

Call to Order – 12:12 pm, September 17, 2014 | MBC 2290

1. Appointment of the Chair

MOTION EXEC 2014-09-17:01

Potvin

Be it resolved to appoint Moe Kopahi – Vice President University Relations as chair of EXEC 2014-09-17

CARRIED

2. Roll Call of Attendance

Committee Composition

Vice President Finance..... Adam Potvin

Vice President Student Services Zied Masmoudi

Vice President External Relations Darwin Binesh

Vice President Student Services Kayode Fatoba

Vice President University Relations Moe Kopahi

Society Staff

Build SFU General Manager..... Marc Fontaine

Campaigns, Policy, and Research Coordinator Pierre Cassidy

Executive Director..... Colleen Knox

Minute Taker Dion Chong

Finance Coordinator Vanessa Kwong

Finance Coordinator Kurt Belliveau

Guests

Auditor – Tompkins, Wozny, Miller & Co. Gary Wozny

Regrets

President..... Chardaye Bueckert

3. Adoption of Agenda

MOTION EXEC 2014-09-17:02

Potvin

Be it resolved to adopt the agenda as presented.

CARRIED

4. Matters Arising from the Minutes

MOTION EXEC 2014-09-17:03

Masmoudi

Be it resolved to approve the minutes of 2014-09-05 and 2014-09-10

CARRIED

5. Ratification of Regrets

MOTION EXEC 2014-09-17:04

Fatoba

Be it resolved to ratify the regrets of:

President..... Chardaye Bueckert

Bueckert was away on personal matters.

CARRIED

6. Guest Speakers

a. Auditors Presentation

The auditors provided a presentation of the financial statements, audit findings letter, etc. The Executive Committee was reminded that the statements belonged to the Student Society, and the auditor's goal was to ensure that they met the requirements of auditing standards. Forensic audits were not conducted with this type of auditing. First draft of the financial statements had been reviewed by the Financial Coordinators.

Financial Statement Highlights

- Interfund loans regularly occur within not-for-profits. Repayment has caused the amount owing through the loans to be reduced substantially in the fiscal 2014-2015 year.
- In July 2014, the Board passed a motion to revise the minimum required restricted surplus.
 - In the non-for-profit sector, 3-12 months of operating expenses is recommended as a restricted surplus. It was therefore recommended that the allocation of additional cushioning be considered over the 3 months of operating costs for enhanced organizational stability.
- Build SFU was treated separately from the SEF as a result of the immense funds associated with it, as well as logistical considerations upon the completion of the building.
- Overall fund balances in equity have increased
- Overall losses for Food and Beverage Services have been reduced significantly
- Build SFU bursaries were internal to Build SFU and therefore were not accounted for within the General Fund bursaries
 - Arrangements would be made to indicate to the membership that such measures were in place and how much had been contributed.
- Accessibility Funding will be in use for Build SFU, with \$200,000 allocated for a second elevator.
- Questions ensued around accounting practices when a club or student union received external sponsorship which did not flow through student society control.
 - Should sponsorship be provided for a single event, it would be accounted through organizational revenue. It would be considered unrecognized revenue if not reported through the SFSS.
- New currencies such as bitcoin may have a number of issues. The organization may wish to ensure that the a complete review of acceptance and expensing processes be conducted prior to any decisions being made on a Society stance or activity with bitcoin
 - SFU has begun accepting donations via bitcoin. Followup was required.
- Non-discretionary allocations were remitted directly to other organizations, as opposed to being in trust, and are not held by the SFSS. Wording change was requested to reflect this.

- Liquidity risk has been improving over the last number of years, as the Society has enhanced its financial monitoring.
- Auditor/Commodity Tax Specialist/Build SFU General Manager had concerns that, given the current language, the Society may be exposed to significant GST for the surrender of lease.
- Should the SFSS implement a club loans programme, it would be categorized as an expense if the loan was forgivable, or an asset if it was not (account receivable).
 - Finance Coordinators requested to be kept up to date on any developments on the matter.
- Activity Days includes clubs and welcome days, as well as events/security sponsorship, BOD retreat and Orientation, committee events.
 - There was a potential idea of removing frosh funding from the student union line items and potentially amalgamating with Activity Days and Events.
 - Within the income statement, discretionary grants were already split from the main line of the student union resource office.
 - A separate line item for concert should be created, in order to ensure total transparency of concert finances vs all other activities, or to simply remove the net of concert revenue comment in order to avoid confusion that activity days are exclusive to concert expenses. However, there may be some desire to ensure that the membership is aware of concert finances given the controversial nature of the events in the previous year.
 - The Executive Committee recommended the former option.
 - A discussion may be necessary to define *Large Scale Events*.
- University Relations Office was being phased out, with the expense resulting from the final costs associated with the position.
- Negotiation and Consulting resulted from new collective agreement negotiation with Food and Beverage Services, along with the workplace assessment (the Boddie Report)
- A number of new staff positions had been added, increasing expenses across the organization

Internal Controls Highlights

- Any student representative could be present at the AGM to address identified issues.
- General recommendations were provided for all ticket revenue streams. Numerical sequence had to be established, and ticket custody had to be managed by an individual other the project manager had to be maintained in order to assure completeness of revenue.
 - Multiple tiers increase complexity – increased risk of error or fraud.
 - Tracking system improvements have been made for the current year.
- Investment Policy
 - Interfund loans would not be a part of the investment policy
 - It would be necessary to establish a comprehensive investment policy to mitigate organizational risk, particularly given future investment opportunities.
 - Questions around who decides what is invested in, and associated risk levels
 - In the past, consensus had not been achieved in any discussions on the matter.

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- The Executive Committee was reminded that future boards could eliminate any policy established by the current administration, however it was seen as an opportunity to demonstrate board due diligence.

The staff, particularly the Finance Coordinators were recognized for their hard work and diligence in managing the SFSS financial office and their contributions to the auditing process.

MOTION EXEC 2014-09-17:05

Binesh

Be it resolved to recommend to BOD the draft financial statements for the year ending April 30, 2014 subject to changes identified at EXEC 2014-09-17

CARRIED

7. Updates

a. Annual General Meeting – Update and External Chair

POSTPONED

8. Attachments

Draft Auditing Documents [REDACTED]

9. Adjournment 1:51pm

DC /CUPE 3338