

# UMSG INC

## *Financial Policies*

The following abbreviations are used throughout this document:

- **University of Maine Student Government, Inc.** – UMSG, Inc.
- **Vice President for Financial Affairs** – VPFA
- **Assistant to the Vice President for Financial Affairs** – AVPFA
- **Division of Financial Affairs** – DFA
- **General Student Senate** – GSS
- **Executive Budgetary Committee** – EBC
- **Student Organization Recognition Policies** – SORP Document
- **University of Maine** – refers to the educational institution in Orono, Maine

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## **Part One: Budgetary Procedures**

### ***Section 1: The Budget Process***

#### **A. Budget Time Table**

The Vice President for Financial Affairs (VPFA) shall determine the budget timetable and submit it to the Executive Budgetary Committee (EBC) for approval, following the guidelines outlined in Article VIII, Part II of the UMSG, Inc. Constitution. This timetable shall include the following events:

1. The date that budget forms are made available.
2. Dates that eligible Boards, Community Associations, Committees, Sports Clubs, and Divisions of UMSG, Inc. can meet with the VPFA to discuss their budget proposals before they are submitted to the EBC for consideration.
3. Due date for completed budget forms.
4. Date of EBC meeting(s) to create preliminary and final budget proposals.
5. When the VPFA will notify Boards, Community Associations, Clubs, Committees, and Divisions of UMSG, Inc. of any budget changes.
6. Date when the final budget proposal will be provided to Senators for review.
7. Date of GSS meeting(s) for consideration of the Annual Budget.

#### **B. Budget Request Process**

Budget request forms shall be available to all eligible Boards, Community Associations, Clubs, Committees, Sports Clubs, and Divisions of UMSG, Inc. on or before the third Monday of February. The budget request forms shall be returned to the Division of Financial Affairs (DFA) according to the deadline set by the EBC.

#### **C. Representative Meetings**

All eligible Boards, Community Associations, Committees, and Divisions of UMSG, Inc. requesting funding from the Annual Budget must send a representative to meet with the VPFA before budget proposals are submitted to the EBC for consideration.

#### **D. Revenue Estimation**

The VPFA shall conservatively estimate the coming year's revenue based on anticipated undergraduate enrollment figures. The EBC must approve these estimates. Enrollment estimates should be obtained from the **Office of Enrollment** and used as estimates when anticipating upcoming revenue.

#### **E. Preliminary Budget Preparation**

The EBC shall prepare a preliminary version of the Annual Budget, which shall consist of at least the following:

1. The annual office budget for UMSG, Inc.

2. The annual budget for Legal Services.
3. The annual budgets for the Student Entertainment, Student Leadership, and Student Organizations divisions.
4. The annual budgets for all eligible Boards and Community Associations.
5. The annual budgets for eligible Committees of UMSG, Inc.
6. The annual budgets for all eligible Clubs.
7. The annual budgets for Sports Clubs.
8. All compensation and insurance expenses for the coming fiscal year.
9. Any current contracted special allocations.
10. The total of these expenditures shall not exceed expected revenue.

#### **F. Final Budget Review**

After the preliminary version of the Annual Budget has been completed, each organization requesting a budget shall be allowed to have a representative review this version and address the EBC. After hearing from all representatives, the EBC shall prepare the final version of the Annual Budget and submit it to the GSS for approval at least four (4) weeks before the end of the Spring semester. The EBC shall sponsor a resolution to pass this final version of the Annual Budget as a single, non-divisible resolution.

#### **G. Categorical Breakdown**

The VPFA shall prepare and present a categorical breakdown of each Board, Community Association, Club, and Committee's budget as part of the Annual Budget recommendation for the coming fiscal year. This breakdown shall be submitted to the GSS and the final version of the annual budget. The Annual Budget and the categorical breakdown must be made available to Senators for review at least twenty-four (24) hours before the GSS meeting at which the budget will be considered.

#### **H. Presentation of Budget Requests**

Boards, Community Associations, Clubs, Committees, and Divisions of UMSG, Inc. requesting funds from the Annual Budget shall be given time to present their budgets during the GSS meeting when the Annual Budget is considered under Rule 5, Section 5 of the Standing Rules of the GSS.

#### **I. Authority to Strike or Amend**

The GSS may strike any line from the Annual Budget, including any line included in the budgets of Boards, Community Associations, Clubs, Committees, Sports Clubs, and Divisions of UMSG, Inc., provided that no contractual or other legal obligations are neglected and that these Financial Policies are strictly adhered to at all times. The GSS may also reduce or increase the dollar amount of any budget category, provided that no contractual or other legal obligations are

neglected, these Financial Policies are strictly adhered to, and no expenditures exceed expected revenue.

