

1. CALL TO ORDER

Call to Order – 9:30 AM

2. TERRITORIAL ACKNOWLEDGMENT

We acknowledge that this meeting is being conducted on the unceded territories of the Coast Salish peoples; which, to the current knowledge of the Society include the Squamish, Musqueam, Stó:lo, and Tsleil-Waututh people.

3. ROLL CALL OF ATTENDANCE

3.1 Committee Composition

VP Finance (<i>Chair</i>)	Baljinder Bains
VP University Relations	Erwin Kwok
Ex-Officio	Hangue Kim (x)
At-Large Representative	Jaskarn Randhawa
Board of Directors Representative	Gini Kuo
Board of Directors Representative	Yun Oh

3.2 Society Staff

Chief Executive Officer	Martin Wyant
Finance Coordinator	Lucy Zhang
Finance Coordinator	Kurt Belliveau
Administrative Assistant	Zoya Nari

3.3 Regrets

At-Large Representative	Jaskarn Randhawa
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4. RATIFICATION OF REGRETS

4.1 MOTION FAC 2017-10-23:01

Yun/Gini

Be it resolved to ratify regrets from Jaskarn Randhawa (academic).

CARRIED

5. ADOPTION OF THE AGENDA

5.1 MOTION FAC 2017-10-23:02

Gini/Yun

Be it resolved to adopt the agenda as amended.

- To add under Discussion: 8.2 Granting

CARRIED AS AMENDED

6. MATTERS ARISING FROM THE MINUTES

6.1 MOTION FAC 2017-10-23:03

Erwin/Yun

Be it resolved to receive and file the following minutes:

- Finance Committee 2017-10-16.pdf

CARRIED

7. NEW BUSINESS

7.1 Board Credit Card – MOTION FAC 2017-10-23:04

Gini/Yun

Whereas the SFSS Finance and Audit Committee (FAC) and staff recognized that no formal SFSS Credit Card Standard Operating Procedure (SOP) existed;

Whereas the SFSS FAC and staff recognized the importance of introducing a SOP for Board and staff to mitigate risks;

Whereas the SFSS FAC recommends this motion to the SFSS Board;

Be it resolved to recommend to allow a Board Credit Card under the name of the VP of Finance in accordance with the Board SOP, effective immediately.

NOT CARRIED

- Concern:
 - If the VP Finance is not available, who can access the credit card
- Suggestions:
 - To purchase a prepaid credit card with the credit card for events located outside SFU
 - Possibly fill out a cheque requisition prior to the event to receive a cash advance based on the estimated expenditures
- Change effective immediately to effective upon receipt of the new credit card

MOTION FAC 2017-10-20:05

Gini/Yun

Whereas the SFSS Finance and Audit Committee (FAC) and staff recognized that no formal SFSS Credit Card Standard Operating Procedure (SOP) existed;

Whereas the SFSS FAC and staff recognized the importance of introducing a SOP for Board and staff to mitigate risks;

Whereas the SFSS FAC recommends this motion to the SFSS Board;

Be it resolved to recommend to allow a Board Credit Card under the name of the VP of Finance in accordance with the Board SOP, effective upon receipt of the new credit card

CARRIED AS AMENDED

7.2 Funds Report – MOTION FAC 2017-10-23:06

Erwin/Gini

Whereas the SFSS Finance and Audit Committee (FAC) recognizes that internal funds have been established by the SFSS Board;

Whereas the SFSS FAC recognizes that a formal report should be presented to Board to inform them of various funds that have been established;

Be it resolved to designate the Finance Office to establish a formal and professional report for the SFSS Board that includes updated fund balances, passed motions that established the funds, passed motions that restrict the use of the funds, and any expenditure or outflow from all the funds.

Be it further resolved for staff to bring this report back to the SFSS FAC for the December 4th meeting.

CARRIED

- Purpose: a formal report of the last 3 years' use of the restricted fund
- Fund usages can be found in the compiled report of approved Board motions
- Friendly amendment: internal funds
- Change x to Finance Office

7.3 Internal Monitoring Report – MOTION FAC 2017-10-23:07

Erwin/Yun

Whereas the Board is required to request an Internal Monitoring Report that covers Financial Condition and Activities from the CEO;

Be it resolved to recommend to the SFSS Board to approve the Internal Monitoring Report for Financial Condition and Activities.

