



Arts Undergraduate Society of McGill University
855 Sherbrooke Street West
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FINANCIAL BY-LAWS

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BACKGROUND

The Financial By-laws govern the AUS' financial practices, including funding, bank accounts, and budget requirements



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1. Definitions

- 1.1. « AUS » shall refer to the Arts Undergraduate Society of McGill University
- 1.2. Both « Organization » and « Internal Entities » shall refer to all committees or publications or departments wholly or partially owned by the AUS.
- 1.3. « Council » shall refer to the Legislative Council of the AUS
- 1.4. « FMC » shall refer to the Financial Management Committee of the AUS.
- 1.5. « Executive Committee » shall refer to the AUS Executive committee
- 1.6. The « Operating Budget » of the AUS shall refer to all revenue receive from the AUS base fee (minus departmental allocations), endowment interest, SNAX profit, and any non-earmarked revenue

2. Interpretation

- 2.1. These regulations govern all financial affairs of the Society and are administered by the Vice-President of Finance, along with the Executive Committee, under the supervision and direction of Council and any general assemblies held by the AUS.
- 2.2. These by-laws are to be used in conjunction with the Constitution and by-laws of the AUS.
- 2.3. The Finances of the Society as a whole shall be governed by Council which will consider the recommendations of the FMC and Vice-President of Finance.

3. Freedom of Information

- 3.1. Any member of the AUS may access any financial record of the AUS during normal business hours.
 - 3.1.1. The Vice-President Finance may require the member to sign a confidentiality agreement.
 - 3.1.2. The member shall provide at least two (2) business days' notice.
- 3.2. The AUS budget, updated or expenditures, shall be available publicly or any member to view on the AUS website.
 - 3.2.1. The public budget shall not be more than two (2) weeks in delay.

4. Accountability

- 4.1. The Financial Management Committee may suspend the budget of any organization.
- 4.2. The Financial Management Committee may refuse to allocate any funding due to the inappropriate nature of the allocation.



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- 4.3. An organization's President and Vice-President Finance shall be held responsible for the misuse of funds. In such cases, the FMC shall recommend to the AUS Executive Committee any legal or disciplinary action.
- 4.4. No individual member of the Executive Committee, FMC, or any organization shall incur debts on behalf of the AUS, without the explicit authorization of Council.
- 4.5. The AUS' annual budget shall be distributed to the membership by the AUS Vice-President Communications within one week of ratification of the budget.
- 4.6. The Financial Accountability representative to Council shall report on bank reconciliation and monthly tax filings to Council when necessary.
 - 4.6.1. In the event of any discrepancies, the FMC representative shall notify AUS Council without delay.
- 4.7. The Vice-President Finance shall submit a report to AUS Council at the last regularly scheduled Council meeting of their term outlining the preparations for the annual audit.

5. Allocation of Funds

- 5.1. Departmental allocations will be distributed out of the base fee collected each fall and winter semester
 - 5.1.1. One dollar and forty-six cents (\$1.46) shall be allocated to departmental associations per student registered in each of the major, double major, honours, and joint honours concentrations represented by the association.
 - 5.1.2. The Vice-President Finance shall increment or decrement these rates proportionally to the annual change in the Consumer Price Index each fiscal year (indexed from October 2018).
- 5.2. Departments which have not submitted a budget by October 31st shall have their funds returned into the Operating Budget.
 - 5.2.1. Departmental associations which may be formed after the funds are returned into the Operating Budget shall receive funds proportional to the remaining academic days in the semester they are formed.
- 5.3. All departmental associations which primarily represent a discipline in the Faculty of Arts, and which represent a minimum of ten (10) arts students, must receive a minimum of \$540.00 (indexed to the Consumer Price Index as of October 2019) in student fees for the academic year.
- 5.4. The fee allocation to departmental associations shall be calculated for the entire academic year based on the fall enrollment.
- 5.5. The AUS Vice-President Finance shall inform the departmental associations of their allocations no later than October 1st.



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- 5.6. To the best of their ability, the Departmental Association must provide the contact information of their Vice President to the AUS by the end of the add-drop period.
 - 5.6.1. If a department fails to provide this information, it is not the VP Finance's responsibility that an allocation is not delivered by October 1st.
- 5.7. No funds shall be issued to any departmental association until it has submitted the following to the Vice-President Finance and Vice-President Internal:
 - 5.7.1. The Constitution of the departmental association;
 - 5.7.2. The list of executive officers of the departmental association;
 - 5.7.3. A list of all journals operated by the departmental association;
 - 5.7.4. A detailed budget proposal for the academic year, in the form provided by the Vice-President Finance;
- 5.8. No funds shall be issued to any Organization until it has submitted to the Vice-President Finance a detailed budget proposal for the year.
 - 5.8.1. Events held prior to the issuing of funding shall be approved at the discretion of the AUS Vice-President Finance and AUS Vice-President Internal.

