



# University of Iowa Undergraduate Student Government

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## The Finance Committee Bylaws (Updated February 2024)

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## **Definitions**

Ex-officio: by virtue of office or official position

Sponsored, Departmental/Affiliated, and Campus/General Student Organizations: student organizations funded by allocations from USG and GPSG after the SAF has been distributed among USG and GPSG.

Majority vote: half the number of present senators plus one.

Quorum: half the number of seated senators plus one.

Three-fourths majority vote: three-fourths the number of seated senators.

Two-thirds majority vote: two-thirds the number of seated senators.

## **Acronyms**

ASO: Affiliated Student Organization

DoF: Director of Finance

FSL: Fraternity & Sorority Life

GIF: Green Initiatives Fund

GPSG: Graduate and Professional Student Government

GSO: General Student Organization

SAF: Student Activity Fee

SOBO: Student Organization Business Office

SSO: Sponsored Student Organization

USG: Undergraduate Student Government

## Article I: Funding Duties and Description

### Section A: Composition

1. The Finance Committee shall be comprised of up to nine voting members and nonvoting ex-officio DoF.
  - a. Members shall be appointed according to procedure in the Election Code.
  - b. Vacant seats shall be filled by the Speaker of the Senate.

### Section B: Role in USG

1. The Finance Committee members shall fulfill duties related to allocations as described in the USG Bylaws.
2. The Finance Committee shall make funding decisions and prioritize student organization allocations in compliance with the Maximum Funding Standards and to maintain the financial health of the SABAC account.
3. The Finance Committee shall uphold the financial integrity of USG and each administration by approving Student Senate Spending Bills before they are on the legislative floor to ensure they are properly budgeted for and appropriate relative to the financial health and mission of the organization.
4. The Finance Committee shall audit the internal spending of USG and the spending of student organizations and campus partners that receive funding from USG. The auditing process is outlined in Appendix A.
5. The Finance Committee shall host no less than two (2) publicly accessible funding workshops each year, with no less than one (1) hosted each fall and spring semester.

## Article II: Allocation Procedures

### Section A: Funding Period Protocol

1. The Finance Committee shall review student organization budget requests and make changes as outlined in the Maximum Funding Standards.
  - a. Budget requests will be accepted bi-weekly, on a day chosen by the Finance Committee at the beginning of each academic year.
  - b. For budget requests with a total cost of no more than \$500, the chair of the Finance Committee and DoF can review and approve such requests prior to a meeting of the entire Finance Committee.
  - c. For budget requests with a total cost greater than \$500, the Finance Committee will review and approve such requests on the day following each bi-weekly period.

- d. At least three-fourths of the members must be present to vote on budget requests with a total cost greater than \$500. The DoF is an ex-officio, non-voting member.
    - e. The budget requests must pass with a majority vote in the Finance Committee.
    - f. The budget requests do not have to pass through the Senate.
2. Budget requests will be accepted on a rolling basis, with each funding period deadline occurring bi-weekly, on a day chosen by the Finance Committee at the beginning of each academic year.
  - a. The application will not close on Engage and will be available for organizations to submit at any time.
  - b. Applications will not be accepted less than 2 weeks in advance of the event/program that requires funding.
3. During breaks in the academic calendar, all budget requests will be reviewed by the DoF and chair of the Finance Committee.
  - a. During summer breaks, the DoF will review and approve budget requests on a rolling basis.
    - i. There will be no bi-weekly funding periods during summer academic breaks.
4. Budget requests from each student organization shall be reviewed based upon the Maximum Funding Standards.
  - a. The chair of the Finance Committee shall record any modifications made to the Maximum Funding Standards. These changes must apply to the following funding period allocations within the same fiscal year.
5. Applicants will be notified of the status of their application no later than 24 hours after the allocation meeting.
  - a. Applicants may appeal the Finance Committee's allocation decision if one of the five items outlined in the Appeals Code holds true. Appeals must be filed within two weeks of the notification. Failure to meet this deadline will result in automatic termination of the appeal. Appeals must be emailed to the sitting DoF and chair of the Finance Committee.
  - b. Please see the Appeals Code for the Appeals Process.
6. The Finance Committee holds the right to request additional information from applicants regarding their budget requests. Budget requests that are sent back for further information must be returned to the Finance Committee within one week of notification. Failure to meet this deadline will result in automatic denial of the budget request.
  - a. The chair of the Finance Committee and/or the DoF will notify applicants via email the reason(s) for their request being returned. Communication must also include a list of necessary changes and the date by which the request must be returned.

