Alma Mater Society
Three Year Financial Plan
2024 - 2027
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Message from the VP Finance

The Alma Mater Society (AMS) of UBC Vancouver stands at a pivotal juncture as we embark on a journey to fortify our financial foundation and enhance the value we deliver to our members. This three-year financial plan is crafted amid dynamic challenges and opportunities, reflecting our steadfast commitment to operational excellence, financial stability, and community engagement.

As the lifeblood of the AMS, our financial health is integral to sustaining and expanding the breadth of services and initiatives that touch the lives of thousands of students at UBC. The past years have presented us with a landscape marked by fluctuating financial trends, necessitating a strategic approach to navigate the complexities of fund management, revenue generation, and expenditure control.

Our financial narrative is one of resilience and foresight. Faced with a deficit that posed significant challenges, the AMS has taken decisive steps to recalibrate its financial strategy to address the immediate fiscal constraints and lay down a robust framework for future prosperity. This plan, therefore, is a comprehensive blueprint that encapsulates our financial goals, strategies, and action plans, meticulously designed to ensure the AMS’s evolution into a financially sustainable and operationally efficient organization.

In the forthcoming pages, we will delve into the intricacies of our financial landscape, exploring the current status, the lessons learned, and the strategic imperatives that will guide our financial trajectory over the next three years. We aim to achieve a balanced budget, foster financial growth, and continue to support the vibrant community of students, clubs, and organizations that form the core of the AMS.

This plan sets the stage for a detailed examination of our financial strategies and objectives, beginning a transformative journey toward achieving financial excellence and operational superiority. As we unfold the pages of this plan, we invite all stakeholders to engage with our vision, understand our strategies, and contribute to the collective endeavour of shaping a prosperous future for the AMS and its constituents.

Abhiudai Mishra
Vice-President, Finance (2023-2024)
Executive Summary: AMS Three-Year Financial Plan

The AMS is embarking on a strategic journey to establish a robust financial foundation. It aims to erase its current deficit and foster sustainable growth. This three-year financial plan outlines our comprehensive approach to achieving financial stability, enhancing operational efficiency, and supporting the AMS' mission to improve the academics and social life at UBC.

Financial Health and Stability
The AMS begins this plan facing a deficit of $556K, with a strategic goal to eliminate this deficit and build a surplus to support future initiatives. We aim to reduce the deficit by at least $185K annually through meticulous financial management and strategic cost-saving measures. Initiatives like the repurposing of dormant funds, the establishment of a health and dental reserve, and the careful reallocation of resources are pivotal to our strategy.

Revenue Enhancement
Our plan prioritizes revenue diversification and growth, targeting an increase in both traditional and new revenue streams. This includes enhancing sponsorship opportunities, optimizing fee structures, and exploring new business ventures that align with student needs and community values. By increasing the financial contributions from these areas, AMS intends to build a more diverse and stable revenue base.

Operational Efficiency and Community Engagement
Operational excellence is at the core of our strategy, focusing on streamlining processes and improving resource allocation. Implementing advanced digital tools and management systems will facilitate more efficient operations, leading to cost savings and better service delivery. Concurrently, fostering a strong sense of community and engagement among students and stakeholders is fundamental. We aim to enhance the overall AMS experience through improved funding mechanisms and support structures.

Strategic Investments and Long-Term Planning
Looking beyond the immediate three-year horizon, the plan lays the groundwork for strategic investments in areas critical to long-term success. This includes capital improvements, technology upgrades, and program enhancements that will drive future growth and innovation. Our financial planning is aligned with these long-term objectives, ensuring that current actions support future aspirations.
AMS’s three-year financial plan is a roadmap to financial recovery and sustainability, underpinned by strategic revenue enhancement, cost management, and investment in our community. Through diligent execution and continuous monitoring of this plan, we are committed to ensuring a financially robust and vibrant AMS that effectively serves the UBC student body.
Financial Analysis & Overview

Fiscal Year 2022-2023 Overview
The AMS has navigated a challenging fiscal environment marked by operational hurdles and financial constraints. The financial year ending April 30, 2023, presented mixed outcomes, with the AMS demonstrating resilience and strategic financial acumen. The year concluded with a cash position of $5,124,248, reflecting an improvement from the previous year’s $3,560,147. This upturn in liquidity indicates successful management of cash flows attributable to rigorous financial controls and enhanced revenue generation strategies.