**J. Budget Request Categories**

All budget requests will be broken down into the following categories, as printed on the Budget Request Form:

Boards & Community Associations

1. Advertising and Correspondence
2. Equipment and Materials
3. Office Expenses
4. Programs

Clubs

1. Advertising and Correspondence
2. Office Expenses

Committees

1. Advertising and Correspondence
2. Equipment and Materials
3. Office Expenses
4. Programs

Sport Clubs

Legal Services

1. Advertising and Correspondence
2. Office Expenses
3. Contract (Parking decal, Continuing Education, Bar Dues/Registration)
4. Law Library
5. Work Study Payroll
6. Salary (See Compensation Office Salaries)

Student Entertainment

1. Conference & Travel
2. Equipment and Materials
3. Office Expenses
4. Programs (includes all associated costs, i.e., advertising & correspondence)
5. Work Study Payroll

Student Organizations

1. Advertising and Correspondence
2. Equipment and Materials
3. Office Expenses
4. Programs

**K. Office Budget Cap for Clubs**

Office budgets approved for Clubs shall be at most \$200.

**L. EBC Funding Allocation Power**

The EBC shall be able to allocate funds to student organizations up to \$1,000 through the GSS consent agenda. The GSS or Cabinet may overturn such allocations by a two-thirds roll call vote, assuming the funds still need to be distributed.

### M. Outdoor Club Funding Set-Aside

A set amount of Student Activity Fee dollars will be designated in the annual budget for outdoor clubs. This amount will be an estimate based on the clubs' collective needs, including but not limited to gear, storage supplies, and safety equipment. The VPFA and the EBC will decide this amount based on an estimate from the prior two semesters to better reflect unallocated funds for the upcoming fiscal year. Outdoor clubs may receive more than the allocated amount at the discretion of the EBC through the regular additional funding request process.

### N. Sports Clubs Funding by Tier

Sports Clubs receive support from student fees through Campus Recreation, which gets a portion of the unified fee or Student Government, depending on the club's Tier. The funds are distributed based on line-item budgets. The amount each club receives from Campus Recreation or SGA is determined by the Tier the club belongs to within Campus Recreation at the end of each academic year. UMSG funds Club Sports that qualify for Tiers 1, 2, and 3. The VPFA will work with all Club Sports and Campus Recreation to pre-determine the Tier for which each club will qualify. If the club is not eligible for its goal tier, it will revert to the next tier, which it does.

- **UMSG will fund each sports club based on its Tier qualification:**

1. \$2,500 for Tier 3 sports
2. \$5,000 for Tier 2 sports
3. \$10,000 for Tier 1 sports

Club Sports may receive more than the allotted amount at the discretion of the EBC and GSS through the regular additional funding request process. The VPFA, EBC, and GSS can accept or reject additional funding requests outside the Tier system.

### O. Pay to Play

Some club sports (e.g., Alpine Ski, Figure Skating, Men's Ice Hockey, Women's Ice Hockey, Pickleball, and Tennis) must pay to use facilities for practices and games. In the past, much of these clubs' Tier budgets have gone to paying for facilities, while other clubs' budgets went to travel, lodging, van rentals, and equipment. Recognizing the inequities of paying to play within the Tier System, the VPFA, EBC, and GSS shall consider special allocations for pay-to-play funding, including practices, events, and/or "special events." These requests shall be considered only after written approval from Campus Recreation and the VPFA.

- All Pay to Play requests must be passed in the following year's annual budget. Additionally, EBC and the GSS shall consider a maximum of 75% of each club's need for facilities.
- The remaining balance of pay-to-play bills is not to be covered by UMSG funds.

## ***Section 2: General Budgetary Procedures***

### **A. Emergency Reserve Account**

UMSG, Inc. shall hold \$25,000.00 (\$20,000 in the UM Foundation and \$5,000 in a separate savings account) as an emergency reserve account every year.

### **B. Allocation Approval**

Money shall only be allocated or committed by any officer or representative of UMSG, Inc., for any purpose, either during the Annual Budget process or for special funding considerations, exclusively upon approval of the EBC and the GSS.

### **C. Line Item Restrictions**

If a line item within an office budget category has been stricken by either the EBC or the GSS, no monies may be allocated from within the existing office budget at any time during the fiscal year for the stricken line item. Suppose the EBC or the GSS has indicated an amount of zero on a given line within an office budget. In that case, no monies may be allocated from within the existing office budget without the approval of the VPFA.

