



**Office of the Finance Commissioner | Bureau du commissaire aux finances**

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*Located on Haudenosaunee and Anishinaabe, traditional territories*

# Investigation into the SSMU's Student Fee Policies

(I.S.S.Fee.P)

October, 2020 – January 2021

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## Introduction and Overview

For years, parties internal and external to the SSMU have been raising concerns about the levying, administration and accountability of student Ancillary Fees. While some of these concerns were unfounded or inaccurate, many were, and continue to be, legitimate. In October 2020, the SSMU Finance Committee, led by the Finance Commissioner, decided to investigate the many issues that had been raised by formally launching the *Investigation into the SSMU's Student Fee Policies* (I.S.S.Fee.P). This document is the culmination of the investigation.

The investigation held numerous consultations and looked into financial and historical records from the past five years. The evidence was overwhelmingly clear: many of the current policies and practices that surround student Ancillary Fees are seriously problematic.

In many cases, the SSMU's current practices and policies surrounding the levying and increasing of Ancillary Fees lack basic measures of financial accountability, oversight and due-diligence. For example, it has never been a requirement for groups seeking to levy new fees or increase existing fees to provide any financial or operational justification for the amounts they are asking for. While some groups proactively choose to provide documentation justifying the amounts they are seeking, the majority do not. In fact, there are many cases where groups seeking to levy fees arbitrarily chose a fee amount, and then pull possible expenses "out of thin air" to justify them.

Many groups that receive funds from Ancillary Fees are currently held to low or even no standards of financial reporting or accountability. This has contributed to an operating environment in which many fee recipients consistently underuse and occasionally misuse the funds they are allocated.

The SSMU has a fiduciary responsibility to ensure the funds they approve, raise and administer are done with the highest standards. This report will outline the various problems and issues that the investigation uncovered with the current policies, practices and procedures surrounding Ancillary Fees. It will also make corrective recommendations for the SSMU Legislative Council to consider.



# Overview and Scope of the Investigation

The investigation consisted of two main phases: (1) an initial consultation period from October to December, and (2) a data compilation and report formation period from December to January.

## *Consultations*

Consultations were conducted with the following internal and external groups and individuals:

- SSMU Legislative Council
- SSMU Board of Directors
- Governance Manager
- SSMU Controller
- Funding Committee (Including Funding Commissioner)
- SSMU President
- SSMU Vice-President (External)
- SSMU Vice-President (Student Life)
- SSMU Vice-President (University Affairs)
- SSMU Vice-President (Finance)
- Former SSMU Vice-President Finance
- Student Rights Researcher and Advocacy Commissioner
- Services Rep
- Various Services Finance Coordinators
- Student Body at large (Please see **Appendix 1** for Survey Results)
- SSMU Finance Committee

## *Scope*

Early in the investigation, it became apparent that clear boundaries needed to be set in order to delineate the scope of the investigation: fees impact every SSMU and university operation that require funds. The Finance Commissioner, and the Finance Committee, decided to focus solely on the financial operations, procedures and policies that govern student fees under the control of the SSMU. The merits and purposes of the groups that levy student fees was decided to be beyond the scope of this investigation since it is the SSMU's Legislative Council's responsibility to do these evaluations.



# The Current State

## Legal Authority

Pursuant to S.52 of the *Act respecting the accreditation and financing of students' associations*, the SSMU is able to levy fees through referendum for the purpose of financing its activities. Referendum questions must contain the amount being passed along with whether a fee is opt-outable or not. This process is not regulated by McGill or the Quebec government: it is governed entirely by the SSMU and the student body.

## Fee Categories

There are four broad categories of fees: Tuition Fees, FIOs (Frais Institutionnels Obligatoires), Student Society Fees and Course Fees. Each of these categories have subcategories of fees, some of which are unique to McGill, but most of which are consistent across all other universities in Québec.

### 1. Tuition Fees

Tuition Fees vary according to a number of factors including, program of study, faculty and citizenship/residency. Additionally, there are a number of [exemptions](#) that allow for specially designated tuition amounts. They are regulated by the Quebec ministry of education, and are therefore beyond the control of the SSMU. For more information, please consult the [Tuition and fees tables and rates](#).

### 2. FIOs (Frais Institutionnels Obligatoires)

FIOs are provincially regulated ancillary fees, which means that there are caps on how much they can be increased each year. If the university administration wants to increase these fees beyond the government regulated caps, they must be approved by the accredited students' associations as per S.52 of the *Act respecting the accreditation and financing of students associations*. At McGill, there are two subcategories of FIOs: Administrative Fees and University Fees.

Administrative Fees: charges related to the administration of the university. There are 5 Administrative Fees and they are charged on a per-credit basis:

Fee Name	Acronym	Amount	Description
Registration Charge	REGN	<b>\$8.68/credit</b> , to a max. of <b>\$130.20/term</b>	Supports Service Point, Enrollment Services, and other structures and facilities required for registration



Information Technology Charge	TECH	<b>\$8.49/credit</b> , to a max. of <b>\$127.35/term</b>	Enhances certain technology services provided to students as well as provides training and support to students in the use of new technology.
Transcripts & Diploma Charge	TRSD	<b>\$1.55/credit</b> , to a max. of <b>\$23.25/term</b>	Allows students to order transcripts free of charge and covers the costs of producing diplomas and some of the costs associated with the Convocation ceremony.
General Administrative Charge	ADMN	Up to <b>\$54.43</b>	A general administrative fee. This fee originated from increases in ancillary fees that were allowed by the Quebec Government.
Copyright Fee	COPY	<b>\$0.99/credit</b>	Covers the cost of using material protected by copyright.

