



## THE ALMA MATER SOCIETY OF THE UNIVERSITY OF BRITISH COLUMBIA

### AMS Governance + Finance Joint Committee Meeting

Agenda of August 26th, 2019

#### Attendance

Present from Governance: Katherine Westerlund (Chair), Jeanie Malone (Councillor), Kevin Zhang (Councillor), Cole Evans (VP Administration), Sheldon Goldfarb (AMS archivist - non-voting),

Present from Finance: Michelle Marcus (Councillor), Lucia Liang (VP Finance), Chris Hakim (President), Grace Ji (AVP Finance, non-voting), Keith Hester (Managing Director, non-voting)

Guests:

Regrets: Tyra Phillips (Councillor), Dylan Braam (Student at Large), Nicholas (Councillor)

Recording Secretary: Grace Ji

#### Call to Order

The meeting was called to order at 4:46 PM.

#### Introductions

*All present attendees introduced themselves.*

#### Approval of Agenda

Moved: Lucia

Seconded: Chris

That the agenda be adopted.

*The motion carries unanimously.*

#### Approval of Minutes

Moved: [Name]

Seconded: [Name]

That the minutes of August 19th, 2019 be approved.

~~*The motion carries. The motion carries unanimously. The motion fails. The motion fails unanimously.*~~

## Approval of Elections Code Modifications - 10 mins

Check in the drive: Working code/Elections (or linked in this meeting's folder)

- [Katherine]: The reason why we're bringing in the finance committee into this discussion is because of the overlap in issues (e.g. elections reimbursements).
- [Chris/Lucia]: Can you give a recap on what's happened?
  - [Katherine]: We created a document related to elections policy and procedure and had comments from the Chief Elections Officer. A few changes were made (e.g. Chief Elections Officer became the vice chair of the elections committee, there was a delineation of resources that would be qualified for reimbursement). The key change relates to the limits relating to elections expenses. I'd like to ask the governance committee to vote on this motion.

Moved by: Cole

Seconded by: Kevin

"BIRT the Governance Committee recommends the changes outlined in the attached document to the AMS Code regarding elections for council approval."

Passes unanimously (fincomm abstains).

## Budget Process Review - 50 mins

Check in the drive for notes and recommendations!

- [Katherine]: The conclusion from the U15 research initiative from the president's office was that for most universities, the budgeting timeline was longer for most other student unions.
- [Chris]: We benchmarked what student unions in the U15 group were doing for their budgeting process as we considered their procedures best practices. We noticed that other student unions had longer budgeting timelines (6 month period). The specific timelines varied and I can provide more details if you'd like more information on that. We also looked at how other student unions managed their finances and saw that their fee-receiving groups provided quarterly reports from those groups. We noticed that there's a lower bar of accountability for the fee-receiving groups (e.g. Student Legal Fund). Have very rarely received information about the usage of this fee. We should be encouraging the fee-receiving groups to be providing reports but we also recognize that there is difficulty among those groups to be creating these reports due to availability

limitations. Our recommendation is to provide more support and resources (e.g. by providing a report template). Among our executive goals, we wanted to be reviewing the efficacy of fees and funding in today's terms and I believe we should be doing this review on a regular basis. Expanding a bit more on the budgeting process, we start the budgeting process on Jan 1st and end it on June 30th. Bylaws say we need to have a budget by June 30th. Between March 1 to the end of March, departments would specify their funding requirements for the upcoming fiscal year. If funding is requested in perpetuity, we would need to be reviewing those expenditures for efficacy. Between April 1st and 30th, the budget would be prepared for council and reviewed. This timeline would align better with the elections timeline as well as the outgoing executives would have more experience and understanding of their portfolios.

