

Introduction

Every year, SGPS Council passes a budget prepared by the Executive and the Finance and Services Standing Committee which enables the organization to spend money on various projects within that fiscal year. This document outlines how the money the SGPS collects each year is spent, ranging from core programming like orientation week to individual employee salaries, bursaries, and specific funds.

The Budget at a Glance

The financial position of the organization is good. We have regular, predictable, and stable expenses combined with strong knowledge of our revenues that has allowed the SGPS to better plan for the year.

The big change in 2016-2017 has been the invaluable assistance of the new SGPS Assistant Director (Finance), Sandy Beaton, who brings over 30 years of experience in post-secondary and non-profit accounting. As a result, we have a much better picture of SGPS finances and previous expenditures than previous years.

Introduction to the Budgeting Process

The budget is passed each year in August or September. In the lead-up to creating a package like this, the SGPS looks at all of its expenditures in the previous year to determine exactly how much money has been spent on each project. Once these actual expenses have been accounted for, they form the basis for next year's budget. Since the size of the SGPS and draws on our biggest programs (like Bursaries and Orientation Week) remain roughly constant year to year, our expenses in each area are usually stable. Once the SGPS Executive and the Finance Committee have an opportunity to review the budget, it is then put forward to Council for review and discussion.

SGPS Fiscal Year

The SGPS fiscal year runs from September 1st to August 31st of the following year. Since the SGPS executive takes office in May, any expenses or projects begun prior to September are counted against the budget for the last executive. For example, any bursaries or grants distributed in Summer 2016 are counted against the bursaries line item for 2015-2016.

Operating Statement vs. 'Budget'

Traditionally, the SGPS executive produces an 'operating statement' each year to communicate to Council where money is coming from (revenue) and where it being spent (expenditure). This is different than a traditional 'budget' which lists net assets, changes in internal funds and outstanding liabilities. In contrast, the operating statement is a simplified, explanatory tool that is more readily accessible than more traditional, more opaque, financial documents. One of the goals for tonight's discussion is to get feedback from Council about what sort of financial information they want to see year to year and how we can present this information in such a way that everyone can understand and participate in a meaningful and informed discussion.

Cash vs. Accrual Basis

According to the SGPS Bylaws, the budget is accounted according to the 'cash method'. This means that the budget tracks revenues when they are actually received and expenses on the date in which they are paid out. The other method for tracking this is called the 'accrual method'. In this, the budget tracks revenue for when it is earned and expenses when they are incurred.

To put this simply: Let's say you own a business that sells machinery. If you sell \$5,000 worth of machinery, under the cash method, that amount is not recorded in the books until the customer hands you the money or you receive the check. Under the accrual method, the \$5000 is recorded as revenue immediately when the sale is made, even if you receive the

money a few days or weeks later. The same thing occurs for expenses. If you get an electric bill for \$1700, under the cash method, the amount is not added to the books until you actually pay the bill. However, under the accrual method, the \$1700 is recorded as an expense the day you get the bill.¹

For the purposes of the SGPS, we've created two versions of the budget that reflect our finances on both a cash and accrual basis to better inform Council of when money is being spent during each fiscal year. This has a meaningful impact on the financial position of the 2015-2016 year when we spend money to book events for Orientation week, but do not actually use those services until the next fiscal year.

The Budgeting Process in Future Years

Members have indicated to the executive that there is a desire to expand the budget information provided each year to Council to have a more fulsome discussion on how our finances tie into our year goals. We anticipate that the SGPS will move to a compartmentalized budget model where individual commissions break down specific line items (e.g. Social Events), and explain how money will be spent during their tenure. This process should be in place for fiscal year 2017-2018.

Key Discussion Questions

1. What level of depth should Council expect out of the budget process? How do we stop it from becoming too granular?
2. How should this information be presented? Do we have a preference for certain kinds of visual aids or graphs?