## Section B: Budget Request Adjustment Protocol

1. Budget requests will be adjusted to comply with the Maximum Funding Standards.

- a. Any budget request including an amount greater than the maximum value for a given category will be reduced in accordance with the Maximum Funding Standards.
2. The DoF will calculate the Projected Average Bi-Weekly Allocation to provide guidance for the Finance Committee.
  - a. This figure will be calculated by subtracting the total amount of approved student organization allocations from the starting balance of the SABAC Account, then dividing that value by the number of bi-weekly funding periods remaining in the academic year.
  - b. To ensure the financial health of future bi-weekly funding periods, the Finance Committee will use discretion to maintain the health of this figure in funding periods with a high volume of budget requests.
  - c. If the Finance Committee determines it is necessary to make overall adjustments pursuant to these terms, budget requests will be considered for overall adjustment based the following criteria:
    - i. Travel-related costs. Given travel is the last priority of student organization funding, these requests will receive first consideration for overall adjustment. Conference registration is not considered a travel-related cost.
    - ii. Budget requests with a total cost greater than \$500. These requests will only receive consideration following adjustment of travel-related requests.
  - d. If the Finance Committee determines the estimated value of approved budget requests will have little to no impact on future bi-weekly funding periods, budget requests will not be considered for overall adjustment.
3. Overall adjustments will reduce the total cost of qualified requests by a percentage decided by the Finance Committee for that bi-weekly funding period.
  - a. For example, if the Finance Committee implements a 20% adjustment for all budget requests with a total cost greater than \$500 for that bi-weekly period, a non-travel request of \$1,250 will be reduced by \$250. Therefore, the final approved request will have a new total cost of \$1,000.
  - b. Consideration of the outlined criteria must be independent of one another.
    - i. For example, a funding period could have all qualified travel-related costs adjusted by 25%, while requests with a total cost greater than \$500 are adjusted by 10%.
  - c. Budget requests must first be adjusted to comply with the Maximum Funding Standards prior to any overall adjustment.
  - d. Overall adjustments will only apply to that specific funding period and have no bearing on the consideration of overall adjustments for future funding periods.
  - e. The DoF will prepare multiple estimates for possible overall adjustments related to each funding period. The Finance Committee will begin their review of budget requests by considering these estimates.

- f. The Finance Committee must decide on overall adjustments prior to reviewing budget requests.
- g. All budget requests with a total cost no greater than \$500, including travel-related requests, will not be considered for overall adjustment.

#### Section C: Funding Request Caps

1. Applications will be funded based on the category of the student organization, as determined by the Office of Leadership and Engagement.
2. Student Organizations will be funded from three categories:
  - a. Category 1: Sponsored Student Organizations
  - b. Category 2: Departmental/Affiliated and General Student Organizations
  - c. Category 3: Campus Organizations
  - d. Sports Clubs will not be approved for allocations unless they attend a national championship.
3. Allocated amounts per student organization will not be funded more than the following amounts per organization category:
  - a. Sponsored Student Organizations may apply for and receive a maximum of \$50,000 annually. There is not a funding cap per funding application.
  - b. Departmental/Affiliated may apply for and receive a maximum of \$15,000 annually. There is a \$7,500 cap per funding application, including applications for a series of events/programming.
  - c. Campus Organizations may apply for and receive a maximum of \$9,000 annually. There is a \$4,500 cap per funding application, including applications for a series of events/programming.
6. The Finance Committee holds the right to fund applications below the cap based on information provided in the application.
7. In the case that an event/program is being collaborated on by multiple student organizations, all student organizations involved may apply for and receive the full amount of funding available based on the Maximum Funding Standards. The approved budget requests will be tallied towards each of the involved organization's annual maximum.
8. Events/programming that require student attendees to pay any form of admission will not be funded. Admission may be charged to non-student attendees.

#### Section D: Types of Student Organization Budget Requests

1. The Finance Committee will fund student organizations under four categories of budget requests, as defined on the submission form:
  - a. Organizational Maintenance Requests
  - b. Event Requests

- c. Equipment Purchase Requests
- d. Travel Requests

#### Section E: Maximum Funding Standards

1. The Finance Committee holds the right to set and amend Maximum Funding Standards for all funding allocations.
2. The Maximum Funding Standards will be updated and reviewed at least once per fiscal year.
  - a. Changes to the Maximum Funding Standards shall be voted on by the Finance Committee and are not subject to Senate approval.
  - b. The updated standards will be made available on the USG website.

