

Article I. General Financial Guidelines

Section 1.01 Purpose and Scope

- (a) All expenditures of the Corporation shall be for the benefit of the students of the College;
- (b) The Corporation shall act in accordance with all other budgetary provisions in the Constitution and its bylaws;

Section 1.02 Student Body Fees

- (a) Annual fees shall be compulsory of all Members and shall be collected in accordance with the procedures of the Claremont McKenna College Student Accounts Office;
- (b) Proposed changes to Student Body Fees shall be set by the Budget Committee prior to the academic year the change in fees is to go into effect;
 - (i) *These changes shall require a two-thirds (2/3) majority vote of the Board and the Senate,*
 - (ii) *These changes shall be subject to approval of the CMC Board of Trustees,*
- (c) Every Member shall be charged the same Student Body Fee;
- (d) All Student Body Fees shall be placed in the Student Body Fund;
 - (i) *The Student Body Fund shall constitute the Annual Budget, along with other associated revenues or dividends that the Corporation may accrue throughout the year,*
- (e) Student Body Fees shall not be used for the purchase of alcohol;

Section 1.03 General Fund

- (a) The General Fund shall be administered by the Board;
- (b) Any funds not allocated to another specific fund shall be moved to the General Fund and shall be dispersed by the Board through a vote;

Section 1.04 Formation

- (a) The Diversity and Inclusion Chair shall receive a Budget of no less than two thousand dollars (\$2000) per year;
- (b) Each dormitory shall receive seven dollars and fifty cents (\$7.50) per Member who resides in said dorm per semester;
- (c) The Senate shall receive at least three percent (3%) of the Annual Budget;
- (d) The Vice President of Campus Organizations shall receive at least two percent (2%) of the Annual Budget;
- (e) At least one-fifth of these following budget allocations shall not be spent until after Spring Break:
 - (i) *The General Fund, the Senate Budget, the Student Activities Allocation, the AdHoc Programs Fund, the Diversity and Inclusion Chair Fund, the Dormitory Affairs Chair Fund, the Class President's Budgets,*

Section 1.05 Contracts

- (a) All new or revised contractual agreements shall be subject to a vote of the Board prior to their execution;

- (b) The Board may not sign a contract lasting longer than one (1) year without a two-thirds ($\frac{2}{3}$) majority vote;
- (c) All contracts approved by the Board shall be signed by both the President and the Chief Financial Officer;

Article II. Officer Stipends and Bonuses

Section 2.01 Stipend Allocation Guidelines and Processes

- (a) The Budget Committee shall choose to allocate regular stipends to Officers on a semesterly basis;
- (b) Payment of allocated stipends shall be made, at minimum, at the end of each academic semester, at the discretion of the Budget Committee;
- (c) The Budget Committee shall solicit performance statements from all Officers and review the performance of all Officers prior to the decision of their stipend allocation;
 - (i) *The Budget Committee shall then determine how much to allocate to each Officer;*
- (d) The Budget Committee shall reserve the right to pay the stipends over the course of a semester;
 - (i) *Notwithstanding Section 2.01(d), Budget Committee may not pay Officers or Staff for work not yet performed at the time of the stipend amount being assessed,*

Section 2.02 Officer Stipend Limits

- (a) The President shall receive the payment of one semester of their room & board expenses for the Academic Year they are in office;
 - (i) *This compensation may take the form of either a check or a credit to their student account,*
- (b) Each of the following Officers shall be eligible to receive a semesterly stipend of up to the following respective amounts;
 - (i) *The Executive Vice President: one thousand and seven hundred dollars (\$1700),*
 - (ii) *The Vice President of Student Activities: two thousand and four hundred dollars (\$2400),*
 - (iii) *The Vice President of Campus Organizations: two thousand and one hundred dollars (\$2100),*
 - (iv) *The Chief Financial Officer: two thousand dollars (\$2000),*
 - (v) *The Diversity and Inclusion Chair: one thousand and two hundred dollars (\$1200),*
 - (vi) *The Dormitory Affairs Chair: seven hundred dollars (\$700),*
 - (vii) *The Senior Class President: two thousand and two hundred dollars (\$2200),*
 - (viii) *The Junior Class President: one thousand and one hundred dollars (\$1100),*
 - (ix) *The Sophomore Class President: one thousand and one hundred dollars (\$1100),*
 - (x) *The First-Year Class President: seven hundred dollars (\$700),*
 - (xi) *The Chief Ethics and Procedural Officer: one thousand and one hundred dollars (\$1100),*
 - (xii) *The Comptroller: one thousand dollars (\$1000),*

