU will reconcile and credit the S&A Committee Fee Fund for any adjustment resulting from the reconciliations for FY 2012 and FY 2013.

6. CWU will resubmit the FU 2014-2017 Base Funding Request incorporating the necessary corrections.
7. CWU will present and review the reconciliations at the S&A Committee meeting of April 3, 2013.

Central Washington University is committed to complying with all state laws as part of our overall financial management and effort to ensure state general funds, tuition, restricted accounts and unrestricted funds are properly managed.

We appreciate the State Auditor's Office review and assistance with this very complex administrative cost allocation.

Discussed Base Funding feedback from the Dean and BOD and changes requested to funding proposal.

A memo was received from Dean Sarah Swager approving the base funding budget proposal.

Clint Wylie shared that the ASCWU BOD reviewed and approved the base funding budget proposal and thanked everyone for their hard work in working to complete this budget process.

Review of the justification (narrative) to accompany the budget as it moved forward. The discussion was tabled until next week.

Review and approval of cover letter to accompany the budget request. This item may require a vote. (Letter attached). The Committee reviewed the letter and made minor changes. Isa will redraft the letter and send out to the committee members for their comments.

Committee discussion regarding supplemental funding. (Vote may be required.)
The Committee was discussing the amount of supplemental funding available and how to manage supplemental requests for the remainder of the year.

MOTION: Zachary Russell made a motion to increase the supplemental funds to \$55,000. Scott Robinson seconded. Motion carried. (5 yes,1 no)

Public Comment:

Fred McDonald suggested that the S&A Committee hire their own CPA for an independent look at the administrative fee and the results of the State auditors' findings.

Other business: Executive Session: The S&A Committee went into executive session.

MOTION to Adjourned: The meeting adjourned at 8:30 p.m.

Schedule of Next Meeting:

The next meeting is scheduled for Wednesday, April 3, 2013, in SURC 301 starting at 5:30 PM.