#### Section F: Funding Proposal Allocations

1. The Finance Committee shall hear requests and allocate funds from Reserve for amounts between \$1,500 and \$7,500.
2. At the beginning of each administration, the Finance Committee will determine which day of the week marks the end of each bi-weekly funding period. The requesting student organization shall submit a budget request to be due by 11:59 p.m. on the day before the Finance Committee will evaluate the request. The dates marking the end of each bi-weekly funding period must be published on the USG website.
3. Meetings to review budget requests shall take place at a time and a location arranged by the Finance Committee chair.
4. Budget requests must pass with a majority vote. In the event of a tie, the DoF may cast a tie-breaking vote.

### Article III: Financial Record Keeping and Disclosures

#### Section A: Maintenance of Financial Records

1. The DoF will continuously update financial records for the following accounts maintained by USG:
  - a. SABAC Account (or General Allocations Fund)
  - b. Reserve Account
  - c. Senate Programming Account (SPA)
2. The documentation related to the SABAC Account will be updated one week following each bi-weekly funding period.
3. The documentation related to the Reserve Account and SPA will be updated whenever an expenditure occurs.
  - a. In accordance with the USG Bylaws, documentation of each expenditure must also indicate appropriate approval process.

4. To ensure continuity across administrations and fiscal years, financial disclosures and documentation should follow similar formatting styles.
  - a. Documentation related to the SABAC Account should be used across fiscal years as a tool to predict tendencies in budget request levels throughout the year.

#### Section B: Publication of Financial Disclosures

1. All financial disclosures maintained pursuant to Section A must be published on the USG website.
  - a. In order to comply with USG's goal of accessibility, all efforts must be made to ensure published financial disclosures are easy to comprehend.
2. Financial disclosures from past fiscal years and administrations must also be published on the USG website.

### Article IV: Amending the Bylaws and Term Transitions

#### Section A: Bylaw Amendments

1. Proposed amendments to the Finance Committee Bylaws shall be adopted with approval from at least three-fourths of the members.

#### Section B: Transitioning between terms

1. The Finance Committee chair shall compile notes on the departing committee's initiatives and those from previous funding period meetings. These shall be passed on to the subsequent committee chair and members.
2. The DoF shall move all financial documentation, records, and disclosures to the appropriate section on the USG website and USG SharePoint to ensure they remain accessible to future administrations.



## Appendix A

The audit process' goal is to retroactively examine student organization spending of the Finance Committee funds to determine if they were used properly. The audit will attempt to determine with reasonable certainty if the organization or any members of the organization misused funds.

### Selection for Audit

To ensure fairness, organizations will be selected randomly for audit, based off of their categories and the amount of funds allocated to the organization. Each semester, the Finance Committee will audit 1 organization from the Sponsored Student Organizations (SSOs)

Category, 2 organizations from the Departmental/Affiliated and General Student Organizations Category, and 3 organizations from the Campus Organizations Category. Within their categories, the determination of who will be audited will be based off of the amount of funds allocated to them. For example, if KRUI received 35% of all funds allocated to SSOs, then they will have a 35% chance of being audited.

Organizations should be informed in writing from either the Director of Finance or the Finance Committee chair that they have been selected for audit. While no action should be required of them at the moment, they should be informed to be prepared to provide documentation or explanation of purchases if necessary.

### Audit Process

Two members of the Finance Committee will be assigned to oversee the audit. They should receive documentation from the Director of Finance regarding the funds allocated to the organization in the previous year. The committee members assigned to the audit should then check to ensure that the money spent out of the organization's account matches up with the money requested from the Finance Committee. If there is uncertainty from the committee members about what an organization spent, they should discuss it with a point of contact (president, treasurer) of the organization.

### Materiality

In audit, materiality means the level of variance that is determined to be "material", or significant. For example, if an organization was allocated \$500, and materiality was set at 10%, then a variation from the budget of \$25 would be considered insignificant, or immaterial. However, if the variation was \$50 or more, then that would be considered a material misuse of funds. For our purposes, we will use a standard of 5% of total funds for the SSOs Category, and 10% for both the Departmental/Affiliated & General Student Organizations and the Campus Organizations categories.

### Response to Potential Misuse

If an organization materially misuses funds, the organization should first meet with the Director of Finance or the Finance Committee chair and the audit committee in order to explain what

occurred. If after the meeting the misuse is determined to be negligent, irresponsible, or fraudulent, appropriate actions can be taken by the Finance Committee regarding the future allocation of the Finance Committee funds.

#### Independence of Auditors

All auditors are required to be completely independent of the organization being audited. If there are any concerns regarding the independence of an audit, the individual should inform the Finance Committee chair, and a new member should be assigned to the audit.

#### Timeline

While auditors should take their time with the process, all audits should be conducted in a timely manner. Auditors should provide frequent updates to the Finance Committee chair and to the organization's point of contact to update them on the status of the audit.