



# VP Finance Mid-Mandate Report

Engineering and Computer Science Association

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Prepared for: ECA Council

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## I INTRODUCTION

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In order to avoid going into an expense-by-expense breakdown of the fall semester, I will start by outlining our current funding structure, and before going into the details of individual events, I figured I would start with the funding structure as it currently stands, and my comments and suggestions. I will also briefly speak on some of the financial projects and changes to the workflow that have been implemented this year.

## 2 FUNDING STRUCTURE

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A large part of the money the ECA collects through its per-credit fee levy, and all of the money earmarked for student projects in the equipment fund levy (flat rate: \$30/semester full time, \$15 part time) go to fund projects undertaken by our societies. This has made accurate record keeping difficult in the past, however the new financial structure implemented over the last two years has allowed us to keep accurate records of the money being spent, and has allowed the Directors (ie. ECA execs) to guide the strategic interests of the organization by restricting funds to specific types of events. The composition of Council, make it so that this is the most important part of our financial practices, and almost all other funding decisions do not receive a modicum of scrutiny, something that should definitely change in the future.

## 2.1 Society Funding

As I mentioned earlier, the funding of the various societies is always a contentious issue. Every year societies request hundreds of thousands of dollars from the ECA to fund their projects, and we are only able to provide a small fraction of this funding. In the last three years (including this year) societies were asked to submit a budget outlining their expended income/revenue for the year. This budget serves not only as a request for funding, but allows us to track their expenditures throughout the year as the requests for reimbursements start to roll in. Below is a summary of the amounts requested per society by budget category along with the total amounts funded.

| Anticipated Cash Flow (All Societies) |                     |                     |                       |                     |
|---------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Category                              | Expense             | Revenue             | Net                   | Funded              |
| Academic                              | \$34,711.58         | \$12,060.00         | (\$22,651.58)         | \$8,000.00          |
| Competition                           | \$155,859.34        | \$26,300.00         | (\$129,559.34)        | \$35,000.00         |
| Conference                            | \$39,077.46         | \$10,150.00         | (\$28,927.46)         | \$5,300.00          |
| Equipment Fund                        | \$77,054.51         | \$0.00              | (\$77,054.51)         | \$58,300.00         |
| Operating                             | \$6,283.44          | \$165.00            | (\$6,118.44)          | \$1,000.00          |
| Social                                | \$72,255.38         | \$22,460.00         | (\$49,795.38)         | \$13,500.00         |
| Other                                 | \$17,343.25         | \$61,450.00         | \$44,106.75           | \$1,950.00          |
| <b>Total</b>                          | <b>\$402,584.96</b> | <b>\$132,585.00</b> | <b>(\$269,999.96)</b> | <b>\$123,050.00</b> |

This system has worked decently well, however, we frequently had difficulty understanding exactly what the societies were proposing in their budgets, and where the money would be going. An example of this could be a request for \$200 to fund a tutorial. Would this money go to buy pizza to feed the participants, to consumables used during the tutorials (i.e. solder wire), or towards paying the tutor? The lack of clarity may have resulted in us under or over funding specific events, it also contributed to the amount of time it took to prepare the final funding decision, although it certainly is no excuse. In an attempt to fund societies fairly, particularly for things like social events, we tried to come up with a standard amount for similar requests, the amounts we used are tabulated in the figure below. In addition to these amounts, we tried to consistently fund competitions for travel and accommodation expenses, so as to put all competitive teams on an equal footing regardless of where the competition was being held. We decided to stick with the 'method' used in previous years; each competitor must pay 50\$/day out of pocket and the ECA would fund the rest. While we couldn't apply this formula unilaterally, it was used as a guide in making our funding decisions for travel.

| Standard Funding                     |          |
|--------------------------------------|----------|
| Bonding                              | \$100.00 |
| Frosh Promotional                    | \$150.00 |
| Lizard Lounge                        | \$150.00 |
| Movie Night                          | \$50.00  |
| Office Supplies / Operating Expenses | \$100.00 |
| Sporting Events                      | \$80.00  |
| Wine & Cheese                        | \$500.00 |

While the use of standard amounts to fund societies, is not a practice I would necessarily recommend in the future, setting standard amounts is objective helps avoid any favoritism. This year, I was hoping to convene a financial committee made up of the president and myself as well as the four department reps to provide a good level of transparency to the process, all the while putting a bit more scrutiny on the feasibility of some of the events proposed. Unfortunately, since it was almost impossible to setup a meeting with the committee, we reverted deciding funding internally.

