



# Financial By-Laws

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## **BACKGROUND**

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

## **ARTICLE 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 These By-laws shall also apply to affiliates using AUS as an avenue to receive revenue and remediate expenses at the discretion of Council. These affiliate organizations shall fall under the definition “Organization” and “Internal Entities”.
- 1.4 “Council” shall refer to the Legislative Council of the AUS
- 1.5 “FMC” shall refer to the Financial Management Committee of the AUS.
- 1.6 “Executive Committee” shall refer to the AUS Executive committee
- 1.7 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

## **ARTICLE 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.

## **ARTICLE 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.

#### **ARTICLE 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. 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.

4.3 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.

4.4 The AUS' annual budget shall be distributed to the membership by the AUS Vice-President Communications within one week of ratification of the budget.

4.5 The Financial Management Committee representative to Council shall report on bank reconciliation and monthly tax filings to Council when necessary.

4.5.1 In the event of any discrepancies, the FMC representative shall notify AUS Council without delay.

4.6 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.

4.7 The Financial Management Committee, in consultation with the Ethical Procurement and Sustainability Committee, shall enforce the Sustainability Plan and the Ethical Procurement and Sustainability By-laws.



## ARTICLE 5 – ALLOCATIONS 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 (\$1.49) 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 In order to promote the implementation of the Ethical Procurement and Sustainability By-laws, an additional seventy-five cents (\$0.75) 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.
  - 5.1.3 The Vice-President Finance shall propose increments or decrements to these rates in accordance with inflationary changes.
- 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 as a primary departmental allocation and an additional \$270.00 Ethical Procurement and Sustainability By-laws implementation supplement 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. The AUS Vice-President Finance shall inform the departmental associations of their allocations no later than October 1st.
- 5.5 To the best of their ability, the Departmental Association must provide the contact information of their Vice-President Finance to the AUS by the end of the add-drop period.
  - 5.5.1 If a department fails to provide this information, it is not the AUS VP Finance's responsibility that an allocation is not delivered by October 1st.



- 5.6 No funds shall be issued to any departmental association until it has submitted the following to the Vice-President Finance and Vice-President Internal:
  - 5.6.1 The Constitution of the departmental association;
  - 5.6.2 The list of executive officers of the departmental association;
  - 5.6.3 A list of all journals operated by the departmental association;
  - 5.6.4 A detailed budget proposal for the academic year, in the form provided by the Vice-President Finance;
- 5.7 No funds shall be issued to any Organization until it has submitted to the Vice-President Finance a detailed budget proposal for the year.
  - 5.7.1 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.

#### **ARTICLE 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.

#### **ARTICLE 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.
- 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 determined by the Vice-President Finance by October 1 each fiscal year.
  - 7.4.2 Departmental budgets must be approved by Council no longer than the 25th of November. The AUS Operating Budget can include Departmental Associations' budgets, but must demarcate and identify them specifically.
    - 7.4.2.1 Council may approve departmental budgets together or individually.
- 7.5 Following Council ratification, the AUS Operations budget may be amended by the Financial Management Committee throughout the year subject to ratification by the AUS Legislative Council.
- 7.6 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.
  - 7.6.1 Under specific and extraordinary circumstances, where AUS's obligations under its Memorandum of Agreement with McGill University, the AUS Vice-President Finance may request an extension to the deadline specified in Article 7.5 of these By-laws.
  - 7.6.2 The Vice-President Finance must provide a written justification for all spending specifically for AUS Executive Committee members.
    - 7.6.2.1 This justification shall be made publicly available to the membership.
- 7.7 A minimum liquid reserve fund shall be maintained by the AUS for the financial security of the AUS.
  - 7.7.1 The fund shall total a minimum of \$135,000 at all times.



- 7.7.2 This reserve fund shall be held in a cashable GIC.
- 7.7.3 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.
- 7.8 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.
- 7.9 The AUS may hold savings including cash reserves or GICs, which are not part of the reserve fund. Other savings and investment instruments may be employed, subject to that approval with  $\frac{3}{4}$  majority vote of Council.
  - 7.9.1 The AUS Vice-President Finance may strike an ad-hoc investment advisory.
  - 7.9.2 The aforementioned committee must have a membership approved by Council by simple majority.
  - 7.9.3 The advisory committee will have no binding authority over the use and allocation of AUS's savings or reserve funds. The committee will have a strictly advisory mandate.

