Call Meeting to Order

Roll Call

Approval of April 12, 1989 Minutes

Presidents Report
  a. International Quarter - Abdullah Faraj
  b. Escort Update

Vice President's Report
  a. Committee Appointments

Business Manager's Report
  a. Board on Budget and Finance Report

Committee Reports

Public Comment Period

Old Business
  a. Cate motion to Take Action on the Programming Deficit
  b. Bernardini Resolution for a Special Committee

New Business
  a. Warden Election Proposal

Comments

Adjournment
### ASUM Senate Tally Sheet

**Senate Members**

- Behr, Rob
- Bernardini, Tracie
- Burrington, Carson
- Byars, Brandon
- D'Angelo, Frank
- Danielson, Tim
- Fairbanks, Lisa
- Gay, Carla
- Hendren, Cory
- Lofflmoor, Shahram
- Pierce, John
- Pouncy, Calvin
- Price, Pat
- Sebold, Paige
- Sliter, Paul
- Smith, Brian
- Solem, Ted
- Warden, Christopher
- Wilkinson, Nathan
- Young, Steve
- Ex-officio

**ASUM Officers**

- Ayisworth, Aaron
  - President
- Long, Andrew
  - Vice President
- Cate, Darren
  - Business Manager

**Faculty Advisor**

- Edgar, Pat

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ASUM SENATE MINUTES
April 19, 1989
Mount Sentinel Room
6:00 p.m.

Chairman Long called the meeting to order at 6:00 p.m. Senators present were Behr, Bernardini, Burrington, Byars, D'Angelo, Dahlberg, Fairbanks, Gay, Henderson, Lotfipour, Pierce, Pouncy, Price, Sebald, Sliter, Smith, Solem, Warden, Wilkinson, Young, Aylsworth, Cate, and ex-officio Fisher.

President's Report

1. Aylsworth reported that Abdullah Faraj will speak about International Quarter during next week's Senate Meeting.

2. Aylsworth reported that a special legislative session will be held this summer. It will begin sometime from May 21st to June 19th and last one to four weeks. Aylsworth stated that ASUM and the other schools are examining the prospect of hiring one legislative lobbyist and sharing the cost.

3. Aylsworth explained that the Publications Board needs members. The Publications Board will appoint the editor of the Kaimin.

4. Aylsworth reported that the Reorganization Committee met and discussed several possibilities for ASUM reorganization.

5. Aylsworth reported that the questions about the Escort Service have been cleared up. The Escort Service will open on time — April 24th.

6. Aylsworth reported that the Senate yearbook pictures will be taken at the next Senate meeting.

Vice President's Report

7. Young - Cate motioned to appoint Brandon Byars to the Board on Member Organizations. Upon vote, motion passed.

8. Warden - Cate motioned to appoint Paul Sliter, John Pierce, Brandon Byars, Cory Henderson and Ted Solem to the Petition Review Committee. Upon vote, motion passed.

9. Byars - Cate motioned to appoint Lynn Israel, Debbie Cox, and Calvin Pouncy to the Program Review Committee. Upon vote, motion passed.

Business Manager's Report

10. Cate reported that the Board on Budget and Finance met and approved a line-item change for Phoenix. The Board also tabled a special allocation for the International Student Association.

11. Cate reported that the next Board on Budget and Finance meeting will be on Monday, April 24, at 3:15 in UC 114.
Committee Reports

12. Bernardini reported that she had a meeting with the Director of IMS to help examine appropriate sound systems for ASUM Senate meetings. Bernardini stated that she will finance the project with a S.T.I.P. allocation from the Board on Budget and Finance.

13. Van Tighem reported that the Student Legislative Action Committee will meet Thursday at 4:00 p.m. to discuss the special session and the lobbyist. Van Tighem reported that on April 17th he and Andrew Long had lunch with the Conference Committee on HB/100. Van Tighem reported that the lunch was a tremendous success. Van Tighem explained that Van Volkenburg amended the bill to give $1.4 million to the University System has been amended to come from the Board of Regent's Trust Fund.