CARRIED

- Purpose: to provide the Finance Committee with information, similar to a mini audit
- The report is written based on the format and requirements of the governance policies with ample attachments
 - Report is to be done on a quarterly basis
- Suggestions:
 - To possibly further research a new software that may be used for the Finance Office to expedite all the processes
 - Finance Committee to possibly oversee all the funds and report back on its status according to Board's expectations in the following year

8. DISCUSSION ITEMS

8.1 Stipend Reduction Schedule

- Board members are required to attend Board meetings, however there is none for Committee meetings
- Regrets need to be submitted 2 business days in advance with reasonable evidence
 - Illness' that prevents a member from attending a meeting, they will need to provide evidence by a physician or may lose pay for that day
- All deductions will be communicated with the specific individual and the VP Finance to remain transparent
- Changes:
 - Late arrivals have been reduced to 10 minutes as 15 minutes is 25% of a Board meeting and committees lost
 - Note: Motions are usually voted on in the first 25% of the meeting
- Suggestions:
 - To possibly create a system that tracks attendance of Board and Committee members

8.2 Granting

- Further changes have been made to the document
- Suggestion:
 - To review the granting guidelines and proceed with the next steps

- Next steps:
 - Staff to implement the granting guidelines according to operations after the final draft is approved

9. ATTACHMENTS

- CCP-1 Processing Credit Card Payments for Board.pdf
- CCP-2 Processing Credit Card Payments for Staff.pdf
- Monitoring Report - (EL-3) Financial Condition and Activities 2017 2018 template Sept 29 mw draft.pdf

10. ADJOURNMENT

MOTION FAC 2017-10-23:08

Gini/Erwin

Be it resolved to adjourn the meeting at 10:36 AM.

CARRIED

OPP-12: Processing Credit Card Payments for Board

Description

SFSS Board purchase are allowed to be paid by Visa card if payments by cash or cheque is not an option. The card is maintained by the Finance Office and the VP Finance is the only member who can use the card, under any circumstances.

The card is issued in the name of XXX or Simon Fraser Student Society.

The limit on the Board card should be \$5,000.

Any unauthorized credit card purchase will be paid by the card user.

The prohibited uses for the card include cash advance, bank checks, traveler's checks and ATM withdrawals.

Procedures

1. Review and accept the cheque requisition approved by VP Finance before the card is released. The cheque requisition form needs to include details regarding the expense, including:
 - The "Cheque Payable To" section must include the name of the vendor that the purchase is being made from followed by a "/" Paid by Visa. (eg. XYZ Company / Paid by Visa)
 - The individual cost for each purchase (for items that have an invoice available, like online purchases, travel tickets, venue rentals, equipment purchases or rentals, etc.)
 - The total cost, including any applicable taxes
 - The evidence that the item(s) to be purchased have been approved by the Board, which typically means that meeting minutes and the endorsement of the VP Finance are included.
 - Purchases like groceries and other consumable supplies do not need to have invoices in advance of the purchase, but still require evidence that they have been approved by the Board and endorsed by the VP Finance.
 - Itemized receipts detailing the purchase will be provided to the Finance office once the purchases have been completed.
2. The credit card is maintained in the Finance Office and it can be taken away to process a payment by the VP Finance when the sign-out sheet is filled in.
3. Each month on the visa statement cycle that runs from the 16th to 15th a journal entry will be created to book the visa expenditures in the general ledger and record the corresponding automatic payment from the SFSS operating account.

CCP-2: Processing Credit Card Payments

Description

SFSS staff are allowed to use the SFSS Visa card if payments by cash or cheque is not an option. The card is maintained by the Finance office and shared with all SFSS departments. Only departmental coordinators are authorized to use the card.

The card is issued in the name Kurt Belliveau.

The limit on the staff credit card should be \$5,000.

Any unauthorized credit card purchase will be paid back by the card user.

The prohibited use for the card include cash advance, bank checks, travelers' checks and ATM withdrawals.

NO PURCHASE CAN BE MADE ON THE VISA CARD WITHOUT AN APPROVED CHEQUE REQUISITION.

Procedures

1. A properly completed, documented and correctly authorized cheque requisition must be created prior to the use of the credit card.
2. The cheque requisition "Cheque Payable To" section must include the name of the vendor that the purchase is being made from followed by a / Paid by Visa. (eg. XYZ Company / Paid by Visa)
3. Take the completed requisition to the Finance Office.
4. Inform the Finance Coordinator that you wish to use the credit card to finalize a purchase.
5. The Finance Coordinator will study the cheque requisition to verify its completeness.
6. All visa transactions must be conducted in the Finance Office either at the designated computer for all online transactions, or at the Finance Office telephone for all telephone transactions.
7. At the conclusion of any online transactions, invoices or confirmations that are created can be printed at the copier in the Finance Office and must be attached to the cheque requisition. Telephone transactions that result in an email invoice or confirmation being created must be sent to the finance office at Finance@sfss.ca so they can be attached to the cheque requisition.
8. Only in rare and extenuating circumstances will the credit card be allowed to be taken from the Finance Office for use, and only with the consent and approval of the CEO.
9. Each month on the visa statement cycle that runs from the 16th to 15th a journal entry will be created to book the visa expenditures in the general ledger and record the corresponding automatic payment from the SFSS operating account.



