

## Financial Policy

Policy owner: Vice President Operations and Finance

Audience: Members

Approved: Board of Directors (Meeting, April 11 2002)

Last Reviewed: October 13, 2015

Review Schedule: July 2016

### 1 - Introduction

This policy exists in order to ensure the financial affairs of the Students' Union are conducted in a responsible, accountable and effective manner. This document is the basis of operating procedures for financial affairs relating to the URSU.

### 2 - Definitions

- **Disbursement** – any property/service of the Students' Union that is being distributed, or any sum of money that is being paid-out by the Students' Union
- **Preliminary Operating Budget** – the budget, developed and approved by the outgoing Board of Directors, that guides the financial decisions of the Students' Union until the Finalized Operating Budget is passed.
- **Finalized Operating Budget** – the budget, developed and approved by the new Board of Directors that guides the Students' Union until the end of the Fiscal Year.

### 3 - Policy

#### 3.1 - Signing authority

There shall be three signing authorities for the Students' Union of the University of Regina Inc. They shall be the President, Vice-President Operations and Finance and the General Manager of the Students' Union.

- Signing authorities cannot sign any financial disbursements to themselves or a closely associated person (as laid out in URSU's Conflict of Interest and Conflict of Commitment policy)
- The President **or** the Vice President Operations and Finance must sign any financial disbursement of the Union. In the case of a disbursement to an executive they may not sign a disbursement to themselves
- The President and the Vice-President Operations and Finance must sign any contract or that is not a disbursement as defined above
- In times of need, the Board of Directors may appoint another member of the Executive Committee as an alternate signing authority in the event of the unavailability of two of the other signatories if it is decided by the Executive Committee (and ratified by the Board of Directors) that the other two signatories will not be available for at least 15 days. This decision shall be ratified by the Board of Directors

Note: This is an emergency measure that shall not last for more than sixty days. Signing authority in such a case shall be ratified by a motion at the next Board of Directors meeting following the determination of unavailability of the other two signatories. The signing authority of the alternate executive signing authority shall not exceed sixty (60) days. The Board of Directors or Executive Committee may rescind emergency authority before the end of the 60 day period if they deem the emergency has passed.

### ***3.2 - Responsibilities of Signing Authorities***

The signing authorities of the Union shall not commit the Students' Union to any material contract, covenant, financial disbursement, Collective Bargaining Agreement, or any contract or agreement, where there is material or financial consideration without a majority consent from the Board of Directors, with the following exception(s);

- Sponsorship contracts, Employment contracts and service agreements require only majority consent from the Executive Committee

### ***3.3 - Limitations of Signing Authorities***

Signing authorities of URSU may only sign for disbursements when proper approval has been given. Different levels of approval are required for different disbursements.

Unbudgeted expenditures or Budgeted expenditures that relate to the Exec&BOD or PAC pages of the budget shall follow the these guidelines for approval;

- Disbursements of up to \$2000 may be approved by a motion of the Executive Committee
- Disbursements of over \$2000 must be approved by a motion of the Board of Directors

Budgeted Expenditures from the Capital Improvement Fund or from all other Operations line items (ie: line items not included in the Exec&BOD or PAC pages) shall be considered approved once the Budget has been approved by the Board of Directors.

### ***3.4 - Operating Budget***

The fiscal year of the Students' Union of the University of Regina Inc. shall begin on May the 1st of every year and end on April 30<sup>th</sup> of the following year.

Before the end of the fiscal year the outgoing Board of Directors shall pass a preliminary Operating Budget covering all financial aspects concerning the Students' Union before turn-over on May 1. This budget shall be in effect until a Finalized Operating Budget is approved by the new Board of Directors no later than June 30th of each fiscal year.

Upon approval of the Preliminary or Finalized Operating Budget of the Students' Union by the Board of Directors, all items presented in the budget shall be deemed approved and authority to expend in accordance with this policy and as per the budget presented is granted.

### ***3.5 - Mid-year Budget Management***

When managing the budget throughout the year the Executive Committee shall respect the following guidelines.