Explanation of Expenses

Below is an explanation of each of the line items found in the budget

Advertising

Promotional Material: Cost of promotional material (agendas and other miscellaneous items)

Bursaries & Grants

Dental Fund: Bursaries distributed to cover dental expenses for our membership as per our policies (net cost)

International Bursaries: Bursaries distributed to cover UHIP expenses for our membership as per our policies (net cost)

Awards: Awards distributed as per our policies (Administration/Staff Appreciation, Graduate Support, Student Contribution, Teaching Assistant/Excellence, Volunteer)

Emergency Student Fund: Bursaries distributed to cover financial emergencies for our membership as per our policies (net cost)

Activity Bursary/Sports Bursaries: Bursaries distributed to cover student life activities (net cost)

Grants: Grants distributed to provide partial financial assistance to events/initiatives that enhance the academic life of SGPS members as per our policies (net cost)

Councils & Committees

Campaigns: Approved events such as National Forum to End Sexual Violence

Council: Supplies (gavel) / taking minutes / fall GM Journal Ad / etc.

Elections: Cost of Election Officer

Executive Internal: Miscellaneous supplies

Executive Conferences & Professional Development

Conferences: Conferences attended by the Executive (GU16, CFS AGM, etc.)

Professional Development: Courses for the FT staff

¹ From the Investopedia

Honoria & Stipends

Executive Stipends: Executive wages (including the transition)

Commissioner Stipends: Commissioner wages

Speaker Stipends: Speaker wages

Insurance

Insurance: Cost of all insurance

Office & Other Expenses

Copier: Cost of leasing & using our copier (net cost after income from student usage)

Food: Cost of meals for council & miscellaneous supplies for the staff and executive

General Office Expense: Cost of miscellaneous supplies for the staff and executive

Postage: Cost of postage & couriers

Small purchases/repairs: Cost of non-capital miscellaneous supplies/repairs for the staff and executive

Professional Fees

Banking Expense: Cost of banking fees

Accounting Fees: Cost of annual audit

Legal Fees: Cost of legal advice

Sundry

Sponsorship: Sponsorship of relevant, approved events such as Med-Law, Mental Health Breakfast, QPOP, Travel Bursary, etc.

Club Funding: Reimbursement to clubs approved by the Executive (includes Board Game Club, Egyptian Student Association, Cultural Engagement Club, Queen's Law Cancer Society, etc.)

Sustainability: Funds distributed to Sustainability activities

Social Events

Social Events: Cost of approved social events (any funds collected are shown as Social Events Income)

Telephone

Telephone: Cost of approved cell phones and the office phones

Wages & Benefits

Regular Employee Wages: Wages of Full-Time staff (includes any severance)

EI Expense: Employment Insurance expense

CPP Expense: Canada Pension Plan expense

Purchase of Capital Assets

Capital Purchases: Cash cost of purchases of computer hardware/software, furniture & equipment, and leasehold improvements