Internal Monitoring Report: Financial Condition and Activities

I hereby present my monitoring report on your Executive Limitations policy “Financial Condition and Activities” (EL-3, Page 25, SFSS Board Policies). I certify that the information contained in this report is true.

Signed: _____, Chief Executive Officer

Date: _____

Broadest Policy Provision:

The Chief Executive Officer shall not cause or allow to be caused the financial condition or activities of the Society to be placed in fiscal jeopardy, or to allow the actual expenditures of the Society to materially deviate from Board priorities, as established in its Ends Policies.

The CEO will not:

Policy Provision #1:

Incur debt or lease commitments in an amount greater than \$25,000 without prior board approval.

CEO Interpretation:

The statement is clear. No further interpretation is required.

Data:

We have made a number of commitments that are related to the completion of the Build SFU stadium design and the Build SFU Student Union Building construction project. The debt related to the Student Union Building was formally approved by the Board in December 2015. The debt related to the Stadium project was formally approved by the Board in March 2017.

No other debts or lease commitments above \$25,000 have occurred. (see attached evidence Prov#5-1. All the cheques over \$20,000 have been listed in Policy Provision #5)

Status:

I report compliance.

Analysis:

Between May 1, 2017, and August 31, 2017, \$3,000,102 was billed for construction-related costs for the Student Union Building project. The first contribution towards the Stadium project will be made on the date of Substantial Completion of the facility, which is estimated to be March 2020.

Recommendation(s):

It is recommended that we continue to have the Build SFU General Manager review and approve all construction-related costs that result from the Student Union Building project, while ensuring that the CEO and Board of Directors are informed of:

- the timing of project payments;
- any concerns related to the accuracy of SFU's invoices;
- any concerns related to our ability to pay for invoices.

Policy Provision #2:

Expend more funds than have been received in the fiscal year to date unless the resulting deficit can be repaid by certain and otherwise unencumbered revenues within sixty (60) days.

CEO Interpretation:

"Unencumbered revenues" is interpreted to mean the current year's revenues from all sources, and unrestricted fund balances.

Data:

The Scotiabank statement as of August 31, 2017 (attached Prov#2-1 Bank Statement as at Aug 31, 2017)) shows an operating account balance of \$726,871.67. Our AP aged report, as of August 31, 2017 (attached Prov#2-2 AP Aged Report) indicates a balance of \$121, but the amount should be "\$0". This \$121 is an error based on an accidental entry that occurred when the Adagio software carried forward was installed in 2007. Adagio technical support is working to remove it from the AP Aged report. Typically, SFSS expenses are paid immediately upon receipt. To be completed once financial evidence is provided by Finance Coordinator.

Status:

I report compliance.

Analysis:

We pay most of our bills before they are due, so we do not typically show many "aged payables". Our financial position is very good. Student fees are provided to us by SFU on a timely basis, so we have the funds required to manage our operations. We are also collecting sufficient Build SFU levies to manage the debt that is associated with the construction of the Student Union Building.

Recommendation(s):

It is recommended that we continue to build our “Restricted Fund” to ensure that at any given point, we have 50% of our annual operating funds set aside as a buffer against significant, unforeseen future expenses. We should consider establishing a new target amount to set aside, as part of our 2017/2018 budgeting process.

Policy Provision #3:

Expend without Board approval any cash reserves that have been designated by the Board as restricted.

CEO Interpretation:

The statement is clear. No further interpretation is required.

Data:

SFSS has established separate funds, each with its own bank account, to help ensure that we have the appropriate resources set aside to meet specific obligations that have arisen as a result of referenda and/or Board motions.

As of September 25, 2017, the following amounts were available in our segregated funds:

A) Space Expansion Fund	\$2,165,752.23
B) Accessibility Fund	\$ 272,627.49
C) Health Plan Reserve	\$ 660,999.82
D) Build SFU Fund	\$1,879,394.71
E) Restricted Fund:	\$ 752,654.59

Please refer to the attached Scotiabank Consolidated Balance Report, “Prov#3-1” as evidence.

