

DCAC BUDGET PROPOSAL

FOR YEAR END SEPTEMBER 2004

DCAC Senior Treasurer: Dr Daniel Beer
DCAC Junior Treasurer: James Bell

JCR President: Ian Redding
MCR President: Kristian Gustafson

EXECUTIVE SUMMARY

After the sweeping reforms undertaken in the previous year's budget, this year's is one of consolidation and refinement, with financial alterations being primarily inflationary, or reactive to the changing needs of the members. Minor alterations to the *JCR Grant* structure are detailed in that section of the budget.

INCOME

Subscriptions

The DCAC receives a subscription per member from the college. The membership comprises all members of the MCR and JCR. The unified subscription rate is £56.01 this year, having been increased by *RPIx* (2.9%) in line with last year's agreement with College for this link to be established and maintained into future years to give (initially) £50.68. This has then been further increased by £5.33 per capita to reflect the cleaning costs incurred by the Boat Club that lead us to provide a substantially higher grant to them from now on.

DCAC Subscription Income = **£35,174.28**

College Amalgamated Investment Fund and Bank Interest

The assets of the DCAC are held in two interest bearing forms: a current account and units in the College Amalgamated Investment Fund. The current account is held with the Co-Operative Bank, and holds a £10,000 reserve together with the annual subscriptions, received at quarterly intervals. The reserve represents approximately 30% of the yearly income of the DCAC, 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, as last year, interest income is detailed, but not included, in this budget and will be dealt with only in the year-end accounts. Any interest generated is being used to partially offset the activity charges of the Co-Operative Bank current account that are incurred.

The DCAC owns a total of 3887 units in the *College Amalgamated Investment Fund*, and the income from this has been shown, notably over the past year, to be unpredictable since its return is dependent upon the performance of the stock market, and more specifically of the College's investment portfolio. The return on the investment is however expected to exceed that of a standard deposit account or similar investment vehicle, and this is consistent with the desire to maximize yield and use this as a source of income to supplement the society spending. A yield of 4.1% is predicted on the investment over the forthcoming year.

Due to the need to budget for this inherently unpredictable income source, it has been decided to retrospectively use the income generated. The investment income from the previous financial year will from now on be used in the setting of the following year's budget, rather than the current method which involved anticipating the year's income (which would be received at the end of the year). Any costs associated with this method will be absorbed by the reserve fund so as not to disadvantage DCAC members currently in residence. This removes the need for estimation of investment income and allows for more accurate budgeting so as to minimize the need for mid-year budget changes. The state of the *College Amalgamated Investment Fund* will be monitored by the DCAC Junior Treasurer during the year to ensure the investment return is at a satisfactory level.

Income from interest in the *College Amalgamated Investment Fund* = **£2,819.00**

Total DCAC Income = £37,993.28

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 £100. 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 altered in relation to changed student numbers (as this is a capitation fee).

Total Fixed Expenses = **£2,946.80**

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 and 2003 (the latter due to the exceptional, and costly, refurbishment of the TV room), the Depreciation Fund has not been fully used. Therefore, from analysis of the expenditure over the last six years, it has been calculated that an appropriate level of spending on equipment is £6000.

Depreciation Fund = **£6,000.00**

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 £7,700.00, to take account of the significantly increased numbers of postgraduates, inflation, and increased subscriptions.

MCR Grant = **£7,700.00**

JCR Grant

The JCR Grant has been largely successful since its introduction this year in allowing the JCR both spending autonomy and enabling increased flexibility in its day to day running, and consequently has fulfilled the original purpose of its introduction. There have however been two issues raised about the grant. Firstly, there are currently no specific JCR funds for the IT provision that has developed over the last year with the introduction of the new JCR website. Secondly there are logistical financial problems with both the organization of officers' expenses and the annual JCR garden party. After consultation it is proposed that the latter of these is dealt with by the formation of a bank account which may be used to hold money for this event, so as to prevent the accrual of personal debts.