6. Joint Associations

- 6.1. Joint associations must abide by these by-laws with all of their funds, not just the AUS allocation.
- 6.2. Joint associations may have an external bank account as provided by the other faculty association.
 - 6.2.1. If the joint association is funded primarily by the AUS, they must have an internal account with the AUS.
- 6.3. The detailed budget proposal must include all sources of revenue and expenditures.
- 6.4. A photocopy of the monthly bank statements and a list of cheques written that month must be submitted to the Vice-President Finance by the 15th of the following month.

7. Budgets

- 7.1. The Vice-President Finance shall prepare the AUS budget each year.
 - 7.1.1. The Vice-President Finance shall consult with the Executive Committee, and other Organizations in drafting the budget.
- 7.2. A Specific vote requiring a $\frac{3}{4}$ majority must be passed at Council if a deficit is to be incurred in any year



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- 7.3. Departmental associations' annual budgets are due within 3 weeks of the Vice President Finance handing out allocations.
- 7.4. A detailed annual budget must be presented to Council for ratification no later than the 31st of October.
 - 7.4.1. A detailed budget includes all revenues and expenses of the AUS. Furthermore, a detailed budget must have its revenue and expense items categorized according to a standardized General Ledger Account list provided by the Vice-President Finance by October 01 each fiscal year.
 - 7.4.2. Departmental budgets must be approved separately by Council no longer than the 25th of November.
 - 7.4.2.1. Council may approve departmental budgets together or individually.
- 7.5. The Vice-President Finance shall submit a summary of expenditures from the previous fiscal year and the Financial Statement prepared by a Chartered Accountant as specified in the MoA of the AUS no later than the 31st of October.
 - 7.5.1. The Vice-President Finance must provide a written justification for all spending specifically for AUS Executive Committee members.
 - 7.5.1.1. This justification shall be made publicly available to the membership.
- 7.6. A minimum liquid reserve fund shall be maintained by the AUS for the financial security of the AUS.
 - 7.6.1. The fund shall total a minimum of \$135,000 at all times.
 - 7.6.2. This reserve fund shall be held in a cashable GIC.
 - 7.6.3. In the event of an emergency, in the opinion of both the Vice-President Finance and the President, the reserve fund will be accessible to relieve financial difficulties of the society, subject to the approval of a $\frac{3}{4}$ majority vote of Council.
- 7.7. Should Council, or any Organization initiate a capital project with a projected cost of over \$50,000 funded from the Operating Budget, the project shall be subject to approval by referendum of the membership.
- 7.8. The AUS may hold savings including cash reserves or GICs, which are not part of the reserve fund.
- 7.9. Executive spending, excluding the Vice-President Social's, shall consist of no more than 25% of the yearly operating budget without a specific majority vote of Council.

8. Financial Management Committee

- 8.1. There shall be a Financial Management Committee with the following membership:
 - 8.1.1. AUS Vice-President Finance, Chair (ex-officio)
 - 8.1.2. 2 members of Council
 - 8.1.3. 2 departmental Vice-Presidents Finance



- 8.1.4. 3 members-at-large
- 8.1.5. 1 Executive Assistant
- 8.1.6. AUS Vice-President Academic
- 8.1.7. President
 - 8.1.7.1. The President shall chair the FMC in the absence of the Vice-President Finance.
- 8.2. Quorum of the FMC shall be the Vice-President Finance or the President, as well as 4 other members of the FMC.
- 8.3. The Vice-President Finance may appoint a co-chair with the approval of Council.
- 8.4. At least one financial assistant must sit on the FMC, and any financial assistant who applies is guaranteed that position.
- 8.5. The Executive Committee shall appoint the membership of the FMC, subject to ratification of Council, by the second council meeting of the year.
- 8.6. Decisions of the FMC shall be made by simple majority.
- 8.7. Any member with a conflict of interest may not vote on that specific issue, and must be publicly declared.
 - 8.7.1. The chair shall break any ties of the FMC.
- 8.8. The FMC shall approve the annual budget of the AUS
- 8.9. The FMC shall review the budgets of all departmental associations.
- 8.10. All decisions of the FMC are subject to ratification of AUS Legislative Council.
- 8.11. The FMC shall have the authority to investigate all violations of these by-laws and report to Council with its findings.
- 8.12. The FMC shall be responsible for allocating all funding requests specified in article 9 of these bylaws.
 - 8.12.1. Applicants successful in receiving funding must publicly recognize the AUS for its monetary contribution.

9. Additional Funds

- 9.1. A special projects fund shall receive 4.5% of the collected base fee.
 - 9.1.1. Internal entities shall be given priority for this fund.
 - 9.1.2. The purpose of the Special Projects fund is to finance events and projects that directly benefit Arts students.
 - 9.1.3. FMC shall recommend to Council the allocations from this fund.
- 9.2. A journal fund shall receive 7% of the collected base fees.
 - 9.2.1. Publications requesting use of this fund must meet the minimum standard outline in the Publications Commission By-laws.
 - 9.2.2. Internal entities shall be given priority for this fund.
 - 9.2.3. FMC shall recommend to Council the allocations from this fund.