### **D. Special Funding Considerations**

The EBC and the GSS may review special funding considerations for organizations with final recognition throughout the year. These requests should address single, specific items or additional items.

### **E. Equitable Funding Consideration**

All eligible Boards, Community Associations, Clubs, and Committees that meet these guidelines and comply with the directives stated on all approval and update forms shall be considered fairly and equally in all funding matters regardless of all other factors.

### **F. Suspension for Financial Debt**

An organization that owes a financial debt to UMSG, Inc. or the University of Maine shall have its recognition suspended, as determined by the Vice President for Student Organizations (VPSO).

### **G. Contract Approval**

1. Any contract for hiring personnel or rendering services directly for UMSG, Inc. shall require the approval of the GSS, except contracts under the jurisdiction of the Division of Student Entertainment.
2. The contract shall be negotiated by the President of UMSG, Inc., a representative of the Division of Financial Affairs (DFA) selected by the VPFA, and other individuals deemed

necessary by the President of UMSG, Inc. The GSS shall approve these additional members chosen by the President.

3. No contract may be signed until the approval of the GSS. The President of UMSG, Inc. and the VPFA shall sign on behalf of UMSG, Inc. in all contracts of this type. In the absence of the VPFA, the Assistant Vice President for Financial Affairs (AVPFA) shall sign in place of the VPFA.

#### **H. Summer Compensation Eligibility**

Only employees classified as Contractual Employees or Service Employees as described under Article 2 of the Employment Policies of the University of Maine Student Government are eligible to receive summer compensation.

#### **I. Charitable Donations and Acts of Kindness**

No money shall be allocated for charitable donations and acts of kindness greater than \$50 in cash, other assets, or equity instruments unless funded by independent donation and determined by the EBC and GSS to be in keeping with the purposes of UMSG, Inc. Charitable contributions and acts of kindness less than or equal to \$50 in cash, other assets, or equity instruments, may be expensed from the President's or Vice President's Executive Fund.

## **Part II: Student Government Office Guidelines**

### ***Section 1: Office Policies***

#### **A. Budget Adjustments by the VPFA**

The Vice President for Financial Affairs (VPFA) may move money from an existing category in the UMSG, Inc. office budget to another existing category. The VPFA must inform the General Student Senate (GSS) of any changes. The VPFA must obtain GSS approval to create new lines or categories in the budget before spending any monies on those line(s).

#### **B. Certificates of Appreciation and Gavel**

The funds will be used yearly to purchase certificates of appreciation and a gavel for the GSS president.

#### **C. Executive Fund for President and Vice President**

The President and Vice President of UMSG, Inc. shall each receive an Executive Fund of **\$2,000**. The Executive Funds may be used under the following guidelines:

1. Funds shall not be used for personal expenditures.
2. The President/Vice President must sign the check request as the requesting officer.
3. The VPFA must approve or deny the check request before the check is issued.
4. The President/Vice President must report all expenditures to the GSS at the meeting following the issuing of the check.

5. Gifts paid for from the Executive Fund must be given in the name of UMSG, Inc.

#### **D. Restrictions on Political Influence**

No monies shall be allocated to influence any individual's selection, nomination, or appointment to any federal, state, or local public office or office in a political organization. No monies shall be allocated for lobbying for the passage or in opposition to any bill, law, or regulation unless directly related to the core interests of UMSG, Inc., and must be in keeping with UMSG, Inc.'s 501(c)3 status and relevant rules governing the University of Maine direct-funded organizations.

#### **E. Signature Cards**

The signatures of the VPFA, Financial Officer for Allocations (FOA), Treasurer, and Assistant Vice President for Financial Affairs (AVPFA) shall be on the UMSG, Inc. checking/savings signature cards. Only the VPFA and AVPFA may be on other UMSG, Inc. cards (to facilitate transferring old/new signers). The AVPFA may write checks with the VPFA's or the Treasurer's approval.

#### **F. Annual External Audit**

An outside accounting firm shall conduct an external audit of UMSG, Inc., its Boards, Community Associations, and any other UMSG, Inc. entities at the end of each fiscal year. Funds for this audit will be allocated to the UMSG, Inc. office budget. An internal audit may be conducted occasionally, and any recommended changes may be incorporated into these Financial Policies.

#### **G. Holiday Bonuses**

Holiday bonuses will be paid based on the following guidelines:

1. The net value of one-half of a bi-weekly paycheck before taxes.
2. An additional \$25.00 per year for each fiscal year of UMSG, Inc. employment after the first year.
3. The maximum accumulation for these rates will be \$1,000.
4. The Executive Budgetary Committee (EBC) recommends whether bonuses will be given in a fiscal year, with the GSS's final approval.
5. EBC will consider awarding the bonuses at the first EBC meeting after Thanksgiving.

