



## **Internal Regulations of the Finance and Operations Portfolio**

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## INTERNAL REGULATIONS OF THE FINANCE AND OPERATIONS PORTFOLIO-01: INTERPRETATION

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### PART I: INTERPRETATION

#### 1. APPLICABILITY.

**1.1 GENERAL.** Internal Regulations of the Presidential Portfolio-01 shall apply to the Internal Regulations of the Finance and Operations Portfolio.

#### 2. EFFECTIVENESS

**2.1 GENERAL.** The Internal Regulations of the Finance and Operations Portfolio shall be the effective Internal Regulation for:

- (a) all financial activities of the Society; and
- (b) all financial activities of the Clubs and Services which fall under the Society's financial jurisdiction.

**2.2 CHANGE WITHOUT NOTICE.** The Internal Regulations of the Finance and Operations Portfolio are subject to change without notice to Clubs and Services. It is the obligation of Members, Club Financial Officers, and Service Financial Officers to remain informed of any changes.

#### 3. SPECIAL PROVISION

Provisions related to Funds that appear in italics do not form part of the Internal Regulations but are included to ensure institutional memory with respect to the history and purpose of the Funds.

### PART II: DEFINITIONS

The following terms used in the Internal Regulations of the Finance and Operations Affairs Portfolio shall have the same definitions as those given to the same terms used in the Constitution.

- (a) **“Board of Directors”**
- (b) **“Executive Committee”**
- (c) **“Internal Regulation”**
- (d) **“Legislative Council”**



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- (e) **“Member”**
- (f) **“Officer”**
- (g) **“Society”**

The following terms used in the Internal Regulations of the Finance and Operations Portfolio shall have the same definitions as those given to the same terms used in the Internal Regulations of the Presidential Portfolio.

- (h) **“Affiliated Student Association”**
- (i) **“Club”**
- (j) **“Fee”**
- (k) **“Service”**
- (l) **“Student Association”**

The following terms used in the Internal Regulations of the Finance and Operations Portfolio shall have the same definitions as those given to the same terms used in the Internal Regulations of the Clubs and Services Portfolio.

- (m) **“Inactive”**

In the Internal Regulations of the Finance and Operations Portfolio, unless otherwise indicated:

- (n) **“Academic Year”** shall mean the Academic Year of the University, which runs from September 1<sup>st</sup> to August 31<sup>st</sup>;
- (o) **“Capital Asset”** shall generally refer to any asset of the Society that is expected to provide benefits for more than one (1) year, including but not limited to leasehold improvements and equipment;
- (p) **“Capital Expenditure”** shall generally refer to the purchase of a capital asset for over five hundred dollars (\$500);
- (q) **“Financial Officer”** shall mean the vice-president of finance or equivalent position of a Service or Club;
- (r) **“Financial Sanction”** shall mean any financial punishments or reprimands which the Society may levy on any Service, Club, Independent Student Group, Student Association or any group applying for funding from the Funding Committee (subject to the Society’s ability to enforce Financial Sanctions against such a group);



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- (s) **“Fiscal Year”** shall mean the Society’s fiscal year, which runs from June 1<sup>st</sup> to May 31<sup>st</sup>;
- (t) **“Fund”** shall refer to a portion of the Society’s resources whose use is restricted to fulfill an intended purpose;
- (u) **“Department”** shall refer to Internal Departments, Services, Fees and any other activities or events that are assigned a Departmental Number in the Society’s accounting system;
- (v) **“Departmental Number”** shall refer to the number assigned to a given Department;
- (w) **“Initial Operating Budget”** shall refer to the budget for the Operating Fund prepared by the Vice-President (Finance and Operations) in April of the previous Fiscal Year;
- (x) **“Internal Department”** shall refer to a Department that is generally staffed or overseen by staff;
- (y) **“Internal Department Budget”** shall refer to a budget prepared by staff in Internal Departments including but not limited to the budgets for general administration, the University Center, Gerts, the Nest, information technology, the Society’s website, Communications, and Old McGill;
- (z) **“Operating Budget”** shall refer to either the Initial Operating Budget or the October or February Revised Operating Budget, whichever is most current;
- (aa) **“Revised Operating Budget”** shall refer to the revised versions of the Initial Operating Budget prepared by the Vice-President (Finance and Operations) in October and February of each Fiscal Year.



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## INTERNAL REGULATIONS OF THE FINANCE AND OPERATIONS PORTFOLIO-02: FINANCIAL RESPONSIBILITY

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### PART I: RESPONSIBILITIES

#### 1. SOCIETY

**1.1 CHIEF EXECUTIVE OFFICER.** The President is the Chief Executive Officer of the Society.

**1.2 CHIEF FINANCIAL OFFICER.** The Vice-President (Finance and Operations) is the Chief Financial Officer of the Society and is responsible for:

- (a) ensuring that all revenues and expenditures are generally in keeping with the wishes of the Board of Directors;
- (b) ensuring that the Internal Regulations of the Finance and Operations Portfolio are updated as needed to reflect current practice;
- (c) keeping the Executive Committee, the Funding Committee, the Legislative Council, and the Board of Directors apprised of the Society's ongoing financial status;
- (d) reviewing the salaries budget and approving the total increase to the salaries budget;
- (e) approving financial obligations and transactions of the Society; and
- (f) reviewing budgets to prevent over-spending.

**1.3 INTERNAL AUDITOR.** The Internal Auditor of the Society is the Comptroller.

#### 2. SERVICES

**2.1 CHIEF FINANCIAL OFFICER.** The Services Financial Officers are the Chief Financial Officers of their respective Services and are responsible for:

- (a) ensuring that the budgeted amounts in the Operating Budget and Revised Operating Budgets accurately reflect the expected revenue and expenses to be realized by their Service;
- (b) ensuring that their Service stays within the budgeted revenues and expenses in the approved Operating Budget;



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- (c) ensuring that projected revenues are generally realized and that their Service does not over-expend in any expense account;
- (d) keeping the Vice-President (Finance and Operations) apprised of their Service's financial status throughout the Fiscal Year; and
- (e) ensuring that their Service's follow these Internal Regulations.