University Fees: charges in order to provide certain services to all students. There are two University Fees:

Fee Name	Acronym	Amount		Description
		9 Credits or More	Less Than 9 Credits	
Student Services	SERV	<b>\$174.06/term</b>	<b>\$104.57/term</b>	Supports the following Student Services: Student Health Services, Mental Health Services, Counselling and Tutorial Services, Chaplaincy, Career Planning Service (CaPS), Scholarships and Student Aid, International Student Services, the Office for Students with Disabilities, Campus Life & Engagement (including assistance for Francophone students), and the First Peoples' House.
Athletics and Recreation	ATHF	<b>\$148.42/term</b>	<b>\$89.77/term</b>	Supports programs offered on the downtown and Macdonald campuses. The fee provides access to most athletics facilities, however registration to fitness and recreation courses, intramural sports, pay-as-you-go programs and/or the Fitness Centre carry a supplemental charge.

### 3. Student Society Fees

Student Society Fees are those passed under S.52 of the *Act respecting the accreditation and financing of students associations*. The current policies, procedures and practices that govern



Student Society Fees are outlined in this following section of this report. There are five subcategories of Student Society Fees: Student-Initiated Fees, Students’ Society Fees, Independent Student Group Fees and University & Student Insurance Plan Fees.

Student-Initiated Fees: fees that the University charges which have been initiated and approved by student referenda. There are three Student-Initiated Fees:

Fee Name	Acronym	Amount	Description
Access McGill	ACCS	<b>\$2.00/term</b>	Used to provide the services, equipment and facilities necessary to help make McGill accessible to students with disabilities.
World University Services Canada Refugee Program	WUSC	<b>\$2.00/term</b>	Sponsors 2 refugee students to study at McGill for a year.
McGill Writing Centre	WRIT	<b>\$1.50/term</b>	The McGill Writing Centre (MWC) is the University’s central resource for written communication. The MWC Fee provides support for the Centre’s non-credit resources including one-to-one individualized tutoring and small-group Workshops.

Students’ Society Fees: mandatory membership fees that each student pays to at least two types of Student Societies. The first type of Student Society is grouped based on type of degree (Bachelors, Masters, PhD, and Certificate). At McGill, there are four Students’ Societies of this type:

- The Students’ Society of McGill University (SSMU), which represents all undergraduate students at the McGill downtown Campus;
- The Post-Graduate Students’ Society (PGSS), which represents all graduate students and non-unionized postdoctoral candidates at both the downtown and Macdonald campuses;
- Macdonald Campus Students’ Society (MCSS), which represents students at the Macdonald Campus;
- The McGill Association of Continuing Education (MACES), which represents students registered for courses in the School of Continuing Studies.

The second type of Student Society is grouped based on faculty. Within every faculty, there is one Faculty Association, and they are usually differentiated by type of degree. In some cases, students may incur fees of more than one Faculty Association if they are in an interdisciplinary program in different faculties. In addition to paying the membership fee to one’s respective Faculty Association, students may also pay additional fees for different



services provided by such associations. These fees must be approved by members of the respective Faculty Association. A list of these fees can be found on the Student Accounts website.

There are numerous Students' Society Fees and, in the case of the SSMU, there are a number of further categories:

**SSMU Membership Fee:** All undergraduate students of the downtown campus are automatically members of the SSMU, and therefore pay the following membership fee according to their undergraduate program and their credit load. This fee covers the main operational expenses of the society.

Program of Study	Acronym	Amount for 9 Credits or More	Amount for Less than 9 Credits
Arts, Architecture (B.Sc. Arch), Education, Engineering, Music, Management, Nursing, Physical & Occupational Therapy, Science, and Arts & Science	SSMU	\$59.98/term	\$29.12/term
Law, Dentistry, and Medicine	SSMU	\$44.06/term	\$21.14/term

**SSMU Services Fees:** SSMU Services are entirely student-run groups on campus that provide a variety of services to students. All undergraduate students are members of the SSMU's Services and can benefit from the resources they provide. Services with an asterisk (\*) beside their Fee Name are opt-outable. There are ten service fees:

Fee Name	Acronym	Amount		Description
		9 Credits or More	Less Than 9 Credits	
Black Students' Network*	SSBN	\$1.00/term	\$0.50/term	The Black Students' Network is a SSMU Service dedicated to addressing the interests and needs of Black students on campus and raising awareness of issues concerning Black peoples to the McGill community.
Midnight Kitchen*	SSMK	\$3.35/term	\$3.35/term	The Midnight Kitchen Collective is a volunteer-run collective that offers





				weekly food pick-ups and a food bank service, as well as lunch.
Musicians' Collective*	SSCM	<b>\$0.10/term</b>	<b>\$0.10/term</b>	Volunteer-run organization that brings together student musicians and promotes performance opportunities for bands and ensembles.
Referral Services* (Includes Queer McGill, UGE, Nightline and EDSRC)	SSMF	<b>\$3.35/term</b>	<b>\$3.35/term</b>	Directly funds SSMU Services; McGill Students' Nightline, Queer McGill, the Eating Disorder Resource and Support Centre, and the Union for Gender Empowerment.
SSMU First Year Council*	SSYC	<b>\$0.50/term</b>	<b>\$0.50/term</b>	Supports First Year Council activities and events which help orient first year students at McGill.
TVM: Student Television at McGill*	SSTV	<b>\$1.50/term</b>	<b>\$0.90/term</b>	Directly funds a student-run televised news and entertainment service.
The Plate Club*	SSPL	<b>\$0.14/term</b>	<b>\$0.14/term</b>	Supports the Plate Club,, providing reusable dishware and cutlery at no cost to events and student groups on campus.
Arab Student Network*	SSAS	<b>\$0.50/term</b>	<b>\$0.50/term</b>	SSMU Service that provides secular and apolitical resources, support, awareness, and education inspired by the heritage of the Arab world.
Safety Network* (Includes M-Sert, Drivesafe, Walksafe, and SACOMSS)	SSSN	<b>\$3.97/term</b>	<b>\$3.97/term</b>	Directly funds the Safety Services - McGill Student Emergency Response Team (MSERT), Drivesafe, Walksafe, and the Sexual Assault Centre of the McGill Students' Society (SACOMSS).
Peer Support Centre*	SSPC	<b>\$0.62/term</b>	<b>\$0.62/term</b>	Supports the Peer Support Centre, a SSMU service offering free mental health support and resources to members of the McGill community.



