

DCAC BUDGET PROPOSAL

FOR YEAR END SEPTEMBER 2003

DCAC Senior Treasurer: Dr William Poole
DCAC Junior Treasurer: Hywel Room

JCR President: Peter Sumner
MCR President: Caroline Wright

EXECUTIVE SUMMARY

This year sees a significant change in structure of the Downing College Amalgamation Club (DCAC) Budget. Until now, the DCAC has administrated many costs over which it did not have direct or deciding control. This has caused considerable inefficiencies and a misdirection of the efforts of the DCAC Junior Treasurer, and the DCAC Committee, in the control of funding for extra-curricular student activities. Therefore the mandate of the DCAC, of enabling students to pursue their pastoral interests, has been compromised. The following changes and issues, which have the support of the DCAC Committee and the Bursar, are therefore submitted:

- The return to college of the administrative responsibility of the aspects of the DCAC Budget, which are not able to be controlled by the DCAC Committee.
- The reduction of the student subscription rate to the DCAC in line with the decrease in financial responsibility.
- The linking of DCAC subscription increases to RPIx, rather than government changes, since Cambridge colleges can protect better than any other university students from the impact of decreased government spending.
- The efficiency savings and betterment of DCAC policy that are generated by the changed structure of the DCAC Budget more than outweigh the slight elevation of the annual DCAC subscription rate increases.
- The time saved by decreasing the extensive amount of liaison between the DCAC Junior Treasurer and the Bursary staff, can be more productively spent on refining (and in many cases creating) lasting, well reasoned, policy and operation that is transparent, accountable, and lasting.
- The DCAC maintains a strong voice over the management of those items of expenditure that it no longer administers by various tutorial mandates and numerous ex officio posts on all College committees.
- The current DCAC subscription rates are so close that, with the unlinking of annual increases from government changes, a single standard subscription should be charged. This reduces the figures needed from the Bursary in the construction and management of this budget to only one – simplicity itself.

INCOME

Subscriptions

The DCAC receives a subscription per member from the college. The membership comprises of all members of the MCR and JCR. The allocation, after extensive analysis of expenditure to be controlled by the DCAC, has been reduced by approximately 37.2%, and the former postgraduate and undergraduate subscriptions have been unified. In subsequent years it will, by agreement with College, be increased by *RPIx*.

DCAC Subscription Income = **£29,440.85**

College Amalgamated Investment Fund and Bank Interest

Following a change in structure, the assets of the DCAC are now held in two interest bearing forms: a current account and units in the College Amalgamated Investment Fund.

Following a motion by the members of the DCAC at a DCAC Open Meeting, the previous current account and deposit accounts held with HSBC Bank were closed due to ethical grounds. In accordance with the motion, a new current account was opened with the Co-Operative Bank. This current account holds a £10,000 reserve together with the annual subscriptions, received at quarterly intervals. The reserve represents approximately 33% of the yearly income of the DCAC income, and is therefore considered sufficient to act as the *Reserve Fund*. This account bears little interest for the sums held, and is dependent on the fluctuating value of the account. Therefore, the interest income is detailed, but not included in this budget, and will be dealt with only in the year-end accounts. It may help to counter some of the activity charges of the Co-Operative Bank current account that are incurred each year.

As part of the re-structuring of the DCAC finances, the DCAC now owns a total of 3887 units in the *College Amalgamated Investment Fund*. This is an increase of approximately 50%, and the forecast interest income from this fund is 4.00% during the forthcoming fiscal year. This is dependent upon the performance of the stock market and, in particular, of the College investment portfolio but is expected to exceed that of a standard deposit account or similar investment vehicle. It was considered sensible that, aside from annual contingency provided by the *Reserve Fund*, the reserves of the DCAC be invested in the best way possible, to provide maximum yield from interest. This will add to the yearly income of the DCAC and the sum invested in the *College Amalgamated Investment Fund* can be reviewed annually if it is foreseen or experienced that greater annual reserve is required. The forecast income from interest is conservative, ensuring that positive plans can be made relatively independent of the performance of the financial markets. The state of the *College Amalgamated Investment Fund* will be monitored by the DCAC Junior Treasurer during the year.