## PART II: FINANCIAL AUTHORITY

### 3. OPERATING BUDGET

- 3.1 **GENERAL.** The Vice-President (Finance and Operations) has the authority to alter all budgets when preparing the Initial Operating Budget and Revised Operating Budgets.
- 3.2 **INTERNAL DEPARTMENT BUDGETS.** Internal Department Budgets shall be prepared by staff and submitted to the General Manager who shall pass them on to the Vice-President (Finance and Operations). The Vice-President (Finance and Operations) should consult with the General Manager in the preparation and finalization of the Internal Department Budgets, but the final authority shall remain with the Vice-President (Finance and Operations).
- 3.3 **APPROVAL.** The Society's Operating Budget must be approved, in the following order, by
  - (a) the Executive Committee;
  - (b) the Legislative Council; and
  - (c) the Board of Directors.

## PART III: SOCIALLY RESPONSIBLE INVESTMENT

### 4. GENERAL

- 4.1 **PURPOSE.** As a student union, the Society must constantly strive to act in the best interests of its Members. When it comes to investing money, the Society recognizes that this money belongs to the Members and thus shall ensure any investment in corporations or governments is in the best interests of the Members.
- 4.2 **GUIDELINES.** In order to ensure that money is invested in the interests of the Members, the Society shall avoid investing in companies and governments with material interests in:
  - (a) socially harmful areas (e.g. weapons and tobacco);





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- (b) human rights abuses (e.g. child/sweatshop labour and political oppression); and
- (c) environmentally harmful areas (e.g. pollution and destruction of habitat).

**4.3 PRIORITY.** Priority consideration given to companies with a proven track record of:

- (a) positive contributions to the environment;
- (b) promotion of sound employment practices; and
- (c) high standards of corporate governance and transparency.

## 5. ENFORCEMENT

**5.1 FINANCIAL ETHICS REVIEW COMMITTEE.** The Financial Ethics Review Committee shall be responsible for reviewing the investments of the Society, subject to the provisions contained in the Committee Terms of Reference.

FOR APPROVAL



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## INTERNAL REGULATIONS OF THE FINANCE AND OPERATIONS PORTFOLIO-03: BUDGETING

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### 1. INITIAL OPERATING BUDGET

**1.1 GENERAL.** The Vice-President (Finance and Operations) shall work with Officers, Services and staff to compile the figures for all Department Budgets into a single budget document for the next Fiscal Year, the Initial Operating Budget.

### 2. REVISED OPERATING BUDGETS

**2.1 GENERAL.** The Vice-President (Finance and Operations) is responsible for revising the Operating Budget twice each year, once in October and once in February.

**2.2 TIMELINE.** In early September and mid January of each year, after the monthly financial statements have been completed by the Society's accounting department for August and December (respectively), the Vice-President (Finance and Operations) shall work with the Officers, Services and staff to review the figures for all Department Budgets. The Vice-President (Finance and Operations) shall compile all Department Budgets into a Revised Operating Budget for both the October and February budget revisions.

**2.3 PRESENTATION TO THE LEGISLATIVE COUNCIL.** It is the responsibility of the Executive Committee to submit a Revised Operating Budget for approval by the Legislative Council by October 31<sup>st</sup> and February 28<sup>th</sup> of each Fiscal Year.

**2.4 RATIFICATION BY BOARD OF DIRECTORS – OCTOBER.** Until the Board of Directors has ratified the Revised Operating Budget for October, the Vice-President (Finance and Operations) shall ensure that Departments do not exceed their permitted subsidy as stipulated in the Initial Operating Budget.

**2.5 RATIFICATION BY BOARD OF DIRECTORS – FEBRUARY.** Until the Board of Directors has ratified the Revised Operating Budget for February, the Vice-President (Finance and Operations) shall ensure that Departments do not exceed their permitted subsidy as stipulated in the Revised Operating Budget for October.

**2.6 EXTENSION OF DEADLINES.** The Board of Directors may, by Resolution, extend any of the deadlines related to Revised Operating Budgets.



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## 3. EVENTS BUDGETS

**3.1 GENERAL.** The following require all Officers to submit a complete budget for to the Vice-President (Finance and Operations) for approval with at least two weeks notice:

- (a) an event;
- (b) a project;
- (c) a publication; or
- (d) an initiative.

FOR APPROVAL



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## INTERNAL REGULATIONS OF THE FINANCE AND OPERATIONS PORTFOLIO-04: FINANCIAL PROCEDURES

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### PART I: INVESTMENTS

#### 1. GENERAL

- 1.1 **APPROVAL OF INVESTMENTS.** The Board of Directors must approve all investments for which the term would be longer than three (3) years or for which there is a high degree of risk.
- 1.2 **APPROVAL OF LIQUIDATION.** The Board of Directors must approve the liquidation of all investments for which there is a high degree of risk.
- 1.3 **INVESTMENT PORTFOLIO.** The Board of Directors must approve the transfer of any cash in or out of the Investment Portfolio.
- 1.4 **INVESTMENTS BY FUNDS.** The portion of each Fund for which short-term liquidity is not needed should be invested in short-term financial investments at the discretion of the Vice-President (Finance and Operations) and the Comptroller. The investments should be chosen in such a way as to meet the liquidity needs of the Society while maximizing the earned rate of interest.
- 1.5 **REPORTING.** The purchase and liquidation of all investments must be reported to the Board of Directors.