My recommendation to future years stems from my experience in this year's equipment fund meetings. Much like we propose student projects to the EF committee, the department chairs pitched the various equipment needs of their respective faculties. There was quite a clear dialogue, the faculties, knowing they would only receive roughly one-hundred-thousand-dollars from equipment fund worked together to make sure their collective funding needs were met as adequately as possible. It would be interesting to have a similar meeting, with all the respective societies, where each society would present their budgets, and be present to answer any questions the funding committee/fellow societies might have. This would greatly increase the transparency of the funding process, and would hopefully ensure that tangible events would make it in the funding request. It would also hopefully make societies more aware of the equipment their counterparts have, hopefully make the loaning of equipment more prevalent (avoiding the need to purchase items used once or twice), and perhaps serve as a good platform to review a societies status within the organization. This would undoubtedly be quite a long meeting, so it would perhaps have to be spilt into several meetings, and a strong chair would be necessary to facilitate the proceeding, however I do believe it would make the funding decisions of the ECA clear and easy to follow. A more open budgeting process does not mean Council should get a say in making the final funding decisions. Funding is a very important tool for the Directors to set the institutions direction, and I firmly believe that regardless of the mechanism for reviewing the funding proposals, the final decision should not be delegated away by the Board of Directors.

## **2.2 Equipment Fund**

Equipment fund was a very murky concept to me coming into office. I had heard of it before, but I had no idea, how it worked, why it was established, and what my role was in its administration. It turns out, the ECA equipment fund was a fee levy established by our members to help upgrade the equipment in the undergraduate labs. The Levy is currently \$30 per semester for full time students and \$15 per semester for part time students. This works out to roughly \$150,000 per year shared between the departments for the purchase of new lab equipment and student projects. The funding allocated to the departments have in recent years been matched one to one by the deans fund, which means that when we fund the purchase of a \$10,000 piece of lab equipment, \$5000 would be allocated from EF. This presents an interesting opportunity for cooperation, for instance this year, MIE requested funding for 3D printers for the new mini-capstone project the department was implementing. The ECA has also been requesting a 3D printer from equipment fund for years, however it has been repeatedly been denied on the grounds that the ones currently owned by the faculty accessible to students. I believe cooperating with the faculty, i.e. allocating 1500\$ of the tranche of money typically reserved for our projects to the purchase of a 3D printer would have saved us half the purchase price of the printer, however it would have added the logistical nightmare of ensure the printer remains more accessible to students than those currently in the EDML.

Another interesting ‘fact’ about EF, is the equipment purchased through EF remains the property of the school. That is, if say SAE bought a drill through equipment fund, that drill is not the property of the ECA (SAE) it is the property of Concordia University. We have spoken with the university about having them ‘donate’ these items to us, however, it seems as if they are not willing to consider this option. An interesting avenue to explore would be holding a referendum during the general elections to clarify this issue, so that the items purchased through EF are in fact property of the ECA.