Income from interest in the *College Amalgamated Investment Fund* = **£3,756.56**

Total DCAC Income = £33,197.41

Full details and values of DCAC Income can be found in Appendix Two.

Expenditure

Fixed Expenditure

The DCAC Committee has chosen to renew its subscription to Scudamore's Punt Hire Scheme for £110. This scheme entitles members of the college to use Scudamore's punts at a 50% reduction.

The allocation to *CUSU* and the *GU* have been increased in line with inflation, and in relation to changed student numbers (as this is a capitation fee).

All other items of Fixed Expenditure, including the sports and societies syndicates, the salaries of the Groundsman and Boatman, and the other minor expenditure have passed to College.

Total Fixed Expenses = **£3,283.20**

Depreciation Fund

The *Depreciation Fund* is used for the purchase of items that will be used on a long-term basis and includes kit for DCAC clubs and equipment for DCAC societies. With the exception of 1999, the Depreciation Fund has not been fully used. Therefore, from analysis of the expenditure over the last five years, it has been calculated that an appropriate allocation is 21% of the new DCAC Subscriptions.

Depreciation Fund = **£6,182.58**

The Downing College Boat Club used to receive 15% of the total *Depreciation Fund* towards the purchase of new boats. However, in line with other DCAC Clubs and Societies, the DCBC receives its Annual Consumable Grant through the Clubs and Societies section of the budget.

MCR Grant

While all DCAC constituent clubs and societies are open to both JCR and MCR members, it is recognised that members of the MCR do have specific needs that are best catered for by the allocation of funding to the MCR Executive Committee. The MCR Grant funds the maintenance of the MCR, the provision of Sky TV, and the subsidy of social evenings. In addition there is an *MCR Cultural Society*, which further increases the interaction in the MCR.

The MCR Grant is set at £6,752.80, to take account of the slightly decreased number of postgraduates balanced against inflation.

MCR Grant = **£6,752.80**

JCR Grant

This year sees the establishment of the *JCR Grant*, which will mirror the *MCR Grant*, being used for expenditure, whose benefit is limited to the JCR only. It is primarily a structural change, and draws together the *Photocopier*, *JCR Officers' Expenses*, and *JCR TV Room* budgets. Subject to approval of the Governing Body and a DCAC motion on the matter, it will also be allocated a *JCR Initiatives Fund* amounting to £700. The purpose of this is to allow the JCR some flexibility in funding projects deemed to be worthwhile, that arise during the year and are non-recurring and responsive thus not included in the DCAC Budget. Subject to the approval of the Governing Body and a DCAC motion, applications to the fund with a value of less than £100 can be decided upon by the JCR Executive, whilst those over £100 will require a JCR Motion to be passed. The *JCR Grant* will also allow the JCR to control funds without reference to the MCR, thereby equilibrating the system.

The *Photocopier Budget* has been held at £500, which includes provision for JCR Officer usage and the initial costs of providing cards to all first year undergraduates, to encourage its use and awareness (this was implicitly done last year). The operation of the photocopier may change and thus the structure of the *Photocopier Budget* may also change but will remain within the overall £500 allocation.

The provision for the purchase of the TV license has been increased to £112 due to increased cost. The cost of providing Sky TV is £2500 annually and this has been allocated. It is currently being investigated whether some more beneficial and efficient DCAC subscription to Sky TV is possible, as currently the MCR and JCR pay separately and the subscriptions are a significant part of each grant. Thus the *JCR TV Room* budget is set at £2612.

The *JCR Officers' Expenses* budget has been reduced to £100 following analysis of actual yearly expenditure.

The *JCR Welfare* budget (formerly the JCR Women's Officer budget) has been restructured to better reflect the equality in the JCR and the move to increased welfare awareness and student use. This budget now has a larger remit and includes provision for all welfare activities including those of the JCR Women's and Men's Officers. It will be managed by the JCR Welfare Officer, who will co-ordinate with the rest of the JCR Welfare Committee to ensure a structured pro-active approach. The value of the budget has been set at £700.

There is a desire within the JCR Executive to improve *JCR Entertainments*, to further improve the integration of all members of the JCR. The envisaged structure would see Freshers' Week being followed by a regular programme of JCR Entertainments during the year culminating in the June Event. Therefore, it is recognised that investment is needed in the regular year-round *JCR Entertainments*, which currently lags behind the other events. For the medium term future the DCAC will provide an annual consumable *JCR Entertainments* budget of £400. This is to be spent not on subsidy, but of investing in a cycle of improvement that will be of benefit to all JCR members and also many other elements of College.