### PART II: SOCIETY CONTRACTS AND FINANCIAL PROCEDURES

#### 2. SIGNING AUTHORITY

- 2.1 **GENERAL SINGING AUTHORITY.** Any agreement or commitment made directly on behalf of the Society must be approved by:
  - (a) the Vice-President (Finance and Operations); and
  - (b) the General Manager.
- 2.2 **CLUBS AND SERVICES SIGNING AUTHORITY.** Any contracts entered into by Clubs or Services shall, in addition to the approval of the Vice-President (Finance and Operations) and the General Manager, require the approval of the Vice-President (Clubs and Services).



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- 2.3 CLUBS SIGNING AUTHORITY – EXCEPTION.** Where a contract is to be entered into by a Club and it is a short-term contract, the contract may be approved by the General Manager and the Vice-President (Clubs and Services), without the need for the approval of the Vice-President (Finance and Operations).

## 3. REVIEW OF CONTRACTS

- 3.1 FINANCIAL ETHICS REVIEW COMMITTEE.** With the exception of personnel contracts, all contracts larger than fifteen thousand dollars (\$15,000) made on behalf of the Society must be submitted to the Financial Ethics Research Committee for review.

## 4. AUDITING

- 4.1 FINANCIAL RECONCILIATION.** The Society shall conduct its year-end financial reconciliation during the summer and it shall close the Fiscal Year of each Department.
- 4.2 NOTIFICATION TO SERVICES.** The Vice-President (Finance and Operations) will inform Services of any financial irregularities resulting from this year-end reconciliation in writing by August 31<sup>st</sup> every year or when the audit has been completed, whichever is later.
- 4.3 FINANCIAL SANCTION.** Should an internal audit indicate financial irregularities that cannot be accounted for by a Service, or should a Service fail to comply with these Internal Regulations, they shall be subject to Financial Sanctions by the Society.

## PART III: SERVICES CONTRACTS AND FINANCIAL PROCEDURES

### 5. GENERAL

- 5.1 APPLICATION.** This Section of the Internal Regulations applies to Services that have assigned Department numbers within the Society's Accounting System.
- 5.2 AUTHORITY.** The Society has ultimate jurisdiction over Services' finances and accounts.

### 6. CONTRACTS

- 6.1 CONTRACTS TO BE SUBMITTED.** Services Signing Officers shall submit all potential contracts or commitments to the Vice-President (Clubs and Services) for evaluation before signing the contract or agreeing to the commitment.



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**6.2 CONTRACTS APPROVAL.** All contracts, agreements, or commitments entered into by Services shall be approved by:

- (a) the Vice-President (Clubs and Services);
- (b) the General Manager; and
- (c) the Vice-President (Finance and Operations).

**6.3 EVALUATION OF CONTRACTS.** The Vice-President (Clubs and Services), in conjunction with the General Manager and Vice-President (Finance and Operations), shall evaluate the legal and financial soundness of the agreement and communicate the final decision to the Service in an expedient manner.

## 7. TRAINING

**7.1 FINANCE PROCEDURES TRAINING.** The Society will provide training sessions, in September of each year, for Services and Service Financial Officers detailing the basic accounting procedures that they must follow. These training sessions are the responsibility of the Vice-President (Clubs and Services), working with the Comptroller and Vice-President (Finance and Operations). Attendance for these training sessions is mandatory; each Service must have at least one (1) representative in attendance

## PART IV: FINANCIAL SANCTIONS

### 8. EXAMPLES OF SANCTIONS

**8.1 GENERAL.** Sanctions may include but are not limited to:

- (a) freezing of a bank account or specific funds in a bank account under the control of the Society;
- (b) the loss of the office of an executive;
- (c) reduction or elimination of the budget;
- (d) loss of funding;
- (e) restriction of access to funding for up to two (2) Academic Years;
- (f) suspension of the privileges of an Accredited Group;
- (g) suspension of the status of an Accredited Group; and
- (h) loss of the ability to book rooms in the University Centre.



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## 9. REPORTING

**9.1 GENERAL.** All breaches by Services, Clubs or other organizations of these Internal Regulations shall be brought to the attention of the Vice-President (Clubs and Services) and Vice-President (Finance and Operations).

## 10. ENFORCEMENT

**10.1 GENERAL PROCEDURE.** The Vice-President (Clubs and Services) and the Vice-President (Finance and Operations) shall present their recommendations (if any) for Financial Sanctions to the Executive Committee. The Legislative Council must ratify Financial Sanctions approved by the Executive Committee.

**10.2 INTERIM ENFORCEMENT.** The Vice-President (Finance and Operations) shall have the power to effect interim enforcement of Financial Sanctions that have not yet been approved or rejected by the Executive Committee or the Legislative Council.

## 11. REVIEW

**11.1 SERVICES REVIEW COMMITTEE.** Financial Sanctions may be appealed by a Service to the Services Review Committee after the Legislative Council has made a final decision. The Services Review Committee must present their recommendation to the Legislative Council for ratification.



# **INTERNAL REGULATIONS OF THE FINANCE AND OPERATIONS PORTFOLIO-05: FUNDING COMMITTEE**

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## **PART I: GENERAL FUNDING GUIDELINES**

### **1. GENERAL**

**1.1 ALLOCATION BY INSTALLMENT.** Funding shall be allocated on an installment basis and must conform to the following guidelines:

- (a) Fifty percent (50%) of approved funding will be allocated upon approval of the funding application. In the event a group or applicant requires more than fifty percent (50%) of the approved funding up front, the group or applicant must provide a written explanation in their application explaining their necessity. The Funding Committee may grant such a request by a Simple Majority vote.
- (b) Up to fifty percent (50%) of approved funding will be allocated upon submission of the applicant's relevant receipts to the Funding Commissioner.
- (c) The deadline for reimbursement will be set jointly by the Vice-President (Finance and Operations) and the Funding Commissioner. Failure to submit any requested documents will forfeit the funding.
- (d) The Funding Committee may make exceptions to any of the above on a case-by-case basis.

