



Introduction

Every year, SGPS Council passes a budget prepared by the Executive which enables the organization to spend money on various projects within that fiscal year. This document provides an overview of how our budget is operationalized in accordance with our mandate to improve the graduate and professional student experience.

Introduction to the Budgeting Process

Historically, the operating budget was constructed by reviewing expenditures in the previous year to determine how much money was spent per project, and then estimating whether that number should increase, decrease or remain constant. This year, we have sought to improve the accuracy and prudence of the budgeting process by adopting, wherever possible, a budgeting from zero philosophy. For example, if the Social Commissioner wants to organize a paint night in February, the budget already accounts for the exact costs of the event. This approach has resulted in financial savings without sacrificing the quantity or quality of services and events.

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 2017 are counted against the bursaries line item for 2016-2017.

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.

Operating Contingency

The budgeting-from-zero approach, in conjunction with structural changes to the Society, has resulted in more money at our disposal. Rather than spending for the sake of spending, we are now able to budget for an 8% "operating contingency", which is consistent with best practices for organizations of our size. Although a net-positive budget is technically considered a surplus, it is critical for the viability and stability of our operations that a contingency is allocated for. There is no telling when the SGPS might have a rainy day – fortunately, we are now prepared for that.

¹ Investopedia

Explanation of Budget Lines

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

Orientation & Promotion (formerly Advertising)

Orientation Events: Cost of running orientation programming (boat cruise, trolley tours, etc.)

Swag and Promotion: Cost of promotional materials (agendas, pens, etc.)

Bursaries & Grants

Bursaries: Our four bursaries provide a range of financial assistance for students in need. The International Bursary and Dental Bursary are both funded in part by a generous contribution from PSAC 901 (\$10,000 each).

- 1) Dental Fund - Gross amount of \$15,000
- 2) International Bursaries - Gross amount of \$20,000
- 3) Emergency Student Assistance Bursary - Gross amount of \$10,000
- 4) Student Activity Bursary - Gross amount of \$10,000

Grants²: Rather than a single SGPS grant that funded student activities last year, we are proposing an expansion of our grant system to better reflect the needs of our community. This will result in four new and revised grants:

- 1) Sustainability Grant - Gross amount of \$5,000
- 2) Accessibility Grant - Gross amount of \$5,000
- 3) Diversity and Inclusion Grant - Gross amount of \$5,000
- 4) Department Student Council Grant - Gross amount of \$10,000

Executive & Council

Elections: Campaign expenses (Candidate reimbursements and election promotion)

Council: Food for meetings, miscellaneous supplies

Executive Initiatives: Platform initiatives from the Executive Strategic Plan

Conferences & Professional Development

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

Professional Development: Courses for the FT staff and/or Executive

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 copier

General Office Expense: Cost of miscellaneous office supplies for employees

Postage: Cost of postage & couriers

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

Professional Fees

Banking Expense: Cost of banking fees

Accounting Fees: Cost of annual audit

Legal Fees: Cost of legal advice

² Pending approval from Council

Sundry

Sponsorship: Sponsorship of relevant, approved events

Clubs: MOU with Queen's Clubs Office

Transition: Incoming-outgoing Executive training

Commissioner Expenses/Events (Formerly Social Events)³

Social Commissioner: Net amount of \$5,400

Equity Commissioner: Net amount of \$3,500

International Commissioner: Net amount of \$3,900

Athletics Commissioner: Net amount of \$3,900

Telephone

Telephone: Cost of approved cell phones and the office phones (office phone added to the president's office this year)

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

³ Costs derived from strategic plans submitted by commissioners and approved by the Executive. All net amounts factor in projected ticket sales.