I will close by briefly addressing the funding of the individual society requests. As a whole, the requests from societies were missing the necessary information to make proper funding decisions. Societies that submitted detailed product inventories, and very clear budgets with detailed descriptions tended to far better. A large concern of the committee was the repurchase of items/tools funded in previous years. The committee therefore requested an inventory form all societies receiving funding, as well as a progress report on certain projects. Another concern raised during the meetings was the funding of students with poor grade-point averages. It was suggested that the ECA should have an internal discussion on the issue, with some members suggesting that being in “good-standing” was not enough. This year, we agreed that for the funding or registration fees from EF the cut-off would be students in ‘good-standing’, and I do not believe we should compromise on this issue.

| Category         | EF Funded           | Amount Requested     | Eligible      | Percentage |
|------------------|---------------------|----------------------|---------------|------------|
| Registration     | \$ 8,300.00         | \$ 18,024.78         | \$ 18,024.78  | 46%        |
| General ECA      | \$ 1,400.00         | \$ 3,100.00          | \$ 3,100.00   | 45%        |
| CASI             | \$ 2,000.00         | \$ 5,000.00          | \$ 5,000.00   | 40%        |
| CSCE             | \$ 4,000.00         | \$ 37,000.00         | \$ 4,645.00   | 86%        |
| ENGGAMES         | \$ 2,000.00         | \$ 9,800.00          | \$ 3,211.98   | 62%        |
| IEEE             | \$ 4,000.00         | \$ 14,000.00         | \$ 12,643.66  | 32%        |
| SPACE            | \$ 12,000.00        | \$ 35,000.00         | \$ 26,811.21  | 45%        |
| SAE              | \$ 23,600.00        | \$ 127,866.94        | \$ 127,866.94 | 18%        |
| SAE - Truck Fund | \$ 1,000.00         | \$ 1,000.00          | \$ 1,000.00   | 100%       |
| <b>Total</b>     | <b>\$ 58,300.00</b> | <b>\$ 250,791.72</b> |               |            |

### 2.3 Special Projects Fund

In order to open up funding opportunities to students that are not necessarily part of one of the societies, the ECA special project fund was created last year. Unfortunately, it seems the committee was not able to meet. We are currently having the same issue, we have two vacant spots on the committee and have a back log of applications from last year, and we have received additional requests this year. I believe we owe it to those that applied to consider the requests, and if necessary consider them in council so that the funding can be allocated.

## 3 OTHER PROJECTS

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### 3.1 Debit Terminal

This year the ECA finally got a debit terminal. In case you're asking yourself what took so long, it turned out to be a long and arduous process. I originally contacted *Global Payments* about receiving the terminals in early July, however because our current legal name did not match the name we opened the bank account under (our previous) legal name our application was rejected. Even after providing documents proving we were in fact the ECA, they still refused to process our application until well after orientation.

With the headache of getting the terminal over, it has proven to be quite handy. It has greatly reduced the amount of cash we have in our office, and is a lot more convenient for our members. It has however added complexity on our end. In order to simplify the task of reconciling the daily transactions and keeping track of who purchased what, we contracted our ex-VP Finance (Charles Wilson) to develop a web based receipting software that issues email receipts to students when they make a purchase at our office. This also has the benefit of reducing waste, and is a much more environmentally conscious alternative to the paper receipts we had.

### **3.2 Financial Policy**

One of my projects at the beginning of the year was to develop a financial policy for the ECA, I worked on it during the summer and I received feedback from several people familiar with the current state of the ECA. While I do not have a version that is ready to be considered for adoption I have included a draft as an appendix to this report, and I appreciate any feedback anyone reading this report may have.

### **3.3 E-Requisition Software**

Another project I wanted to implement this fiscal year was the use of an Electronic requisition software. Ideally this system would have allowed our members to fill out the requisition form online, and track its progress. It would also give societies an up to the minute report of how much from each budget category was spent, something that cannot be achieved with the spreadsheets currently in use. I contacted two companies that produce this kind of software, and they were willing to work with us and give us a discount however their software fell short of our needs. The requirements for such a software that were identified this summer are:

- Have a tiered system of approvers (Society finance, Society President, ECA finance, ECA President).
- Allow for multiple sub accounts (i.e. Society Bank Accounts)
- Integrate easily with Quickbooks
- Easily exportable to some sort of offline backup
- Have an unlimited amount of users (One potential software charge per active user)

Based on the software I evaluated this summer, the one that most closely met our needs was *Procurify*. They were willing to give us a good price and a decent level of customization, however I only came into contact with them at the end of the summer and unfortunately I ran out of time and was not able to implement it before the start of the year. I do believe this is something worth looking into in future years as it could greatly simplify our paper work, and make reimbursements go a lot faster, especially when there are questions about a given requisition.

