



REPORT OF THE AUS VP FINANCE – February 24th 2016

1. SNAX:

- Initiated the hiring process for SNAX Manager, Assistant Manager and Cashiers. We are working on issuing call-outs already for Manager and Assistant Manager.
- All postings for Cashiers (we will be hiring 9) and the Sustainability Coordinator will be posted online on our hiring platform.

2. Financial Management Committee:

- Met on February 19th.
- All allocation decisions are attached can be found here:
https://docs.google.com/spreadsheets/d/1Amy3VhVVk0hln_svsUUNcROySGSS93yt5mtxp4k2TrE/edit?usp=sharing
- I'll be creating a new FMC email to get departments communicating directly with FMC members – hope to increase efficiency and have more people from FMC involved. As the year ends, it is imperative to update budgets and close them.

3. Audit 2015-2016:

- Jacob and I met with Fuller Landau to go over our audit file. As it stands, the audit timeline is to start in the first week of June. I will be here to take care of the audit since this is my responsibility. The incoming VP Finance is supposed to be assisting me as part of their training!

4. New Position(s) and Restructuring:

- Will be issuing call-outs for a student bookkeeper. I've attached a bookkeeper guide from 2010 – 2011 to give you a better description of the bookkeeper's responsibilities.
- Hoping to get 1 student bookkeeper for the summer to deal with Frosh finances, and 1 for the academic year. Stipend to be discussed later!
- The responsibilities would be: counting cash, making deposits, writing cheques at times and assisting with accounting.
- DESA has internalized its bank account with the AUS. This leaves us with one external account, PSSA. This is a very positive step moving forward for AUS finances.

Respectfully submitted,
Mirza Ali Shakir,
Vice President Finance



AUS Bookkeeper – Exit Report

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1. *Summary of Responsibilities*

- a. Maintain the accounting system using QuickBooks and MS Excel
- b. File the physical financial records of the AUS.
- c. Respond to inquiries (from creditors, internal departments, McGill bureaucracy, etc.) when VP Finance isn't in the office.
- d. Maintain up to date budgets for internal AUS operations (eg, departments, AUS Events) and audit external departmental accounts.
- e. Be familiar with the financial by-laws. They are the AUS' internal rules for financial transactions.

2. *Documentation (Quickbooks and Filing System)*

The Society's financial structure is changing. Several departments now possess external bank accounts which they manage independently of the AUS executive. The majority of departments are still on the old internal system whereby there are a series of virtual accounts within the general AUS account with Royal Bank of Canada. The AUS possesses a primary checking account, a recently reactivated savings account, two PayPal accounts (finance@ausmcgill.com, and one which was used during Frosh Week 2009), and a GIC valued at \$90,000.00. SNAX also has a bank account at RBC. Classics, Middle Eastern Studies, English, Economics, Political Science, and Philosophy possess external bank accounts. The remainder are still on the internal system.

Environment, BASiC, and Geography also receive funding from the Science Undergraduate Society and have external bank accounts with that organization. Protocol is similar to the external accounts. We simply pay out their allocation of student fees at the beginning of the year.

- a. *Managing Internal Accounts (Departmental Associations and Executive Portfolios) – Revenues:* Departments bring revenues (fundraising, contributions, etc.) into office and 'deposit' them in AUS safe. Later bookkeeper or VP Finance will deposit the proceipits at RBC. Have whoever is in the office to receive the deposit make the departmental representative fill out a deposit slip with one copy for the depositor and two for the AUS – one to go with the deposit and one to go in our files.

I strongly suggest that the contents of the safe are deposited on a regular, weekly basis. Log the deposits as they enter and exit the safe.



Departmental revenues will come mostly from McGill contributions (eg. Dean of Arts Development Fund, Alumni Fund, etc.) and fundraising (eg. samosa sales). Funding sources and recipient groups are not always made clear on the McGill cheque stubs. Mavis Smith (mavis.smith@mcgill.ca) works in the McGill Accounts Payable office and will be able to clarify the details of incoming cheques.

