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University Club to move funds to gain higher interest rate

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Approved by the Senate: 10/17/2012: The senate approved the motion unanimously.

Not Approved by the Senate:

Approved by the President: 10/19/2012: This resolution has been received by the President. As this is a resolution, and not a formal recommendation, no approval is required.

Not Approved by the President:

University Club to move funds to gain higher interest rate

Submitted by Greg Brock

10/1/2012

Motion:

Resolution: The Faculty Senate supports the proposal of the board of the University Club to move \$120,000 of the Faculty Club funds from a restricted foundation account where it currently is to an interest bearing CD at a private bank.

Rationale:

Currently your University Club has \$141,000 in a restricted foundation account at GSU bearing no interest. The University Club board proposes to move the bulk (\$120,000) of your money to two interest bearing FDIC insured CDs at Queensborough Bank which currently pays 1.25% on a 3 year CD. The choice of bank was made based on the highest interest rate being offered and a desire to keep the money in a local bank. Interest accruing on the CD will be used to at least partly cover the costs of such recent University Club events as the August Art Museum and Sept. 40 East Grille gatherings. Putting money in a CD will also better protect your money from being eroded by inflation over time. Once the money is in the CD, a copy of the statement will be given to both bodies to be entered in to their permanent records. We seek full transparency with this

money and a higher return to enable the club to fund more faculty/staff events, as this money is "owned" by all the faculty/staff of GSU. This resolution has been approved by the board of the University Club.

Response:

Minutes: 10/17/2002: Motion Request: University Club to move funds to gain higher interest rate: Greg Brock (COBA) said the Club wants to move \$120,000 of their \$141,000 in funds from a non-interest-paying Foundation account to interest-bearing FDIC insured CDs at Queensborough Bank, which has the highest rates. From the gallery, Clara Krug noted this action has already taken place; the motion makes transparent what the club is doing with faculty money, and asks for a resolution of support for this action since the Senate has no formal say in the matter. Robert Costomiris (CLASS) why the money has been in a non-interest bearing account. Clara Krug, treasurer for the Club, said they had wanted to keep the money at the University, but an interest-bearing Foundation account would not have allowed them ever to use the principle, only the interest. But now they had decided they needed to make this move to alleviate the diminishment of those funds' value. The motion was approved