

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
October 19, 2018
11:00 a.m.
Ackerman Union 2412**

PRESENT: Pouria Abbassi, Paul Abramson, Donna Baker, Navi Sidhu,
Lawrence Traylor Jr., and Frank Wada

ABSENT: Erika Bricky

MANAGEMENT: Cindy Bolton, Food Service Director
Sandi Gillespie, Association Affairs & External Affairs Manager
Patrick Healey, UCLA Store Director
Cindy Holmes, Trademarks & Licensing Director
Kristina Miller, UCLA Retail Brand Manager

CALL TO ORDER

Mr. Sidhu called the meeting to order at 11:04 a.m.

APPROVAL OF AGENDA

Mr. Sidhu called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee October 19, 2018, Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Sidhu called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee September 21, 2018 Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Abbassi reported on the following items:

CAPS

CAPS at LuValle Commons Lower Level opened on October 1 and is doing well.

Bruin Custom Print

The new website is set to launch in coordination with the ASUCLA annual t-shirt contest. With the new online ordering products will automatically go directly through trademarks and licensing.

Meal Coupon Program

There was a Daily Bruin article regarding the increase of meal coupons from \$2.45 to \$3.45.

Engineering VI Café

Management is considering not moving forward with the project at this time.

Distinguished Speaker Series

The inaugural speaker for this new series will be Coach Val, Women's Gymnastics Head Coach, on November 7 in the Grand Salon. The speaking engagement will be a fundraiser for ASUCLA.

FINANCIAL STATEMENTS

September 2018 Financial Statements

Gross income for September was \$8.3M (compared to August at \$4.8M). Gross margin at \$3.2M was (\$335K) below plan. The main contributions to the lag were the performance of product sales (physical and virtual store), the back order of dental kits and the Computer Store sales. Retail sales in the first quarter are substantially dependent on the performance of the football team and reflected in the UA sales. Computer sales were impacted by the absence of a new product to market, and dental kits are expected to come back to budget level once back orders, due to product availability, are fulfilled. The impacts on net income were somewhat mitigated through controls in wages and benefits, other controllable and allocated expenses to end the month at net positive of \$100K which is (\$170K) below budget. However, the realization of the dental kits backorder is expected to reduce the gap to (\$70K).

The Association reported a cash reserve balance of \$14M for the month. Of this balance, \$1.9M has been reserved for capital projects, leaving \$10.7M in uncommitted cash which is (\$4M) less than the board-required cash reserve.

Past due accounts receivables were at roughly 2% or \$109K. Store inventories at cost were \$6M; while inventory turns were at 4.3.

October 2018 Preliminary Sales

Preliminary sales show that the Store is (\$134K) negative than plan; however, the dental kits are a timing issue. Online sales are negative due to the poor performance of the football team. Food Service negative (\$80K) plan due to slow overall sales and Catering.

The Committee would like to know how much of the Veggie Grill and Panda Express sales are online/pickup orders. Management will inquire with the restaurants.

Mr. Abbassi explained that A-Level and the First Floor Dining Room will have extended hours during family weekend.

August Communications Board Financial Statements

August Financial Statements show that the Communications Board is positive to plan by \$47K for the month. The Communications Board has also repaid its \$200K loan to the Association.

DRAFT AUDIT REPORT-ACCOUNTS RECEIVABLE

Ms. Baker explained that based on the results of the work performed within the scope of the audit, Accounts Receivable has established adequate internal controls and business practices to help ensure that ASUCLA's business objectives are met. The audit identified the following area where internal controls could be further strengthened:

1. A&AS supports management's decision to install a lockbox that allows customers and AR staff to drop checks in the lockbox without having access to other checks, thus minimizing the risk of loss. Management should ensure that a record of who has access to the lockbox key is maintained.

UCLA RESTAURANTS-CUSTOMER COUNT PRESENTATION

Ms. Bolton provided the committee with a summary of how the food service customer counts are calculated.

UCLA TRADEMARKS AND LICENSING DOMESTIC LICENSING PRESENTATION

Ms. Miller presented an overview of the domestic licensing program.

ADJOURNMENT

Mr. Sidhu called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the October 19 2018 Meeting. There being no objections, the meeting was adjourned at 11:59 a.m.