#### **H. Reports from the Vice President of Student Entertainment**

The Vice President of Student Entertainment shall be required to report to the VPFA, who will then report to the EBC at each of its regular meetings on the current and upcoming business of the Division of Student Entertainment. Furthermore, the Vice President of Student Entertainment shall report to the EBC when the Division of Student Entertainment offers contracts to performers, plans to finalize any agreements, or plans to write any checks. If there is no EBC



meeting during a given week, the Vice President of Student Entertainment may submit the report electronically.

## **Part III: Board, Community Association, & Club/Committee Guidelines**

### ***Section 1: Club Recognition***

A. Clubs must receive preliminary and final recognition from the General Student Senate (GSS) to be recognized.

B. After preliminary recognition, Clubs must wait seven (7) academic weeks (excluding summer sessions and University breaks) before applying for final recognition.

### ***Section 2: Office Policies***

A. Eligible Boards, Community Associations, Sports Clubs, and Committees seeking Annual Budget funding must have their President or Treasurer meet with the Vice President for Financial Affairs (VPFA) before submitting proposals to the Executive Budgetary Committee (EBC).

1. Additional Funding Request forms must include an agreement that funds will not be used to support or oppose political candidates or legislation.

B. Boards, Community Associations, and Clubs/Committees may use funds flexibly within their budgets to cover any listed expense category. New budget lines require EBC approval, and the VPFA reports updates to the GSS.

C. If the EBC or GSS strikes or marks zero a line item in the office budget, funds may only be allocated during the fiscal year with VPFA approval.

#### **D. Special Funding Requests**

1. The EBC reviews requests under or **equal to \$1,000** and may be voted on through the Consent Agenda by the GSS.
2. Requests **over \$1,000** require a resolution to the GSS after passing the EBC with a majority vote and must focus on single, specific items.
3. Requests **exceeding \$1,000** outside the budget must be presented by the President or Treasurer of the requesting body unless the VPFA approves another representative.

#### **E. Audit Requirements for Boards & Community Associations**

1. The Assistant Vice President for Financial Affairs (AVPFA) will keep original bank statements for audit purposes.

2. For the audit, Boards & Community Associations must report all funding sources, including dues and event revenue.
3. The DFA will keep invoices and receipts for UMSG, Inc. funds used, which are available for audit if needed.

F. The EBC may revoke financial handling privileges from Board or Community Association officers if deemed unqualified, with the option of appealing to the GSS.

G. All branches of UMSG, Inc. and associated Boards, Community Associations, and Clubs/Committees must follow DFA bookkeeping procedures.

H. Organizations funded by UMSG, Inc. must keep records of all expenditures and may be subject to DFA audits.

I. Clubs affiliated with a University department must seek department funding, providing a letter if funds are unavailable.

J. Clubs requesting funds must demonstrate efforts to seek alternative funding sources.

K. Boards, Community Associations, or Clubs/Committees that misuse student activity fee funds as defined by the Board of Trustees, UMSG, Inc. Constitution, or GSS guidelines will forfeit their remaining funds for the fiscal year.

L. No funds will be allocated to influence public office selections or political nominations. Organizations using funds for political support must repay and may face a one-year funding suspension after the EBC review.

M. Funds are unavailable for gifts, trophies, prizes, or alcohol. The Membership Committee may purchase senior gifts up to **\$100 per outgoing senior member**.

N. Funds are not available for fuel, tolls, or parking.

O. Funding will not be allocated for past events or programs (**no back-funding**).

P. For funding motions in the GSS, a budget must be provided to the VPFA and all Senators for the motion to proceed.

Q. All photocopying, printing, or advertising requests must include a sample.

R. Apparel funding for current members must display a UMSG logo and be reasonably priced. The VPFA and EBC may reject any apparel design.

S. Funds cannot cover salaries or dues for Club/Committee members or officers.

T. UMSG, Inc. assumes no responsibility for late fees or damages and will only pay discounted amounts if applicable.

#### **U. Money Requests**

1. Boards, Community Associations, and Clubs/Committees must have an account with University Credit Union to receive funds.
2. Money Request Forms for approved items must be submitted to the AVPFA by noon on Thursday for Friday availability. Submissions must be on time to ensure fund release.
3. The President or Treasurer must sign money requests.
4. Receipts and contracts must be submitted within 15 days of the event unless the VPFA or AVPFA has pre-approved an exception.
5. Requests outside of the approved budget are the responsibility of the organization.