**1.2 ASSESSMENT OF FUNDING COMMISSIONER.** The Funding Commissioner shall be responsible for the assessment and disbursement of the remaining fifty percent (50%), based on the receipts received and may at their discretion refuse to allocate any part of the remaining fifty percent (50%). The Funding Commissioner may not refuse to allocate more than one quarter of the remaining fifty percent (50%) without the approval of the Funding Committee.

### **2. FUNDING REQUESTS**

**2.1 GENERAL.** The following shall apply to requests for funding from the portion of Fees that are for distribution by the Funding Committee:

- (a) All requests must be addressed to the Funding Commissioner.





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- (b) No other Committee of the Legislative Council or Officer of the Society may allocate funding from these Fees. The Society may not enter into any contracts that allocate any portion of these Fees.

## 2.2 **ABSOLUTE REQUIREMENTS.** Requests for funding from the Funding Committee must adhere to all of the following guidelines, without exception:

- (a) The request must be made by a Member;
- (b) No funds may be used to loan resources to Society groups for the purposes of startup costs;
- (c) No salaries or stipends may be funded. Note that this article should not be interpreted to mean that honorariums for speakers, facilitators, and volunteers are ineligible;
- (d) No funding applications may be approved if they span more than one (1) Fiscal Year;
- (e) No funding shall be approved for alcohol; and
- (f) No group shall be granted funding in excess of the amount requested in their application or applications.

## 2.3 **EXCEPTABLE REQUIREMENTS.** Requests for funding from the Funding Committee must adhere to all of the following guidelines, unless the Funding Committee chooses by a two-thirds (2/3) majority to make an exception:

- (a) Members must be responsible for and involved in the overall coordination and production of the initiative;
- (b) No Member may be restricted from attending or participating in the initiative;
- (c) A specific time frame for the initiative must be determined in advance;
- (d) The funding allocation cannot benefit only one individual student;
- (e) The application must be limited to funding for the current semester; and
- (f) No event without a deficit shall be granted funding with the exception of fundraising events from the Charity Fee.

## 2.4 **FURTHER REQUIREMENTS.** The Funding Committee may establish any further requirements for funding applications provided they are consistent with Sections 2.2 and 2.3.



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- 2.5 **ADDITIONAL CONDITION.** Funding granted shall be dependent upon the applicant's demonstrable efforts to fundraise and obtain sponsorship.
- 2.6 **PREVIOUS FUNDING NOT RELEVANT.** Previous funding allocations do not constitute reasoning for providing current funding allocations to any student group.
- 2.7 **REQUIRED DOCUMENTS.** All requests for Fees for distribution through Funding Committee must be accompanied by:
  - (a) a funding request form;
  - (b) a letter of introduction, clearly detailing the initiative and its goals;
  - (c) a comprehensive event-specific budget, showing all revenue and expenses; and
  - (d) an annual budget if applicable.

## 3. RETROACTIVE FUNDING REQUESTS

- 3.1 **GENERAL.** Any group may submit a retroactive funding application for an event that has taken place within the current Academic Year.
- 3.2 **MANDATORY RETROACTIVE APPLICATION.** If a group has submitted a regular funding application but their event takes place before the application can be processed, they must subsequently submit a retroactive funding application complete with actual values of their revenues and expenses, and including copies of their invoices and receipts.
- 3.3 **EXCEPTION.** The Funding Committee may waive the requirement for a retroactive funding application where it would be prejudicial to the group receiving the funding or where budgeted and actual values are likely to be the same or not substantially different.
- 3.4 **GROUND FOR REFUSAL.** The Funding Committee may reject retroactive funding applications (whether mandatory or not) by a Simple Majority vote in cases where there has been an unreasonable delay in submitting the application.

## 4. FUNDING REFUSAL AND APPEALS

- 4.1 **GROUND FOR REFUSAL.** The Funding Committee may deny any funding request based on factors including:
  - (a) the group applying for funding has not met the requirements to receive funding;



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- (b) there are moral objections to the initiative; or
- (c) there are questions as to the viability of the initiative.

**4.2 REASONS FOR REFUSAL.** Unsuccessful applicants have the right to obtain a written letter listing the reasons their request was denied.

**4.3 APPEALS.** Groups may appeal any financial decision made by the Funding Committee within five (5) business days of the group's notification. Groups must appeal decisions to the Funding Committee before taking their appeal to the Executive Committee or the Legislative Council.

## 5. FUNDING OBLIGATIONS

**5.1 PUBLICITY.** Publicity associated with all funded initiatives must include the Society's logo and recognize the SSMU as a sponsor according to guidelines set by the Funding Committee. Failure to do so will result in loss of funding.

**5.2 ONGOING OBLIGATIONS.** Groups that apply for and receive funding are required to provide copies of:

- (a) promotional materials;
- (b) their final budget, containing actual revenues and expenses; and
- (c) receipts and invoices.

**5.3 UNUSED FUNDING.** Funding not used for the purpose it was granted must be returned to the Society.

## 6. ADMINISTRATION OF THE FUNDING COMMITTEE

**6.1 FUNDING COMMISSIONER.** The Funding Commissioner shall:

- (a) administer all aspects of the Fees for distribution by the Funding Committee, including ensuring the timely processing of cheques, maintaining records of Fee allocation, and informing applicants as to the status of their application; and
- (b) submit a minimum of two (2) reports to Council each year, once after each semester's funding allocation.