The Society of Graduate and Professional Students

Statement of Operations : CASH BASIS

Description	2015-16 Final	2016-17 Fcst	2017-18 Bud
Revenue			
<i>Student Fees</i>	371,878.09	380,690.76	386,897.60
<i>Health & Dental Plan</i>	241,284.91	145,061.76	157,256.21
	<u>613,163.00</u>	<u>525,752.52</u>	<u>544,153.81</u>
Other			
<i>Interest Income / Other</i>	24,305.30	26,556.55	5,365.86
<i>Social Events Income</i>	17,849.88	1,790.00	1,500.00
	<u>42,155.18</u>	<u>28,346.55</u>	<u>6,865.86</u>
	<u>655,318.18</u>	<u>554,099.07</u>	<u>551,019.67</u>
Expenses			
<i>Orientation & Advertising</i>	8,979.58	16,932.02	18,200.00
<i>Bursaries & Grants</i>	16,763.02	42,631.48	47,100.00
<i>Council and Committees</i>	1,943.11	4,258.70	8,950.00
<i>Conferences & PD</i>	11,552.92	1,000.00	3,000.00
<i>Honoraria & Stipends</i>	100,877.53	104,766.17	110,191.42
<i>Insurance</i>	9,311.76	10,000.00	10,000.00
<i>Office and Other Expense</i>	14,156.69	18,140.00	20,600.00
<i>Professional Fees</i>	30,781.25	30,247.25	28,000.00
<i>Sundry</i>	12,971.36	24,890.00	20,000.00
<i>Commissioner Expenses/Events</i>	32,363.31	14,700.00	16,700.00
<i>Telephone</i>	11,211.20	10,500.00	11,520.00
<i>Wages & Benefits</i>	315,992.03	254,218.91	198,886.03
<i>Plus : Purchase of Capital Assets</i>	43,556.87	957.11	2,000.00
	<u>610,460.63</u>	<u>533,241.64</u>	<u>495,147.45</u>
Excess : Revenues over Expenses (Loss) - CASH Basis	<u>44,857.55</u>	<u>20,857.43</u>	<u>55,872.22</u>

The Society of Graduate and Professional Students

Statement of Operations : ACCRUAL BASIS

Description	2015-16 Final	2016-17 Fcst	2017-18 Bud
Revenue			
<i>Student Fees</i>	371,878.09	380,690.76	386,897.60
<i>Health & Dental Plan</i>	241,284.91	145,061.76	157,256.21
	<u>613,163.00</u>	<u>525,752.52</u>	<u>544,153.81</u>
Other			
<i>Amort. of Capital Contribut'n</i>	1,000.00	1,000.00	1,000.00
<i>Interest Income / Other</i>	24,305.30	26,556.55	5,365.86
<i>Social Events Income</i>	17,849.88	1,790.00	1,500.00
	<u>43,155.18</u>	<u>29,346.55</u>	<u>7,865.86</u>
	<u><u>656,318.18</u></u>	<u><u>555,099.07</u></u>	<u><u>552,019.67</u></u>
Expenses			
<i>Orientation & Advertising</i>	8,979.58	16,932.02	18,200.00
<i>Amortization of Capital Assets</i>	16,598.76	20,490.11	15,339.92
<i>Bursaries & Grants</i>	16,763.02	42,631.48	47,100.00
<i>Council and Committees</i>	1,943.11	4,258.70	8,950.00
<i>Conferences & PD</i>	11,552.92	1,000.00	3,000.00
<i>Honoraria & Stipends</i>	100,877.53	104,766.17	110,191.42
<i>Insurance</i>	9,311.76	10,000.00	10,000.00
<i>Office and Other Expense</i>	14,156.69	18,140.00	20,600.00
<i>Professional Fees</i>	30,781.25	30,247.25	28,000.00
<i>Sundry</i>	12,971.36	24,890.00	20,000.00
<i>Commissioner Expenses/Events</i>	32,363.31	14,700.00	16,700.00
<i>Telephone</i>	11,211.20	10,500.00	11,520.00
<i>Wages & Benefits</i>	315,992.03	254,218.91	198,886.03
	<u>583,502.52</u>	<u>552,774.64</u>	<u>508,487.37</u>
Excess : Revenues over Expenses (Loss)	<u><u>72,815.66</u></u>	<u><u>2,324.43</u></u>	<u><u>43,532.30</u></u>
	11.88%	0.44%	8.00%