V. "Other Funds" for Boards or Community Associations must come from non-UMSG sources and be kept in a separate account.

W. Boards, Community Associations, and Clubs/Committees may receive funding from the University or its departments.

X. Equipment purchased with Student Activity Fee funds may only be sold or given away with VPFA and EBC approval. The EBC will allocate the profits from sales.

#### **Y. Contracts**

All funding recipients must agree to and comply with the Student Activity and Travel Contract. UMSG employees or members receiving funds must sign the UMSG Employee, Officer, or Member Travel/Activity Acknowledgement.

Violations of these contracts will result in immediate legal severance and separation from UMSG, Inc.

### ***Section 3: Policies for Holding Events on Campus***

#### **A. Funds for lodging or food**

It can only be allocated for speakers/performers, approved travel, educational programs, community suppers, or on-campus event refreshments. These events must be open to undergraduate students, with meals not exceeding \$12.50 per student. The EBC will judiciously evaluate food-related requests.

B. Funds for programming events during scheduled University breaks require EBC approval.

C. All boards, community associations, and clubs/committees must use a standard UMSG, Inc. engagement agreement/rider addendum for approved artist performances without contracts. Completed copies must be submitted to the **Financial Affairs Office (FAO)** for payment before the event.

1. Contracts for speakers, bands, or performers funded by UMSG, Inc. must be reviewed by the Legal Services attorney, VPFA, and Director of Campus Activities and Student Engagement before signing.

D. The UMSG, Inc. attorney will determine if a rider is unnecessary based on the payment amount.

E. No undergraduate may be charged admission for an on-campus event funded by UMSG, Inc. Violation results in a one-year suspension of funding, with a two-week appeal period to the EBC.

F. If performers elect to sell merchandise, 20% of all revenue above \$200.00 must be remitted to UMSG, Inc. immediately following the event, with funds delivered to the FAO on the next business day. If mutually agreed upon, this policy may be waived in the contract.

#### ***Section 4: Policies for Off-Campus Events***

A. No funds will be allocated for food for events located more than 50 miles from the University of Maine.

B. Transportation costs may be reimbursed with receipts. Vehicle use must be fewer than the number of students attending, verified by the FOA before reimbursement.

C. All organizations must comply with the University's Vehicle-Use Policy. UMSG, Inc. will not cover additional charges for late returns or damages, though funding may be considered for excess mileage.

D. Funding for lodging and transportation is for undergraduate students only.

E. Up to **\$250 per undergraduate student per event** may be considered for airfare with EBC approval.

F. Up to **\$200 per undergraduate student per event** may be considered for registration or entrance fees with EBC approval.

G. Organizations funded for off-campus events are encouraged to present a report to the Senate at the next meeting detailing the event, UMSG spending, and the organization's benefits. Reports should be completed by the end of the fiscal year.

#### **H. For Events Involving Vehicle Travel**

Ensure all drivers complete a background check with the University of Maine's Motor Pool. If renting vehicles, the group must: i. Rent from the University's Motor Pool or provide liability and uninsured motorist protection if renting from a private insurer. ii. Document that all drivers' insurance covers rentals or that the credit card offers liability and personal injury coverage.

### ***Section 5: Allocation Policies***

A. Boards, Community Associations, and Clubs/Committees have 45 days to use additional funds from the EBC and GSS. Only funds after this period will be returned to Unallocated if the EBC grants an extension due to extenuating circumstances.

B. Funds allocated for canceled events will return to Unallocated.

C. Boards, Community Associations, and Clubs/Committees must meet the University of Maine Student Government Media Request Form requirements.

## **Part IV: Financial Policies**

### ***Section 1: Application***

A. These financial policies cannot be overridden by a "suspend the rules" motion; any motion to suspend rules to bypass this document is null and void.

B. Any resolution proposed in violation of these financial policies, as determined by the Vice President for Financial Affairs (VPFA), the General Student Senate (GSS), or the Executive Budgetary Committee (EBC), shall be null and void.

1. If the VPFA or EBC deems the resolution in conflict, it may be appealed to the GSS, requiring a two-thirds (2/3) vote to overturn.
2. Resolutions deemed in conflict by the GSS shall be considered void.

### ***Section 2: Amendments***

A. These financial policies may be amended with a **two-thirds (2/3) vote of the GSS**, provided previous notice is given.

***Section 3: Financial Sponsorship Guidelines***

A. All advertising at events funded by UMSG, Inc., whether by GSS resolution or EBC decision, must fully comply with the Financial Sponsorship Guidelines of UMSG, Inc.

B. Consequences for noncompliance with the Financial Sponsorship Guidelines shall be outlined in that document, located on the last page of the Additional Funding Request.