Revenue Streams
The AMS’s financial structure is underpinned by diverse revenue streams, encompassing student fees, health and dental fees, and revenues from commercial operations. Total revenue for the year stood at $27,972,411. These funds are pivotal in sustaining AMS’s services and initiatives, including student advocacy, community engagement programs, and infrastructural developments.

Expenditures and Financial Management
Expenditure for the year was recorded at $29,114,275, leading to a budget deficit of $1,141,864. This deficit underscores the AMS’s financial challenges, necessitating a strategic expenditure management and resource allocation approach. The AMS has proactively addressed these financial challenges, which are evident in the strategic allocation of funds across various operational and developmental activities.

The organization’s commitment to maintaining a robust financial standing is further illustrated by its fund management strategies. Various funds, each with a specific purpose, are meticulously managed to ensure alignment with the AMS’s strategic goals and student-centric mission. These include funds for athletics and intramurals, capital projects, and essential student services like childcare and health and dental benefits.

Audit Insights and Future Directions
The recent audit provided critical insights into the AMS’s financial practices, highlighting areas for improvement and offering recommendations to enhance financial stability and operational efficiency. Key observations included the necessity for timely financial agreement renewals, particularly the banker’s acceptance with RBC, to prevent the reclassification of long-term liabilities as current. Furthermore, the audit emphasized the need for a more robust internal control system, recommending improvements in the financial transaction documentation and filing system.
The AMS’s financial future hinges on its ability to implement these audit recommendations effectively, focusing on renewing financial agreements in a timely manner and enhancing the accuracy and accessibility of supporting documentation for financial transactions. These measures ensure the AMS’s financial health and operational viability.

Conclusion
In summary, the financial analysis of AMS for the fiscal year 2022-2023 paints a picture of an organization at a critical juncture, facing financial challenges yet poised for strategic growth and improvement. The AMS’s ability to adapt to financial pressures, coupled with its commitment to strategic fund management and operational excellence, will be crucial in navigating the complexities of the fiscal landscape and continuing to provide valuable services to the UBC student community. As the AMS moves forward, the focus will remain on enhancing financial stability, operational efficiency, and overall service delivery to ensure the long-term success and sustainability of the organization.
Strategic Financial Goals & Objectives

Overview
The AMS aims to achieve a financially robust framework over the next three years through strategic goals and objectives focused on deficit reduction, revenue generation, and cost management. The overarching aim is to establish long-term financial stability and growth, ensuring the AMS can continue to provide high-quality services and support students.

Year 1: Stabilization and Deficit Reduction
- Goal 1: Reduce Operating Deficit
  - Objective: Achieve a 33% reduction in the current operating deficit through targeted cost-saving measures and operational efficiencies.
  - Strategies: Implement process optimizations, reduce unnecessary expenditures, and renegotiate contracts to lower costs.
- Goal 2: Enhance Revenue Streams
  - Objective: Increase revenue by $150,000 through partnerships, sponsorships and fundraising initiatives.
  - Strategies: Enhance fundraising through alumni and corporate partnerships to support and offset costs related to services and projects.

Year 2: Consolidation and Growth
- Goal 1: Achieve Budgetary Balance
  - Objective: Eliminate the operational deficit and achieve a balanced budget through continued financial discipline and revenue diversification.
  - Strategies: Continue cost control measures, increase efficiency in AMS operations, and consolidate gains from new revenue initiatives.
- Goal 2: Invest in Sustainable Growth
  - Objective: Reinvest surplus funds into strategic areas to promote sustainable growth and enhance student services.
  - Strategies: Allocate funds towards high-impact projects, technology upgrades, and capital investments that support long-term operational success.
Year 3: Expansion and Long-term Stability

- Goal 1: Establish Financial Reserves
  - Objective: Build financial reserves equivalent to 15% of the annual operating budget to safeguard against future uncertainties.
  - Strategies: Develop a reserve fund policy, allocate annual surpluses to reserve funds, and invest in low-risk financial instruments.

- Goal 2: Promote Revenue Growth and Diversification
  - Objective: Increase revenue by 15% from diversified sources, reducing reliance on traditional income streams.
  - Strategies: Develop new business units, expand into digital services, and enhance partnership models to create sustainable revenue channels.

Long-term Financial Stability and Growth
To ensure the enduring financial health of the AMS, it is imperative to build a robust financial foundation that can withstand economic fluctuations and support the evolving needs of the student community. This involves establishing a culture of financial responsibility, innovation in revenue generation, and prudent investment in strategic initiatives that align with the AMS’s mission and values.

- Sustainable Financial Planning
  - Develop a long-term financial model that projects 5 to 10 years into the future, incorporating trends analysis, risk assessment, and scenario planning.