Old Business

14. Cate - Young motioned to remove the Programming deficit by transferring $90,024.89 from the General Fund, which currently has a balance of $147,133.04, to clear the entire deficit. This will leave a balance of $57,108.15 in the General Fund. In addition, the ASUM Programming Director and the ASUM Accountant will give a quarterly report to the Board of Budget and Finance on the current status of the overall Programming operation. Any profits remaining in the ASUM Programming accounts will be carried over to the next fiscal year to be used to provide campus entertainment and activities. Any deficit incurred by ASUM Programming during a fiscal year will automatically be deducted from the next fiscal year's budget allocation up to $10,000. Should there be a deficit carryover of greater than $10,000 the ASUM Programming office will be given one fiscal year to pay the balance back to the general fund. After one year, should there be a remaining deficit, the total outstanding balance will be deducted from the ASUM allocation.

Price - Young motioned to suspend the Bylaws to deal with the Cate motion. Upon vote, motion passed.

Discussion followed. Upon vote, motion passed.

15. Young - Byars motioned to table the Bernardini Resolution one week. Upon vote, motion passed.

New Business

16. Pierce - Cate motioned to accept the Warden Election Resolution.

Adjournment

17. Sliter - Cate motioned to adjourn at 6:50 p.m. Upon vote, motion passed.

Respectfully Submitted,

Tracey Vivian Womack,
ASUM Senate Recording Secretary
To: Budget & Finance Committee  
ASUM Senate

From: Gary L Como  
ASUM Accountant

Subject: ASUM Programming Deficit

I am requesting a resolution on how you want the Programming deficit handled. As of this date, Programming is paying off deficits from fiscal years 1982 thru 1986 at the rate of $3000.00 per year and still has an outstanding balance of $27,036.45.

In fiscal year 1987-88 they incurred an additional deficit of $69,650.50 of which 47% or $32,555.30 was from the Smokey Robinson concert. As of this date, all debts incurred by Programming have been covered by the ASUM General Fund. As a result, the positive balance being reported in the General Fund is actually being offset by the negative balance being reported in the Programming carryover accounts.

I wish to present three proposals for your consideration on how this deficit, which now carries a cumulative total of $90,024.89, is to be cleared. This balance does not reflect the $10,000.00 held in the Programming reserve account.

1. Programming will continue to function in a "reduced funding" capacity with tighter budgetary controls being enforced by the ASUM Business Manager and ASUM Accountant. Reduced funding is accomplished when the approved Senate Allocation is reduced by $10,000.00 at the beginning of the new fiscal year. These funds will then be transferred to the Programming Carryover account which carries the cumulative deficit. This will continue on an annual basis until the outstanding debt is paid in full. The standard process in years past in handling accounts with deficits has been to obtain a personal check to cover the deficit or reduce their spending authority in the next fiscal year by the amount of the deficit.

2. Ease Programming's burden by agreeing to split their annual payment on this debt with 1/2 of the payment coming out of the ASUM General Fund ($5000.00) and the remaining $5000.00 payment being handled as noted in #1. I believe this plan would still allow Programming the flexibility to operate with an ample budget.

3. The final option is to actually transfer $90,024.89 from the General Fund, which currently has a balance of $147,133.04, to clear the entire deficit. This will leave a balance of $57,108.15 in the General Fund. In addition, the ASUM Programming Director & the ASUM Accountant will give a quarterly report to the Budget & Finance Committee on the current status of the overall Programming operation.

NOTE:*****************
It has never been the practice of ASUM to liquidate department deficits by using the General Fund without some type of repayment plan. Changeover of personnel in any department does not constitute a release of liability. Every department must be held accountable for management or mismanagement of its budget.
BACKGROUND

The Associated Students of the University of Montana (ASUM) is the student government on campus. ASUM Programming is an arm of ASUM responsible for "providing a diversified program of educational, entertaining, and relevant events for the University of Montana and western Montana." Programming's goal "...is to provide a cultural program which will enhance the academic experiences..." ASUM Programming is funded by an allocation of student activity fees from ASUM and receipts from events they sponsor. A Student Programming Director is appointed by the ASUM President and confirmed by a majority vote of Central Board. The Director is responsible for managing all phases of Programming. The University Center Consultant is responsible for orientation of the Programming officers and is the advisor to the student Programming Director. The UC Consultant reports to the Director of Campus Recreation.