- 9.3. A supplementary departmental fund shall receive a minimum of 8.5% of the collected base fees.
 - 9.3.1. The Supplementary Departmental fund shall be reserved solely or departmental associations who require additional funding in order to provide an event or service.
 - 9.3.2. Preference shall be given to multiple departments applying together.
 - 9.3.3. Secondary preference shall be given to smaller departments.
 - 9.3.4. FMC may cap the amount one department may apply for from this fund.

10. Paid Employees of the Society

- 10.1. AUS executives Committee members who are Work Study eligible shall be paid at minimum wage for a maximum number of hours per week as determined by Work Study each semester.
- 10.2. The use of a stipend for non-executive committee members shall be limited and used only when it is absolutely necessary to the completion of the task.
 - 10.2.1. All stipended positions must be publicly and prominently advertised.
 - 10.2.2. The Executive Committee must approve all stipended positions prior to posting.
- 10.3. Stipends may be offered for positions that are vital to the operation of the AUS, require special expertise, for positions with a heavy burden, or for positions for which no volunteers may be found.
- 10.4. Council must ratify the appointment of any person to a stipended or hourly position.

11. Internal Accounts

- 11.1. Each internal AUS Organization shall maintain internal expense and revenue accounts with the AUS. .
- 11.2. No Organization, except joint associations, shall maintain an external bank account.
- 11.3. All financial transactions by an Organization are subject to the approval of the Vice-President Finance and Council.
- 11.4. All revenues received (cash and cheque) shall be turned into the AUS office immediately.
 - 11.4.1. No organization may keep cash on hand for more than two (2) business days.
 - 11.4.2. All deposits shall be accompanied with a detailed record of the source of the funds.
- 11.5. All organizations must submit a budget
- 11.6. Organizations may only alter their budget with the approval of FMC and Council



- 11.7. Organizations other than departmental associations will receive their funding at the discretion of the FMC and Council.
 - 11.7.1. To be eligible for funding, all organizations must comply with the Constitution, by-laws, and policies of Council.
 - 11.7.2. No funds will be issued to any group that has not applied prior to the last FMC meeting of the year.
 - 11.7.2.1. Internal entities that fall under the Fine Arts Council must submit their budgets to the Fine Arts Council for review.
- 11.8. All allocated (through central budgets and FMC) funds must be claimed by April 15th of each fiscal year.
- 11.9. No funds for Organizations shall be distributed after this date without the prior approval of the Vice-President Finance.
- 11.10. No organization shall run a deficit.
- 11.11. Expenditures for any alcohol cannot exceed 50% of the budget of any departmental association.

12. Revenue

- 12.1. All revenue received must be deposited in full to the current account and no expense shall be paid out of revenues collected.

13. Expenditures

- 13.1. No expenditure shall be made unless it has been included into the Organization's budget, without authorization from Council.
- 13.2. During the summer months, the Vice-President Finance and the Executive are responsible for drafting a summer budget and approving. In September, Council must be informed of all summer spending.
- 13.3. All expenses must be made by writing a cheque, or making an e-transfer from the AUS' bank account.
 - 13.3.1. No expenditure of any amount may be made unless proper receipts have been secured and kept on file.
 - 13.3.2. Use of the AUS credit card will be permitted in cases where payments by cheque or e-transfer are not possible.
 - 13.3.2.1. These purchases are subject to approval of both the AUS President and Vice-President Finance.

14. Bank Account

- 14.1. There shall exist one main account for the AUS at a chartered financial institution approved by Council.
- 14.2. There may be additional savings accounts or investments at the discretion of the Vice-President Finance.



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- 14.3. SNAX shall have a separate bank account under the same primary account as the main account.
- 14.4. All financial transactions of the AUS shall be made through the main account, excluding transactions of SNAX.
- 14.5. A copy of each month's bank statement must be submitted to the Financial Accountability Committee for review within thirty days of receiving the statements.
 - 14.5.1. If the Financial Accountability Committee deems it necessary, the Vice-President Finance must present the bank statements to council at the next meeting.

15. Financial Statements and Records

- 15.1. The previous year's financial statements shall be kept digitally in the AUS' archives.
- 15.2. The Vice-President Finance shall maintain accurate and up-to-date ledgers of all expenditures and revenues.
 - 15.2.1. The Vice-President Finance shall report to FMC and Council in September, January, and April as to the financial status of the society.
- 15.3. The vice-President Finance shall ensure that there are detailed financial record for the year in which they served up to and including April 30th.
- 15.4. The Vice-President Finance shall ensure that three digital copies are kept of every financial record, including one off-site.
- 15.5. The Executive Committee shall appoint a certified public accountant to review the finances of the AUS and ensure that taxes are filed properly.

16. SNAX

- 16.1. The outgoing Executive Committee shall appoint a manager of SNAX for the next academic year no later than April 15th.
- 16.2. The manager of AUS SNAX shall be responsible for hiring all student employees, tracking and ordering inventory, and completing the financial documentation for SNAX.
- 16.3. The Vice-President Finance shall assist the AUS SNAX manager in preparing all financial documents and making all financial decisions regarding AUS SNAX.
- 16.4. SNAX is subject to the supervision of the AUS Executive Committee.