



UNDERGRADUATE
STUDENT
ASSOCIATION

Clarification of Facts

Daily Bruin Article Thursday, October 7, 2010:
“Unused fees end in USAC surplus”

1. “Last year, out of an estimated \$4 million budget for the Undergraduate Student Association Council, \$1 million was left unspent”

Clarification:

The Undergraduate Student Association 2009-2010 gross surplus: \$772,000, of which \$166,000 was a one-time TGIF surplus due the funds inability to allocate all of its funds so soon after the Fund was initiated, and \$86,000 were not USAC's funds to allocate, leaving a clearer surplus figure of \$520,000.

2. “Yet it still remains unclear... where all this money ends up”

Clarification:

Surplus funds are distributed by a formula outlined in the USA Bylaws: Article VI, Section C, 13. Please refer to bylaws for complete section, below is a synopsis of the section:

Total Surplus is defined as the total amount of surplus funds accumulated from previous USA Councils. The funds are then distributed as follows.

USAC has a safety reserve of money for unforeseen events called the “Accumulated Reserve for Unanticipated Future Loss”. This reserve represents 5% of all USA's total annual funding and is mandated by USAC and ASUCLA Board of Directors.

After the close, audits, publications and Accumulated Reserve allocation for the fiscal year, the Total Surplus is then distributed. USA Programming fund will receive 45%, the Capital Items Fund receives 12%, and the rest will augment the USA Contingency Fund. This is where the surplus goes if there is a remaining surplus from the previous year.

3. “Any surplus funding still intact after three years becomes inactive, something that is not uncommon”

Clarification:

The Undergraduate Student Association has a yearly budget. All unused funds, as explained in the section above Article VI, Section C, 13, are channeled to various funding sources. These Funding Sources are USA BOD Programming Funds, Capital Contingency, and Contingency. Funding Allocations are expendable during the year of student fee collection from the student body and each year all funds are actively allocated for distribution. Where not expended during that year the “surplus” is carried over into the next year for the USA Council's reallocation.