



BOARD OF DIRECTORS

Finance Committee

January 23, 2023

1:00 p.m.

PRESENT: Pouria Abbassi, Muratkhan Abdirash, Donna Baker, Scott Monatlik, Daniel Neuhauser, and Julia Terrano

ABSENT: Live Maluia and Octavio Narvarro

MANAGEMENT: Donna Baker, Director of Finance
Cindy Bolton, Director of Food Services
Sandi Gillespie, Director of Board and External Affairs
Krista Kae Parino, Board of Directors Administrator
Peter Poon, UCLA Store Director

GUESTS: Wudia Kamara, ASUCLA Board Member

CALL TO ORDER

Ms. Terrano called the meeting to order at 1:02 p.m.

APPROVAL OF AGENDA

Ms. Terrano called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee January 23, 2023, Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Ms. Terrano called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee December 8, 2022, Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Abbassi updated the Finance Committee on the following topics:

Pandemic Employee Retention Tax Credit:

The Employee Retention Tax Credit paperwork has been submitted and serves as a COVID-19 relief opportunity for employers.

State Capital Funding

ASUCLA received \$6M of State Capital Funding allocated as a block grant and completed the administrative process. Additional updates will be provided at the next Finance Committee meeting.

ScrubJay Café

The coffeehouse is located in the Manoukian Medical building and is scheduled for a soft opening on January 25. Plans for the grand opening are being discussed.

Service/Revenue Initiatives

ASUCLA Restaurants implemented the \$5 Fridays and \$2 Taco Tuesday programs at all locations. Both programs have received positive customer feedback.

Resolution of Debits and Credits Between UCLA and ASUCLA

ASUCLA Management and UCLA are collaborating to resolve various outstanding items. A task team is working on recommendations that will be shared with the board by the end of the winter quarter.

Ms. Terrano commended the \$5 Friday promotion.

FINANCIAL UPDATE

Gross Income for December was \$4.7M compared to November at \$5.4M and was \$420K ahead of last year and (\$470K) below plan. Gross Margin at \$2.2 M compared to November at \$3.1M was (\$390K) below plan and (\$270K) below last year. Contribution at \$90K, compared to November at \$600K, was (\$380K) below plan and (\$320K) below last year. Other income/expense categories performed on or slightly better than plan. Net income for December at (\$900K), compared to November's loss of (\$450K), was (\$359K) below plan.

November month-end cash position is \$21M with a surplus of \$12.4M after the board required reserve. Accounts Receivables are at 8%.

Mr. Monatlik asked how the on-campus labor strikes impacted the financials. Mr. Abbassi explained how the 30% - 40% drop in customer count contributed to the loss in revenue. Ms. Bolton further explained how remote classes led to fewer students on campus. Mr. Neuhauser highlighted how the strike benefits graduate students and the importance of planning ahead to accommodate the increase of incoming students using ASUCLA services.

COMMUNICATIONS BOARD FINANCIAL STATEMENTS

Net income for November is positive to plan by \$20K, and year-to-date by \$67K.

DRAFT AUDIT – COOPERAGE DIVISION

Ms. Baker explained that based on the results of the work performed within the scope of the audit, The Cooperage Division 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. Management should ensure that staff obtains and documents approval (by someone other than the individual that processed the transaction) when processing voids and refunds to reduce the risk of fraudulent transactions occurring and/or not being detected.

Ms. Terrano asked how ASUCLA responds to all audit recommendations. Ms. Bolton mentioned that a written letter with an explanation and steps to address the issue will resolve the matter.

DRAFT AUDIT – COURT OF SCIENCES STUDENT CENTER

Ms. Bolton explained that based on the results of the work performed within the scope of the audit, The Court of Sciences Student Center 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. Management should ensure that CSSC restaurants maintain adequate supporting documentation for void and refund transactions, including supervisory approval, to enhance accountability and to comply with UC Policy BUS-49 and applicable University records retention requirements. In addition, management should ensure that any transactions generated as a part of Sequoia System testing be clearly identified as test transactions or processed in a separate testing environment rather than in production. Lastly, refund transactions should clearly indicate the name of the individual who approved the transaction.
2. Management should consider maintaining documentation to monitor and track all discounts and promotions that are requested for entry into the Sequoia/Quadpoint POS System. By doing so, management can ensure that only authorized discounts and promotions are active and CSSC restaurant managers and the Operations Manager are both fully aware of all promotion and discount activity. In addition, management should ensure that CSSC restaurant managers are promptly notified by ASUCLA Operations personnel when discounts and promotions are removed from the POS System.
3. Management should coordinate with ASUCLA IT personnel to determine whether the types of inaccuracies identified in the Sequoia POS System during the audit can be resolved. In addition, management should ensure that financial information recorded on department-prepared spreadsheets agree to their POS system source reports.
4. Management should coordinate with ASUCLA Sequoia System Administrators to promptly remove inactive users from the system when the user is no longer employed by the department. In addition, management should require that a list of these employees no

longer requiring access to the Sequoia POS System is provided to the ASUCLA Operations Manager in a timely manner.

5. Management should coordinate with ASUCLA IT and Human Resources personnel to determine whether the cause for the inaccuracies identified during the audit within Kronos system timekeeping reports can be identified and resolved to avoid similar issues reoccurring in the future. Resolution of the inaccuracies would help ensure that the timekeeping reports can be relied upon by management.

ADJOURNMENT

Ms. Terrano called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the January 23, 2023, meeting. There being no objections, the meeting was adjourned at 1:44 p.m.