### **3.4 Taxes**

The ECA now officially has its tax numbers. This means we charge GST and PST now. We hired Charles Wilson in the fall to spearhead getting our tax numbers, and file our taxes.

# APPENDIX A

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## Article 1 – Purpose

1.1 The purpose of this policy is to provide a basic outline in which all financial activities of the Engineering and Computer Science Association are to be carried out.

## Article 2 – Definitions

2.1 In the interpretation of this policy all words shall be taken to have their usual meaning, unless explicitly stated in this section. In the case of an ambiguity the definition found in the most recent edition Black’s Law Dictionary shall prevail.

2.2 For the purpose of this document a business day shall be taken to be any day that the university is open for business excluding all four examination periods listed in the undergraduate calendar.

2.3 For the purpose of this document an absolute majority shall be taken to mean, more than 50% of those Eligible to vote.

2.4 For the purpose of this document a simple majority or a majority shall be taken to be more than 50% of the votes cast, provided the relevant quorum has been met.

## Article 3 – General

3.1 All dollar amounts referred to in this policy exclude applicable taxes.

3.2 Good’s acquired with ECA funds should be delivered to University premises.  
(Delivered to H838)

3.3 This policy is subject to change by an absolute majority of the board of directors of the ECA.

3.4 Notwithstanding the articles contained within this policy, no article shall compel a Signing Officer of the ECA to neglect his or her due diligence in establishing the legitimacy of a claim.

## Article 4 – Freedom of Information

4.1 Any member of the ECA has the right to view any of the financial records under the purview of the ECA during normal business hours.

4.2 Such a request must be submitted in writing to the Office Manager at least 10 business days in advance.



4.3 In the event that the Vice-President Finance (Herein referred to as the VP Finance) cannot, within a reasonable time, meet the requestor, he may, at his discretion, ask one of the signing officers of the ECA or the ECA's bookkeeper to meet with the requestor.

4.4 The VP Finance of the ECA or any of its constituent organizations may refuse any request for information that is either not made in advance or not made in writing.

4.5 Societies may set their own policy with regards to how the request must be made, provided that any such policy is no more restrictive than articles above particularly articles 4.2 and 4.5.

#### Article 5 – Signing Officers

5.1 The Signing Officers of the ECA shall be the President, the Vice-President Finance (Herein referred to as the VP Finance) and one (1) member of the association recommended by the two aforementioned signing officers and approved by the Board of Directors.

5.2 The Signing Officers defined under article 5.1 shall be the only signing officers on all bank accounts maintained by the ECA.

5.3 Affiliated student chapters must abide by the financial regulations of their parent organization.

5.4 Prior to the extended absence of two of the signing officers, the Vice-President Internal (herein referred to as VP internal) shall be made a signatory.

5.7 In the event that both the president and VP finance cease to hold office, the VP internal shall be made a signing officer.

5.8 The President shall review the accounting records, bank reconciliation and bank statements at least once every month.

#### Article 6 – Financial Officer

#### Article 7 – Budgets

7.1 The ECA shall submit a complete and detailed projection of its expenditures and revenues to council for approval no later than the first council meeting after the 1st of July.

7.2 The Societies shall submit a complete and detailed projection of its expenditures and revenues by a deadline to be set by the Financial Officer.

7.2.1 The Deadline Shall be no later than the 1st of July.

7.3 The ECAs VP Finance may pay the regular operational expenses of the ECA in the absence of a budget approved by council.

7.4.1 This provision shall only apply between May 1st and July 1st of the fiscal year.

7.5 The aforementioned expenses shall be limited to:

7.5.1 Membership dues;

7.5.2 Fees for Professional Services;

7.5.3 Salary of Employees, provided there is no change in pay level;

7.5.4 Cable and Telephony expenses;

7.5.6 Insurance Premiums;

7.5.7 Supplies totaling less than 2000\$ provided approval for their purchase was obtained at a board of directors meeting;

7.5.8 Charges levied by the university;

7.5.9 Office expenses.

7.6 The VP Finance must include a list of all the items purchased under article 7.4 as part of their presentation of the budget, which must be ratified by council.