Expenses: A member of the departmental association or executive portfolio will pay for a good or service out of their own pocket. They will then submit a cheque requisition form and proof of purchase. We then write them a cheque to reimburse the expense. Alternatively, an invoice will be submitted, and the AUS will pay the issuing firm directly. Then, just file the expenses by month.

I use the 'class system' in QuickBooks to manage the different internal accounts. Affix each revenue or expense with the proper class designation (eg. History Students' Association, Financial Management Committee, VP Internal, etc).

You will not have to write many invoices for clients of the AUS. Generally, nothing is sold on credit and you can just enter the deposits into Quickbooks as they come into the office.

Exceptions include outside firms who choose to table in the foyer of the Leacock building or groups with whom we have contracts (eg. Kaplan, Princeton Review). For creditors (such as McGill, Xerox, SSMU) it's more useful to input the bills using the "Enter Bills" section. You then mark them paid as the cheques are written. Either way, there is little activity in the AUS' Accounts Receivable (exceptions being Frosh sponsorship and the Grad Fair registration fees). Though not done in the past I recommend that the new bookkeeper digitally scans major and more detailed expenses and attaches them to the MS Excel budget for more thorough recordkeeping, in addition to the hard copy which will be collected by the auditor at the end of the year.

Speaking of auditing, our firm Guimond Lavallee is generally accommodating to work with although you may have to be persistent in your inquiries. For the audit they will collect the hardcopies of the expenses and revenues as well as a readout of QuickBook's general ledger and the history of the PayPal account. This is a process which Lavallee will walk you through and is mostly painless.

Blank cheques are ordered through the firm Davis and Henderson. They can be reached at 1-877-448-1294.

For departmental organizations and the AUS executive portfolios there are clearly differentiated positions. This means that you know who to go to to ask questions and there are clear divisions of responsibility. Some exceptions exist: (i) the Arts Undergraduate Theatre Society (AUTS), (ii) Fine Arts Council (FAC), (iii) independent journals (eg. Kanata) – to name the most significant ones.

These groups operate mostly on their own – using AUS funding. That being said, the financial transactions which they carry out are still the responsibility of the VP Finance portfolio. In the coming year attempt to work more closely with FAC and AUTS on the financial side of things. This isn't a huge challenge, the only real task is to track their accounts in a more timely manner than was done in previous years.

Student-run academic journals (eg. Historical Discourses, Kanata) present a different challenge. It's been my observation that they are much better at generating expenses than revenues – which is to say that the AUS always receives the bill for a journal print order, receiving the projected funding is less certain. (See more about this in Section 3, *Other Roles*)

b. Auditing External Accounts –



In the 2009-2010 school year several AUS departmental associations closed their internal accounts which the Arts Undergraduate society and got external RBC accounts. They must submit budgets at beginning, mid-point, and end of the academic year to receive their student fee allocations.

If more departmental associations choose the external option this year than you will be required to calculate their internal balance and write them a cheque for that amount.

Templates already exist in Shehreyar's common folder that can certify a department's demand to setup an external account. The President and VP Finance of both the AUS and the departmental organization will be required on this document. Ensure that their budget makes sense before authorizing an external account.

I'm afraid that I'm not entirely clear on the process for transferring signing authority of the external accounts. Nor am I sure of the powers which the AUS' President and VP Finance are able to exercise over the external accounts. It would be prudent to clarify these issues and codify them for future generations.

Don't be afraid to ask questions of the departmental VP Finances. Get a list of their e-mail addresses.

Speak with the auditor (David Lavallee) about appropriate safe guards for the external accounts. You will have to trust the departmental associations to an extent. However, emphasize that they must keep proper documentation of their financial activities, which can be verified by their monthly bank statements. Make it clear that consistent and orderly records will spare them much misery if they must ever explain past transactions.

3. Other roles

Financial Management Committee –

Each year AUS disburses approximately \$15,000 to different journal publications, special projects, and departmental associations. It's useful for the bookkeeper to sit on this committee since they have access to the historical financial info of the organizations that make the grant proposals.