(xiii) *The Chief Operating Officer: eight hundred dollars (\$800),*

(c) The President for Life of the Graduating Class shall not be eligible for a stipend;

Section 2.03 Bonus Allocations Guidelines and Processes

(a) The Budget Committee shall reserve the right to allocate bonuses in an amount of up to thirty (30) percent of an Officer's semester stipend;

(b) An Officer shall only be eligible for a bonus if they have fulfilled the following requirements:

(i) *An Officer has successfully executed their duties as outlined in the Board of Directors Bylaws,*

(ii) *An Officer has received a full stipend for both academic semesters of service,*

(iii) *An Officer submitted a performance statement specifically requesting the payment of a bonus,*

(c) The President shall not be eligible for a bonus;

(d) If the Budget Committee decides to grant a bonus, a one-time payment of said bonus shall only be made at the end of an Officer's term:

(e) Prior to the payment of any bonus, the Budget Committee shall solicit performance statements from all Officers seeking a bonus;

(i) *The Budget Committee shall then determine how much to allocate to each Officer;*

(f) The Budget Committee shall, in its sole discretion, cancel the payment of all bonuses if doing so is in the best interest of the Corporation, would counteract a violation of any law or regulation, or would jeopardize the Corporation's ability to carry out its tax-exempt purposes;

Section 2.04 Stipend and Bonus Decision Appeals

(e) Officers have the right to appeal any stipend or bonus allocation decision of the Budget Committee to the Senate;

(i) *The Senate may overturn the decision of the Budget Committee with a two-thirds (2/3) vote,*

(f) In the event that the Senate overturns the decision of the Budget Committee, the Senate shall then, through a vote, make a recommendation for the stipend or bonus of the Officer;

(i) *The Board shall then, by a vote, accept or reject the recommendation of the Senate,*

(1) If the Board accepts the recommendation of the Senate, the Officer shall have no further right to appeal and the stipend or bonus shall be paid out,

(2) If the Board rejects the recommendation of the Senate, this process shall start over until the Board and the Senate agree on a stipend or bonus,

Article III. Staff Compensation and Special Stipends

Section 3.01 Staff Compensation

(a) The Chief Financial Officer shall oversee the payment of hourly wages;

- (b) The Board shall determine a range for the hourly wage of all remunerated Staff for the following academic year by the end of the preceding Spring Semester;
 - (i) *Each Staff person's annual compensation shall be capped at a level set by the Board in the preceding Spring Semester;*
 - (ii) *All Staff persons shall start at the base rate, but the Board can, through a vote, increase their wage within the range set in the preceding year;*
- (c) The Event Commissioners, the Director of Student Security, and the Student Security Staff shall be compensated on an hourly basis;
- (d) Staff members shall not be allowed to bill for meetings of the Senate or the Board;
- (e) The Senate Chairs and Senate Secretary shall each receive a stipend of up to six hundred dollars (\$600), with the exception of the Academic Affairs Committee Chair:
 - (i) *The Academic Affairs Committee Chair shall receive a stipend of up to eight hundred dollars (\$800),*
 - (ii) *These stipends shall be recommended by the Executive Vice President and shall follow the same procedures as outlined in Section 2.01 Clauses (b) (c) and (d),*

Section 3.02 Special Stipends

- (a) The Board or the Senate may choose to allocate a Special Stipend if they feel that a student has performed an extraordinary service for the Corporation, the student body, or the College:
 - (i) *All Special Stipends allocated by the Board shall be drawn from the General Fund,*
 - (ii) *All Special Stipends allocated from the Senate shall be drawn from the Senate Fund,*
 - (iii) *Special Stipends may not exceed two hundred dollars (\$200) per student nor be duplicated by anybody during a semester,*
 - (iv) *Officers shall be ineligible for Special Stipends,*

Article IV. Budgetary Controls

Section 4.01 General Budgetary Controls

- (a) The Annual Budget shall be approved by a two-thirds ($\frac{2}{3}$) majority vote of the Board after it has been reviewed by the Board and the Senate;
- (b) Any single expenditure or single event budget by an Officer of the Corporation greater than \$1000.00 but not exceeding \$1999.99 shall be approved by the Chief Financial Officer at least two (2) weeks prior to the occurrence of the event or transaction for which said expenditure is required, and/or prior to any contract or agreement, whether written, verbal, or otherwise, is entered; whichever occurs first:
 - (i) *This approval may be requested and granted per the relevant guidelines of the Board Operating Procedures of the Board of Directors,*
 - (ii) *The Chief Financial Officer reserves the right to reject any such expenditure or event budget by the Officer(s) in question. Specific reasons for the denial of*