## 7. SOCIETY POLICIES

**7.1 GENERAL.** All funding must respect the Policies of the Society.



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**7.2 SUSPENSION OF APPLICATION.** If at least one (1) voting member of the Funding Committee expresses concerns that an application does not respect a Policy of the Society, their vote shall be sufficient to table the application pending the presence at the Funding Committee of, or a formal statement by, an Officer or Commissioner of the Society related to the Policy in question.

## 8. FINANCIAL TRANSACTION SUBSIDY

**8.1** The Funding Committee shall allocate up to one hundred dollars (\$100), assuming funds are available, per Club per Academic Year to offset financial transaction costs that are applied for, including bank fees and cheque purchases.

## 9. FINANCIAL SANCTION JURISDICTION OF THE FUNDING COMMITTEE

**9.1 GENERAL.** The Funding Committee shall have power to levy Financial Sanctions only against groups in contravention of the Internal Regulations of the Finance and Operations Portfolio-06, subject to approval by the Legislative Council.

**9.2 INTERIM ENFORCEMENT.** The Vice-President (Finance and Operations) shall have the power to effect interim enforcement of Financial Sanctions that have not yet been approved or rejected by the Legislative Council.

## PART II: SPECIFIC FUNDING GUIDELINES

### 10. FOOD AND BEVERAGES

**10.1 GENERAL.** In general, food and beverages are not eligible for funding. No food or beverages shall be approved for funding if meant for consumption by the applicant group, participants, or constituents.

**10.2 EXCEPTION.** Subject to the above rule, food or beverages may be approved for funding under any of the following circumstances:

- (a) the operations of the group making the application are entirely comprised of food services;
- (b) the food and beverages to be funded will be sold as a means of raising funds; or
- (c) the food and beverages to be funded will be donated by the group to a charitable organization rather than consumed. In this case, the donation of food should be the main purpose of the application.

**10.3 NOTE.** The above-mentioned provision shall not be interpreted to mean that food and beverages offered at fundraising events are eligible for funding.



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## 11. TRAVEL

**11.1 APPLICATION REQUIREMENTS.** Applications for funding for travel must include travel plans and accompanying quotes and/or invoices.

**11.2 TRAVEL GUIDE.** Funding to applicable cities will only be granted the baseline amount indicated by the travel guide. If no travel guide is available or current (revised within the past five (5) years), it shall be the responsibility of the Funding Committee to establish baseline travel amounts.

## 12. APPAREL AND EQUIPMENT

**12.1 GENERAL.** Funding for apparel and equipment shall only be approved if it is to become the property of the group and the Funding Committee is satisfied that it will remain group property.

**12.2 APPLICATION REQUIREMENTS.** The application must identify adequate provisions for the storage and safekeeping of apparel and equipment.

**12.3 PERSONALIZED ITEMS.** Personalized apparel or equipment that will be retained by members rather than returned to the group, including for coordinators or executives, is not eligible for funding. Non-personalized apparel that will not be returned to the group may be approved if it is demonstrated to be essential to group activities and a reasonable proportion of expenses.

## 13. FALL SEMESTER ALLOCATION.

**13.1 GENERAL.** No more than two-thirds (2/3) of the amount raised through each fee may be allocated by the end of the fall semester.

## 14. PUBLICITY.

**14.1 GENERAL.** The Funding Commissioner shall be responsible for publicizing the existence of the fees and their application processes.

## 15. CLUB SUBSIDY

**15.1 PURPOSE.** The Club Subsidy is intended as a source of financial assistance for the Society's Clubs.

**15.2 NAME.** The Club Subsidy shall also be known as the "Club Fund" for the purposes of its promotion and relevant communications with student groups.

**15.3 ADMINISTRATION.** The Club Subsidy shall be a Society Department, subsidized by the Operating Budget.



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- 15.4 AMOUNT.** The amount of the Club Subsidy shall be determined by the subsidy to its respective department in the Operating Budget. However, the subsidy shall not be less than \$50,000 (fifty thousand dollars) unless the Legislative Council approves a budget consisting of a lesser subsidy with a two-thirds (2/3) majority vote.
- 15.5 ALLOCATION.** No more than two-thirds (2/3) of the Club Subsidy, as approved in the Operating Budget, may be allocated in the Fall semester.
- 15.6 PROMOTION.** The Funding Commissioner is responsible for publicizing the existence of the Club Subsidy and its application process.
- 15.7 APPLICATION PROCESS.** The following restrictions are imposed on groups applying to the Club Subsidy, in addition to any relevant restrictions outlined in this Internal Regulation.
- (a) **ELIGIBILITY.** Only Full Status Clubs as defined by the Internal Regulations of the Clubs and Services Portfolio shall be eligible to apply for funding from the Club Subsidy.
  - (b) **AUDIT REQUIREMENT.** Clubs that did not submit an audit in the previous semester shall not be eligible to receive funding from the Club Subsidy, unless otherwise determined by a two-thirds (2/3) majority vote of the Funding Committee. In these circumstances, the Club shall be granted funding whereby the first installment shall be no more than thirty percent (30%) of the funding grant and the second installment shall be up to seventy percent (70%) of the funding grant. In addition, the Funding Committee may require that the Club submit an audit of its expenses and revenues, along with any other stipulations made by the Committee, to the Committee in order to receive funding.
- 15.8 APPLICATION.** Clubs may apply to the Club Subsidy in the Fall Semester for either the full year or just for that semester.
- (a) In the event that a Club applies for funding for the term, funding shall be allocated by installment where fifty percent (50%) of approved funding will be allocated upon approval of the funding application and up to fifty percent (50%) will be allocated upon submission of the applicant's relevant receipts to the Funding Commissioner.
  - (b) In the event that a Club applies for funding for the full year, funding shall be allocated by installment where fifty percent (50%) of the approved funding will be allocated in the Fall Semester and up to fifty percent (50%) will be allocated for the Winter Semester, disbursed upon receipt of copies of receipts for expenses incurred by the Club in spending money



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allocated by the Funding Committee, a report detailing the activities of the Club, and the Fall Club Audit.