Statement of Operations: CASH BASIS

Description	2013-14 Yr ⁱ	2014-15 Yr ⁱⁱ	2015-16 Est ⁱⁱⁱ	2016-17 Bud ^{iv}
Revenue				
<i>Student Fees</i>	391,497.94	328,190.51	375,634.17	364,600.00
<i>Health & Dental Plan^v</i>	133,165.75	459,222.84	245,294.02	267,000.00
	<u>524,663.69</u>	<u>787,413.35</u>	<u>620,928.19</u>	<u>631,600.00</u>
Other				
<i>Interest Income / Other</i>	0.00	4,696.67	21,938.08	4,200.00
<i>Social Events Income</i>	10,059.19	7,830.00	1,880.30	8,000.00
<i>UHIP Reimbursement</i>	20,000.00	0.00	0.00	0.00
	<u>30,059.19</u>	<u>12,526.67</u>	<u>23,818.38</u>	<u>12,200.00</u>
	<u>554,722.88</u>	<u>799,940.02</u>	<u>644,746.57</u>	<u>643,800.00</u>
Expenses				
<i>Advertising</i>	26,031.94	16,114.59	11,214.58	14,000.00
<i>Bursaries & Grants^{vi}</i>	51,886.42	60,159.85	18,116.94	47,840.00
<i>Council and Committees</i>	5,408.12	7,381.99	3,943.11	5,120.00
<i>Executive Conferences & PD</i>	6,242.43	8,163.61	14,552.92	11,000.00
<i>Honoria & Stipends</i>	105,723.35	109,800.15	101,827.53	103,691.58
<i>Insurance</i>	5,038.63	3,721.68	11,311.76	10,000.00
<i>Office and Other Expense</i>	12,563.24	40,831.44	14,489.79	22,773.28
<i>Professional Fees</i>	18,082.64	20,511.79	31,151.75	26,500.00
<i>Sundry</i>	19,274.61	3,958.67	14,971.36	14,160.00
<i>Social Events</i>	32,337.02	38,533.87	17,308.48	30,000.00
<i>Telephone</i>	7,416.67	8,199.21	10,768.54	9,581.84
<i>Wages & Benefits</i>	193,763.92	303,659.67	318,110.71	328,133.30
<i>Plus : Purchase of Capital Assets</i>	12,962.00	44,952.05	44,383.24	21,000.00
	<u>496,730.99</u>	<u>665,988.57</u>	<u>612,150.71</u>	<u>643,800.00</u>
Excess : Revenues over Expenses (Loss)^{vii}	<u>57,991.89</u>	<u>133,951.45</u>	<u>32,595.86</u>	<u>0.00</u>
<i>Loan receivable</i>	0.00	(276,665.00)	60,521.15	62,975.33

Statement of Operations: ACCRUAL BASIS

Description	2013-14 Yr	2014-15 Yr	2015-16 Est	2016-17 Bud
Revenue				
<i>Student Fees</i>	391,497.94	328,190.51	375,634.17	364,600.00
<i>Health & Dental Plan</i>	133,165.75	459,222.84	245,294.02	267,000.00
	<u>524,663.69</u>	<u>787,413.35</u>	<u>620,928.19</u>	<u>631,600.00</u>
Other				
<i>Amort. of Capital Contribut'n</i>	1,000.00	1,000.00	1,000.00	1,000.00
<i>Interest Income / Other</i>	0.00	4,696.67	21,938.08	4,200.00
<i>Social Events Income</i>	10,059.19	7,830.00	1,880.30	8,000.00
<i>UHIP Reimbursement</i>	20,000.00	0.00	0.00	0.00
	<u>31,059.19</u>	<u>13,526.67</u>	<u>24,818.38</u>	<u>13,200.00</u>
	<u>555,722.88</u>	<u>800,940.02</u>	<u>645,746.57</u>	<u>644,800.00</u>
Expenses				
<i>Advertising</i>	26,031.94	16,114.59	11,214.58	14,000.00
<i>Amortization of Capital Assets</i>	13,821.85	8,960.18	16,702.05	21,058.49
<i>Bursaries & Grants</i>	51,886.42	60,159.85	18,116.94	47,840.00
<i>Council and Committees</i>	5,408.12	7,381.99	3,943.11	5,120.00
<i>Executive Conferences & PD</i>	6,242.43	8,163.61	14,552.92	11,000.00
<i>Honoria & Stipends</i>	105,723.35	109,800.15	101,827.53	103,691.58
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<i>Telephone</i>	7,416.67	8,199.21	10,768.54	9,581.84
<i>Wages & Benefits</i>	193,763.92	303,659.67	318,110.71	328,133.30
	<u>497,590.84</u>	<u>629,996.70</u>	<u>584,469.52</u>	<u>643,858.49</u>
Excess : Revenues over Expenses (Loss)	<u>58,132.04</u>	<u>170,943.32</u>	<u>61,277.05</u>	<u>941.51</u>

ⁱ Externally Audited

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ⁱⁱⁱ Internally Audit pending 2015-2016 Audit in December 2016

^{iv} Projection for 2016-2017

^v Includes \$100,000 transfer from PSAC-Local 901

^{vi} Net expenditure for the SGPS. Includes \$20,000 reduction expenses from PSAC-Local 901.

^{vii} Excess revenues go towards separate funds internal to the SGPS like the General Fund, Bursary Fund, Capital Fund and the Student Life Centre Fund