AMS 2016-2017
PRELIMINARY BUDGET

Prepared by VP Finance, Louis Retief
WHAT IS PRELIM BUDGET?

- Deadline: No later than April 30th

- “Both the preliminary and the final budget shall include the budget projections adopted by Council the previous year, the actual expenditures and revenues to date, variances, and the next fiscal year’s budget projections for all the Society’s operations, including but not limited to the business operations.”

- Both the preliminary and the final budget shall include a statement of the amount of money in each Fund of the Society, along with a note stating that the amount of money allocated from each Fund shall not exceed the amount of money in the Fund.

- The final budget shall provide a detailed breakdown of revenues and expenditures within each department of the Society, a department in this context meaning an individual student service, Commission, business, staff department or position, executive member, and so forth.
CONTENTS

- AMS Financial State
- AMS Overall Budgeting
- Budget Process
- Budget Features
- Preliminary Budget
- Summary
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AMS FINANCIAL STATE

- Projected budget deficit of FY15/16: $96,162

- Initial budget surplus of FY15/16: $230,000
  
  Reasons:
  - Businesses’ Net Contribution projected decrease of $332,600
  - Increased Expenditures
  - No more Transfers to the Budget from Funds (FY15/16 $342,000)
  - Lack of financial flexibility

- Projected budget deficit of FY16/17: $397,681
  
  - Ceteris paribus
PROPOSED GENERAL MEMBERSHIP FEE REFERENDUM

AMS Fee $38.44

AMS Fee $42.64

$4.20
REFERENDUM FAILED
HOW DOES AMS BUDGET WORK?
**REVENUES**

- Total Fees:  
  - $19,998,330.56
- Business Contribution  
  - $638,814
- Investment Returns  
  - $325,000
- **Total Revenue**  
  - 20,962,144.56
STUDENT FEES

- General Fee
- CPF
- Student Aid Bursary
- Athletics and Intramural
- Ombudsperson
- SASC
- Sub Renewal Building
- WUSC
- Resource Groups
- Lighter Footprint
- International Fee
- Bike Kitchen Fee
- Clubs Benefit Fund
- Childcare Bursary Fee
- CiTR Fee
- Student Legal Fund
- Arts&Culture Fee
- Health and Dental Fee
- Graduating Class Fee
DISCRETIONARY FUNDS

- Non-discretionary Allocation: $18,094,650
- Net Discretionary: $1,992,400
- Transfers from Budget: $172,935
- Businesses: $638,814
- Investments: $325,000
- Administration: -$875,094
- Total Income: $2,165,335
EXPENDITURES

- Total Student Government
  - $851,401
- Total Student Services
  - $598,191
- Total Programs and Publications
  - $444,430
- Contingency
  - $99,620
- Total Expenditures
  - $1,993,644
BUDGETING PROCESS

- All departments were sent an email regarding completing their budget on April 1st
- Two week deadline
- On going Consultation Times
- Had to submit an excel budget, department statement, and department overview
BUDGET FEATURES

- Decentralized Process
  - Departments involved in budget process, budgets are submitted with consulting VP Finance, Budget Committee, and Executive Director

- Bottom-up Approach
  - Budgets prepared by head of departments

- Ongoing Consultation

- Zero based
  - Each department starts from zero; builds its budget up by justifying and revealing each expense under every item line.

- Sustainability and Future Planning
  - Plan ahead of time to avoid making future amendments

- Creative Thinking
  - Manager asked to avoid looking at previous budgets; initially they are not provided with actual spending from previous year
PRELIM BUDGET

- Initial projected budget deficit of FY16/17: $397,681

- Projected Preliminary Budget Surplus of FY16/17: $171,691
  - After budget Com approval
  - Due to 3 reasons
    - AMS Business Contribution
    - AMS Events Missing Line Items
    - Wage Increase Budget
  - Final Budget projected deficit~$60,000
# Large Revenue Variances

<table>
<thead>
<tr>
<th>Description</th>
<th>16/17 Budgeted</th>
<th>15/16 Budgeted</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>WUSC Fee</td>
<td>$255,780</td>
<td>$125,328</td>
<td>Referendum</td>
</tr>
<tr>
<td>Arts and Culture Fee</td>
<td>$73,500</td>
<td>$0</td>
<td>Referendum</td>
</tr>
<tr>
<td>Business Contribution</td>
<td>$638,814</td>
<td>$350,000</td>
<td>Next few slides</td>
</tr>
<tr>
<td>Transfers from Budget</td>
<td>$172,935.9</td>
<td>$689,229</td>
<td>Funds depleted</td>
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## Large Expense Variance Decreases

