

## 3.05 House Accounting

---

### **3.05.01**

Every month, a House is responsible for paying the SHC a monthly portion of Assessment assuming maximum occupancy according to House Occupancy.

### **3.05.02**

The SHC will send a final Member Account Charge Sheet to the House Treasurer at least three days prior to the start of each month for posting conspicuously in the House. This sheet will show all charges and payments for that month, as well as the balance due for each Member for the upcoming month.

### **3.05.03**

The SHC will deduct Assessments and other charges payable to the SHC from the Member payments received, and deposit the remainder to the House checking account.

### **3.05.04**

Each House is to maintain money to be designated House Reserve. This amount is to be equal to \$100 per member according to House Occupancy.

### **3.05.05**

The purpose of the House Reserve is to prevent checks from bouncing. Accordingly, this money may be spent during the contract period, but must be replenished before the contract period ends.

### **3.05.06**

Any surplus or deficit will be added to or subtracted from the accounts of the Members who contributed to the surplus or deficit in proportion to their time under contract for that period.

Monthly transfers to the House's checking account will be reduced by the amount of the surplus refunded to non-returning members.

### **3.05.07 - HOUSE VACANCY RESERVE FUNDING & USE**

1. **a.** Each Household is required to contribute to Vacancy Reserve as part of its House Budget.
  1. **i.** The Vacancy Reserve percentage is equal to 2.0% of the Assessment.
  2. **ii.** If the Assessment obligation of all members with current contracts, combined with payments received for Buyouts, is less than the expected obligation of the House at full House Occupancy, then the House has a vacancy.
  3. **iii.** Money applied to Assessment and House charges for the newly vacant contract as the result of a Buyout does and it will not count as a vacancy for three months.
  4. **iv.** If a vacancy as the result of a Buyout is filled before three months, any remaining monies will be applied to the vacancy reserve.
  5. **v.** A House will receive an Assessment credit equal to the difference between the Assessment expected of the House at full House Occupancy and the Assessment obligation of all Members of the House. This will begin the subsequent month of the vacancy and will require verification from the MSC and the house's Treasurer.
    1. **1.** Houses will receive this Assessment credit monthly, whenever there is a vacancy. The House Treasurer must verify any vacancies with the Corporate Treasurer in writing before being granted funds from the Vacancy Reserve. Written notice from the House Treasurer shall include the number of vacancies, the room numbers of the vacancies, and what the house is doing to fill those spots. The Corporate Treasurer must reply with written approval.
1. **b.** Houses may only receive an vacancy credit equal to assessment from the starting month of the vacancy, with a maximum of 4 months per vacancy.
  1. **i.** This vacancy reserve cap is set in place to encourage members to fill their vacancy. After the maximum 4 months, if the spot is not filled, the houses will be expected to pay the assessment expected of the House at full House Occupancy (unless a new vacancy starts). The likely outcome is that houses will receive lower transfers and ultimately share the burden of the extra assessment by receiving a lower surplus at the end of the year, or falling into a budget deficit.
  2. **ii.** If a house with a vacancy has made a genuine effort to fill the spot, but still have not done so by the end of 4 months, and require more time, then the House Treasurer must ask the Finance Committee for an extension of the vacancy reserve credit for however long is deemed necessary, not to exceed an extra (4 months). The House Treasurer must prove that efforts were made to fill the spot, and the Finance Committee must vote on the extension of the vacancy reserve credit and pass with a two-thirds majority.
1. **c.** Any surplus resulting from funds applied toward vacancies during the House Audit process will be applied to the Vacancy Reserve.

### **3.05.08 - House Savings Plan**

- 1. **a.** The purpose of the House Reserve is to prevent checks from bouncing. Accordingly, this money may be spent during the contract period, but must be replenished before the contract period ends.
- 1. **b.** Houses will be required to budget a minimum of 0.5% of Total House Assessment for savings every month. The Corporate Treasurer and staff will actively ensure that these savings are retained in the house accounts.
- 1. **c.** To be considered valid, expenditures from the House Savings Account must:
  - 1. **i.** Be approved according to the House Constitution, and recorded in meeting minutes.
    - 1. **1.** If the House Constitution does not outline a procedure for this, the house must obtain 3/4 majority at a quorum meeting.
- 1. **d.** The Corporate Treasurer will monitor savings account transactions for reasonableness in the house audits.
- 1. **e.** Houses must maintain a minimum amount of savings equal to \$100 per member in the House Savings Account.

---

[title 03]

From:  
<https://wiki.msu.coop/> - **SHC Policy Wiki**

Permanent link:  
[https://wiki.msu.coop/policy\\_documents/code\\_of\\_operations/title\\_03/03\\_05](https://wiki.msu.coop/policy_documents/code_of_operations/title_03/03_05)

Last update: **2020/02/26 13:29**

