

# FACULTY OF COMMUNITY SERVICES SOCIETY

## MEMORANDUM OF UNDERSTANDING FINANCIAL AGREEMENT

Vol. I. MMXXIII  
Amended August 18th



**The FCSS Board of Directors have amended the entire agreement to be in-line with the university as of August 18th, 2023.**

## **Table of Contents**

<b>1.0 Purpose</b>	<b>P1</b>
<b>2.0 Application</b>	<b>P1</b>
<b>3.0. Definitions</b>	<b>P1-2</b>
<b>4.0. Bookkeeping</b>	<b>P2</b>
<b>5.0. Accounting Basis</b>	<b>P2</b>
<b>6.0. Checks and Balances</b>	<b>P2</b>
<b>7.0. Bank Account</b>	<b>P2-3</b>
<b>8.0. Optics</b>	<b>P3</b>
<b>9.0. Year-End</b>	<b>P3</b>
<b>10.0. Budgeting</b>	<b>P3-4</b>
<b>11.0. Student Clubs, Course Unions, Interest Groups, and Affiliate Group Budgeting</b>	<b>P4-5</b>
<b>12.0. Spending</b>	<b>P6-7</b>
<b>13.0. Reporting</b>	<b>P7</b>
<b>14.0. Conflict of Interest</b>	<b>P7-8</b>

## **Preamble**

As the student government at the Faculty of Community Services, the FCSS is charged with ensuring that:

- A. Due diligence is undertaken to maintain sound financial controls;
- B. Financial resources are budgeted responsibly;
- C. Student Clubs budgeting is consistent with its financial policies;
- D. Its funds are spent prudently and responsibly;
- E. All of its financial activity and that of its Student Organizations is reported accurately; and
- F. Actual or perceived conflicts of interest on the part of any of its members, or members of any Student Clubs are prevented in a transparent manner that upholds the reputation of the FCSS and the Faculty of Community Services.

Each Part under this Article details the accompanying principles, policy and procedure for these responsibilities, to which the FCSS and all of its Student Clubs are accountable to the Student body and the Faculty of Community Services Dean's Office

## **1.0. Purpose**

This Part sets out the overarching framework for financial management in the FCSS, including important accounting, and finance principles that should remain consistent each year the FCSS is in operation. The FCSS is accountable to the Community Services Student body and to the Dean's Office for the prudent management of funds.

## **2.0. Application**

- 2.1 Except if noted otherwise, this finance policy applies to the FCSS and all Student Clubs, Course Unions, and Affiliated groups recognized by the FCSS.

## **3.0. Definitions**

- 3.1. In this Article, the following terms shall have their ordinary meaning replaced by the Following:

- 3.1.1. "Activity Code" shall refer to the unique code assigned in the Toronto Metropolitan University financial system to each Student Club, and Course Union, including the FCSS;

- 3.1.2. "Annual Budget" shall refer to a document setting out the FCSS' projected revenues and expenses during the Academic and Fiscal Year;

3.1.3. "Approved Spending" shall refer to all items submitted to the Finance Committee, or Board of Directors in a funding proposal that has been expressly approved.

3.1.4. "Buckets" shall refer to the specific activity theme that is given to each event ie; Course Union/Student Group, EDI Event, Mental Health Event, Social Events, Academic etc.

3.1.5. "Budgeted BoD Budget" shall refer to the easy to read budget sheet broken up into Budgeted and Actual, that is updated throughout the year, and posted on the FCSS website.

3.1.6. "Fiscal Year" shall refer to the fiscal year of Toronto Metropolitan University and the Faculty of Community Services, that is, the twelve month period from May 1st to April 30th. If the University's fiscal year is amended in future, the FCSS fiscal year will be adjusted accordingly to align with the change.

#### **4.0. Book-keeping**

4.1. The FCSS Executive will ensure that it keeps books tracking funds received or spent by FCSS, assets (if any) and all of its debts or obligations, as well as all other financial transactions of FCSS.