1. Any decision to make unbudgeted expenditures requires the approval of the Executive Committee and a report to the Board of Directors
2. Requests to make unbudgeted expenditures shall be brought to the attention of either the General Manager of the Students' Union or directly to the Vice-President Operations and Finance (respecting organizational chain of command)
3. The Vice-President Operations and Finance shall present the request to the Executive Committee (or other relevant sub-committee) for their consideration. A majority vote shall authorize the expenditure
  - a. Any item of the above nature that is in excess of \$2000.00 requires the approval of the Board of Directors as per the Limitations of Signing Authorities section of this policy

Upon ratification of the Operating Budget, the Vice-President Operations and Finance is authorized to disburse grants or funds as necessary, in accordance with the regularly accepted practices of the Students' Union and its' policies.

### ***3.6 - Budget Recording & Reporting Norms***

The Vice-President Operations and Finance shall work with the Accounting department to provide monthly summaries of Budget vs. Actuals to the board of Directors. In particular, this report should emphasize emerging trends and significant variances from budget.

Budgeted Expenditures that do not require the approval of the board (ie: from lines other than Exec&BoD, or PAC), that are in excess of \$10,000 shall be reported to the Board of Directors by the Vice President Operations and Finance at the next Board meeting with the following exceptions.

- Operations Costs (paid to the University for retail spaces)
- Insurance
- Payroll

Responsibility for ensuring the accuracy of these expenditures has been delegated to the General Manager & Accounting Department.

### ***3.7 - Standard Budgeting Practice***

The Operating Budget of the Students' Union of the University of Regina Inc. shall normally reflect a 1% surplus of budgeted revenue which may be applied to any cost overruns incurred during the fiscal year.

### ***3.8- Roles and Responsibilities***

#### **3.8.1 - VP Operations and Finance**

The VP Operations and Finance shall;

- Act as a responsible fiduciary member of the organization
- Ensure compliance with this policy throughout the year
- Develop the budget in collaboration with the Executive Committee and the General Manager
- Present the budget to the Board of Directors for approval
- Maintain up to date knowledge of budget actuals throughout the year
- Act as a reference point for questions of budget knowledge

### **3.8.2 - Executive Committee**

The Executive Committee shall;

- Act as responsible fiduciary members of the organization
- Assist the VP Operations and Finance in Carrying out their duties
- Maintain knowledge of budget actuals that impact their portfolio
- Make decisions regarding expenditures of up to \$2000 in executive committee meetings and report those decisions to the Board of Directors

### **3.8.3 - General Manager**

The General Manager shall;

- Assist the VP Operations and Finance in developing the budget
- Provide expertise and institutional memory on budget related questions
- Research or seek out expert advice when providing answers to budget-related questions

### **3.8.4 - Board of Directors**

The Board of Directors shall;

- Act as responsible, loyal, fiduciary members of the organization
- Make final decisions regarding financial disbursements
- Be the final decision making body on appeals regarding financial disbursement decisions made by the Executive Committee
- Review the financial decisions of the Executive Committee

## **4 - Consequences for Noncompliance**

All Executive Committee members and Board of Directors members are required to respect and acknowledge their fiduciary duty to the organization at all times (including disclosing conflicts of interest as they occur; see the policy on Conflict of Interest and Conflict of Commitment).

Failure to make financial decisions that are in the best interests of the corporation can have serious consequences for URSU including poor financial performance and overall organizational failure.

Failure to respect the policy and process laid out here could also lead to a lack of financial transparency that would be damaging to the reputation of URSU and could lead to a loss of confidence among its members and the greater community.

## 5 - Process

### *5.1 - Budget Development Process*

The Preliminary and Finalized Operating budgets of the Students' Union shall be developed using the following process.

1. The Operating Budget shall be subject to review and revision upon the recommendation of the Vice-President Operations and Finance
2. Upon review of the above, the Vice-President Operations and Finance shall present the draft Operating Budget to the Executive Committee for their recommendations
3. The Vice-President Operations and Finance shall then present the Finalized Operating Budget to the Board of Directors, typically two weeks before it is approved
4. The Finalized Operating Budget of the Students' Union shall be passed and ratified no later than June the 30th of the fiscal year

Upon approval of the Preliminary or Finalized Operating Budget of the Students' Union by the Board of Directors, all items presented in the budget shall be deemed approved and authority to expend in accordance with this policy and as per the budget presented is granted.

## 6 - Related Information

Conflict of Interest and Conflict of Commitment policy;

Link to be added

URSU Constitution;

<http://ursu.ca/assets/Documents/2014%20docs/URSU%20CONSTITUTION%20UPDATED%202014.pdf>