**15.9 REPORT.** A report detailing the activities of the Clubs shall include:

- (a) a record of events organized by the Club;
- (b) any discrepancies between the proposed budget approved by the Funding Committee and the actual budget; and
- (c) any other information as determined by the Funding Committee.

**15.10 WINTER APPLICATION.** Clubs may apply to the Club Subsidy in the Winter Semester for either the Winter Semester or the Summer Semester. In the event that a Club applies for funding for these terms, funding shall be allocated by installment where fifty percent (50%) of approved funding will be allocated upon approval of the funding application and up to fifty percent (50%) will be allocated upon submission of the applicant's relevant receipts to the Funding Commissioner.

## PART III: FEES FOR DISTRIBUTION BY FUNDING COMMITTEE

### 16. SPACE FEE

**16.1 DISTRIBUTION.** Eighty-five percent (85%) of the amount raised through the fee shall be allocated by the Building Committee. Fifteen percent (15%) of the amount raised through the fee shall be allocated by the Funding Committee for external groups to improve student spaces across campus.

### 17. CAMPUS LIFE FEE

**17.1 PURPOSE.** The Campus Life Fee is intended as a source of financial assistance for initiatives, including but not limited to projects, events, conferences, publications, and productions of an academic or social nature. The Campus Life Fee also recognizes the contribution of athletic programs to the McGill community and shall, where applicable, offer financial assistance to such endeavors.

**17.2 NAME.** The Campus Life Fee shall also be known as the "Campus Life Fund" for the purposes of its promotion and relevant communications with student groups.

**17.3 DISTRIBUTION.** When assessing Campus Life Fee requests, the Funding Committee must be satisfied that the initiative's objective will contribute to the betterment of campus life.



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**17.4 ATHLETIC FUNDING LIMITATION.** Funding to athletic programs shall be limited to:

- (a) unfunded tier two and unfunded tier three athletic teams as defined under McGill University's Department of Athletics Intercollegiate Sport Classification Process Terms of Reference; and
- (b) subsidizing a portion of the athletic program's travel and/or league affiliation fees.

## 18. AMBASSADOR FEE

**18.1 PURPOSE.** The Ambassador Fee is intended as a source of financial assistance for Members to host or participate in competitions and conferences of an academic nature.

**18.2 NAME.** The Ambassador Fee shall also be known as the "Ambassador Fund" for the purposes of its promotion and relevant communications with Clubs.

**18.3 DISTRIBUTION.** When assessing Ambassador Fee requests, the Funding Committee must be satisfied that the initiative's objective will contribute to the visibility and recognition of the excellence of the Society's Members.

## 19. ENVIRONMENT FEE

**19.1 PURPOSE.** The Environment Fee is intended as a source of financial assistance for a wide range of large and small-scale projects intended to increase environmental sustainability of the Society or surrounding community, including:

- (a) environmental initiatives within the Society, such as infrastructure changes to Society events and space; or
- (b) student-run projects that uphold environmental principles.

**19.2 NAME.** The Environment Fee shall also be known as the "Green Fund" for the purposes of its promotion and relevant communications with Clubs.

**19.3 ALLOCATION BY ENVIRONMENT COMMITTEE.** The Environment Committee must decide before the October Revised Operating Budget how much of the Environment Fee the Environment Committee will require for projects and initiatives throughout the year. The Environment Committee and Vice-President (Finance and Operations) will include this information in the October Revised Operating Budget.

**19.4 ALLOCATION BY FUNDING COMMITTEE.** The remainder of the Environment Fee shall be allocated for student-run environmental projects and be





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allocated by the Funding Committee. The Environment Committee must ensure that a minimum of ten thousand dollars (\$10,000) is reserved for distribution through the Funding Committee for student-run projects.

**19.5 ENVIRONMENT COMMISSIONER ON FUNDING COMMITTEE.** An Environment Commissioner should sit on Funding Committee, as outlined in the Committee Terms of References, as a voting member only for the Environment Fee applications. This person sits on Funding Committee to act as a consultant with a relevant background in sustainability.

**19.6 DISTRIBUTION BY FUNDING COMMITTEE.** When assessing Environment Fee requests, the Funding Committee must be satisfied that that initiative's objective will contribute to the betterment of campus environmental impact, either by measuring the impact of current practices or measurably reducing the impact of activities on the downtown campus.

## **20. FIRST YEAR COUNCIL FEE**

**20.1 PURPOSE.** The First Year Council Fee is intended as a source of financial assistance for a wide range of large and small-scale projects intended to increase engagement among first year students, including:

- (a) First Year Council for their annual budget which includes events and initiatives primarily pertaining to first year students; and
- (b) allocation through Funding Committee to empower first year students and first year representative groups of all faculties to engage in initiatives that foster leadership, encourage student engagement, and make positive changes in the representation or experiences of first year students.

**20.2 NAME.** The First Year Council Fee shall also be known as the "First Year Council Fund" for the purposes of its promotion and relevant communications with Clubs.

**20.3 ALLOCATION FOR FIRST YEAR COUNCIL.** The First Year Council must decide, in conjunction with the Vice-President (Finance and Operations) and Vice-President (Clubs and Services), and before the October Revised Operating Budget, how much of the First Year Council Fee the First Year Council will require for their own projects and initiatives throughout the year. The First Year Council and Vice-President (Finance and Operations) will include this information in the October Budget Revisions.

**20.4 ALLOCATION BY FUNDING COMMITTEE.** The remainder of the First Year Council Fee shall be allocated by Funding Committee for events and initiatives pertaining primarily to first year students. The First Year Council must ensure that a minimum of two thousand dollars (\$2,000) is reserved for



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distribution through the Funding Committee for student-run projects and initiatives. First Year Council may not apply to the First Year Council Fee that is meant for allocation by the Funding Committee.

