

## Budget

### *Policy:*

- The ASA requires comprehensive budgetary guidelines in order to provide for its functions and operations in a financially prudent manner. These guidelines ensure a comprehensive process that:
  - manages the annual budget planning process
  - determines the membership fees
  - permits student participation
  - maintains public communication and accountability
- The annual budget (in its final form) becomes the fiscal plan for the organization, consistent with its long term goals and 5 year budget.
- No later than the first week of October, the Budget & Revenue Committee will develop a draft budget using past budgets and financial reports, and will assume potential directions faced by the organization.
- The draft budget will be distributed to appropriate individuals for comment.
- The draft budget will be presented to Council as information.
- At the completion of the consultation process, the Budget & Revenue Committee will take comments and requests into consideration in order to draft the final budget.
- The budget shall have a minimum level of contingency (no more than 1% of total budget) to ensure fiscal stability. Once the contingency funds are used, every effort will be made to restore this level of contingency.
- In determining the final budget, the Budget & Revenue Committee shall recommend the fee according to the following categories:
  - Operating Fund:
    - ◊ Fixed costs (annually occurring costs including office support, bursaries, honorariums, memberships, general insurance), General Agenda & Priorities (variable costs, donations, marketing), Media, Activities, and Grants
    - ◊ Fee can increase in any given year by CPI + 2%
    - ◊ Increases above the threshold will need to be approved by a simple majority of the student body
    - ◊ Fee increases can be repealed through a petition signed by 40% of the student body
  - Investment Fund
    - ◊ the initial fund fee shall be \$12 which will be placed in an Investment fund
    - ◊ the annual increase is at the discretion of the Students' Association
    - ◊ increases can be repealed through a petition signed by 40% of the student body

**Budget**

- ◇ the intent of the fund is to stabilize the finances of the organization with ultimate intent of constructing a student centre
- ◇ 70% of the fund returns will be re-invested into the fund
- ◇ 30% of the fund returns will be directed towards the Operating Fund. Any funds that are not needed for Agenda & Priorities shall remain in the Investment Fund.
- ◇ a 2/3 majority Council vote can modify the fee
- ◇ the fund will be governed by generally accepted investment policies
- ◇ the performance of the fund will be reported upon quarterly
- ◇ the annual statement of the fund will be made available to students upon request
- Capital Fund
  - ◇ up to 2.5% of the average revenue from the previous 3 budget years can be directed to the capital needs of the organization (i.e. computers, furniture, and repairs)
  - ◇ the purpose of this fund is to exclusively cover capital costs
  - ◇ projects to be funded will be considered in the budget process and will be approved as part of the budget
  - ◇ capital items should be purchased at best cost
  - ◇ any un-used funds will be carried over for future use, emergency purposes, or to balance future budgets

Annual Budget

- The Budget & Revenue Committee presents the final budget to the Executive Council by February 1<sup>st</sup>.
- Executive Council makes any necessary revisions to the long term plan and the 5 year budget.
- The VP Finance will present the budget to ASC
- Council will debate the budget and approve it with a simple majority
- The budget will be presented to the student body for comment no later than the start of the nomination period for the Spring Elections. This document will include rationale for all spending, explanations for increases/decreases to budget lines, and the consistency of the annual budget to the long term plan and 5 year budget
- Council will debate and approve the budget in its final form with 2/3 majority by the end of the first week of April.
- The final budget should avoid deficit spending. In the event that deficit spending is unavoidable, a plan must be established to handle such shortfalls. Any un-used funds for the Capital Fund and Contingency funds are primary sources to eliminate shortfalls.
- If the budget is not ratified by the first week of April, the budget from the previous fiscal year remains in effect until such time as the new budget may be ratified.
- Council will be updated on the budget 3 times per term. Council will approve the updates by simple majority.
- Changes in budgetary priorities must be approved by ASC upon the recommendation of the Budget & Revenue Committee.