



# Trustee Organization Procedures

## Financial Decision-Making

Primary considerations prior to making purchase

**UConn**

**STUDENT ACTIVITIES**

TRUSTEE STUDENT  
ORGANIZATION SUPPORT

# Overall Focus of Expenditures

Trustee organizations receive student fee money to provide an enhanced student experience to those students who pay that fee, centered on the unique mission of each organization. Decisions, expenditures and the justifications must demonstrate that focus. Purchase decisions should also avoid the following costs:

- 1) University obligations such as basic facilities, basic services owed to the students, staff wages and items that are part of a department budget not supporting your org
- 2) Academic expenses such as tuition, books, class supplies, academic requirements, associated fees, etc
- 3) Personal Expenses such as transportation, room, board, medical expenses, wardrobe, personal memberships, professional development, networking, subscriptions, late fees, penalties, fines, etc
- 4) Expenditures outside the mission of your organization



# Motion



All expenditures or financial commitments of an organization must be approved in a public meeting of the organization and documented in minutes prior to the pursuit of the purchase. Travel of organization members on organization business must always be approved in advance by a favorable vote of the organization even if the organization will incur no costs for the arrangements.

While we encourage efficiency, motions must be specific enough to demonstrate a fully informed decision was made by the organization and that it is fully in control of its funds. Motions for financial decisions must demonstrate a clear maximum dollar value.

For example, a motion that says the organization will support an event is not specific enough to support the expenditures and doesn't indicate a maximum dollar amount, however, if the motion spells out the event as well as its budget including maximum amounts for each line item, that is a better way to demonstrate an informed vote.

Many organizations have repeat monthly expenses so they could vote for a maximum monthly amount for example, office supplies. A motion such as this would normally suffice for ink, paper, folders, pens and the like but it would not be sufficient to include a new piece of office equipment. Payroll is also supported by a vote prior to hiring.

# Business Purpose

Trustee organizations must clearly designate the business purpose to benefit fee-paying students in line with their mission and justify the cost for each expenditure in all required documentation.

The expenditure cannot extend beyond that which meets the business need.

The business purpose should provide sufficient information so an individual, (student constituent, authorized signer, reviewer, approver or auditor) unfamiliar with the organization's operations can understand why the expense was incurred and how it relates and supports the goals and mission of the organization to benefit its constituents.

This must clearly be articulated in the documentation of each purchase.

If you fund, ask the Tier II Organization to justify the purchase as part of the request process which would in turn, be included in the purchase documentation.



# Evaluating Need & Alternatives

Organizations must establish what their fundamental need is. This may sound straightforward but it is actually where some Organizations can lose their focus.

It usually starts with an idea that is accepted without any discussion about the fundamental need that they are trying to meet.

need

Once the Need is firmly established, Organizations must consider all the alternatives to meet the need at the time of purchase.

Ask the questions and ensure you are getting to the crux of the questions:

- 1) How has your org met this need in the past
- 2) Has the need changed or will it in the future
- 3) Brainstorm to ensure you are considering all options
- 4) Don't forget to consider the option/risk of no action
- 5) Evaluate all the options evaluating pros and cons and cost vs. benefit



# Request for Quotes (RFQ)

Now that the need has been established, organizations are expected to demonstrate financial stewardship by expending the least amount of funds limited to the need.

This requires that students do their best to “shop around” in search of the best price.

For a specific product, this may be as simple as shopping online for the best price but you may do better getting a quote directly. Ensure to alert vendor of tax-exempt status.

When it involves a service, you will likely need to send a request for a quote or RFQ.

RFQs should be as detailed as possible about what you are seeking, “specifications”.

Consider an order for a promotion item, consider all that you may need to communicate:

- Product information, size, weight, material, color, etc.
- How many do you want, are there different sizes?
- When will the order be finalized with the vendor?
- When must it be in your hands for distribution?
- Provide the artwork which may have whole set of specs itself such as size, orientation, color, etc



# Selecting a Quote

The quotes must be equivalent based on your specifications. If there is any difference, reach back out to the vendors to ensure you have equivalent quotes. There can be no unknown elements, for example, shipping. Quotes must represent the maximum invoice amount where any invoice below is okay but no invoice will be paid that is over the quote.

Organizations should secure at least three quotes, or prices, for each purchase and select the lowest cost alternative.

If the purchase is \$5K or greater:

- The quotes not selected must also be included in the funding packet
- In some cases, there may only be a sole source for a product or service which should be documented in a “Sole Source Justification” form from Procurement

Organization should always include the RFQ in their purchasing documentation

If <\$5K, orgs must retain the other quotes in org files.

When considering the cost of a purchase with regard to this policy, it is not individual line items but the total basket of goods from a single vendor for a particular occasion, including shipping.



# Cost vs. Benefit

At this point in the process, organizations now know the best price for their planned purchase.

This is an ideal time to revisit cost versus benefit to ensure stewardship of student fees.

Again, touch on the actual need to be met and alternatives.

Weigh the benefit to be gained for your constituents versus the expenditure of student fees.

Remember, when considering the cost of a purchase with regard to this policy, it is not individual line items but the total basket of goods from a single vendor for a particular occasion, including shipping.

The benefits to your constituents must meet or exceed the cost in student fees.

If an org finds that they don't, the organization should consider another way to meet the need.





# Other Considerations

## Legality

Purchase must comply with all applicable laws and policies including documentation.

## Budget

Trustee Organizations must consider whether the expenditure was anticipated in the budget and if not:

- 1) Has the organization taken in more revenues to allow for this expenditure?
- 2) Has there been other cost savings to allow for this expenditure?
- 3) Will the org reduce or eliminate planned expenditures in the future?

## Term

Orgs should minimally limit expenditures to the term of the officers (largely aligns with the academic year) unless doing so creates a hardship, financial or otherwise.

Similarly, event purchasing should be done in such quantities for the specific event and not multiple events. For example, promo items over \$1K, State inventory management requirements can be onerous plus our experience shows that different promo items for each event better generate enthusiasm

Justification must be documented for purchases that exceed these timeframes recognizing that is always the case with equipment and permanent staff.



# What's Next?

To determine how the purchase will be made,  
see the training documents:

***“Purchasing Decision Tree”*** then ***“Requesting the Purchase”***

Ask first and save time and energy!

Trustee Student Organization Support

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**Thank you!**