The *JCR Initiatives Fund* was successfully used over the last year to enable the JCR to fund matters arising throughout the year, most notably enabling the JCR website to be completely overhauled. The underlying purpose of the fund is to allow the JCR greater flexibility in dealing with projects which may not even have been thought up at the time of the budget, and to allow discretionary expenditure on worthy, miscellaneous, JCR causes. Upon inspection of expenditure last year and anticipated expenditure this year, the *JCR Initiatives Fund* for this year will be £500.

The *Photocopier Budget* will this year be integrated into a new *Communications Budget*, which will include both photocopying and IT provision. Previously, IT spending by the JCR has been negligible, but with the new website a small outgoing has been generated that is not adequately covered by any other part of the budget. In order to cut costs, it is proposed that the JCR photocopier be removed, and that all executive copying be done elsewhere, including the nearby CUSU offices on Trumpington Street. The DCAC Junior Treasurer will investigate the financial implications of the termination of any contracts associated with the photocopier's removal. In keeping with the above, I propose a *Communications Budget* of £400.

The provision for the purchase of the TV license has been increased to £116 due to increased cost. The cost of providing Sky TV is £2660.80 annually and this has therefore been allocated. It is currently being investigated whether a more beneficial and efficient DCAC subscription to Sky TV is possible, as currently the MCR and JCR pay separately and these subscriptions are a significant part of each grant. Unfortunately, initial enquiries have been less than positive, and alternative, cheaper, suppliers are now being sought. Thus the *JCR TV Room* budget is set at £2776.80.

The *JCR Officers' Expenses* budget has been raised to £150 due to the increased size of the committee under the new constitution, and the large number of miscellaneous expenses that have occurred over the last year.

The *JCR Welfare* budget has been revised downwards from last year after it was found there was less demand for funded welfare activities than expected; the majority of such being publicity-based. The value of the *JCR Welfare* budget has therefore been lowered to £300.

After the success of the entertainments this year, the JCR Committee has agreed that greater emphasis must be placed on *JCR Entertainments* to encourage more-substantial integration of college members and to improve the reputation of our social events. As such, a sum of £1,000 will be budgeted for spending on a regular programme of events throughout the year, conditional upon its use to improve their quality and not to subsidise alcohol consumption.

JCR Grant = £5,126.80

Blues Expenses

Blues Expenses this last year paid out the whole of its £3,000 fund, corresponding to 42% of applications. This is substantially down on last year's 61% coverage, despite the large increase in the fund. Therefore, I will increase the DCAC's contribution to *Blues Expenses* from £1500 to £2000. Since there is a standing agreement with College that they will match the DCAC allocation in this area, the total *Blues Expenses Fund* will therefore be £4,000 (for the purposes of this budget only the DCAC allocation is shown).

Blues Expenses Fund = **£2,000.00**

General Expenditure

The Griffin allocation has been decreased to £720. This is due to the smaller size of each Griffin edition, and favorable photocopying rates that have been obtained this year.

DCAC contribute towards the Downing College staff outing and the allocation for this has been increased to £150.

Total General Expenditure = **£870.00**

Societies

DCAC affiliated societies include sports clubs, drama and music societies and subject-related societies. DCAC provides funding for these. This year the most notable change to the societies' grants is the £3,400 increase in the boat club grant specifically to cover the cleaning of the boathouse. Aside from this, the boat club funding has also been raised to reflect increased levels of expenditure. The original funding, ignoring the afore-mentioned £3,400, has been increased by approximately 8% to further enable members of the DCAC clubs and societies.

Total Societies Expenditure = **£13,745.00**

Total DCAC Expenditure = £38,308.80

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

Contingency

With the continued provision of the *JCR Initiatives Fund*, and the considered analysis of each area of income and expenditure, it is considered that, as last year, there is little need for a contingency, and in fact this year a negative contingency will be set. This ensures that as much money goes to students as possible, especially given the habitual underspending of the previous years' budgets. Therefore a negative contingency of £394.80 is considered appropriate. It will be the responsibility of the DCAC Junior Treasurer to monitor events and act accordingly, using the *Reserve Fund* in difficult circumstances.