Please refer to the attached bank statements for the period May 01 - Sept 25, 2017:

- A) Prov#3-2 for detailed transactions for Space Expansion Fund
- B) Prov#3-3 for detailed transactions for Accessibility Fund
- C) Prov#3-4 for detailed transactions for Health Plan Reserve
- D) Prov#3-5 for detailed transactions for Build SFU
- E) Prov#3-6 for detailed transactions for SFSS Restricted Contingency Fund

Please also refer to the attached MOTION EXECUTIVE 2017-09-01:02, Prov#3-7 as evidence for \$49,033.02 transfer from the SFSS operating fund to the restricted funds and \$82,053.94 from the health reserve fund to the SFSS operating fund.

The Board previously approved the application of a 2% administration fee on the Student Care Health Plan fees, which contributed \$100,205.47 from our health plan fund to our restricted fund. Our Health and Dental reserve fund, as of September 25, 2017, is \$660,999.82.

In the 2016/17 fiscal year, we established a new restricted fund to ensure that we have sufficient funds set aside to protect us against future catastrophic events. The fund may only be accessed by formal Board resolution. As of September 25, 2017, we have \$752,654.59 in the fund.

Status:

I report compliance.

Analysis:

- A) Space Expansion Fund: The Space Expansion Fund was initially established by referendum in 1989, to help pay for construction of “additional space for student activities” and the renovation of the pub. In 2001, the fund was re-dedicated to “support the future expansion, renovation and ongoing maintenance of existing and future spaces for students, student groups and student activities.”

The balance in the Space Expansion Fund is \$2,165,752.23 as of September 25, 2017. This includes \$73,766.98 that was transferred from the SFSS operating fund for the student activity fees for the semester May-Aug 2017. This also includes transfers from the Space Expansion Fund to the SFSS operating account to pay for the property maintenance fees for total \$59,049.72 (\$9,841.62 per month for six months).

- B) Accessibility Fund: The Accessibility Fund was established by referendum in 2005 to increase “accessibility of (and removing barriers to participation in) campus activities and events for students with disabilities.”

The balance in the Accessibility Fund is \$272,627.49 as of September 25, 2017. This includes \$11,085.47 that was transferred from the SFSS operating account for the student activity fees for semester May-Aug 2017. We spent \$98.60 to support a software purchase, which was approved by the Board by Motion AFAC 2017-04-07) (see attached evidence Prov#3-7).

- C) Health Plan Reserve: The Health Plan Reserve Fund was created by the Board of Directors to ensure that the SFSS had sufficient funds to offset significant increases to the fees associated with the plan.

The balance in the Health Plan Reserve is \$660,999.82 as of September 25, 2017. This includes \$82,053.94 that was transferred to the SFSS operating fund which was approved by an Executive Committee Motion 2017-09-01:02 (see attached evidence Prov#3-8).

- D) Build SFU Fund: The Build SFU Levy was established by referendum in 2012, to fund construction, maintenance and utility costs” associated with the development of a new student union and “stadium”.

The balance in the Build SFU Fund is \$1,879,394.71 as of September 25, 2017. This includes \$222,000 that was transferred from the Accessibility Fund for the construction of an accessible elevator and emergency call buttons for washrooms in the Student Union Building.

In the calendar year 2017, the Build SFU Levy collects \$40 per full-time student and \$20 per part-time student (defined as a student enrolled in 3 or fewer credit hours). Fees will increase on January 1, 2018, to \$50 and \$25 respectively for the 2018 calendar year. Revenue from the Build SFU Levy is deposited to the Build SFU Account which is held in trust by SFU for the SFSS. \$317,206 has been set aside for the stadium project and is held in the Build SFU Account. This amount represents 15% of Build SFU Levy revenues that have been collected beginning as of the Fall 2016 semester.

- E) **Restricted Contingency Fund:** The Restricted Contingency Fund was created by Board resolution in 2016, to ensure that the SFSS had adequate funds set aside to deal with “significant expenses that are not typically part of the SFSS operating or capital budgets. The balance in the SFSS Restricted Contingency Fund is \$752,654.59 as of September 25, 2017, which includes \$100,205.47 in administration fees that were transferred from the Health and Dental Plan. This also includes \$49,033.02 that was transferred from the SFSS operating fund which was approved by Motion Executive 2017-09-01:02 (see attached evidence Prov#3-8)

Recommendation(s):

SFSS has a positive cash flow and has significant reserves set aside in each of the funds that have been established. It is suggested that we hold a Board session that will focus on developing a plan to move the Restricted Contingency Fund to the six months of operating costs threshold, while identifying possible uses of the Space Expansion, Accessibility and Health/Dental Plan reserves.

