

Title 3: Finance

3.01 Member Accounts

3.01.01

A Member's financial obligation to their House is the House Charge which is defined by their House Budget and may be adjusted by fines and credits issued by their House.

3.01.02

A Member's financial obligation to the SHC is the Assessment defined by the SHC Budget and may be adjusted by fines and credits issued by the SHC.

1. **a.** A Member's financial obligation to the SHC is the Assessment defined by the SHC Budget and may be adjusted by fines and credits issued by the SHC.
1. **b.** The obligation is a Non-Single Assessment if the Member is occupying the room with another Member and each Member has one contract.
 1. **i.** A Member may not have two contracts and pay two Non-Single Assessments in a room declared by the House to be suitable for double occupancy.
1. **c.** A Member may not have two contracts and pay two Non-Single Assessments in a room declared by the House to be suitable for double occupancy.

3.01.03

Full payments are due on the first of the month. A charge equaling 5% of an outstanding balance will be given to those who have a balance of over \$100 on the 5th of the month. Late fines will be considered revenue for the Corporation that corresponds to the fine. A fine may only be waived on two conditions:

1. **a.** By a two-thirds House vote for each individual case, and subsequent two-thirds approval by the Finance Committee
1. **b.** In the case that the fine was erroneously issued due to operator or staff error.

3.01.04

Payments to the SHC cannot be made in cash.

3.01.05

All checks should be made payable to: MSU Student Housing Cooperative, Inc.

3.01.06

Any person who presents a check that is dishonored will no longer be allowed to pay with checks.

1. **a.** A member may appeal this decision to the Finance Committee.

3.01.07

The SHC shall post Member payments received at the SHC office within five days.

3.01.08

The SHC shall answer questions regarding Member account balances in a timely manner.

3.02 Outstanding Balance

3.02.01

New Section of Code: To Be Written

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.

3.06 Use of SHC Net Savings

3.06.01

SHC may only use its net savings in the following ways:

1. **a.** Allocate or distribute them to all current members or patrons, in proportion to their patronage.
1. **b.** Retain them for actual or potential expansion of its services or the reduction of charges to its patrons.
1. **c.** Use them for other purposes as may be authorized by its membership not inconsistent with its purposes.

3.12 Budgets

3.12.01 - HOUSE ROUTINE MAINTENANCE BUDGET

1. **a.** A House Budget must include at least 1.5% of Single Assessment for each Member every month for House Routine Maintenance.
1. **b.** Each House is responsible for using their House Routine Maintenance budget for the upkeep of the House and House possessions. This money may not be used to pay utility bills or other unrelated House expenses.
1. **c.** If the House has exceeded its Routine Maintenance budget, it may petition the Maintenance Vice President for essential repairs and replacements to be funded by the SHC Routine Maintenance budget.

3.13 Shares and Dues

3.13.01

The SHC Member Share shall be equal to one month of Single Assessment at the date of contract signing. Members in good standing shall have their shares returned to them, provided that no charges have been incurred as a result of other policies.

3.16 Bad Debt Policy

3.16.01 - DELINQUENT MEMBER ACCOUNTS

1. **a.** If a payment bringing a Member down to a balance of no larger than \$100 has not been received by the 6th of the month, a Notice to Quit to Recover Possession of Property will be sent to that person.

1. **i.** Upon receiving a fifth Notice to Quit, the member will be automatically put on Desk Referral.
1. **b.** The only thing that can stop the eviction process is a payment in full up until 24 hours before the court date. This payment cannot be in the form of a check.
1. **c.** After a court judgment has been made, the Member may have up to 30 days—with the explicit approval of Executive Committee—to pay the amount of the judgment or the writ of restitution will be filed and the Member will be formally evicted.
 1. **i.** In the event the Executive Committee does not explicitly approve an extension within 7 days of the court judgement, the Member will be formally evicted.
1. **d.** A member will be evicted for cause if that member has been served with three Summons and Complaints within a twelve-month period.
1. **e.** The SHC reserves the right to pass on to the Member any fees incurred during the eviction process.

3.16.02 - BAD DEBT PURCHASING POLICY

1. **a.** The SHC will pay a House 100% of all unpaid Member account balances, with the exception of SHC fines, for any former Member.

3.16.03 - OUTSTANDING BALANCE BETWEEN CONTRACTS

1. **a.** If a member has an outstanding balance 3 weeks before the beginning of a renewed contract, the SHC has the right to cancel their contract for all future contract periods.
 1. **i.** A Member whose future contracts are cancelled for an outstanding balance will be put on Desk Referral.
1. **b.** If 100% of the House signs a payment plan to let said member stay, the contract will not be cancelled.
 1. **i.** The House will then be responsible for all of the potential bad debt accumulated by the member regardless of the Bad Debt Policy.
 2. **ii.** The payment plan must be explained to the House by the Corporate Treasurer at a House meeting and signed by 100% of the House to show their approval.
 3. **iii.** No one who has been sent a Summons and Complaint during their tenure at the SHC is eligible for this consideration and it is solely up to the SHC whether or not to cancel their contract.

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Last update: **2020/01/10 12:30**

