**BP002-FA19**

**Finance Committee Budgetary Operations Overhaul Act**

**Sponsor: Finance Committee**

**Co-Sponsors: Sens. Behnke, Hershberger, Knowles, McMillan, Pariso, Waddell**

WHEREAS, Senate recognizes over one hundred funded student organizations, and

WHEREAS, these organizations must submit a budget for the upcoming budgeting period on a biannual or annual basis, and

WHEREAS, current Senate bylaws, rules, and regulations require requesting organizations to provide an item-by-item breakdown of their anticipated expenditures for the next budgeting period up to six months prior to submitting an encumbrance request on that budget, and

WHEREAS, these items often include requests which are artificially inflated in the hopes of getting an acceptable allocation, and

WHEREAS, a plurality of lines are underfunded regardless of requesting organization, and

WHEREAS, this results in organizations requesting funding in items whose sole purpose is to gain additional funding for other underfunded lines, and

WHEREAS, this phenomenon results in the practical inability of the Senate to provide oversight of student organization spending in any cohesive manner, and

WHEREAS, the current overly complex system is self-imposed and not mandated by any other University entity, and

WHEREAS, a simpler budgetary allocation method would allow for greater organization financial freedom as well as refocus oversight efforts in a more objective, policy-oriented direction, therefore

LET IT BE RESOLVED by the Valparaiso University Student Senate here assembled that the following additions, deletions, and modifications be made to the Bylaws of the same, to be made effective in regards to all budgeting operations for periods beginning in the Fall Semester of 2020[[1]](#endnote-1):

1. Modifications:
   1. Modify Section B, Clause 5 to read, “It shall be the duty of the Finance Committee to consider, approve, and present the budgets of all student organizations. The Committee shall set the deadline each semester for budget submissions. After receiving budgets from organizations, the Committee shall consider the approval of their budgets based upon all relevant data and, if necessary, meetings with the organization in question. The budgets for Tier 3 and New organizations shall be presented near the end of each semester; the budgets of Tier 1 and Tier 2 organizations shall be presented near the end of each academic year. Senate can ratify these budgets by a seven-eighths (7/8) affirmative vote. A budget that does not pass this vote shall be returned to the Finance Committee.”[[2]](#endnote-2)
   2. Modify Section F, Clause 2 to read, “Budgets shall be electronically submitted by all requesting organizations in a manner defined by the Finance Committee.”[[3]](#endnote-3)
   3. Modify Section F, Clause 3 to read, “The Finance Committee shall not authorize requests containing the following items:
      1. Memorials, donations, and contributions.
      2. Food during conferences and general meetings.
      3. “Slush,” “miscellaneous” and “special appropriations” funds, etc.
      4. Protests to express political opinions or advocate for a political candidate.
      5. Clothing paraphernalia including (but not limited to) t-shirts, hats, jackets, jewelry, badges, pins, wristbands, sweatpants, and sweatshirts for members or any other individual that does not qualify as a uniform as defined by Bylaw XV, Section F, Clause 11.
      6. Conference expenses outside of lodging, transportation, and registration fees.”[[4]](#endnote-4)
   4. Modify Section F, Clause 7 to read, “Upon request by a majority vote of the Finance Committee, any group which receives funds from the Student Senate must provide any and all financial information regarding that organization’s expenses and/or income, whether earned, inherited or given. Individual Student Senators may request this information subject to the approval of the Finance Committee. The requested information must be provided within two weeks or ten class days, whichever is longer.”[[5]](#endnote-5)
   5. Modify Section F, Clause 8 to read, “All submitted budgets shall include itemized anticipated expenditures within each line (see clause 12 for a list of recognized budgetary lines) to assist in the Finance Committee’s budgetary decision-making process. While these itemized anticipated expenditures shall be as accurate as possible, the actual budget allocation shall be to the line as a whole, and non-binding to the individual anticipated expenditure line-items. Any fraud related to an inappropriate request and/or use of budget funds that is discovered shall be dealt with at the Committee’s discretion.”[[6]](#endnote-6)
2. Additions:
   1. Insert as Section B, Clause 11, “The Finance Committee shall audit the records of the Executive Treasurer to ensure that student organizations are not in violation of the Student Senate Constitution and Bylaws or the various University Policies. If a violation is discovered, the budget line that contains the violation shall be immediately reduced by the amount of the violation, and thereafter the offending party shall be given the opportunity to return the violating reimbursement. If the amount is returned, then the budget line will be increased to its previous level.”[[7]](#endnote-7)
   2. Insert as Section B, Clause 12, “Any proposed budget season rules regarding the allocation of funds across all student organizations for a specific tier may be brought to Student Senate at the discretion of the Finance Committee or the Executive Committee. It is here that Senate will ratify and amend the proposed rule. The Finance Committee will then implement the rule throughout initial budgeting, and the rule shall be considered binding throughout the budgeting season. However, the Finance Committee may, at its discretion, annul the rule if it considers its application to be contrary to the best interests of the student body. If the rule is to be overturned during the General Assembly budgeting session, the Senate may do so with a 4/5ths majority vote.”[[8]](#endnote-8)
   3. Insert as Section F, Clause 12, “The lines within a budget are as follows:
      1. Organization Dues, Subscriptions, and Licenses
      2. Conferences and Sponsored Retreats
      3. Ongoing Organizational Functions
      4. Organization Sponsored Events
      5. Promotions/Advertising
      6. Supplies and Office Necessities
      7. Stipends/Payroll
         1. The Stipends/Payroll line must be itemized by position and actual budget allocation shall be considered binding to each stipend line-item. This requirement supersedes requirements to the contrary within this document.”[[9]](#endnote-9)
   4. Insert as Section F, Clause 13, “Prior to submitting any encumbrance requests during the year, student organizations shall be required to read and sign a document outlining prohibited uses of Senate funds as well as what qualifies as acceptable spending within each line item. Completed forms shall be shared with the Executive Treasurer.”[[10]](#endnote-10)
3. Deletions:
   1. Delete Section B, Clause 4, regarding organization revenues, in its entirety.
   2. Delete Section F, Clause 4, regarding conference allocation regulations, in its entirety.