- Continuous Improvement and Innovation
  - Foster a culture of continuous improvement and innovation in financial management to adapt to changing circumstances and leverage new opportunities.

- Engagement and Transparency
  - Enhance stakeholder engagement and transparency in financial reporting to build trust and ensure accountability

By meticulously implementing these strategic financial goals and objectives, the AMS is poised to achieve a stable and prosperous financial future, enabling it to continue its mission of enriching the university experience for its members.
AMS THREE YEAR FINANCIAL PLAN (2024-2027)
YEAR 1: IMMEDIATE ACTIONS FOR STABILIZATION

In the initial year, the AMS will concentrate on establishing a solid financial foundation and addressing the pressing need to reduce the operational deficit. The approach will be multifaceted, targeting both revenue enhancement and cost-effective measures implementation.

Developing a Strategic Sponsorship Approach
The AMS will craft a comprehensive sponsorship strategy to foster collaborative relationships with corporate partners, alumni, and community organizations. This strategy will enhance funding and build long-term partnerships that align with AMS’s values and support its mission. To develop this strategic approach, potential addition of personnel and defined staff responsibilities to support the research, outreach, development, and maintenance of sponsorships and partnerships.

Financial Policy Review and Enhancement
A thorough review and update of financial spending policies will be undertaken to ensure clarity and accountability. This will involve setting stringent guidelines for expenditure, enhancing the approval process, and ensuring transparent financial practices. At the time of writing, there are only three FN policies which range from investment relating to general portfolio breakdowns, credit card usage and good practices, and Executive expenditures pertaining to phone bills, alcohol and travel. These policies are limited in both amount and depth which presents the issue of solidified policy which adheres to long-term financial health of the society.

Executive Expenditure
AMS Executive portfolios require improved accountability to budgeted allocations and planning that weighs costs and benefits of events and initiatives. To ensure this, AMS Executives are to be required to submit monthly reports to keep track of spending and reduce variance. In addition, events and initiatives will be planned with proposal documents to support budgets including risks, and benefits rationale.

Operational Grants and Funding
The AMS will actively seek operational grants and other funding opportunities to support departmental programming and operations, enhancing the organization's ability to deliver high-quality student services.
Budgeting and Financial Tracking Improvements

The AMS will enhance its budgeting and financial tracking. By having improved regularity of financials, the organization can make informed strategic decisions and maintain fiscal accountability. This includes implementing tracking and analysis to identify and address budgetary discrepancies swiftly. Better monitoring of financials data can be collected in regards to annual and term intakes from fees, scheduled and day-to-day expenditures and usage of reserves will provide information that leads to better calculated operations and long term budgeting.

Quarterly Reporting on Funds

Currently AMS Funds report is released annually in Q3, highlighting fund intake, usage and insights into the fund. To stay up to date with the status of funds, fund reports are to be released quarterly with existing quarterly financial reports. In tandem with the aforementioned financial tracking, these reports on funds will provide better insight of intake and usage which will in turn allow for better strategic usage of funds and increased transparency of how students’ money benefits students.

Budget Transparency and Departmental Alignment

A key focus will be ensuring transparency in budget goals across all departments. This will involve setting clear financial objectives aligned with the broader goals of the AMS and conducting regular meetings to review financial performance against these goals. Departmental goals requires timelines set in tandem with the Executive goals in fiscal Q1. Goals and updates will require integration of Key Performance Indicators to track tangible progress of expected outcomes in line with the budget.

Labor Cost Management

A critical analysis of labor expenses will be conducted to identify opportunities for more efficient labor management. This may include leveraging programs like work-learn and Canada summer jobs to optimize staffing costs. To further support the rising cost of labour, applications towards student work grants will help to to subsidize wages of staff employed by the AMS such as sustainability, and arts and culture focused employment grants.

Enhancing F&B and C&C Revenue

The AMS will refine its strategies in Food & Beverage (F&B) and Conferences & Catering (C&C) operations to boost their revenue contribution. This will involve menu optimization, pricing adjustments, and marketing strategies tailored to increase customer engagement and sales. To better understand the status of businesses from customers to operations, data collection will be paramount to the successes of creating strategies. Data collection may come from current point-of-sales information, and implementation of student surveys on food outlets and nest experience
Finance Team Restructuring

To support these initiatives, the Finance team will be restructured to add more resources, improving the organization’s ability to manage finances effectively and respond to dynamic financial challenges. Strategic utilization of project management tools and training will be highly beneficial to the finance team for efficient execution of day-to-day and initiative-based tasks and development of financial knowledge.
YEAR 2:
CONSOLIDATION AND GROWTH

In the second year, the focus will shift towards solidifying the financial stability achieved in Year 1 and fostering growth.