- expenditure or event budget must be presented to the Officer. These reasons for denial must also be communicated to the Board at its next regular meeting,*
- (iii) Should the Chief Financial Officer reject the proposed expenditure or event budget, the Officer may petition the Board to overturn the decision. The Board of Directors may overturn the decision by a two-thirds (2/3) majority vote,*
 - (iv) If the Board upholds the rejected expenditure or event budget, the Officer seeking expenditure may also petition the Senate to overturn the Board's decision. The Senate may overturn the decision by a two-thirds (2/3) majority vote,*
- (c) Any single expenditure or single event budget by an Officer of the Corporation with an expected or real value equal to or greater than \$2000.00 shall be approved by a vote of the Board at least one (1) week prior to the occurrence of the event or transaction for which said expenditure is required, and/or prior to any contract or agreement, whether written, verbal, or otherwise, is entered into; whichever occurs first:
- (i) The Board shall reserve the right to reject any such expenditure or event budget by the Officer(s) in question. If an expenditure is rejected, the Board shall communicate the specific reasons for the rejection of expenditure in writing to the requesting Officer,*
 - (ii) If the Board rejects the expenditure or event budget, the Officer(s) that requested the expenditure may petition the Senate to overturn the Board's decision. The Senate may overturn the decision by a two-thirds (2/3) majority vote,*
- (d) If an Officer exceeds their budget allocation, the Budget Committee shall deduct the excess amount from their stipend;
- (e) Any Member shall have the right to request to view complete and detailed records of all expenditures;
- (f) The Chief Financial Officer and Vice President of Campus Organizations shall conduct the annual budget-freeze immediately following Spring Break:
- (i) When the freeze occurs, all line items in the annual budget, with the exception of one-time events, will be reduced to 15% of their original allocations:*
 - (ii) All money seized through the reduction process will be deposited into the General Fund,*
- (g) The Corporation shall hold thirty-thousand dollars (\$30000) in reserve to be used as a Rainy Day fund in the case of an emergency:
- (i) The Rainy Day fund shall be accessed by a majority vote of Board,*
 - (ii) The Rainy Day fund shall be replenished through the use of excess fees not spent by the end of the year,*
- (h) All revenues shall be deposited into the accounts of the Corporation no later than one month after their receipt;

- (a) The Vice President of Campus Organizations has the discretion to accept or reject, in whole or in part, funding requests for less than eight hundred (800) dollars from any campus organization per academic year;
 - (i) *Any request more than the above threshold shall be referred to the Board with a recommendation,*
 - (ii) *The Board shall then, through a vote, approve or deny funding,*
- (b) The Vice President of Campus Organizations shall refer to the Board funding requests for which a conflict of interest might exist;
- (c) All campus organizations shall reserve the right to petition the Board to overturn a decision by the Vice President of Campus Organizations;
- (d) The Vice President of Campus Organizations shall reserve the right to temporarily halt payments to a campus organization, pending review by the Board;
- (e) The Vice President of Campus Organizations shall not allocate more than eight hundred dollars (\$800) to any campus organization per semester, except by approval of the Board;

Article V. Reimbursements

Section 5.01 Reimbursement Requests

- (a) All reimbursement requests shall be submitted within a month of the expenditure in questions being incurred:
 - (i) *In the event that a Member submits a reimbursement request more than a month after the expenditure was incurred, the Chief Financial Officer shall reserve the right to deny the reimbursement request,*
- (b) Reimbursements shall be dispersed at least once a week on the day(s) determined by the Chief Financial Officer;
- (c) The Corporation shall make all reasonable efforts to reimburse Members as quickly as possible;

Section 5.02 Non-Guarantee of Reimbursements

- (a) The Corporation shall not guarantee reimbursement of any particular expenditures, pursuant to all other provisions in this Constitution and its bylaws:
 - (i) *If the President, Chief Financial Officer, or the Chief Ethics and Procedural Officer determine that a check request or purchase is illegitimate, the Chief Financial Officer shall deny the request and notify the organization's authorized person of the decision. The Chief Financial Officer shall also inform the organization of the next opportunity to appeal the decision to the Board, which can overturn such a decision by a vote,*
 - (ii) *If a reimbursement request exceeds the remaining balance of a particular organization's account but otherwise is in accordance with all relevant regulations, the Chief Financial Officer shall authorize the reimbursement of the remaining balance of the account of the organization in question. The person who made the reimbursement request shall be responsible for any amount in excess,*

