



Semester Report

# SUMMER 2019

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Vice President Finance



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## EXECUTIVE SUMMARY

### Executive Summary

Hello! My name is Tawanda Nigel Chitapi and I am the SFSS 2019/20 Vice President Finance. What a rollercoaster the summer semester has been. As a first time board member, I spent most of my time acclimatizing myself to my role as it is more internally focused, keeping careful account of all monies received and disbursed by or on behalf of the Society as well as ensuring all Society funds are deposited in the appropriate accounts at the financial institution selected by the board (Bank of Nova Scotia).

I sat on three different committees, namely, Finance and Audit Committee (*Chair*), Governance Committee and Build SFU Committee (*Co-Chair*). As chair of the Finance and Audit committee I managed to set priorities for the year, which I will explain in more detail later in this report. Cognizant of limited time, we strongly considered feasibility of our proposed projects and cut short the laundry list to a more streamlined one that is coherent with SFSS 3-year strategic plan

At the Governance Committee I am working on reforming GP-13 'Director Stipend Reduction Policy' to ensure that it is in alignment with how board members operate and how they should be compensated. I also intend on Incorporating more distinct Finance Policies for board members. Currently there is a lot of ambiguity regarding what board members can and cannot do financially. The presence of clear cut finance policies will enable board members to execute their duties efficiently without hesitation.

At the Build SFU committee we focused on the student union building. Conversations focused on the project progress. The project should have been complete by now however there were some delays experienced, some were out of the contractor's control, such as extreme weather conditions. The building is at 90% completion and \$40,035,084.00 has been spent on the project as of August 21, 2019 and we are anticipating an early March 2020 grand opening.

My greatest highlight was understanding the financing system behind the student union building (SUB), I familiarized myself with all contractual agreements from the project financiers to the project contractors as required by my portfolio, **to coordinate the commercial and legal affairs of the society.** I would like to acknowledge the hard work and dedication from our very own Marc Fontaine, Build SFU Manager. From the genesis of this project he has been at the fore, ensuring that the SUB will be a fortress that students will cherish.

## PROJECTS COMPLETED

### BOARD FINANCIAL LITERACY WORKSHOP

#### SUMMARY

As Board of Directors of a multi-million-dollar organization it is of paramount importance that we all understand all financial reporting that is done on the society's financial affairs. Many of our directors are not business students nor have an accounting background, so we found it fit to have a workshop centred on the understanding and reading of financial statements.

#### OUTCOME

During one of our board development sessions we had a financial governance workshop facilitated by Gordon Holley from Vantage Point, an organization that convenes, connects and equips not-for-profit leaders to lift organizational capacity. Gordon gave a thorough explanation of the importance of financial governance in an organization, he highlighted the important facets of financial governance and how to interpret financial statements

#### RESULTS

Board members now have substantial understanding of financial statements, there is still room for improvement, but now we have board members asking pertinent questions which help them better govern the society.

## PROJECTS TO COMPLETE

### INVESTMENT POLICY

#### SUMMARY

The SFSS does not have an Investment policy and thus it does not currently have any external investments in securities and equities. The various funds that SFSS operates, are left with substantial amounts of money lying idle after servicing student services and activities. The SFSS relies on the student fees and levies as its main source of income.

#### OUTCOME

Once an investment policy has been put in place, the society will begin to invest in securities and equities and eventually cease to rely on student fees and levies as its only main source of income. Student groups will have more funds available for their various initiatives, this will allow students to build and host better developed initiatives that accommodate a vast majority of students and build a more connected community.

#### TIMELINE

Fall Semester:

- Draft & Approve Investment Policy
- Consult Investment Management firm/bank

Spring Semester:

- Begin investing

## RISK MANAGEMENT PLAN

### SUMMARY

Over the years the SFSS has continued to grow substantially as an organization. The society operates many departments and thus it is very important to have a risk management plan. Risk Management spreads across all departments however, Finance is one of the major areas of concern. We live in a world governed by laws and regulations that change every so often and so it is important to brace for unexpected circumstances

### OUTCOME

With a risk management plan in place, the society will be able to identify opportunities that it can leverage and benefit from within itself and from surrounding areas. The society will be enabled to foresee harmful events well ahead of time and take necessary precaution.