Policy Provision #4:

Allow payroll or debts to be overdue, or regulatory or statutory remittances to be overdue or inaccurately filed.

CEO Interpretation:

“Payroll” is interpreted to mean regular wages that are paid to SFSS employees. “Untimely” is interpreted to mean regular payroll payments that are processed three business days past the regularly-scheduled payroll date. With respect to debts, “untimely” is interpreted to mean payments that exceed agreed-upon terms by five business days.

Data:

Our payroll is completed by our Finance Coordinators, using the Clarity payroll system. Evidence that payroll has been completed on time, may be found in the attached reports entitled “Cheque Register” (which shows a payroll record for members of the Board as attached Prov#4-1 BOD Stipend) and “Deposit Register” for student staff (which shows a payroll record for student staff as attached Prov#4-2 Student Payroll) and “Deposit Register” for permanent staff (which shows a payroll record for permanent staff as attached Prov#4-3 Perm Staff Payroll).

Payroll remittances and other government remittances are completed and submitted by our Finance Coordinators. All remittances are up to date. The attached “GST/HST Return” (Prov#4-4 GST), payment to “British Columbia Provincial Sales Tax” (Prov#4-5 PST) and payment to “Federal Deductions” (Prov#4-6 Payroll Remittance) are attached as evidence.

Status:

I report compliance.

Analysis:

Our payroll is completed accurately and on time, but is labour-intensive. Payroll is driven by manual timesheets that are approved by the applicable Supervisor (for staff) or VP Finance (for Board stipends).

Recommendation(s):

Our payroll software is old and is in need of an update. It is recommended that we research new integrated finance software solutions that include payroll, accounts payable, accounts receivable, government remittance and basic human resource tracking functions.

Policy Provision #5:

Make a single unbudgeted purchase or commitment of greater than \$20,000 (splitting orders is not an acceptable means of adhering to this proscription).

CEO Interpretation:

The statement is clear. No further interpretation is required.

Data:

The Accounts Payable Cheque Register was printed for May 1st to August 31st. There were 11 cheques, all for budgeted expenses, that exceeded the \$20,000 limit, as follows.

AON Reed Stenhouse:	\$52,155.92	(commercial insurance)
Invgro Investors Group:	\$20,047.01	(CEO incentive RRSP)
Student Care:	\$510,782.40	(Student Health Plan)
SFU:	\$34,899.56	(FAST charge for May’17)
SFU:	\$64,659.93	(FAST charge for Mar’17)
SFU:	\$88,928.66	(BSFU construction loan)

CJSF:	\$55,345.66	(student fees remitted)
Peak Publications Society:	\$72,291.64	(student fees remitted)
SFPIRG:	\$44,260.19	(student fees remitted)
Embark Sustainability Organization:	\$29,506.79	(student fees remitted)
WUSC	\$36,883.49	(student fees remitted)

Please see the attached “Adagio Payable - Check Register” report as evidence Prov#5-1. There were no cheques issued for unbudgeted purchases or commitments in excess of \$20,000.

Status:

I report compliance.

Analysis:

The charges in excess of \$20,000 are for regular, recurring expenditures that are related to the typical functions of the SFSS.

Recommendation(s):

The system is straightforward and reasonable. I have no additional recommendations at this time.

Policy Provision #6:

Acquire, encumber, or dispose of real estate or enter into a lease or licence to occupy real estate for a committed period of more than six months without prior Board approval.

CEO Interpretation:

The statement is clear. No further interpretation is required.

Data:

There have been no acquisitions of real estate during the reporting period, but we did transfer our Food and Beverage-related assets to Simon Fraser University, including space in the Maggie Benston Centre, as part of a Space Surrender Agreement concluded in August 2018. The Space Surrender Agreement was negotiated with the involvement of the Board of Directors and was approved by the Board of Directors.

Status:

I report compliance.

Analysis:

We have continued to explore opportunities for more student space on the SFU Surrey campus, but we have yet to secure a commitment from SFU regarding space in the current building or in the new building that will soon begin construction .

Recommendation(s):

It is recommended that we continue to explore the possibility of securing space on the Surrey campus. Should we not secure a commitment from SFU by November 30th, 2017, it is suggested that we investigate market options near the Surrey campus.