**SSMU Funding Committee Fees:** The SSMU has several funds that student groups may apply to for financial support. All Funding Committee Fees are opt-outable. There are seven Funding Committee Fees:

Fee Name	Acronym	Amount		Description
		9 Credits or More	Less Than 9 Credits	
Campus Life*	SSUC	\$2.00/term	\$1.00/term	Provides financial assistance for projects, events, and initiatives of an academic, social, or athletic nature held on McGill campus.
Club Fund*	SSCF	\$3.57/term	\$3.57/term	Ensures a stable and secure source of funding to support student clubs and services that foster student life on campus through the creation of the Club Fund.
Equity*	SSEQ	\$1.00/term	\$1.00/term	Monetary support for initiatives that aim to end discrimination and promote inclusiveness in the community.
Community Engagement*	SSMT	\$0.72/term	\$0.72/term	Monetary support for charitable initiatives and community engagement.
Ambassador*	SSAM	\$2.00/term	\$2.00/term	Monetary support for groups that represent McGill and the SSMU at external conferences and competitions.
Environment*	SSEN	\$1.25/term	\$1.25/term	Monetary support for student initiatives that benefit the environment and promote sustainable practices.
Space*	SSSP	\$1.00/term	\$1.00/term	Monetary support for initiatives that aim to improve physical spaces on campus.

**Other SSMU Fees:** There are thirteen Other SSMU Fees:

Fee Name	Acronym	Amount		Description
		9 Credits or More	Less Than 9 Credits	



Bursary Fund*	SSUB	<b>\$8.50/term</b>	<b>\$4.25/term</b>	Bursary fund available through Scholarships and Student Aid.
Daycare	SSMC	<b>\$3.00/term</b>	<b>\$3.00/term</b>	Supports SSMU daycare and nursery for student parents.
ECOLE Project*	SSME	<b>\$2.00/term</b>	<b>\$2.00/term</b>	The Educational Community Living Environment (ECOLE) is a sustainable living project that supports applied student research, alternative education, and community building.
Library Improvement Fund*	SSUL	<b>\$8.50/term</b>	<b>\$4.25/term</b>	Support McGill Libraries (e.g., 24-hour library access).
University Centre	SSMS	<b>\$8.02/term</b>	<b>\$4.01/term</b>	Pays for the lease the Students' Society signed with McGill University for occupying the William Shatner University Centre.
Mental Health*	SSMM	<b>\$0.40/term</b>	<b>\$0.40/term</b>	Supports student-run mental health initiatives, the annual Mental Health Awareness week, Mental Health Coordinator student staff hours, funding of student staff to coordinate SSMU's mental health initiatives and advocate for improved University-run services, as well as contribute to creating a Mental Health fund.
Anti-Violence *	SSAV	<b>\$0.45/term</b>	<b>\$0.45/term</b>	Funds the implementation of the SSMU Gendered and Sexual Violence Policy (GSVP).
Sustainable Projects Fund	SUST	<b>\$0.55/credit (max. \$8.25/term)</b>	<b>\$0.55/credit (max. \$8.25/term)</b>	Funds projects that promote sustainable practices at McGill University.
SSMU Menstrual Hygiene Products	SSHP	<b>\$2.40/term</b>	<b>\$2.40/term</b>	Provides menstrual hygiene products free of charge on campus.



Indigenous Equity Fee	SSIE	<b>\$1.50/term</b>	<b>\$1.50/term</b>	The fund serves three main purposes. First, funding the activities of the SSMU Indigenous Affairs Committee and the salary of the Indigenous Affairs Commissioner. Secondly, it is used to finance projects led by Indigenous student groups, or Indigenous equity-seeking groups on campus. Thirdly, it is a source of financial support for Indigenous undergraduate students at McGill. Any Indigenous student would be able to apply to the fund for financial assistance for anything from groceries to tuition.
SSMU Academic Support Services Fee	SASS	<b>\$0.93/term</b>	<b>\$0.93/term</b>	The SSMU Academic Support Service Fee is an opt-outable fee, .93 per semester, payable by all full-time and part-time SSMU members. Approved in the Fall 2019, this fee is to start in Winter 2020 and to be charged until Winter 2025 (inclusive). The fund supports the expansion of Open Educational Resources, SSMU Tutoring, and SSMU MiniCourses, as well as the creation of fairly compensated notetaker positions and examination prep courses at a more affordable price than for-profit companies.
SSMU UTILE Fee	SSAV	<b>\$6.53/term</b>	<b>\$6.53/term</b>	This fee will go towards financing a student housing project with UTILE. This will produce roughly 300 units and create the infrastructure for future housing projects.
Keepmesafe	WUSC	<b>\$2.75/term</b>	<b>\$2.75/term</b>	Keep.meSafe is a mental health counselling service, this fee will give students access to licensed counsellors with minimum wait and services via the organizations app.

Independent Student Group Fees: Fees to support student-run groups and organizations, external to the SSMU, that have been formally recognized by the SSMU for their value and benefit to undergraduate students. There are five Independent Student Group Fees:

Fee Name	Acronym	Amount	Description
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		9 Credits or More	Less Than 9 Credits	
CKUT Radio*	CKUT	Law, Dentistry, and Medicine students: <b>\$4.00/term</b> All other faculties: <b>\$5.00/term</b>	Law, Dentistry, and Medicine students: <b>\$2.50/term</b> All other faculties: <b>\$3.00/term</b>	A volunteer-powered campus-community radio station based at McGill that focuses on alternative music, news, and spoken word programming, broadcasting 24/7 at 90.3 on the FM dial.
Daily Publication Society	SALY	<b>\$6.00/term</b>	<b>\$6.00/term</b>	The DPS publishes two independent student-run campus newspapers in both print and online— the McGill Daily in English, and Le Délit in French.
McGill Tribune	SSTB	<b>\$4.00/term</b>	<b>\$4.00/term</b>	Operating on campus since 1981, the Tribune is an independent student-run newspaper publishing print and online content on a variety of topics.
Legal Information Clinic	LAIC	<b>\$4.50/term</b>	<b>\$4.50/term</b>	A student-run free legal information service, providing student advocacy, referral services, commissioner of oaths services, and general legal information to students.
QPIRG McGill*	QPIP	<b>\$5.00/term</b>	<b>5.00/term</b>	A non-profit organization that promotes social and environmental justice, supporting research and grassroots mobilization and hosting events on campus including Rad Frosh and Culture Shock.