FMC can be onerous, it's difficult to find a time where all committee members will be present and most often people will be distracted with other commitments when an appropriate time is found. Try your best to find members who already understand budgeting, as well as being sympathetic to the goals of the groups that are approaching the AUS for funding.

One suggestion may be to change the format of FMC so that groups applying to the journal and special projects funds pitch their requests in person. After this the representative would leave and the committee would deliberate. This would make it more interesting, and questions could be posed immediately, in addition to giving committee members the option to stress the importance of remaining on budget. This would more effectively discipline the aforementioned organizations as well allowing the committee to receive clarification more quickly.

4. Recommendations, Conclusion

- a. The book-keeper could be used as official liaison between the AUS and some of the smaller departments. This would give VP Finance more time for other tasks.
- b. AUS and SNAX need to submit retail sales taxes together. The bookkeeper should understand the tax system and the details of cooperating with SNAX.
- c. Develop a good rapport with the Office Assistant and other Executives. They will often have information that you need or be able to help you out in some other way. Also, it makes the job more fun.



- d. Be discrete. The bookkeeper often has to deal with sensitive information.
- e. It would be a good idea for the bookkeeper to sit on Financial Management Committee, so that they are getting that information directly. Ensure they are up to date with the financial issues which are being addressed in AUS Council.
- f. VP Finance should try to keep the bookkeeper up-to-date about as much as is possible. Things will go more smoothly. Encourage questions.
- g. Make sure that your executives understand the importance of budgeting. Make sure that they understand they will need to work with the bookkeeper by providing rough budgets and supplying them with other supporting information.
- h. ENGAGE A TAX CONSULTANT. Have them lay out the AUS' position as a not-for-profit corporation and the implications for its departmental and executive operations. Develop a tax guidebook for future AUS generations. Points of interest should include the payroll status of the bookkeeper and office assistant. This has been a perennial issue. Get everything straightened out once and for all. Your successors will thank you.
- i. It may make the most sense to have the externalized departments deliver their financial records to the AUS office at the end of each year or have random 'spot checks'. This would give them incentive to keep air tight records.

In general, the VP Finance portfolio is changing. Many of the larger departments have gone to the external account system. This means there is a lot less paperwork for the bookkeeper. The focus is shifting from actively tracking and maintaining internal accounts to auditing external account statements.

The bookkeeper supports the VP Finance by providing them with accurate and timely information, while taking care of much of the busy-work which is part of the AUS' internal account system. This means keeping account balances and event budgets up to date. They are also supposed to catch discrepancies. To do this they need to be familiar with the financial by-laws and, more generally, the events and services which the AUS facilitates. Sometimes absent information – stuff that isn't in the system – is as important to this task as an obvious, questionable expense.

There's a more human component to it as well – the financial portfolio requires a lot of communication between the departmental associations (eg. Anthropology Students' Association, History Students' Association) and the other executive portfolios of the AUS. People are often confused by the AUS system and financial issues in general. At times there will be no one else in the office to answer financial questions when a member of a departmental association stops by. It will make VP Finance's life a lot easier if the bookkeeper is able to communicate clearly and address the departmental concerns at the time when they are raised.

Fiscal discipline needs to be maintained. At the same time, try to minimize red-tape and make it easier for the AUS and its subsidiaries to carry out their operations.

Good luck.

Matt Dowling

1 September 2010

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Appendix A: Qualities to Look for in a Bookkeeper

1. The bookkeeper should understand QuickBooks and MS Excel. Previous study in accounting classes is also an important asset
2. They should also have experience working in an office, strong organizational skills and be able to provide clear responses to departmental inquiries.
3. Previous experience with the AUS and knowledge of their operations will make it easier for the bookkeeper to detect discrepancies or other suspicious activity.
4. If the VP Finance is not in Montreal for the summer than the summer bookkeeper will be required to act more independently to deal with issues not related to Frosh and to provide financial continuity between the incoming and outgoing executives. The ideal summer bookkeeper would fill many of the office assistant's roles.