Contingency Fund = - **£394.80**

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 2002/3 Half Year Budget Report have been addressed, including the resolution of the Rugby Club's debt to the DCAC.

A £500 debt of the Boat-Club to the DCAC has been written off from this last year's surplus.

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>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 2003-2004 are as follows:

Undergraduates:	404
Postgraduates (ex. Final year clinical medical students):	222
Final Year Clinical Medical Students	6

DCAC therefore comprises a total of 632 members (fee paying).

Subscriptions rates are as follows:

Standard Student Subscription	£50.58
Final Year Clinical Medical Students:	£16.85

Thus total subscriptions are

Undergraduates:	£22,628.04
Postgraduates (ex. Final Year Clinical Medical Students):	£12,434.22
Final Year Clinical Medical Students:	£112.02

£35,174.28

Interest:

The current account held with the Co-Operative Bank yields 0.09% pa. There is an average daily balance of £15,000.

The *College Amalgamated Investment Fund* currently stands at £82,754. The mandate for the fund is both for dividend yield and capital gain. With the changes in this year's budget, the amount of income from the investments in the previous year will be that available for the current year, and this figure is £2,819, working out at a yield of 3.38%.

Current Account Interest (discounted from budget):	0.09% x £15,000
College Amalgamated Investment Fund Yield:	3.38% x £83,479

£2,819.00

Total Income:

Subscriptions	£35,174.28
Interest:	£2,819.00

£37,993.28

Appendix Three: DCAC Expenditure (Detailed)

Fixed Expenditure:

Scudamore's Punt Hire Scheme	£100.00
CUSU Subscription	£2,289.04
GU Subscription	£557.76
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	£2,946.80

Depreciation Fund:

£6,000.00

MCR Grant:

MCR TV Budget	£2,520.00
MCR Freshers' Week	£1,780.00
MCR Summer Mini-Ball	£1,100.00
Other Entertainments	£1,500.00
Cultural Society	£500.00
MCR Facilities	£300.00
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	£7,700.00

JCR Grant:

JCR Communications Budget	£400.00
JCR Officers' Expenses	£150.00
JCR Welfare Budget	£300.00
JCR TV Room Budget	£2,776.80
JCR Initiatives Fund	£500.00
JCR Entertainments Budget	£1,000.00
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	£5,126.80

Blues Expenses Fund:

DCAC Allocation	£2,000.00
(College Allocation)	£2,000.00)
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	£2,000.00

General Expenditure:

Griffin	£720.00
DC Staff Outing	£150.00
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	£870.00

Societies (Percentage of application in brackets):

Downing Athletics Club (100%)	£160.00
Downing College Badminton Club (81%)	£850.00
Downing College Men's Basketball Club (100%)	£625.00
Downing College Women's Basketball Club (86%)	£300.00
Downing College Boat Club (95%)	£5,400.00
Downing College Chess Club (100%)	£50.00
Downing College Cricket Club (100%)	£250.00
Danby Society (46%)	£650.00
Downing Dramatics Society (100%)	£115.00
Downing Film & Cinematics Society (100%)	£300.00
Downing College Men's Association Football Club (100%)	£230.00
Downing College Women's Association Football Club (100%)	£75.00
Downing College Hockey Club (84%)	£1,100.00
Maitland Society (75%)	£150.00
Downing College Music Society (80%)	£1,700.00
Downing College Netball Club (100%)	£140.00
Downing College Pool Club (77%)	£100.00
Downing College Men's Rugby Football Club (129%)	£450.00
Downing College Squash Club (83%)	£250.00
Downing College Table Football Club (100%)	£50.00
Downing College Men's Tennis Club (53%)	£200.00
Downing College Women's Tennis Club (48%)	£150.00
Whitby Society (38%)	£450.00

£13,745.00

Total Expenditure:

Fixed Expenditure	£2,946.80
Depreciation Fund	£6,000.00
MCR Grant	£7,700.00
JCR Grant	£5,126.80
Blues Expenses Fund (DCAC allocation only)	£2000.00
General Expenditure	£870.00
Societies	£13,745.00

£38,388.60

Contingency:

- £394.80