**20.5 FYC REPRESENTATIVE ON FUNDING COMMITTEE.** The First Year Council shall designate a single executive to sit on the Funding Committee for the school year. The designated executive shall sit on Funding Committee, as outlined in the Committee Terms of Reference, as a voting member only for the First Year Council Fee applications. This person sits on the Funding Committee to act as a consultant with a relevant background in first year student events and initiatives.

**20.6 DISTRIBUTION BY FUNDING COMMITTEE.** When assessing First Year Council Fee requests, the Funding Committee must be satisfied that the initiative's objective will contribute to increasing engagement among first year students.

## 21. EQUITY FEE

**21.1 PURPOSE.** The Equity Fee is meant to: empower campus members to engage in initiatives that foster leadership, encourage civic engagement, and make observable and/or measurable differences in the representation or experiences of individuals who are members of historically and currently disadvantaged groups, support projects, research and policies that aim to end discrimination and promote accessibility and inclusiveness in the McGill community.

**21.2 NAME.** The Equity Fee shall also be known as the "Equity Fund" for the purposes of its promotion and relevant communications with student groups.

**21.3 EQUITY COMMISSIONER ON FUNDING COMMITTEE.** One Equity Commissioner will sit on the Funding Committee as outline in the Committee Terms of Reference, as a voting member only for the Equity Fee applications.

**21.4 DISTRIBUTION.** When assessing Equity Fee requests, the Funding Committee must be satisfied that the initiative's objective will contribute to the stated purpose of the fee.

## 22. CHARITY FEE

**22.1 PURPOSE.** The Charity Fee is intended as a source of financial assistance to empower Members to engage in charitable initiatives.

**22.2 NAME.** The Charity Fee shall also be known as the "Charity Fund" for the purposes of its promotion and relevant communications with student groups.



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- 22.3 DISTRIBUTION.** When assessing Charity Fee requests, the Funding Committee must be satisfied that the initiative's objective will contribute to a charitable organization or cause in a substantial way, either through monetary donation, volunteer work, or in-kind donation.

FOR APPROVAL



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## INTERNAL REGULATIONS OF THE FINANCE AND OPERATIONS PORTFOLIO-06: FUNDS AND FEES

### PART I: FUNDS

#### 1. CAPITAL EXPENDITURE RESERVE FUND

*The Capital Expenditures Reserve Fund was created in 1986 from the proceeds of the bookstore profits of sixty thousand dollars (\$60,000), the 1985-1986 Operating Budget surplus of ten thousand dollars (\$10,000), and the budgeted non-cash depreciation expenditure (debt repayment) of fifty thousand dollars (\$50,000). The initial deposit total approximately one hundred and twenty thousand dollars (\$120,000).*

*The Capital Expenditures Reserve Fund includes both the Liquid Portion of the CERF and the CERF Investment Portfolio. The Investment Portfolio was created in 2006 from the proceeds of the sales of shares in the McGill Bookstore worth one point eight million dollars (\$1.8 million).*

- 1.1 PURPOSE.** The purpose of the Capital Expenditures Reserve Fund is to ensure the long-term financial stability of the Society by having an account to store funds for large-scale capital expenditures without negatively impacting the Operating Budget.
- 1.2 FUNCTION.** The Capital Expenditures Reserve Fund allows the Society to set aside funds for the anticipated maintenance and purchase of capital assets that cannot be supported from the Operating Budget.
- 1.3 LONG-TERM FINANCIAL PLAN.** The Long-Term Financial Plan is a document compiled each year by the Vice-President (Finance and Operations) which serves as a multi-year budget for the Capital Expenditures Reserve Fund. This document should include a budget of three (3) to five (5) years that includes the year-to-year balance of Current CERF.
- 1.4 LIQUID PORTION OF THE CERF.** “Liquid Portion of the CERF” shall mean the liquid portion of the Capital Expenditures Reserve Fund not managed as part of the investment portfolio, which is maintained for likely Capital Expenditures occurring within the year. All assets of the Liquid Portion of the CERF shall be kept in the form of short-term low-risk investments, separate from the Society’s Operating Fund.
- 1.5 ANNUAL LIQUIDATION.** In the beginning of each Fiscal Year, after the audited financial statements have been completed, the General Manger, Comptroller and Vice-President (Finance and Operations) shall meet to determine a portion of the CERF Investment Portfolio to liquidate and transfer to the Liquid



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Portion of the CERF. The Executive Committee's approval is required to complete the transfer.

- (a) The amount liquidated must not decrease the balance of the CERF Investment Portfolio below two million five-hundred thousand dollars (\$2,500,000). If the CERF Investment Portfolio balance is below that amount, no amount may be liquidated until the balance is greater than two million five-hundred thousand dollars (\$2,500,000).
- (b) The amount liquidated should be below the absolute return of the CERF Investment Portfolio of the last Fiscal Year.

**1.6 EXPENDITURES.** Any expenditure recommendation from the Liquid Portion of the CERF must be approved by the Executive Committee, with a written statement of support or dissent from the Comptroller and the General Manager, and subsequently ratified by the Legislative Council.

- (a) Items not included in the Capital Cost Allowance (CCA) categories of the Federal Income Tax Act may not be considered for CERF projects.
- (b) The Fund may not be used for the sole benefit of any one individual or restricted group.

**1.7 MINIMUM ANNUAL DEPOSIT.** As a maintenance feature, in every Fiscal Year, a minimum amount of fifty thousand dollars (\$50,000) shall be restricted in the Operating Budget and Revised Operating Budgets to be deposited in the Current CERF at the year's end, subject to approval of a budget without this minimum transfer by a two-thirds (2/3) majority of the Legislative Council.