University & Student Insurance Plan Fees: Fees that ensure student access to affordable and comprehensive health-care coverage. The health and dental plan is administered by Studentcare, a student health plan administrator, which provides superior coverage for relatively low rates. International students are only eligible for the Dental Plan and are charged automatically for the International Health Insurance plan (Blue Cross), instead of the Student Care Health Plan. There are two Insurance Plan Fees:



Fee Name	Acronym	Amount
Health Plan*	SSMF	\$195.00/Year
Dental Plan*	SSMD	\$150.00/Year

#### 4. Course Fees

Course Fees are fees that are levied against students registered for specific courses. Although, like Student Society Fees, Course Fees require student consent, the approval process is unique. Decisions to approve or disapprove of Course Fees are made by a Fee Advisory Committee on which the Vice-President (Finance) sits as the SSMU Representative. For a list of Course Fees, please consult this out-of-date [McGill Student Accounts resource](#).



# Current Policies, Regulations and Practices

## *Policies, and Regulations*

Pursuant to its accreditation as a students' association under the *Act respecting the accreditation and financing of students' associations*, the SSMU is able to levy fees through referendum for the purpose of financing its activities. Historically, this has been interpreted widely to give the SSMU considerable powers to levy fees. While the Act provides the manner in which fees for accredited students' associations are established and collected (see above), there are also policies, procedures and practices internal to the SSMU that regulate ancillary fees.

Section 5.2 of the **Constitution** provides:

All Members shall pay a membership fee, as adopted by way of a Referendum in accordance with the Act respecting the accreditation and financing of students' associations and subject to the provisions governing membership fees set forth in the Internal Regulations.

This section conforms with the Act and the manner in which fees are to be established, by way of referendum.

Section 1.6 of **Internal Regulations of Elections and Referenda-04** provides:

All Referendum questions must be approved by the Chief Electoral Officer. The Chief Electoral Officer shall ensure that Referendum questions are clear, concise, and do not violate the Governance Documents. The Chief Electoral Officer may reject any Referendum question they deem in violation of the Constitution or Internal Regulations. Student-Initiated Referenda that seek to alter the SSMU Constitution will require approval by the Board of Directors, which shall be rendered at the Board's earliest convenience and upon consultation of relevant Governance Documents, as well as appropriate provisions of Canadian Law where necessary. Where the Board of Directors deems a legal issue may exist with the referendum question, it can vote to present the question to outside counsel for legal consultation. If the question is approved outside of the appropriate electoral timeline, it may be considered



pre-approved for the following semester. Moreover, any significant changes to the question from its original form may require the collection of a new set of signatures, at the discretion of the CEO. Any dispute or uncertainty arising from the Chief Electoral Officer's interpretation of a Referendum question shall be referred to the Judicial Board for an opinion.

Section 1.7 of **Internal Regulations of Elections and Referenda-04** provides:

Referenda of the Internal Regulations of Elections and Referenda provides that referendum questions proposing SSMU fees shall follow the requirements outlined in the Internal Regulations of Finances.

The **Internal Regulations of the Society's Finances-06**, which can be accessed [here](#), provides certain rules and procedures with respect to the collection and use of the fees.

## *In Practice*

In practice, groups that wish to levy a student fee currently make such a request directly to the SSMU's Legislative Council by way of an official motion. The motion must include the following information:

- The amount per person that the group wants to levy;
- Whether the fee can be opted-out;
- The duration of the fee (usually around 5 years).

Aside from these restrictions, groups levying student fees are not required to provide any other information. While some groups choose to provide budgets and other supporting materials, most do not.

It is then up to the Legislative Council to evaluate the fee proposal. For the large majority of cases, fee proposals pass with overwhelming support, and little debate. Between 2015 and 2020, 57 fee requests were made to the Legislative Council and 54 of them were passed. This represents an approval rate of approximately 95%.

Fees that are approved by the Legislative Council are then sent to a referendum vote of the student body. These referendums consistently see voter turnout below 20% and overwhelming support for the fees.

Following approval from the aforementioned process, the fees are sent to McGill's Student Accounts department who adds them to each student's e-bill at the beginning of every





semester. The fees are collected alongside tuition. Generally, fee revenues must first be remitted to SSMU before they are allocated to the various campus groups that they are earmarked for. Some fees, however, are kept and administered directly by McGill in accordance with contractual arrangements that exist between the SSMU and the administration.

Once a fee has been approved, the SSMU notifies McGill Student Accounts who add the fees to the student e-bills. McGill collects all fees alongside tuition fees and remits them to the SSMU on a bi-yearly basis. The SSMU then allocates the fee revenues to their various destinations.

The degree of reporting standards and financial accountability for the way that these student fees are employed varies depending on the kind of fee and are often lacking. This, however, will be further elaborated in the following sections of this report.



## Issues with the Current State

### **Issue #1: Lack of Financial Due-Diligence in the Approval of New Ancillary Fees and Existing Fee Increases**

As the accredited student association for McGill undergraduate students, the SSMU is able to levy fees for the purpose of financing its activities.[1] As described above, in the first phase of evaluating fee proposals, the Legislative Council is able to examine and question all aspects of the fee proposal including the merits of the cause, the amount being asked for and any other supporting documentation.

This investigation uncovered that, for many years, the SSMU's Legislative Council has been neglectfully exercising its responsibility to evaluate the financial implications of new Ancillary Fee proposals and Ancillary Fee increase requests. While Legislative Council debates often discuss the merits of the cause in question, they almost never question or evaluate the monetary components of the request.