Article VI. Endowment

Section 6.01 Establishment of an Endowment

- (a) Under the direction of the Chief Financial Officer and the College, the Corporation shall endeavor to maintain a quasi endowment (“Endowment”) for the purpose of generating additional future revenues:
 - (i) *All fees accrued by the Corporation each year and not moved into the Rainy Day fund for the purpose of returning said fund to the established thirty-thousand dollar (\$30000) level shall be moved to the Corporation’s endowment,*
- (b) The purpose of the Endowment shall be to promote the long-term financial health of the Corporation, with the end goal of allowing the Corporation to become a financially self-sustaining organization and removing the need for annual collection of Student Body fees;
 - (i) *All actions taken with regard to the Endowment shall be done in good faith,*
- (c) The Endowment shall be an investment account or other similar vehicle administered on behalf of the Corporation;
- (d) The Chief Financial Officer shall inform both the Senate and the Board of the nature, reasons, and possible or certain consequences of any and all actions taken with regard to the Endowment at each body’s next meeting after said action’s occurrence;

Section 6.02 Management of the Endowment

- (a) At the conclusion of each fiscal year, after processing all transactions, the Chief Financial Officer shall work with the Claremont McKenna College Office of the Treasurer to deposit any surplus funds from the year into the Endowment as cash holdings;
- (b) The funds in the Endowment shall be invested in USD-denominated securities, including but not limited to exchange-traded funds (ETFs) and mutual funds, as well as cash holdings in US dollars:
 - (i) *No portion of the funds in the Endowment shall be used to invest directly in any individual stock, bond, or other company-level security, or derivatives of these assets;*
 - (ii) *No portion of the funds in the Endowment shall be used to invest in any securities which may cause a margin call, including short selling and writing options;*
 - (iii) *No more than twenty-five percent (25%) of the Endowment’s value shall be held in cash:*
 - (1) *Should this occur due to a drop in investment value or deposit of a large cash surplus, the Chief Financial Officer shall endeavor to find one or more appropriate investments to purchase in order to meet this requirement;*
 - (iv) *All proceeds received as dividends or interest payments shall be retained in the Endowment to be either reinvested or retained as cash:*
 - (v) *A comprehensive account of all securities or funds directly held in the Endowment shall be available to any member upon request, as well as presented to the Executive Board and Senate promptly after any transaction is made;*

- (c) Any investment to be bought or sold in the Endowment shall follow these steps, in order:
- (i) *The Chief Financial Officer shall discuss the transaction with the Claremont McKenna College Chief Investment Officer,*
 - (ii) *The Chief Financial Officer shall present the transaction to Budget Committee, as well as attempt to accurately and impartially summarize the outcome of the discussion in Section 6.02(c)(i) of this bylaws document:*
 - (1) Budget Committee must approve the transaction by a two-thirds ($\frac{2}{3}$) majority vote,
 - (iii) *The Chief Financial Officer shall present the transaction to the Board, as well as attempt to accurately and impartially summarize the outcome of the discussions outlined in Sections 6.02(c)(i) and 6.02(c)(ii) of this bylaws document:*
 - (1) The Board must approve the transaction by a simple majority vote,
 - (iv) *The Chief Financial Officer shall execute the transaction in the amount and security specified, making reasonable adjustments for any changes in price occurring during the process laid out herein:*
 - (1) The Chief Financial Officer shall inform Executive Board and Senate of the completed transaction and final value after these adjustments,
 - (2) All transactions shall be subject to final approval by the Claremont McKenna College Chief Investment Officer or their representative,
- (d) The Chief Financial Officer and Budget Committee shall endeavor to maintain a balanced budget and avoid realizing a deficit in any fiscal year:
- (i) *Should a deficit occur in excess of the Rainy Day Fund, the funds needed to meet required expenses shall be withdrawn from the Endowment, with preference given to cash holdings,*
- (e) Should an Officer or Member other than the Chief Financial Officer wish to propose a transaction for the Endowment, the transaction process may be initiated through majority votes of both the Board and the Senate, pursuant to Section 6.02(c)(i) of these bylaws;