

## Budget

### *Purpose:*

The purpose of this policy is to ensure that both the annual budget and the five-year projected budget are drafted and passed in a manner that is transparent, consultative, and reflective of student priorities. These guidelines ensure a comprehensive process that manages the annual budget planning process, determines the membership fees, permits student participation, and maintains public communication and accountability.

### *Policy:*

#### Legislative Process:

- The Vice-President Finance will present a proposed 5-Year Budget and current fiscal year budget update to the Executive Council for consultation no later than February 1<sup>st</sup>.
- A final draft of the proposed 5-Year Budget and a current fiscal year budget update will be presented to the student body for comment at the Spring Annual General Meeting. This document will include rationale for all spending, explanations for increases/decreases in budget lines, and the consistency of the annual budget to the long term plans of the organization. This presentation will occur no later than March 31<sup>st</sup>.
- By the end of the first week of April, Council will debate the 5-Year Budget in its final form. The 5-Year Budget must be approved by a 2/3 majority prior to the dissolution of Students' Council.
- The first year of the approved 5-Year Budget will act as the proposed annual budget for the upcoming fiscal year.
- If Students' Council is unable to successfully ratify a 5 Year-Budget by the end of the first week of April, the budget from the previous fiscal year will remain in effect until such time as the incoming Students' Council can ratify a new budget.
- The Incoming Vice-President Finance will review the proposed budget taking into account any changes in fee allocations or enrollment numbers, outcomes of financial reporting and review engagements, and the annual goals of ASC.
- No later than October 31st, the Vice-President Finance, in collaboration with the Budget and Revenue Committee, will present the final draft of the annual budget to the student population at the Fall Annual General Meeting. It must be approved by a 2/3 majority vote of Students' Council.
- The annual budget (in its final form) becomes the fiscal plan for the organization, consistent with its long term goals and 5 year budget.
- The Vice-President Finance, in collaboration with the Budget & Revenue Committee, will provide budget updates as information items to Council at least 2 times per term.
- Upon the recommendation of the Budget & Revenue Committee, Students' Council must approve any changes in budgetary priorities. Examples include, but not limited to:
  - Extraordinary spending beyond what was approved in the budget;
  - Change in organizational priorities- i.e. moving funds from one budget line to another.

## Budget

### Budget Regulations:

- The annual budget will consist of at least three categories:
  - i. The Operating Budget
    - o Annually occurring fixed costs (office support, bursaries, honorariums, memberships, general insurance);
    - o General Agenda & Priorities (variable costs, donations, marketing);
    - o Media;
    - o Activities (including club funding and support); and
    - o Grants and Scholarships.
  - ii. The Investment Fund
    - o The purpose of the Investment Fund is to stabilize the finances of the organization with the ultimate intent being the acquisition and management of additional student space.
    - o Any interest that is generated from the fund returns will be re-invested annually.
    - o The Investment Fund will be governed by generally accepted investment policies.
    - o The performance of the fund will be reported at the General Meetings in both fall and winter terms.
    - o The annual statement of the fund will be made available to students upon request.
    - o In the annual budget, \$12.00 per member shall be allocated to the Investment Fund.
    - o Changes to the annual contribution are at the discretion of the Students' Association. A 2/3 majority Council vote can modify the annual contribution. Changes can be repealed through a petition signed by 40% of the student body.
  - iii. The Capital Fund
    - o The purpose of this fund is to exclusively cover capital costs.
    - o Up to 2.5% of the average revenue from the previous 3 budget years can be directed to the capital needs of the organization (ie. computers, furniture, and repairs).
    - o Any capital items must be purchased at best competitive cost.
    - o Any unused funds will be carried over for future use, emergency purposes, or to balance future budgets.
- The budget should have a minimum level of contingency (no more than 2% of total budget) to ensure fiscal stability. If the contingency funds are used, every effort will be made to restore this level of contingency.
- The final budget should avoid deficit spending. In the event that deficit spending is unavoidable, a plan must be established to handle such shortfalls. Any unused funds

Last Revised

03/17/2011

Date of Passage

03/17/2017

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from the Capital Fund and Contingency Funds are to be the primary sources of income to eliminate shortfalls.