<table>
<thead>
<tr>
<th>Description</th>
<th>16/17 Budgeted</th>
<th>15/16 Budgeted</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee</td>
<td>$50,228.5</td>
<td>$72,250</td>
<td>Governance Review</td>
</tr>
<tr>
<td>Vice-President Admin</td>
<td>$125,107</td>
<td>$140,261</td>
<td>Office Restructure</td>
</tr>
<tr>
<td>Vice-President External</td>
<td>$82,258</td>
<td>$102,269</td>
<td>ABCS Fees</td>
</tr>
<tr>
<td>SASC</td>
<td>$134,034</td>
<td>$156,422</td>
<td>Donation</td>
</tr>
<tr>
<td>Block Party</td>
<td>$0</td>
<td>$53,474</td>
<td>Next few slides</td>
</tr>
<tr>
<td>Welcome Back BBQ</td>
<td>$0</td>
<td>$37,834</td>
<td>Next few Slides</td>
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# Large Expense Variance Increase

<table>
<thead>
<tr>
<th>Description</th>
<th>16/17 Budgeted</th>
<th>15/16 Budgeted</th>
<th>Justification</th>
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</thead>
<tbody>
<tr>
<td>Council Orientation</td>
<td>$14,150</td>
<td>$1,100</td>
<td>President Funds, Local Location</td>
</tr>
<tr>
<td>Volunteer Avenue</td>
<td>$25,551.4</td>
<td>$20,088.1</td>
<td>Additional Assistant Coordinator</td>
</tr>
<tr>
<td>FoodBank</td>
<td>$25,612.4</td>
<td>$17,082.5</td>
<td>Additional Assistant Coordinator</td>
</tr>
<tr>
<td>SafeWalk</td>
<td>$129,948.6</td>
<td>$115,684</td>
<td>First full year of operations.</td>
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<tr>
<td>Vice-President Finance</td>
<td>$123,549.5</td>
<td>$106,711</td>
<td>VP Admin Restructure, Position start time</td>
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<tr>
<td>AMS Events</td>
<td>$162,674</td>
<td>$142,430</td>
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</tr>
</tbody>
</table>
1. AMS BUSINESSES

- Current Project Contribution for FY16/17: $638,814

- Organization Chart Updates Overall Savings: $426,581

- Projected Business Contribution = $212,233
  - Based on revised outlet operations
2. Missing Line Items in Prelim

- Block Party:
  - Huge Cost this year, we need to discuss future of block party. Current financial projects make it not feasible
    - Last year we budgeted for only $53,474 where actual projections for Block Party Cost from this year will be $150,000+

- Welcome Back BBQ:
  - New Location needs to be figured out. No good estimate currently
    - Last year budgeted was $37,834 due to location move we estimate it will be $50,000+
## WAGE INCREASE

<table>
<thead>
<tr>
<th>Tier</th>
<th>Current Wage</th>
<th>Proposed Wage</th>
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<tbody>
<tr>
<td>Tier 1</td>
<td>$10.50</td>
<td>$11.25</td>
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<tr>
<td>Tier 2</td>
<td>$11.25</td>
<td>$12.17</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$12.25</td>
<td>$13.16</td>
</tr>
</tbody>
</table>

- Proposed increase starting in May costs: **$26,035.61**
- Proposed increase starting in September costs: **$18,224.93**
We have made huge leaps with the budget so far but there are a number of items which still need to be included.

Anna will be bring a presentation to council when she has a better idea of costs for Block Party and Welcome Back BBQ so we can discuss our options for these.

We need to have a discussion regarding when to start the Tier increases for Staff if that is in September or May.
Consultation Period
- May 9\textsuperscript{th}-14\textsuperscript{th} 2016
- Nest 3526 Monday-Friday, 10:00am-12:00pm + Office Hours
- Available by email as well: vpfinance@ams.ubc.ca

Final Budget will go to Budget Committee by June 8\textsuperscript{th}

Final Budget Sent to Council by June 22\textsuperscript{nd}

Council Approval June 29\textsuperscript{th}