For groups wanting to levy or increase Ancillary Fees to fund their initiatives, there is currently no requirement to provide any documentation or justification for the amounts they are seeking. Further, this investigation uncovered accounts of groups “pulling numbers out of thin air” and deciding how to spend these amounts after they were approved. It is among the most basic of financial standards to require justification for funding requests. Documentation of this type usually takes the form of sample budgets with in-depth, multi-year models.

Simply adding more stringent documentation requirements is not enough; traditionally, most Legislative Council Councillors do not have the background or knowledge to adequately investigate budgets. Fee requests should not only require documentation, but an expert internal evaluation of these documents should be made. Additionally, this expert evaluation should be made by a committee or group, as opposed to one individual, in order to ensure a thorough and unbiased evaluation.

Sections 6.1 and 6.2 of **Internal Regulations of Elections and Referenda-04** currently require the involvement and review of the VP Finance for proposed Ancillary Fees or Ancillary Fee increases. There are two problems related to this. Firstly, many fee proposal motions over the last few years were submitted late and did not receive any input by the VP Finance.



Secondly, even where fee proposals were submitted on time, many were still not reviewed by the VP Finance before Legislative Council Approval.

It is incumbent upon the SSMU, as the recognized Student Association for McGill Undergraduate students, to ensure that fees it approves and collects from the student body are scrutinized and held to the highest standards: this is not currently the case.

### **Issue #2: Low Voter Turnout**

Fees that are approved by the Legislative Council are then sent to a referendum vote of the student body. These referendums consistently see voter turnout below 20%, along with overwhelming support for the fees:

- Fall 2020 SSMU Referendum
  - Voter Turnout: 17.4%
  - Fees Passed or Increased: 4/4
- Winter 2020 SSMU Referendum
  - Voter Turnout: 15.3%
  - Fees Passed or Increased: 10/10
- Fall 2019 SSMU Referendum
  - Voter Turnout: 17.3%
  - Fees Passed or Increased: 4/5
- Winter 2019 SSMU Referendum
  - Voter Turnout: 18.1%
  - Fees Passed or Increased: 10/12

Though the mandatory minimum voter turnout is 15%, feedback from the consultations made it clear that the student body is generally dissatisfied with fees being approved by such a small percentage of the student body.

### **Issue #3: Misuse and/or Underuse of Ancillary Fee Revenues**

This investigation looked into a number of the fee categories and individual Ancillary Fees. This involved examining financial statements, accounting records and other documentation from recent years. Many of the fees are being collected and administered properly. For example, Tuition Fees and FIOs (Frais Institutionnels Obligatoires), are subject to rigorous internal controls and reporting standards, in addition to facing external audits every year. Similarly, the SSMU Membership Fee is held to incredibly high standards, also facing an external audit every year. However, this investigation identified two sub-categories of



Student Society Fees with evident issues: *Student Services Fees* and *SSMU Funding Committee Fees*.

*Many SSMU Funding Committee Funds are Consistently Underused*

The Funding Committee manages the funds under their control robustly and transparently. There are clear application processes and they are directly accountable for every funding allotment. However, many of the Funds are underutilized with consistent surpluses carrying forward year after year:

Fee Name	Fall 2020 Revenues from Ancillary Fees	Surplus Amounts Rolled over From Previous Years	Surplus Amounts Rolled over From Previous Years as a % of Fall 2020 Revenues
Community Engagement	\$15,477.88	\$59,420.42	383.9%
Environment	\$27,003.75	\$55,939.88	207.2%
Club Fund	\$76,259.25	\$124,526.91	163.3%
Equity	\$21,519.00	\$32,422.57	150.7%
Campus Life	\$42,154.00	\$53,188.49	126.2%
Ambassador	\$42,630.00	\$29,583.38	69.4%
Space	\$21,413.00	-\$4,307.66 (Deficit)	-20.1%

*SSMU Services are Running Large Surpluses*

It was clear from the outset of this investigation that there are serious problems with the financial operations of many SSMU Services. The first major problem is that a large majority of Student Services are amassing major year-over-year surpluses. The following chart illustrates the surpluses that each service carried forward from the previous school year:

Fee Name	Fall 2020 Revenues from Ancillary Fees	Surplus Amounts Rolled over From Previous Years	Surplus Amounts Rolled over From Previous Years as a % of Fall 2020 Revenues
Musicians' Collective	\$2,150.00	\$7,368.51	342.7%
Peer Support Centre	\$15,039.96	\$44,643.20	296.8%
Black Students' Network	\$21,316.50	\$43,412.78	203.7%



Drivesafe (Part of Safety Network Fee)	\$14,629.20	\$26,279.39	179.6%
SACOMSS (Part of Safety Network Fee)	\$42,668.50	\$71,498.90	167.6%
TVM: Student Television at McGill	\$31,509.60	\$47,435.74	150.5%
Walksafe (Part of Safety Network Fee)	\$2,925.84	\$3,845.36	131.4%
The Plate Club	\$3,009.02	\$3,847.58	127.9%
Queer McGill (Part of Referral Services Fee)	\$23,662.10	\$21,979.55	92.9%
M-SERT (Part of Safety Network Fee)	\$36,573.00	\$16,400.17	44.8%
Arab Student Network	\$10,653.50	\$3,028.74	28.4%
UGE (Part of Referral Services Fee)	\$16,133.25	\$1,605.86	10.0%
Midnight Kitchen	\$79,823.80	\$4,292.31	5.4%
Nightline (Part of Referral Services Fee)	\$12,906.00	\$-275.37	-2.1%
EDSRC	\$19,359.90	Does not apply (Service is new)	/

That so many Student Services are amassing and carrying over large surpluses is reflective of a clear lack of financial due-diligence and oversight. For many years, many Services have been underspending their revenues.

In multiple consultations, many internal SSMU employees raised serious ethical and legal concerns with the ways that the SSMU Services are financially operating.

#### *Questionable SSMU Services Expenditures*

Although the annual Services budgets are not confidential *per se*, they are not made available to the public (a problem that will be identified in Issue #4). In the course of this investigation, a number of questionable SSMU Services expenditures were uncovered. While these expenditures cannot be revealed by reason of confidentiality requirements, it is clear that there needs to be additional oversight and internal control mechanisms in place to ensure that student funds are being utilized within moral, ethical and legal boundaries.