**Continued Financial Strategy Implementation**
The financial strategies established in Year 1 will be continued and expanded upon, focusing on solidifying revenue streams and enhancing operational efficiency.

**Investment in Growth Areas**
Strategic investments will be made in growth areas, particularly those leveraging digital technologies and new market opportunities. This will include expansion of new customer loyalty programs, upgrades to point of sales systems, as well as the audio-visual systems within the building.

**Financial Policy and Practice Reevaluation**
The financial policies and practices will be reevaluated to ensure they align with the AMS’s growth objectives. This will include reviewing financial management practices to identify areas for further efficiency gains and strategic investment.
YEAR 3: SUSTAINABILITY AND EXPANSION

The final year will concentrate on ensuring long-term financial sustainability and preparing for future expansion.

Eliminating Operational Deficit
The primary goal will be to eliminate the operational deficit and establish a financially sound foundation for the AMS.

Establishing Reserve Funds
Building robust financial reserves will be a priority to provide a safety net against future financial uncertainties and ensure the sustainability of operations.

Revenue Diversification and Strategic Investments
The AMS will focus on diversifying its revenue sources and making strategic investments in areas with the potential for high returns and long-term benefits. This will include exploring new business models, expanding into untapped markets, and investing in innovations to drive future growth.

Throughout these three years, the AMS will employ a strategic, methodical approach to financial management, ensuring that each action and initiative is aligned with the overarching goal of establishing a sustainable and growth-oriented financial framework. Regular monitoring and evaluations will be integral to this process, allowing for timely adjustments and ensuring that the AMS remains on track to achieve its financial and operational objectives.
KEY PERFORMANCE INDICATORS (KPIS)

A structured approach to monitoring, evaluation, and reporting is crucial to ensure the AMS effectively implements and benefits from its three-year financial plan. This approach hinges on well-defined Key Performance Indicators (KPIs) and financial targets, facilitating ongoing financial performance assessments and strategic alignment.

The following Key Performance Indicators are crucial to the successful implementation of this financial plan:

**Deficit Reduction:**
- **Target:** Achieve a 33% annual reduction in the operating deficit.
- **Metric:** Year-end deficit figures will be compared against the baseline year to measure progress.
- **Strategy:** Implement cost-saving initiatives and revenue-enhancing measures systematically across all departments.

**Revenue Growth:**
- **Target:** Aim for a 5% year-over-year increase in total revenue across all AMS revenue streams.
- **Metric:** Annual revenue increase, with specific areas of focus identified based on market trends and opportunities.
- **Strategy:** Expand commercial activities, develop new market ventures, and enhance fundraising efforts.

**Executive Cost Management:**
- **Target:** Restrict expenditure variance to a maximum of 5% per fiscal year for Executive portfolio projects, events and initiatives.
- **Metric:** Expenditure variance rate in relation to the overall financial health and strategic priorities.
- **Strategy:** Optimize operational efficiencies and implement evaluation criteria prior to planning projects, events and initiatives to manage and reduce costs.

**Cash Reserve Buildup:**
- **Target:** Establish a policy or amendment to code to outline the building of a cash reserve
- **Metric:** Incremental growth in reserve fund as a percentage of the operating budget.
- **Strategy:** Allocate surplus funds to reserves, ensuring financial stability and readiness for unforeseen expenditures by providing conditions
Space Utilization:
- Target: Increase contribution per square foot by AMS operated businesses and services.
- Metric: Revenue generated per square foot of utilized space.
- Strategy: Maximize the use of AMS spaces through effective layout planning and multi-purpose usage.

Capital Investment Efficiency:
- Target: All capital projects must demonstrate a positive net benefit through cost-benefit analysis.
- Metric: Cost-benefit analysis as an overall evaluation of impact assessed for each project
- Strategy: Prioritize and manage capital projects with greater positive net-benefit to the financial stability of the AMS. Taking into account of the tangible and intangible benefits of projects which may not be fully apparent through financial gains.

Net Contribution Rate:
- Target: Increase the net contribution rate to 4-5% for AMS operated businesses.
- Metric: Net income as a percentage of total revenue.
- Strategy: Improve operational efficiency and profitability of services and commercial activities.

Labour Cost Management:
- Target: Reduce labour costs as a percentage of sales.
- Metric: Labour cost ratio to total sales.
- Strategy: Optimize staffing levels, enhance productivity, and consider alternative staffing solutions like work-learn programs.