JCR Grant = **£5,012**

Blues Expenses

The ability of the *Blues Expenses Fund* to reimburse blue sportsmen and women is inadequate. This was shown by the setting up of the *Blues Expenses Policy*, and the subsequent allocation that reimbursed on average 62% of each claim. The allocation for the *Blues Expenses Fund* has therefore been increased to £1500, with the hope of meeting the

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demand more fully. There is a standing agreement with College that they will match the DCAC allocation in this area. Therefore the total *Blues Expenses Fund* will be £3000 (for the purposes of this budget only the DCAC allocation is shown).

Blues Expenses Fund = **£1,500**

Sportsground

Management and administration of the Sportsground has passed entirely to College, and thus the DCAC no longer pays for the maintenance costs. The DCAC however, maintains its voice over the management and development of the Sportsground by the numerous ex officio posts on College committees, and by the standing mandate that obliges College to maintain a good quality sportsground.

General Expenditure

The Griffin allocation has been increased to £780. This increase is due to inflation and increased student numbers.

DCAC contribute towards the Downing College staff outing and the allocation for this has been increased to £145.

Total General Expenditure = **£925**

Societies

DCAC affiliated societies include sports clubs, drama and music societies and subject-related societies. DCAC provides funding for these. The original funding has been increased by approximately 7% to further enable members of the DCAC clubs and societies. The DCBC grant has also be moved into the Societies budget inline with correct structure and current policy.

Total Societies Expenditure = **£9,434.80**

Total DCAC Expenditure = £33,090.38

Full details and values of DCAC Expenditure can be found in Appendix Three.

Contingency

With the restructuring of DCAC finances, the provision of the *JCR Initiatives Fund*, and the considered analysis of each area of income and expenditure, it is considered that little contingency is needed. In the past a negative contingency has been set, indicating an expectation of under-spending. This goes against the mandate of the DCAC which is in part to ensure the best possible use of funds to support and aid students in their many activities. Last year a large positive contingency was set, which is equally difficult to justify as it shows money that is being held back, rather than going to students. Therefore a modest positive contingency of £107.03 is considered appropriate. It will then be the responsibility of the DCAC Junior Treasurer to monitor events and act accordingly, using the *Reserve Fund* in

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difficult circumstances, and increasing spending if Mid Year and Final Quarter forecasts suggest a surplus.

Contingency Fund = **£107.03**

Issues and Comments

The DCAC/JCR Treasurer and the DCAC Committee would like to thank Dr. Lintott, Mr. Taplin, Mr. Billington, Ms. Ewens, and Ms. English, whose help has been greatly appreciated throughout the past year.

All issues and comments of the 2001/2 Half Year Budget Report have been addressed, including the resolution of all debts held by the DCAC.

The restructuring of the finances of the DCAC ensure that it is more transparent, financially fitter, and able to continue to meet the needs of the students of Downing College. Further policies and operational practices will be introduced to ensure consistency and accountability.

Appendix One: Defined Terms

<i>DCAC</i>	Downing College Amalgamation Club
<i>RPIx</i>	Retail Price Inflation (ex. mortgage rates)
<i>Reserve Fund</i>	Fund held in current account as annual reserve
<i>College Amalgamated Investment Fund</i>	Investment portfolio of all College interests
<i>Fixed Expenditure</i>	Expenditure varying only due to inflation and external changes
<i>Variable Expenditure</i>	Expenditure varying with need and policy
<i>Sports Syndicate</i>	University syndicate funded by capitation from colleges to provide funding to University blue sports clubs
<i>Societies Syndicate</i>	University syndicate funded by capitation from colleges to provide funding to University societies
<i>Sports Injuries Clinic</i>	Addenbroke's Hospital clinic for university and college sportspersons
<i>CUSU</i>	Cambridge University Student Union
<i>GU</i>	The Graduate Union
<i>MCR Cultural Society</i>	Society purely for MCR members, bringing members together intellectually and socially
<i>Freshers' Week</i>	Activities for first years in the first week of Michelmas Term
<i>Blues Expenses Fund</i>	Reimbursement for costs incurred in pursuit of a blue or half blue University sport
<i>Blues Expenses Policy</i>	Categorised expenditure allowing analysis, and making allocations transparent.

