



Board of Directors Committee Report

Meeting Date: March 10th, 2016

Item:	Finance Committee Report
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Purpose of Report:	Information

Meeting Summary:

The Finance committee met on January 26th to discuss the USC budget. The committee provided initial comments and suggestions which were incorporated into the final budget. Below are a some of the topics discussed during the meeting.

- *Occupancy Fee*—discussed the rationale for not charging each individual business unit occupancy and it can understate performance in some cases.
- *Over-collection of Past Fees*—asked questions regarding how the error occurred and ensure similar errors will not occur in the future.
- *Revenue Assumptions*—spent considerable time question management on the accuracy of revenue assumptions. Asked management to conduct a sensitivity analysis for the USC Operations to show a worst-case scenario for next year.
- *Business Units or Services*—debated whether specific units of the USC should be considered a business unit or a service. (Should the unit be expected breakeven, make a profit or make a loss). Strategic Plan should help clarify this. The board should also further discuss this conflict at a future strategy meeting.
- *Fee Reduction*—members debated whether a fee reduction is appropriate or whether the USC should try to build a larger surplus in case of a downturn.
- *Salaries*—discussed rationale for attributing salaries to specific units. This method better reflects the costs incurred by individual units.
- *Accountability*—discussed ways to ensure accountable for student/full-time staff. Issue to be brought up with the full board later.

Overall, the committee was pleased with the draft budget and the new format presented.