**1.8 TRANSFERS TO AND FROM THE OPERATING FUND.** Excess of revenue over expenses generated in the Operating Fund shall be transferred to the CERF on an annual basis. Excess of expenses over revenue generated in the Operating Fund shall be transferred from the CERF on an annual basis.

**1.9 TRANSFERS TO INVESTMENT PORTFOLIO.** At the end of the Fiscal Year, the General Manager, Comptroller and Vice-President (Finance and Operations) shall meet to determine the capital expenditure needs for the Society for the next Fiscal Year. If the Liquid Portion CERF is significantly greater than this amount, the Executive Committee may transfer capital from the Current CERF into the CERF Investment Portfolio.

## 2. SOCIETY AWARDS OF DISTINCTION FUND

**2.1 REFERENCE.** For provisions related to the Society Awards of Distinction Fund, refer to the Internal Regulations of the University Affairs Portfolio.



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## 3. LIBRARY IMPROVEMENT FUND

**3.1 REFERENCE.** For provisions related to the Library Improvement Fund, refer to the Internal Regulations of the University Affairs Portfolio.

## 4. HEALTH AND DENTAL RESERVE FUND

*After the 2005 Referendum on student fees for the Society Health and Dental Plan, the amount of money raised by the levy has been much higher than the fee charged by our plan administrator, ASEQ. The surplus fees collected by the Society for the Society Health and Dental Plan, starting in the 2006-2007 Fiscal Year, will be collected in the Health and Dental Plan Reserve Fund.*

**4.1 PURPOSE.** The creation of the Health and Dental Reserve Fund is meant to ensure the student fees collected for the Student Health and Dental Insurance Plan is going towards health and dental coverage. The amount of the levy collected by the Society for the Student Health and Dental Plan above and beyond what is charged by our plan administrator should not be going into the Operating Budget, but instead should be kept in the Health and Dental Reserve Fund to ensure steady health care costs for students. This will both alleviate pressure on the Vice-President (Finance and Operations) to conduct a new Referendum every year as the Student Health and Dental Plan costs change and ensure future financial statements are not inflated by the temporary surpluses of the Student Health and Dental Plan fees.

**4.2 FEE SURPLUS TRANSFER.** At the end of the Fiscal Year, surpluses from the SSMU Health and Dental Plan Fees (i.e. the total amount collected by the SSMU Health Plan Fee and SMSU Dental Plan Fee minus the fee charged by our health plan administrator), must be transferred into the Health and Dental Reserve Fund.

**4.3 EXPENDITURES.** The Health and Dental Reserve Fund can only be drawn down in Fiscal Years where the total Health and Dental Plan fees collected from Members are less than the fee charged by the administrator for the health and dental insurance premiums and the two percent (2%) administrative fee that the Society charges.

**4.4 REFERENDUM IF FUNDS EXHAUSTED.** In January of every year, the Vice-President (Finance and Operations), working with the General Manager and Comptroller, will request preliminary cost estimates for the following Fiscal Year's health and dental coverage. If the projected cost will exhaust the funds in the Health and Dental Reserve Fund, the Vice-President (Finance and Operations) will prepare a referendum question to alter the Student Health and Dental Plan fees.



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**4.5 LOW-RISK INVESTMENTS.** All current assets of Health and Dental Reserve Fund shall be kept in the form of short-term low-risk investments separate from the Society's Operating Fund.

## 5. STUDENT LIFE FUND

**5.1 VARIANCE.** Variance shall refer to the difference between actual net results and budgeted net results for a given fund, department, line item, or budget.

**5.2 PURPOSE.** The Student Life Fund shall provide a space for year-end variances to be made available in future years without rolling into the Capital Expenditures Reserve Fund.

**5.3 DEPARTMENTS.** The following are subject to having their variances transferred into the Student Life Fund:

- (a) Fees for redistribution by the Funding Committee;
- (b) Services that are funded through Fees;
- (c) Services that are not funded through Fees, with the exception of Elections SSMU;
- (d) Affiliate Student Associations; and
- (e) the amount set in the Operating Budget for Club funding, known as the "Club Subsidy".

**5.4 AMOUNT TRANSFERRED.** The amount of each Department's variance that is transferred into the Student Life Fund at the end of each year shall be reduced by the amount spent by the Department on capital assets.

**5.5 RECORD KEEPING.** The Comptroller shall keep record of each Service, Fee, and Affiliate Student Association's balance within the Student Life Fund and keep an accurate record of transfers into and out of the Student Life Fund.

**5.6 AUTOMATIC TRANSFERS TO THE FUND.** Any variance shall be automatically transferred into the Student Life Fund at the end of the Fiscal Year.

**5.7 AUTOMATIC TRANSFERS BACK.** All Fees, Services, Affiliated Student Associations and other Departments listed in Section 5.3 shall have their variance automatically transferred back into their Departments at the beginning of the next Fiscal Year after the audited financial statements have been completed without needing to request the transfer.



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- 5.8 COMMUNICATION OF BALANCE.** The Vice-President (Finance and Operations) is responsible for communicating the Student Life Fund balance of each Fee, Service, and Affiliated Student Association to each respective group at least two (2) weeks before the budget deadline, pending the completion of the audited financial statements.
- 5.9 INACTIVE SERVICE.** If a Service has accumulated a balance within the Student Life Fund but has been Inactive for three (3) years, the Society will transfer this accumulated variance into the Capital Expenditures Reserve Fund.
- 5.10 CLUB BANK BALANCES.** At the end of the Fiscal Year, the Society shall transfer an amount equal to the net increase or decrease in Club bank account balances to or from the Student Life Fund to or from the Operating Fund, in order to offset the net expense or revenue incurred by the Society as a result of Club expenditure or revenues.

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