7.7 The VP Finance may submit a frosh budget for approval, prior to the submission of the complete annual budget to council.

7.8 The ECA may only budget for a deficit with the approval of 2/3 of those eligible to vote in council.

## Article 8 – Accounting

8.1 The ECA shall maintain a detailed record of all its expenses and revenues in addition to all the expenses and revenues of its member societies.

8.2 The VP Finance, or an accounting designate as designated by the VP Finance, must reconcile all bank accounts under the purview of the ECA on a monthly basis.

8.3 Societies which have record-keeping requirements beyond those normally offered by the ECA are responsible for meeting those needs themselves. Should a society wish,

they may request these services be fulfilled by ECA employees, the cost of which shall be subtracted from their budget and account as appropriate.

#### Article 9 – Funding

#### Article 10 – Reimbursement Procedure

10.1 Any individual that incurs a reasonable expense on behalf of the ECA or one of its societies shall be entitled to reimbursement within a reasonable time.

10.2 Any request for reimbursement should be done using the form 'Request for Reimbursement' and must be accompanied by:

10.2.1 All of the original receipts pertaining to the expense.

10.2.3 Credit card statement showing the expense posted in account of the purchaser.

#### Article X – Safe Policy

X.1 The President and VP finance shall be the only holders of the combination to the ECA's safe.

X.2 The President and VP finance shall be responsible for maintaining detailed records pertaining to the contents of the Safe. At a minimum these records must include the current balance, the currency being withdrawn from or deposited to the safe, the date of the transaction, the person who executed the transaction and the purpose of the transaction.

X.3 All Transactions to or from the safe over five hundred dollars must be executed in the presence of both the President and VP Finance.

X.4 The Safe must be counted and balanced against the records at least once per quarter.

X.4.1 The Record must be signed by the President, VP Finance, and VP Internal (or Third Signatory?).

X.5 Funds in excess of ten thousand dollars should not be kept in the safe for extended periods of time.

#### Article Y – Petty Cash Policy

Y.1 Upon receipt of a request for cashbox, the ECA shall provide a cash box to the requesting society.

Y.2 The ECA shall not issue more than three-hundred (300) Dollars in Petty cash.

Y.3 The person responsible for the cashbox must sign the request for cash box certifying that the amount indicated on the request was in fact in the cashbox upon receipt.

Y.4 Those persons handling cash on behalf of a society must issue a receipt for all items sold or given away.

Y.5 Upon receipt of a cash box the individual listed as the individual responsible shall be responsible for the safekeeping of the cash box and its contents until such a time that the cash box is returned to the ECA and the final balance is tallied in the presence of both the VP Finance and the person responsible for the cash box.

Y.6 The individual responsible for the cash box is personally liable for any lost funds and/or any lost cash box, unless the loss of the cash box was the direct result of a theft, in which case a copy of the police report must be submitted to the ECA for its records.

#### Article Z – Unused Funding

Z.1 If it becomes clear that funds earmarked for a specific event will not be used, the funds will be appropriated by the ECA and not necessarily reallocated to the same society.

Z.2 All societies are eligible to apply for extra funding. Such requests must be written and must use the format found in the ‘detailed’ tab of the society budget template.

Z.3 Funds may be deemed unused provided if:

Z.3.1 The event does not take place.

Z.3.2 More than 60 days has elapsed since the event.

Z.3.3 The society confirms to the ECA prior to the event, that the event will not take place.

#### Article AA – Expenses Incurred by Affiliated Student Chapters

#### Article AB – Purchasing Policy

AB.1 It is forbidden to split or segment a procurement requirement as a means of circumventing the articles in this document.

AB.2 No individual shall sign a procurement contract that creates an obligation or undertaking on behalf of the ECA, unless the individual has signing authority.