### **Issue #4: Accountability, Transparency, Oversight or Recourse for Financial Mismanagement of Ancillary Fees**



As mentioned above, this investigation examined financial statements, accounting records and other financial documents from recent years. However, many of the Ancillary Fee recipients in the subcategories of the SSMU Services, SSMU Funds, Other SSMU Fees and Independent Student Group Fees currently have little to no reporting standards or accountability requirements, which is, in and of itself, a serious problem. Not only are these fee recipients not currently required to provide basic financial documentation, some of them do not keep financial records.

Even though the SSMU Services, SSMU Funds, Other SSMU Fees and Independent Student Group Fees are levied under the S.52 powers granted to the SSMU, they are excluded from the SSMU's annual financial audit. The SSMU has traditionally granted these groups a fair amount of independence and autonomy. While there are benefits to this arrangement, it does not, in any way, diminish the legal reality that the SSMU is responsible for the ways in which these funds are managed.

During the consultation period of this investigation, many SSMU employees and elected officials reported being aware of the serious lack of financial accountability and oversight for the SSMU Services, SSMU Funds, Other SSMU Fees and Independent Student Group Fees. However, the Financial Regulations do not allow for very much recourse to correct these issues. The current arrangement with these fee recipients is one where the SSMU has little to no authority over them.

#### **Issue #5: Inaccessibility of Information Regarding Funds/Where Fee Money is Going**

In addition to the lack of public financial records, which should be easily available, there is widespread uncertainty as to the operational aspects of various fee recipients. The Student Survey feedback made clear that many McGill Students are confused about where their money is going and how to access these services. While this issue is not financial in nature, it is related to the other issues already identified. For example, one of the consultations brought up the inaccessibility of the SSMU Funds. This lack of awareness for funding opportunities and the administrative inaccessibility may be a contributing factor to their persistent under-utilization.

The consultations also uncovered confusion as to the differentiation between certain fees. For example, a consulted party asked about the differences between the Mental Health Fee, the Keepmesafe Fee, the Peer Support Centre fee, the Student Services fee and the Referral Services fee. While descriptions of these fees are publicly available, the survey responses indicate that there is wide-scale confusion nonetheless.



# Recommendations

## **Recommendation #1: Consolidation of Fees**

The first recommendation is to consolidate all SSMU Services Fees, SSMU Funding Committee Fees and Other SSMU Fees into the SSMU Membership Fee. In practice, this would take the form of a referendum question cancelling all of these fees and proportionally increasing the SSMU Membership Fee. This recommendation would in no way impact the amounts allotted to these fee recipients.

The consolidation has many advantages and works to correct many of the issues identified above:

- a) By integrating these fees into the SSMU Membership Fee, they would become integrated into the audited financial statements, thus increasing financial reporting accountability.
- b) Consolidation would more accurately reflect the true operating costs of the SSMU, thereby increasing financial transparency.
- c) It would remove some of the restrictions that currently prevent excess or unused funds from being repurposed for other priorities.
- d) It would allow the SSMU to more easily take corrective action for financial mismanagement and suspicious expenditures.
- e) It would assist all of these fee recipients by not requiring them to pass referendum questions every five years.
- f) The consolidated funding would be subject to increases with inflation, which is not currently the case for SSMU Services Fees, SSMU Funding Committee Fees and Other SSMU Fees.
- g) This recommendation is in line with the 5 Year Plan's objective of consolidating the Services Fees.

## **Recommendation #2: Increased Accountability and Reporting Standards**

The SSMU is responsible for any and all fees passed under S.52 of the *Act respecting the accreditation and financing of student associations*. While the SSMU does not enforce the same standards across all S.52 fees, it should consider creating a mandatory minimum standard for financial reporting and accountability. This standard would be applicable to all SSMU Services Fees, SSMU Funding Committee Fees, Other SSMU Fees, Independent Student Group Fees and the SSMU Membership Fee. These standards should include the following:



- a) **Zero-Based Budgeting:** This form of budgeting is one that requires clear and identifying justification for any and all expenses against student funds. It would require fee recipients to constantly evaluate their expenditures to ensure that they are necessary and appropriate for their respective causes. A more detailed explanation of Zero-Based Budgeting can be found [here](#).
- b) **Yearly-Budgets:** Every group that receives funds from Ancillary fees should be required to prepare and publicly disclose a yearly budget. This budget should meet industry standards and be created prior to the fiscal year in which it will be in effect.
- c) **Mid-Year Budget Review:** Fee Recipients should have to undergo a mid-year budget review with the VP Finance of SSMU or the SSMU Finance Committee. The results of this review should be made accessible to the public
- d) **End-of-Year Budget Review:** At the end of every fiscal year, all fee recipients should have to work with the SSMU VP Finance or Finance Committee to present an end-of year budget review. The results of this review should be made accessible to the public.
- e) The Finance Committee should be having frequent and scheduled sessions with the groups that operate with Ancillary Fee funding in order to ensure that these standards are being met and respected.

### **Recommendation #3: New Legislative Council Powers**

The SSMU Legislative Council should have the power to take corrective and punitive actions on groups that fail to use Ancillary Fee funds in appropriate ways. Specifically, the SSMU Legislative Council should be able to freeze fees from being charged, reduce fees that have already been approved, and terminate fees. These powers are, legally, fully within the authority of the SSMU and they would simply require amendments to internal regulations.

### **Recommendation #4: Process Changes**

The process for passing new Ancillary Fees or increasing existing ones should involve a robust financial evaluation. Specifically, all fee related proposals should first be sent to the SSMU Finance Committee for a thorough evaluation of the financial aspect of the request. From there, the Finance Committee should attach a recommendation to the fee proposal when it is presented to the Legislative Council.

Additionally, the SSMU Legislative Council should refrain from accepting last-minute motions that have financial implications. These do not allow for proper evaluations and risk allowing for grossly problematic financial arrangements.