During FY 88, ASUM Programming incurred an operating deficit of $69,650. The spring Library Benefit concert accounts for 47% of the loss: $32,555. The incoming ASUM President asked Internal Audit to investigate the deficit in ASUM Programming. Internal Audit reviewed ASUM Programming fiscal records for FY 83 and observed current operating procedures.

GENERAL COMMENTS

ASUM has extensive by-laws and fiscal policies which are clearly documented and available to all officers and staff. The policies are reviewed by each new administration and revised annually. ASUM is currently operating within these guidelines.

ASUM Programming operated under three unique circumstances during FY 88. These circumstances created poor management decisions that, in our opinion, were the real cause of the deficit. First, the ASUM Programming Director and staff were retained from the previous year and were allowed to act autonomously. Secondly, the University Center Consultant position was vacant, then filled for several months, vacated again, and finally filled by an acting consultant late in the year. Consequently, the already autonomous Programming staff had no one advising them. Finally, the University-wide conversion to a new accounting system during FY 88 caused a delay in fiscal reports necessary for sound management decisions. These facts, combined with the poor attendance at all Programming events during FY 88, created the deficit.

An evaluation of existing procedures during the time of this review indicates that adequate procedures are currently in place and ASUM Programming is operating smoothly. The current Programming staff were courteous, helpful and have contributed excellent suggestions to improve the operations of ASUM Programming.
FINDINGS

1. Upon the recommendation of the Director of the University Center, the by­
   laws of ASUM were changed at the beginning of FY 88 to allow the
   Programming Director to serve for two years. This was done because the
   UC Consultant job was vacant at the time.

2. There are several procedures for refunding tickets of programming events.
   Cash controls are not in place in these procedures. As a result, a
   complementary ticket holder was given a cash refund in the current year.

3. The bylaws state that each event/series of events shall be evaluated by
   the Consultant and the Programming Director. With the exception of films,
   most FY 88 event files did not include a written event evaluation. Only
   one concert in the current year has had a final evaluation session that
   included all the involved personnel.

4. ASUM fiscal policy states: "Deficit spending will not be allowed". The
   University accounting system can control expenditures by individual
   account's (orgs) budgets, by appropriation unit, or by a fund's (group of
   accounts) balance. ASUM Programming's spending requirements make
   expenditure control at the organizational budget level impracticable.
   During FY 88, expenditure control was set on fund balance for ASUM
   Programming. This means the individual accounts in ASUM could overspend
   their budgets, but ASUM Programming as a whole should not have been able
   to overspend their fund balance. However, to expedite transactions in FY
   88, the minimum fund balance requirement was set at a negative $1,000,000
   for all funds in the system. Consequently, no warnings/edits were
   generated by the accounting system to warn ASUM Administration that
   Programming was operating in a deficit position. However, the deficit was
   known because the ASUM Accountant was maintaining a separate set of manual
   records.

5. ASUM Programming cannot record expenditures on an event until a budget is
   placed in the accounting system. It appears that some popular concerts
   were budgeted based on unrealistic attendance expectations. This over­
   budgeting led to higher spending on certain concerts.

RECOMMENDATIONS

1. We recommend that the bylaws be revised to limit the Director's position
   to a one-year appointment.

2. We recommend that a standard refund policy be developed with input from
   the Controller, Box Office Manager, UC Cashier Supervisor, UC Consultant,
   and the Programming Director.

3. We recommend that ASUM follow their policy of evaluating each event and
   placing a written evaluation in the event's file. The purpose of the
   historical records is to help the succeeding administrations perform their
   jobs.
4. We recommend that ASUM follow their policy on deficit spending. We concur with the decision to place expenditure control on fund balance for ASUM Programming; however, we recommend that the control of the actual dollar amount be closely monitored by the ASUM Accountant. It should be based on the monies allocated to ASUM Programming by Central Board and some reasonable estimation of event revenues. The fund balance control can be changed during the year as better revenue estimates are available.

5. We recommend that the Programming Director use discretion in estimating event attendance so that event expenditure budgets are based on a reasonable expectation.

Susan D. Briggs
Internal Auditor
DATE:        April 7, 1989
TO:          Gary Como, ASUM Accountant
FROM:        Susan Briggs, Internal Auditor
RE:          ASUM Programming Deficit

We have reviewed the three proposals prepared by you and each of
them would be an acceptable process. This is not an inclusive list
and we would be happy to review the accounting implications of any
other proposals that might come forward.

