

**Stanford Student Enterprises**  
**Charter of the Financial Manager's Advisory Committee**

**A. Authority**

The Financial Manager's Advisory Committee (FMAC) is established as a standing committee pursuant to Article 3.18 of the Corporate Charter of Stanford Student Enterprises.

**B. Membership**

The FMAC shall have at least 5 voting Members. The FMAC shall contain substantially the members enumerated below; however, the Chair of the SSE Board of Directors and the Financial Manager may jointly appoint or remove any person from the FMAC without approval from the Board.

Pursuant to Article 3.18, at least one outside Director with six months experience on the SSE Board of Directors shall sit on the FMAC. All members of the Committee who are not appointed by virtue of their position in the ASSU and/or the University should be selected to: (1) provide perspectives on the ASSU's operations that are not otherwise heard by the Committee and (2) deliver relevant expertise on matters of financial operations that would affect the decisions of SSE.

The initial membership of the FMAC is as follows:

- Chair of the Board of Directors of SSE (who shall serve as Chair of the FMAC: calling its meetings and setting its agendas)
- The Vice Provost for Budget at Stanford University
- Director of Student Activities and Leadership, or his/her designee.
- The President of the ASSU, or his/her designee.
- A member of the Undergraduate Senate, as appointed by that body.
- A member of the Graduate Student Council, as appointed by that body.
- The Student At-Large Representative on the SSE Board of Directors
- One at-large student representative, as confirmed by the Senate and GSC through their designated procedure (e.g. NomCom); this member shall not be a member of the Undergraduate Senate or the Graduate Student Council, and should have perspective on how the operations of SSE affect student groups (e.g. a past or current student group leader)
- One member who is not a student or employee of Stanford, appointed by the Board of Directors of SSE; preferably a person with significant financial expertise.

**C. Meetings**

The Committee shall have at least three regular meetings a year, with authority to convene additional meetings as required. The Committee shall call as many meetings as it deems necessary to complete the business enumerated in sections D and E.

The Financial Manager of the ASSU, the Associate Financial Manager of the ASSU (if appointed), the Chief Investments Officer of SSE (or equivalent), and the Director of SSE Capital Group (or equivalent) shall be standing guests of the FMAC.

#### **D. Roles and Responsibilities**

The purpose of the FMAC is threefold: first, to provide advice to the ASSU Financial Manager on complex or significant decisions that affect the ASSU, including all decisions that have a major impact on the long-term financial health of the ASSU; second, to review the decisions and performance of the divisions of SSE that are not business enterprises, such as SSE Capital Group; and third, to provide a common forum for persons involved or interested in the operations of the ASSU to discuss future strategies and initiatives.

The FMAC:

- Meets at least quarterly to review the performance of all aspects of SSE that impact the functioning of the ASSU and student group banking, including but not limited to:
  - The performance of the ASSU Financial Manager
  - The performance of SSE Capital Group
  - The performance of full-time accounting staff
  - Hiring decisions, process, and procedure
  - The strength of the endowment
- Advises in matters involving the long-term fiscal health of the ASSU, or the commitment of large amounts of funds, including:
  - Determining the endowment payout;
  - Hiring full-time staff members for the ASSU;
  - Signing contracts with multi-year implications for the ASSU.
- Recommends to the CEO Compensation Committee a performance-based bonus for the ASSU Financial Manager.
- Advises, oversees, and provides preliminary approval for the annual revision to the ASSU's three-year plan.
- Reviews the yearly SSE overhead budget.
- Recommends to the Financial Manager new initiatives, business practices, or procedures based on the collective experience of the FMAC.
- Considers other business items as requested by the ASSU or SSE Board of Directors. Such business items shall be forwarded to the Chair of the FMAC or the Financial Manager for consideration.

The FMAC serves in an advisory capacity for the Board of Directors and the ASSU Financial Manager, and specifically does not have power to ratify or approve decisions or plans. The

recommendations of the FMAC shall be forwarded to cognizant persons (e.g. the SSE Board of Directors, the ASSU legislative bodies, the Financial Manager) upon consensus, or where the Chair of the FMAC deems that impossible, by 2/3 approval.

### **E. Proposed meeting schedule**

The following is an example of the proposed meeting schedule & topics expected to come to the attention of the FMAC. This is a recommendation, not binding.

- **Fall Quarter:** Review Buffer Fund and Reserve transactions to inform policy & strategy
- **Winter Quarter:** Review previous Three Year Plan and create new Three Year Plan
- **Mid Spring:** Review the SSE Overhead Budget
  - FMAC receives a full copy of the budget
  - FM submits a report outlining any ideological shifts, line items that increase/decrease > 5%, and line items with a changed purpose.
- **Late Spring:** Annual performance review of CapGroup & the accounting team. Annual performance review of the ASSU Financial Manager.
  - Issue and review surveys to customers (VSO FOs) prior to meeting.
  - FMAC submits recommendation of performance-based bonus to SSE BoD Compensation Committee.
  - FM does not participate in his/her own performance review except as requested.

### **Appendix A. Narrative: Why we're creating the FMAC**

The FMAC has been created to centralize oversight and advice for the ASSU's operations (especially fiscal operations), in recognition of the fact that the job of the ASSU Financial Manager typically involves calling disjointed meetings with all the parties impacted by the ASSU's operations. Over the years, we've noticed that keeping all involved parties "in the loop" is challenging, and leads to a fragmented ASSU because everybody naturally gets a different understanding of our goals and status.

It is our hope that the creation of the FMAC will allow the ASSU to move forward with a unified vision, broad support for new and old initiatives, and a deeper understanding of its own operations. The ASSU legislative bodies can benefit from meaningful interaction with the operations branches of the ASSU; the Board can benefit from a stronger understanding of the goals and status of the ASSU; and recognizing the role that the University holds in advising the ASSU will be beneficial for all parties.

The membership of this Advisory Committee is extraordinarily malleable for a reason: it has been our experience that some of the best and most interested student leaders in the ASSU do not necessarily hold a high role in the organization. It is specifically the purpose of the FMAC to centralize all the ASSU leaders in one room to let them discuss issues of critical

importance. If the FM and Chair of the Board both believe that a student would be a benefit to the organization, he or she should be added to the Board to cement his/her participation and provide critical perspective.

The openness of information about the ASSU is of paramount importance to the future of the organization. Wherever possible, the FMAC should release its agenda and minutes publicly. The FMAC should consider the “Freedom of Information” clause of the ASSU Constitution and only consider confidential those portions of its minutes that contain:

- proprietary business information of Association businesses
- financial records for non-funded accounts of organizations banking with the Association
- Legal Counseling records
- personnel records of employees (*Constitution Article I, §7.1*)

Specifically, the FMAC should not release information about deliberations for the performance-based bonus for the FM, hiring decisions, contract negotiations, or the performance of any employee. Importantly, the FMAC *should* release its deliberations about all aspects of the ASSU’s fiscal health; such records *are not* proprietary business information.