1. Please note that all endnotes were prepared prior to the Act being presented as an information tool; they are not to be considered to be a part of the legislation. Any amendments made to the Act should not be reflected in the endnotes. If there is any disagreement between a change to the Bylaws and the related endnote, the endnote shall be considered to be in error and disregarded. No guarantee of accuracy or completeness is made as to the completeness of any endnotes, on the whole or individually. [↑](#endnote-ref-1)
2. This modification removes language which forces Finance to meet with each organization requesting funding, which has not happened in recent memory. This change updates the bylaw to reflect ongoing operations. [↑](#endnote-ref-2)
3. This modification updates the method of the budgets submission to be electronic, rather than through a physical channel. This is another change designed to modernize the bylaw to present day standards. [↑](#endnote-ref-3)
4. This modification elaborates on subpoint d), providing more context, as well as more succinctly define what does and does not qualify as appropriate conference spending. [↑](#endnote-ref-4)
5. This modification adds the phrase “whichever is longer” to the end of the clause, removing linguistic ambiguity. [↑](#endnote-ref-5)
6. This change is a central component of the budgetary overhaul, outlining the new budget submission guidelines, as well as how funds are itemized and stored within organization budgets. [↑](#endnote-ref-6)
7. This clause serves two purposes: 1) it provides for a new mechanism for the Senate to provide the University with oversight regarding student organizations, replacing the legacy budgeting process, and 2) provides for a mechanism which the Finance Committee may employ as recourse in a rare situation where an offending encumbradnce request is approved by the Executive Treasurer, Finance Office, and other offices. In all likelihood, this mechanism will never be used, but is seen by some to be a valuable tool for the Committee to hold in reserve. [↑](#endnote-ref-7)
8. This clause introduces the concept of a binding rule, which the Finance Committee or the Executive Committee can introduce to the General Assembly. The proposed rule should be abstract and universally applicable. This is intended so that financial decisions can be discussed and debated free from the minutia of a specific organization, budget, or situation. [↑](#endnote-ref-8)
9. This clause outlines the appearance of a new budget, with the new categorical line items. The Stipends category is a special exception, as allowing for organizations to allocate funds to specific people without prior oversight was seen as inappropriate. [↑](#endnote-ref-9)
10. Having organizations agree to specific terms around spending allows for Senate to take a step back and allow organizations to operate within certain bounds outlined by the Agreement. This would allow organizations more flexibility, as well as give them applicable rules and regulations that they shall abide by in an efficient manner. [↑](#endnote-ref-10)