## **ARTICLE 8 – FINANCIAL MANAGEMENT COMMITTEE: TERMS OF REFERENCE**

- 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 2 members-at-large
  - 8.1.5 1 Deputy Secretary General
  - 8.1.6 1 Executive Assistant
  - 8.1.7 AUS Vice-President Academic



8.1.8 1 Ethical Business Practices Commissioner

8.1.9 1 Finance Commissioner

8.1.10 President

8.1.10.1 The President shall chair the FMC in the absence of the Vice-President Finance.

8.2 Quorum of the FMC shall be either the Vice-President Finance or the President, as well as 4 other members of the FMC.

8.3 The Executive Committee shall appoint the membership of the FMC, subject to ratification of Council, by the second council meeting of the year.

8.4 Decisions of the FMC shall be made by simple majority.

8.5 Any member with a conflict of interest may not vote or debate on that specific issue, and must publicly declare their conflict.

8.5.1 The chair shall break any ties of the FMC.

## **ARTICLE 9 – FINANCIAL MANAGEMENT COMMITTEE: RESPONSIBILITIES**

9.1 The FMC shall review the budgets of all departmental associations.

9.2 The FMC shall approve and amend, as needed, the operating budget of the AUS.

9.3 The FMC shall oversee the allocation of the (1) Ethical Procurement and Sustainability Fund, (2) Special Projects Fund, (3) Journal Fund, and (4) Supplementary Departmental Fund.

9.3.1 Applicants successful in receiving funding must publicly recognize the AUS for its monetary contribution.

9.4 An ethical procurement and sustainability fund shall receive 18% of the collected Sustainability Fee.

9.4.1 Applications to this fund shall not be restricted to internal entities.

9.4.2 Internal entities shall be given priority for this fund.



- 9.4.3 The purpose of this fund is to: (1) support the implementation of the Sustainability and Ethical Procurement By-laws and the AUS Sustainability Report by reducing implementations costs for internal entities; (2) support community and student organizations advancing the mandate of the Sustainability and Ethical Procurement By-laws through community engagement, and; (3) support AUS community engagement with these organizations.
- 9.4.4 FMC shall recommend to Council the allocations from this fund.
- 9.5 A Special Projects fund shall receive 4.5% of the collected base fee.
  - 9.5.1 Applications to this fund shall not be restricted to internal entities.
  - 9.5.2 Internal entities shall be given priority for this fund.
  - 9.5.3 The purpose of the Special Projects fund is to finance events and projects that directly benefit Arts students.
  - 9.5.4 FMC shall recommend to Council the allocations from this fund.
- 9.6 A Journal Fund shall receive 7% of the collected base fees.
  - 9.6.1 Applications to this fund shall not be restricted to internal entities.
  - 9.6.2 Publications requesting use of this fund must meet the minimum standard outline in the Publications Commission By-laws.
  - 9.6.3 Internal entities shall be given priority for this fund.
  - 9.6.4 FMC shall recommend to Council the allocations from this fund.
- 9.7 A Supplementary Departmental Fund shall receive a minimum of 8.5% of the collected base fees.
  - 9.7.1 The Supplementary Departmental fund shall be reserved solely or departmental associations who require additional funding in order to provide an event or service.
  - 9.7.2 Preference shall be given to multiple departments applying together.
  - 9.7.3 Secondary preference shall be given to smaller departments.



- 9.7.4 FMC may cap the amount one department may apply for from this fund.
- 9.8 The FMC shall oversee the implementation of these Financial By-laws and provide oversight for the financial affairs of AUS.
- 9.9 The FMC shall have the authority to investigate all violations of these Financial By-laws and report to Council with its findings.
- 9.10 The FMC shall serve as an appeal body for the decisions of the Vice-President Finance.
- 9.11 All decisions of the FMC are subject to ratification by the AUS Legislative Council.