Please remember that any decisions concerning the ASUM Programming
deficit are to be made by the Budget and Finance Committee of ASUM
and ASUM Officers. It is not our role or desire to influence this
decision.

If we can be of further assistance, do no hesitate to call.
## ASUM PROGRAMMING

**Summary by Category - FYE 87-88**

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<th>Org#</th>
<th>Description</th>
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<td>Programming Administration</td>
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<td>FY 82-86 Carryover</td>
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<td>Sophia Clark</td>
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<td>Marie Benitez</td>
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<td>Ladysmith Black Mambazo</td>
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<td>New York Chamber Soloists</td>
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<td>Pop Concerts Holding*******</td>
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<td>FY 82-86 Carryover</td>
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<td>Less FY 87 Carryover</td>
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<td><strong>Total Cumulative Deficit</strong></td>
<td>($90,024.89)</td>
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April 19, 1989

Dear ASUM Senate:

Like yourselves, I have had a week to mull over the proposals presented at our last Senate meeting that address the ASUM Programming deficit. Clearly, there are three overriding concerns to consider no matter which option we choose.

First, if we choose to pay the deficit off in incremental amounts over the course of a decade, we must evaluate whether these proposals are truly in the students best interests? Undoubtedly, a long term repayment plan, whether it be option number one or number two, will mean decreased activities on campus for a very long time.

Option number three remains my choice for handling the existing deficit. This option however, does not come without concerns as well. There are two concerns we should have about such an option. First, is it setting a precedent that may come back to haunt us; and second, what do we do if it happens again.

As we discussed last session, what happened last year was a combination of very unique circumstances--but ASUM Programming is a very unique campus organization. Therefore, I would like to recommend the Senate clear the deficit and institute a unique fiscal policy to deal with future profits and losses that may be incurred by ASUM Programming. My proposal is as follows.

1. Any profits remaining in the ASUM Programming accounts will be carried over to the next fiscal year to be used to provide campus entertainment and activities.

2. Any deficit incurred by ASUM Programming during a fiscal year will automatically be deducted from the next fiscal year's budget allocation up to $10,000. Should there be a deficit carryover of greater than $10,000 the ASUM Programming office will be given one fiscal year to pay the balance back to the general fund. After one year, should there be a remaining deficit, the total outstanding balance will be deducted from the ASUM allocation. (Please see the attached examples showing how this would work.)
This solution does not set a precedent which will enable all ASUM organizations to deficit spend and expect their losses to be covered by the general fund. What this proposal is asking you to do is correct an ongoing problem with the fiscal policy concerning a unique campus organization. This is a proposal for a revisal in fiscal policy which cannot be instated without choosing to start with a clean slate.

I believe this plan should be implemented immediately with profit or loss from this year either deducted or added to the allocation for the upcoming 1989-90 year.

A policy of accountability such as this will reinforce the importance of fiscal responsibility for the Programming Director, the Programming Advisor, the ASUM President, ASUM Business Manager, and the accountant. I urge you to give consideration to what is a viable solution to a lingering problem.

Sincerely,

Sharon Spray-Warden

Sharon Spray-Warden
Example #1:

Year 1995-96 year end deficit .......................................................... $15,000

Year 1996-97 allocation ................................................................. $80,000
Automatic reduction of the first $10,000 ........................................ $10,000
Revised allocation ......................................................................... $70,000

Remaining deficit ........................................................................... $5,000

Year end balance 1996-97 profit ...................................................... $6,000

Year 1997-98 allocation ................................................................. $80,000
Carryover profit from year 1996-97 ............................................... $6,000
Carryover deficit from 1995-96 ..................................................... $5,000
Revised allocation ......................................................................... $81,000

Example: #2

Year 1995-96 year end deficit .......................................................... $15,000

Year 1996-97 allocation ................................................................. $80,000
Automatic reduction of the first $10,000 ........................................ $10,000
Revised allocation ......................................................................... $70,000

Remaining deficit ........................................................................... $5,000

Year end balance 1996-97 deficit ...................................................... $10,000

Year 1997-98 allocation ................................................................. $80,000
Carryover deficit from year 1995-96 ............................................... $5,000
Deficit reduction for 1996-97 (first $10,000) .................................... $10,000
Revised allocation ......................................................................... $65,000