- [Katherine]: That's similar to what the EUS does as well. We start in February and we leave a cap for any changes between new executives. What needs to go in code?
- [Chris]: Fees and funds review
- [Sheldon]: Review by whom and when would that be?
  - [Chris]: Finance Committee. November to the end of January.
- [Michelle]: Do other schools do these reviews annually?
  - [Chris]: It depends. A lot of student unions don't have as many fees and as such, it's easier for them to review their fees; I believe that this is still a good best financial practice.
- [Michelle]: I think it makes sense to increase accountability. Will this be equal between different groups?
  - [Chris]: The reporting processes are intended to be the same for all funds and fees, regardless of who is receiving them
- [Michelle]: There should be consultation with these groups. Also, we should consider ways to be advertising/promoting these underutilized fees. And if we're planning on eliminating a fee, we should be bringing those groups in and allow them to make their case.
  - [Chris]: This is why we propose providing a template for these reports to streamline the process. I agree with your point about utilization/efficacy of funds (e.g. SLF).
- [Sheldon]: What about the implementation?
  - [Chris]: We'll be working together to create something that works in practice.
  - [Sheldon/Keith]: You'd have to consider a situation where outgoing executives are unengaged.

- [Cole]: How does this affect outgoing executives setting precedent for incoming executives? My concern is that it limits flexibility moving forward and might differ significantly from the previous executive's.
  - [Katherine]: The way I see this is as a benchmarking tool. There will be ranges that the incoming executives can adjust their budgets by.
  - [Chris]: The previous executives will be creating these budgets as a foundation given their expertise. And if the finance committee agrees with their rationale, incoming executives can make larger changes to the budget where necessary.
- [Cole]: What if there was a forecast, preliminary, and final budget at the end of June?
  - [Chris]: You'd end up running into the same problem as we currently have.
- [Cole]: Then on the topic of subsidiary organizations, what is the incentive for a club to submit a quarterly report and what happens to them if they don't do it?
  - [Chris]: As long as you're building these reports, you're also building confidence within the community about the efficacy of reports which would be an incentive. If a group would want to The disincentive would be that if students don't see these reports, students would be more inclined to remove underutilized/inefficiently-managed fees.
  - [Katherine]: Students would start considering ways to delete fees and I would recommend making these reports public and send them to UBC.
- [Katherine]: Why don't we call it a "foundational budget" instead of a preliminary budget?
  - [Chris]: You would finish the proposal stage before you get to the preliminary budget. The preliminary budget would be 85% of the new budget. The reason we have two extra months in this process is because of the bylaw restriction and because we want incoming executives to have their say as well.
  - [Katherine/Cole]: By limiting too much year-to-year for the new executives, it might stifle new ideas by the new executives. Would incoming executives have the ability to make the changes to the budgets that are proposed in their platforms.
  - [Chris]: Of course.
  - [Cole]: For executives' budgets, it's similar to what Katherine has brought up.
  - [Michelle]: So there would be a pool of money for incoming executives to use?
  - [Katherine]: There would be some amount that remains unallocated. This prevents previous executives' budgets from being rigidly used.
  - [Chris]: The real player here is the finance committee and coming to the committee for changes where necessary.

- [Katherine]: My concern is the framing of the term “preliminary budget”, the perception is that it’s closer to the official budget. That’s why I would recommend calling it “foundational”.
- [Sheldon]: Alim’s proposal was that 80% of the budget would be done the outgoing executives and the remaining 20% would be done by the incoming executives.
- [Cole]: I tend to agree from a perception point of view that the word “preliminary” creates a framing issue.
- [Chris]: I think calling it a “foundational budget” diminishes the budget.
- [Katherine]: I think there’s a point for diminishing that previous budget in case the incoming executive plans to change the budget significantly.
- [Michelle]: I’d like to see consultation with the fee-receiving groups. Another thing is that there was a lot of discussion about the actuals and I’m curious if that’s another thing we’ll be looking into to ensure they’re real-time.
  - [Lucia]: I was thinking about that while creating this slideshow. If council wants to see the provisional actuals, it would be generated by the end of May and the audited actuals would be completed by September. It depends on what council want to see.

### **Next Meeting**

The next scheduled meeting is September 9th, 2019.

### **Adjourn**

The meeting was adjourned at 5:41 PM.