#### **ARTICLE 10 – INTERNAL ACCOUNTS**

- 10.1 Each internal AUS Organization shall maintain internal expense and revenue accounts with the AUS.
- 10.2 No Organization, except joint associations, shall maintain an external bank account.
- 10.3 All financial transactions by an Organization are subject to the approval of the Vice-President Finance and Council.
- 10.4 All financial transactions of the AUS must comply with the Sustainability and Ethical Procurement By-laws.
- 10.5 All revenues received (cash and cheque) shall be turned into the AUS office immediately.
  - 10.5.1 No organization may keep cash on hand for more than four (4) business days.
  - 10.5.2 All deposits shall be accompanied with a detailed record of the source of the funds.
- 10.6 All organizations must submit a budget.
- 10.7 Organizations may only alter their budget with the approval of FMC and Council.
- 10.8 Organizations other than departmental associations will receive their funding at the discretion of the FMC and Council.



- 10.8.1 To be eligible for funding, all organizations must comply with the Constitution, by-laws, and policies of Council.
- 10.8.2 No funds will be issued to any group that has not applied prior to the last FMC meeting of the year.
  - 10.8.2.1 Internal entities that fall under the Fine Arts Council must submit their budgets to the Fine Arts Council and FMC for review.
- 10.9 All allocated (through central budgets, raised externally and amended into central budgets and FMC) funds must be claimed or used by April 15th of each fiscal year.
- 10.10 No funds for Organizations shall be distributed after this date without the prior approval of the Vice-President Finance.
- 10.11 No organization shall run a deficit. Expenditures for any alcohol cannot exceed 50% of the budget of any departmental association.

#### **ARTICLE 11 – REVENUE**

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

#### **ARTICLE 12 – EXPENDITURES**

- 12.1 No expenditure shall be made without authorization from Council unless it has been included into the appropriate budget.
- 12.2 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.
- 12.3 All expenses must be made by writing a cheque, initiating an EFT or making an e-transfer from the AUS' bank account.
  - 12.3.1 No expenditure of any amount may be made unless proper receipts have been secured and kept on file.
  - 12.3.2 Use of the AUS credit card will be permitted in cases where payments by cheque or e-transfer are not possible.



12.3.2.1 These purchases are subject to approval of both the AUS President and Vice-President Finance.

### **ARTICLE 13 – BANK ACCOUNT**

13.1 There shall exist one main account for the AUS at a chartered financial institution approved by Council.

13.2 There may be additional savings accounts or investments at the discretion of the Vice-President Finance.

13.3 All financial transactions of the AUS shall be made through the main account, excluding transactions of SNAX.

13.4 A copy of each month's bank statement must be submitted to the Financial Management Committee for review within thirty days of receiving the statements.

13.4.1 If the Financial Management Committee deems it necessary, the Vice-President Finance must present the bank statements to council at the next meeting.

### **ARTICLE 14 – FINANCIAL STATEMENTS AND RECORDS**

14.1 The previous year's financial statements shall be kept digitally in the AUS' archives.

14.2 The Vice-President Finance shall maintain accurate and up-to-date ledgers of all expenditures and revenues.

14.2.1 The Vice-President Finance shall report to FMC and Council in September, January, and April as to the financial status of the society.

14.3 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.

14.4 The Vice-President Finance shall ensure that digital copies are kept of every financial record, including one off-site.

14.5 The Executive Committee shall appoint a certified public accountant to review the finances of the AUS and ensure that taxes are filed properly.



## **ARTICLE 15 – SNAX**

- 15.1 The outgoing Executive Committee shall appoint a manager of SNAX for the next academic year no later than April 15th.
- 15.2 The manager of AUS SNAX shall be responsible for hiring all student employees, tracking and ordering inventory, and completing the financial documentation for SNAX.
- 15.3 The Vice-President Finance shall assist the AUS SNAX manager in preparing all financial documents and making all financial decisions regarding AUS SNAX.
- 15.4 SNAX is subject to the supervision of the AUS Executive Committee.
  - 15.4.1 For day-to-day operations, the AUS Executive Committee will delegate its supervisory authority to the AUS Vice-President Finance. The Executive Committee may also form a supervisory sub-committee at its discretion.