

ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
August 19, 2016
9:00 a.m.
Kerckhoff Hall 152

PRESENT: Michaela Boster, Donna Baker, Kevin Eagan, Jazz Kiang, Kirk Koenig, Lena Riess, and Bob Williams

MANAGEMENT: Cindy Bolton, Food Service Director
Sandi Gillespie, Association Affairs Manager
Michelle Moyer, Director of Business and Legal Affairs
Neil Yamaguchi, UCLA Store Director-Academic Materials

CALL TO ORDER

Ms. Riess called the meeting to order at 9:17 a.m.

APPROVAL OF AGENDA

Ms. Riess called for consent to approve the Associated Students UCLA Board of Director's Finance Committee, August 26, 2016 Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Ms. Riess called for consent to approve the Associated Students UCLA Board of Directors Finance Committee July 22, 2016 Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams reported on the following items:

The fiscal year ended strong even though sales were down, there was great cost control. There are two items that are not in the budget that will have a significant impact on the Association; Under Armour replacing adidas, and the cost for UCPATH. UCPATH is going to start charging in this current year which also was not budgeted until next year.

The custom print shop concept was approved by the Services Committee. The committee is still deciding on a name for the shop.

The Services Committee reviewed two plans for the dining room project and sent their update to the architect which includes optimizing the seating.

The loading dock tunnel project has been delayed. It should be ready for use in December.

Mr. Champawat has begun working on the project to repair and upgrade the restrooms in both Ackerman Union and Kerckhoff Hall.

The slate around Kerckhoff Hall, specifically the mote area is being repaired and the Ackerman Union expansion joint will be addressed this summer. Management is moving forward with the new door locks and the air conditioning in LuValle has been repaired.

FINANCIAL STATEMENTS

Services & Enterprises July Financial Result and Preliminary Year-end Results (Proforma)

Gross income was \$248,000 negative to plan for the month. Net income for the Association was positive to plan by \$21,000. The Association is \$81,000 negative for the fiscal year which exceeded budgeted by \$722,000. The Association is \$281,000 better than last year.

Based on the positive budget, the Incentive Compensation will be awarded this year which is approximately \$275,000.

August Month-to-Date Preliminary Sales

Current month-to-date sales are \$155,775 negative to plan primarily due to the Computer Store. The Health Science Store is positive to plan by \$87,566 which is due to dental kits. Hilltop Shop is positive to plan by \$5,049 and positive by \$25,426 compared to last year. E-commerce is negative to plan by \$31,888 in August.

Due to these results, management is expecting the gross margin to be negative by \$42,458

The UCLA Restaurants are currently positive to plan by \$18,323. Catering is positive to plan by \$21,771 and Concessions is positive by \$3,290. North Campus is negative by \$4,029 and Court of Sciences Student Center is negative by \$8,557. Most of the third parties are positive to plan.

Communications Board June 2016 Financial Statements

The Communications Board net revenue for June was positive by \$7,205 and positive \$27,703 year-to-date. Print and Digital Display Advertising is higher than plan due to more local and university advertising and printing is higher than plan due to unplanned magazine publications.

FOOD SERVICE POINT OF SALE (POS) SYSTEM DRAFT AUDIT

Ms. Bolton briefly reviewed the above-referenced audit report and management response, noting that the audit stated that internal control processes could be further strengthened by implementing the following:

1. All cashiers should be setup with their own individual login to the cash registers.
2. Access to the cash registers should be removed for employees that have been separated.
3. The Cashier Manager access level for the cash registers should be reviewed and revised.
4. Administrator level access to the Food POS cash registers should be reviewed and limited to personnel that require this level of access to perform their current job duties.

EXECUTIVE SESSION

Ms. Riess called for consent for the Associated Students UCLA Board of Directors Finance Committee to enter into Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee entered into Executive Session at 10:26 a.m.

Ms. Riess called for consent to exit the Associated Students UCLA Board of Directors Finance Committee Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee exited Executive Session at 10:45 a.m.

Mr. Kiang made a motion, seconded by Mr. Eagan that the Associated Students UCLA Board of Directors Finance Committee approve all actions taken in Executive Session. Ms. Riess called for a vote. The motion was approved by a vote of 5 yeas and 0 nays.

ADJOURNMENT

Ms. Riess called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the July 22, 2016 Meeting. There being no objections, the meeting was adjourned at 11:25 a.m.