### TIMELINE

Fall Semester – Begin consultations with relevant firms

Spring Semester – Have an SFSS risk register in place

## FINANCIAL REPORTING AT BOARD MEETINGS

### SUMMARY

It is best practice to present financial reports at board meetings. Currently, financial reports are not presented at board meetings. We intend to come up with a system by which we present financial reports at board meetings to keep board members aware of the financial affairs of the society.

### OUTCOME

Board members stay updated on financial standings of the society. They will ask relevant questions and make proposals that help execute on the society's strategic plan. Currently, policy states that board members can request financial reports from the VP Finance whenever they wish and that the VP Finance should present the reports within 14 days of request. This policy is good but not efficient because Board member rarely ask for these financial reports, however, in order to follow best practice, we are going to implement a system in which some form of financial reporting is done at every board meeting.

### TIMELINE

We would like to start exercising this practice before the end of the fall semester



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Vice President Finance

### SUMMARY

We would love to deliver high quality services to our student groups. We would love our student groups to host high quality events and highly developed initiatives. To do this they need the right amounts of funding. They need to be educated on how to apply for funding, they need to be educated on the types of funding available to them and these townhall meetings intend to achieve this educational piece.

### OUTCOME

This would be a two-way transaction, the SFSS will educate students about the resources available to them and how they can access them. The membership will educate us about what they want from us and the problems they are experiencing. This platform will enable the SFSS and the students to together come up with solutions that help everyone deliver effectively and efficiently.

### TIMELINE

We intend to hold at least two townhall meetings in the fall semester and in the spring semester. Two meetings will help accommodate students that are not able to attend due conflicting schedules.





## DIGITIZING THE CHEQUE REQUISITION PROCESS

### SUMMARY

The current cheque requisition process uses lots of paper and is prone erroneous entries which in turn prolong the reimbursement process when corrective processes are undertaken. The society issues out physical cheques and students have to go through the process of depositing the cheques themselves, this is another area we could save money through buying less of the 'cheque paper'. In order to improve efficiencies, we need to digitize this process and use modern technology to initiate reimbursements.

### OUTCOME

Digitizing the cheque requisition process will enable the SFSS staff to process reimbursements in a very efficient manner and students will receive their money back in a timely manner without having to disrupt their personal budgets. Digitizing this process will allow efficient storage of data and ease of reconciliations. The society will minimize its use of paper and save costs on 'cheque paper' as the digitizing will enable the society to interact e-transfer reimbursements back to students.

### TIMELINE

This process is very costly and very difficult to implement as it involves acquisition of bespoke software. The software will have to integrate and interact with existing accounting softwares that the society uses. Implementing this digitization system may require an overhaul of the entire systems that the SFSS finance department uses. This is a very costly procedure.

This project will continue to be developed into the near future until it reaches a high degree of feasibility. Former VP Finance, Matthew Chow came up with a well detailed proposal for this project and it will definitely be taken into consideration when implementation begins.



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## CONCLUSION

Overall, I have enjoyed settling into my position. There is a plethora of policies and by-laws that we are expected to adhere to and there is still a lot of learning and understanding to be done on my part, most of which will be done through application. As we commence the fall semester, I am excited to serve the student body and execute on the SFSS mission, ensuring students thrive everywhere.

Working with a diverse team of 16 has been an eye-opening experience, it is not easy nor is it difficult, I regard it as an art. An art of human understanding, we are a very diverse team, we come from different backgrounds and faculties, each with a world view of their own. Some team players are in office for their second terms. This diversity strengthens us as a team however it takes great work to reach that level. We have achieved great milestones in this regard, and I am sure we'll reach even further over the course of the fall semester as we serve together.

To successfully execute the VP Finance portfolio, it is of paramount importance to invest adequate time in knowing and understanding all operational policies and by-laws. It important to establish a good relationship with the finance staff and have them educate you on all due processes, this will make your job easier.

Fall will be a very busy semester for us all, the majority of our member clubs and student groups will be active and running their various initiatives. Board members will embark on their regular school schedule as well, however, I can safely say we are ready to serve and deliver on what we all signed up for.

Thank you for reading my report, I hope I have done a great job offering insight of what my portfolio has in plan for the year.

Sincerely,

Tawanda Nigel Chitapi

Vice President Finance



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Vice President Finance