AMS Events Performance:
- Target: Develop annual event reports with internal KPIs.
- Metric: Program expense ratios, cost per attendee, gross margin rate, and efficiency ratio.
- Strategy: The Events Manager will establish specific KPIs to assess the success and profitability of events, ensuring they align with AMS's financial goals.

Quarterly and Annual Review Processes
- The AMS Finance Committee and the VP of Finance will conduct quarterly reviews to assess the progress against the set KPIs. These reviews will involve analyzing financial statements, budget variance reports, and other relevant financial documents to ensure ongoing alignment with the strategic financial goals.
- Annually, a comprehensive evaluation will be conducted to review the year’s financial performance in detail. This will include assessing how effectively the strategic financial goals were met, focusing on areas such as deficit reduction, revenue enhancement, cost management, and capital investment returns.
**Adjustment Mechanisms:**

- Based on the outcomes of the quarterly and annual reviews, the AMS will adjust its financial strategies as necessary to ensure they remain aligned with overarching financial objectives. For instance, if revenue growth is not meeting targets, the AMS may explore additional revenue streams or enhance marketing efforts for existing services.
- Should expenditure exceed planned levels, immediate action will be taken to identify and mitigate overspending. This could involve renegotiating contracts, streamlining operations, or delaying non-essential capital projects to control costs.
- Regular feedback loops will be established between the Finance Committee, AMS executives, and department heads to ensure swift communication and decision-making regarding financial performance data.

Through this structured approach to monitoring, evaluation, and reporting, the AMS aims to maintain tight control over its financial operations, ensuring the achievement of its short-term financial targets and the realization of its long-term strategic financial objectives.
Conclusion and Future Outlook

The three-year financial plan for the AMS represents a pivotal roadmap designed to navigate the organization's complex financial landscape. Its strategic importance cannot be overstated, as it sets the foundation for achieving financial stability, operational efficiency, and sustainable growth. By focusing on deficit reduction, revenue enhancement, cost management, and strategic investments, the AMS is positioning itself to overcome current financial challenges and capitalize on future opportunities.

The financial plan is integral to the AMS's long-term success, ensuring that resources are allocated effectively to support its mission and objectives. Through diligent implementation of this plan, the AMS will address its immediate financial concerns and lay the groundwork for a prosperous and stable financial future. The plan’s emphasis on regular monitoring and evaluation, guided by clear KPIs, ensures that the AMS remains agile and responsive to changing financial circumstances, allowing for strategic adjustments to stay on course.

Looking beyond the three-year horizon, the AMS envisions a future where financial stability and growth are not merely aspirations but tangible realities. Post-plan, the organization aims to have established a robust financial reserve, a diversified and resilient revenue portfolio, and a culture of financial accountability and efficiency. This will enable the AMS to invest more in student-focused initiatives, infrastructure improvements, and innovative services that enhance the university experience for its members.

In conclusion, the three-year financial plan is more than a fiscal strategy; it is a commitment to the Alma Mater Society’s values, a response to its challenges, and a testament to its aspirations for growth and excellence. By adhering to this plan, the AMS is poised to achieve a future marked by financial health, operational vitality, and an unwavering dedication to serving the diverse needs of the UBC student community.
Roadmap: Annual Goals

Year 1: Stabilization and Deficit Reduction

Enhancing Revenue Streams
- Increase revenue by $150,000 through new partnerships, services and fundraising initiatives.
- Expanding commercial activities and new markets, and increasing corporate sponsorships

Reducing Operating Deficit
- 33% reduction through cost-saving measures and increased operational efficiencies.
- Optimizing processes, reducing unnecessary expenditures and renegotiating contracts

Budgetary Balance
- Eliminate operational deficit to achieve a balanced budget through continued financial discipline and revenue diversification.
- Continue cost control measures, increase operational efficiency and consolidate new revenue gains

Sustainable Growth Investment
- Reinvest surplus funds to promote sustainable growth and enhance student services.
- Allocating funds to high-impact projects, and technology and capital infrastructure upgrades

Year 2: Consolidation and Growth

Year 3: Expansion and Long-Term Stability

Financial Reserves
- Build reserves equivalent to 15% of annual operating budget to safeguard against future uncertainties.
- Developing a reserve fund policy, allocating surpluses to reserve funds and investments.

Diversified Revenue Growth
- Increase revenue by 15% from diversified sources, reducing reliance on traditional streams
- Developing new business units, expand into digital services, enhance partnership models.