Appendix Two: DCAC Income (Detailed)

Subscriptions:

The student numbers for 2002-2003 are as follows:

Undergraduates:	422
Postgraduates (ex. Final year clinical medical students):	174
Final Year Clinical Medical Students	9

DCAC therefore comprises a total of 605 members (fee paying).

Subscriptions rates are as follows:

Standard Student Subscription	£49.15
Final Year Clinical Medical Students:	£16.38

Thus total subscriptions are

Undergraduates:	£20,741.30
Postgraduates (ex. Final Year Clinical Medical Students):	£8,552.10
Final Year Clinical Medical Students:	£147.45
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	£29,440.85

Interest:

The current account held with the Co-Operative Bank yields 0.09% pa. There is an average daily balance of £25,000.

The benchmark for the *College Amalgamated Investment Fund* managed by Ballie Gifford varies during the year, as decided by the College Finance Committee, and Ballie Gifford generally manages to meet this benchmark. The mandate for the fund is both for dividend yield and capital gain. A conservative estimate of performance against the benchmark, given difficult financial circumstances would be 4.50% pa yield.

Current Account Interest (discounted from budget):	0.09% x £25,000
College Amalgamated Investment Fund Yield:	4.50% x £83,479
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	£3,756.56

Total Income:

Subscriptions	£29,440.85
Interest:	£3,756.56
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	£33,197.41

Appendix Three: DCAC Expenditure (Detailed)

Fixed Expenditure:

Scudamore's Punt Hire Scheme	£110.00
CUSU Subscription	£2,885.44
GU Subscription	£287.76
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	£3,283.20

Depreciation Fund:

£6,182.58

MCR Grant:

MCR TV Budget	£2,227.80
MCR Freshers' Week	£1,500.00
MCR Summer Mini-Ball	£1,000.00
Other Entertainments	£1,295.00
Cultural Society	£500.00
MCR Facilities	£230.00
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	£6,752.80

JCR Grant:

Photocopier Budget	£500.00
JCR Officers' Expenses	£100.00
JCR Welfare Budget	£700.00
JCR TV Room Budget	£2,612.00
JCR Initiatives Fund	£700.00
JCR Entertainments Budget	£400.00
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	£5,012.00

Blues Expenses Fund:

DCAC Allocation	£1,500.00
(College Allocation)	£1,500.00)
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	£1,500.00

General Expenditure:

Griffin	£780.00
DC Staff Outing	£145.00
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£925.00

Societies (Percentage of application in brackets):

Downing College Chapel Choir (66%)	£50.00
Downing College Men's Tennis Club (100%)	£120.00
Downing College Women's Tennis Club (100%)	£75.00
Downing Film & Cinematics Society (100%)	£300.00
Whitby Society (84%)	£800.00
Downing College Squash Club	£180.00
Downing College Men's Association Football Club (100%)	£372.56
Downing College Women's Association Football Club (83%)	£100.00
Downing College Netball Club (100%)	£100.00
Downing College Men's Rugby Football Club (94%)	£350.00
Downing College Women's Rugby Football Club (100%)	£100.00
Maitland Society (100%)	£120.00
Downing College Hockey Club (100%)	£940.00
Downing College Music Society (90%)	£1550.00
Downing College Men's Basketball Club (100%)	£450.00
Downing College Women's Basketball Club (100%)	£130.00
Downing College Volleyball Club (100%)	£10.00
Danby Society (88%)	£900.00
Downing College Badminton Club (100%)	£636.00
Downing Dramatics Society (100%)	£115.00
Downing College Bridge Club (100%)	£25.00
Downing College Cricket Club (100%)	£270.00
Downing College Boat Club	£1741.24

£9,434.80

Total Expenditure:

Fixed Expenditure	£3,283.20
Depreciation Fund	£6,182.58
MCR Grant	£6,752.80
JCR Grant	£5,012.00
Blues Expenses Fund (DCAC allocation only)	£1,500.00
General Expenditure	£925.00
Societies	£9,434.80

£33,090.38

Contingency:

£107.03