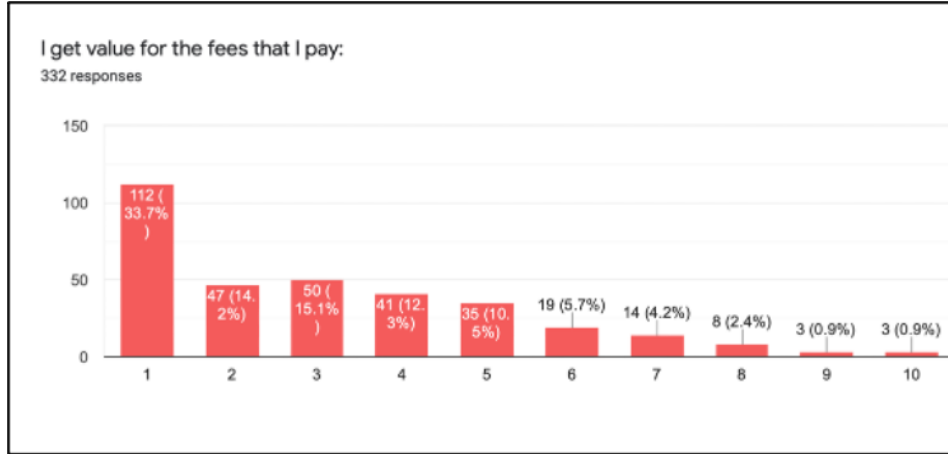


### **Recommendation #5: Committee Changes**

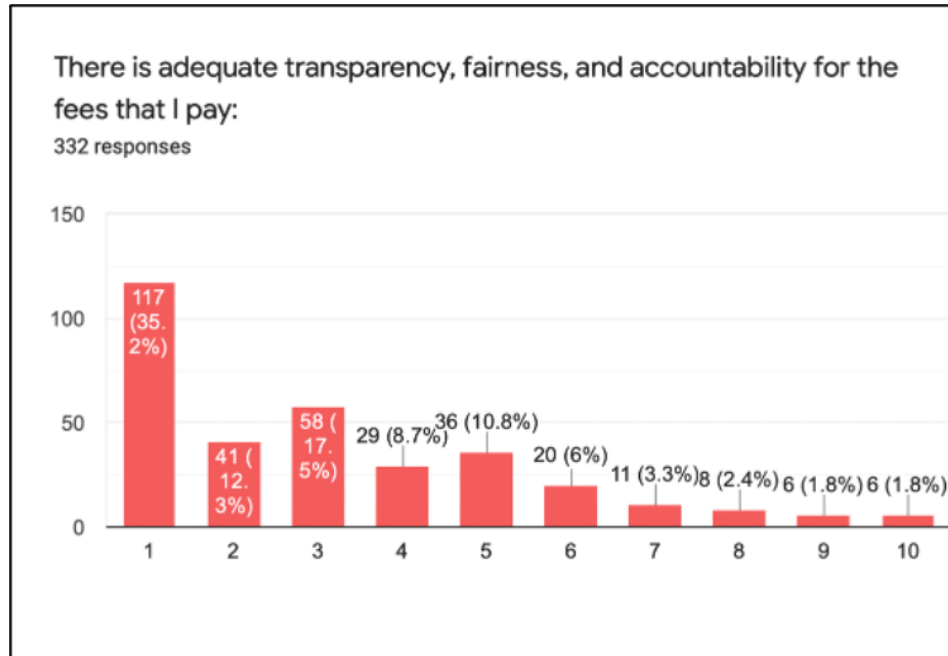
There should constantly be an oversight committee that is able to review the ways in which fee recipients spend Ancillary Fee funds. In some cases, this would not require any changes: The SSMU Funding Committee already administers the SSMU funds with a high degree of integrity and accountability. In other cases, this would require nothing more than amending the current mandates of already existing committees. For example, the Services Committee and Services Review Committee could be tasked with overseeing the administration of funds designated for Services.



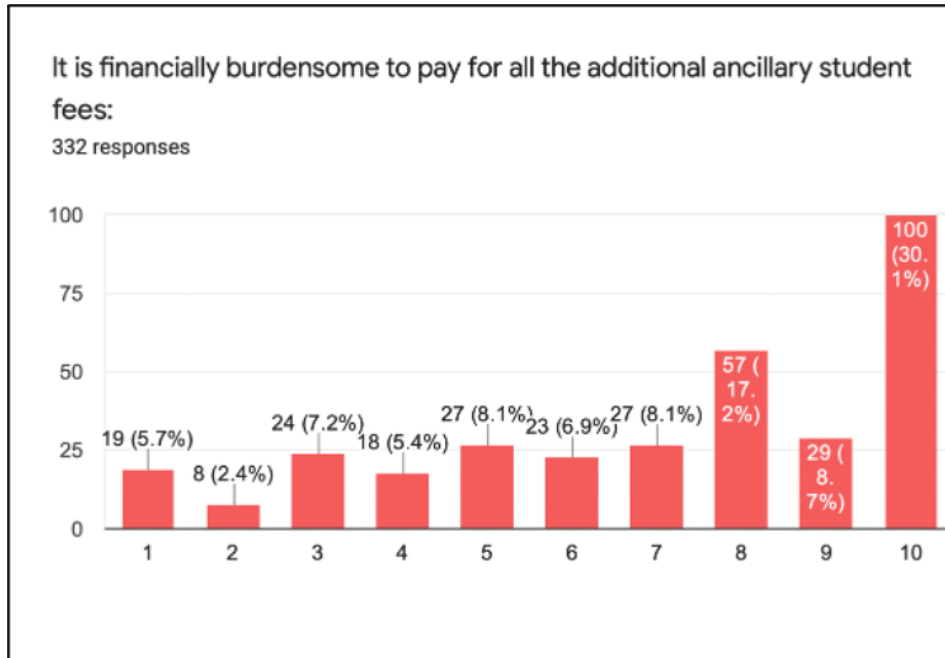
# Appendix 1: Student Survey Results



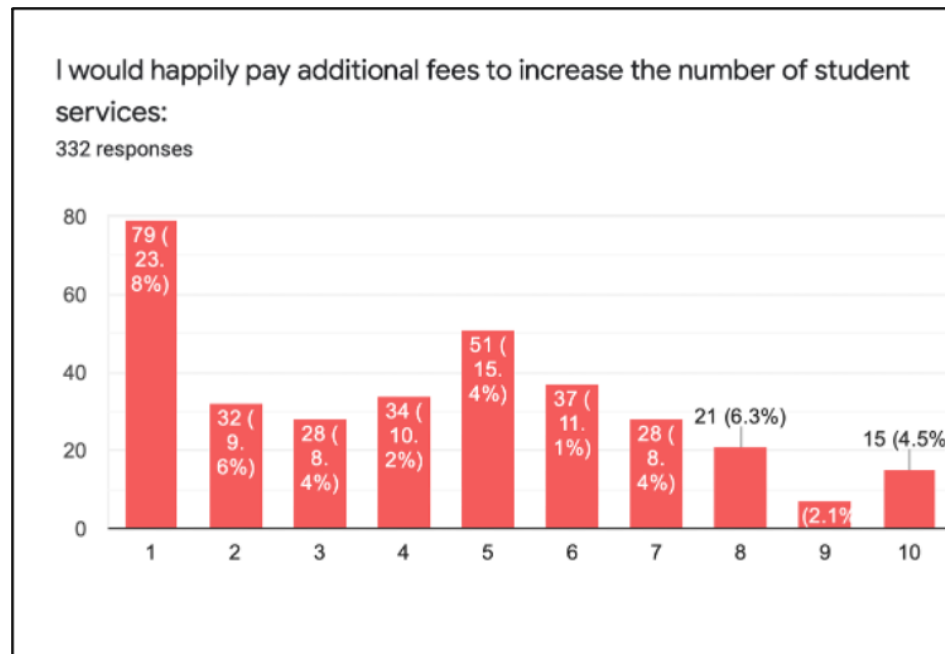
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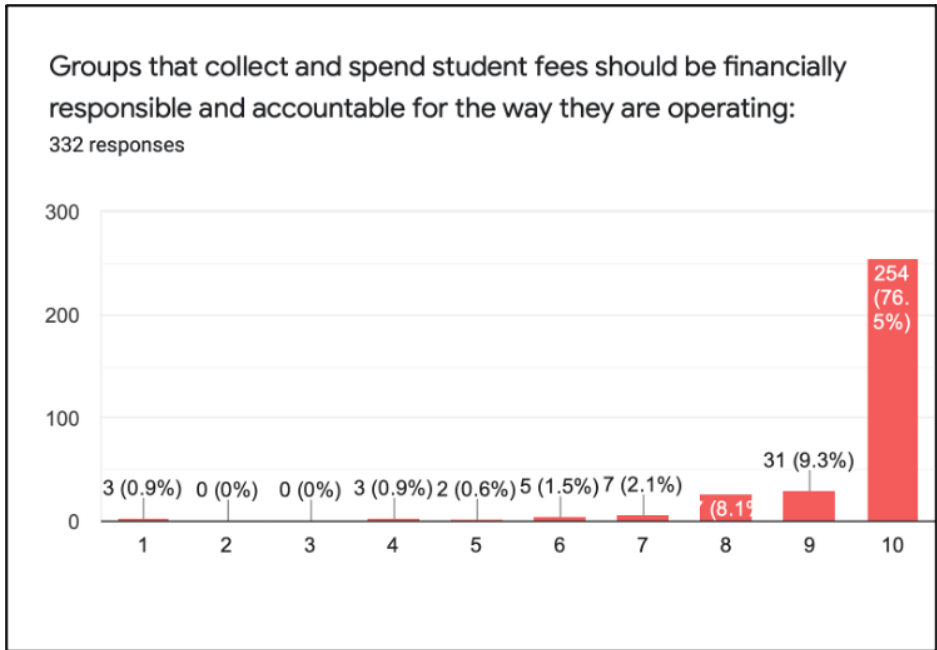
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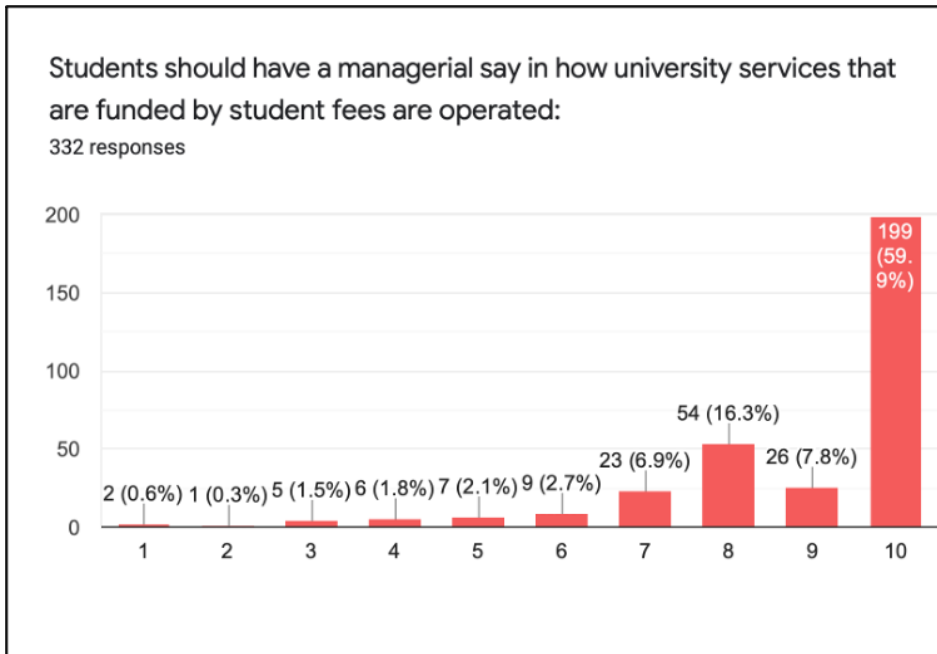
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