4.2. The ED Finance and Corporate Relations has the primary responsibility for keeping these books.

#### **5.0. Accounting Basis**

5.1. All material transactions within FCSS financial reporting will be recorded on an accrual basis, aligned with Toronto Metropolitan University.

5.2. All FCSS financial reports shall be prepared in accordance with Generally Accepted Accounting Principles.

#### **6.0. Checks and Balances**

6.1. The duties related to financial transactions shall be divided in such a way that the Student Society Manager and the Executive Director is solely in control of any transaction using the universities P-Card, to ensure built-in checks and balances in financial management and minimize the risk of human error or fraud.

6.2. Any spending shall be approved by at least two members of the student club who are not the individuals who put forward the proposal or the individual who undertakes the actual spending.

#### **7.0. Bank Account**

7.1. In accordance with Toronto Metropolitan University policy for student societies, FCSS will only maintain an external bank account when the the university has no alternative to a problem with cost centres, and will ensure that all funds, receipts are

received and deposited to the Dean's Office of the Faculty of Community Services, plus recorded through the university's financial system.

7.2. If it becomes practical in future to have a separate FCSS bank account, FCSS Executive will discuss with the Faculty of Community Services Dean's Office before proceeding.

## **8.0. Optics**

8.1. No goods or services will be purchased by Student Clubs that will, or may potentially damage the reputation or goodwill of FCSS, its student groups, the Faculty of Community Services, or Toronto Metropolitan University.

8.1.1. Weed

8.1.2. Alcohol

8.1.3. Drugs

8.1.4. gambling

## **9.0. Year-End**

9.1. FCSS financial transactions for a current Fiscal Year will be processed within the year-end closure deadlines as set

by Toronto Metropolitan University and communicated

to FCSS through the Faculty of Community Services Dean's Office.

## **10.0. Budgeting**

### **10.1. Purpose**

10.1.1. The budget is a primary tool of financial control for FCSS, Student Groups and Services and must be approved by the FCSS Board of Directors.

10.1.2. Allocation to recognized student groups, and services after the initial September 30th deadline should first overall be approved by the Student Groups Committee through pitch presentation, and detailed budget proposal.

10.1.3. Good budgeting ensures that:

10.1.3.1. financial planning of the organization is aligned with meeting the organization's established objectives;

10.1.3.2. actual spending can be monitored and reported against budgeted categories, to ensure full transparency in expenditures;

10.1.3.3. any potential variations in actual versus budgeted spending can be identified in advance and decisions on budget revisions made accordingly; and

10.1.3.4. all decision-making members of an organization understand the financial resources available to that organization and make decisions to maximize the benefit of those resources.

10.1.3.5. All Executives on the Faculty of Community Services Society shall submit their budget requests for the year's budget by June 1st, to the ED Finance and Corporate Relations email.

10.1.3.6. The Executive Director, and ED Finance and Corporate Relations shall meet two on one with the ED Events, ED Communications, ED Academics, ED Culture and Wellness, and ED Administration and Operations on their budget endeavors before the June 1st deadline.

## **10.2. Principles**

10.2.1. Budgets shall not be approved in excess of funds available; that is, budgets shall not be approved with a deficit position.

10.2.2. Budgets shall be developed with a view to maximizing the use of financial resources, including using free or low-cost options for goods and services where available.

## **10.3. FCSS Annual Budget Process**

10.3.1. During the period of March 1 to April 30, the ED Finance shall prepare a draft Annual Budget in collaboration with the Executive Director for the following fiscal year to be approved at the AGM by the outgoing Board of Directors, and student members.

10.3.2. The draft Annual Budget, with clearly defined categories of spending, will be submitted to the Faculty of Community Services Society executive board at the earliest opportunity.

10.3.3. This proposal will include funding for:

10.3.3.1. Special Projects

10.3.3.2. Operations;

10.3.3.3. Unity Events

10.3.3.4. Marketing

10.3.3.5. Wellness Events

10.3.3.6. Academic Events

10.3.3.7. Space Revitalizations

10.3.3.8. A row of spending for all recognized student groups

10.3.3.9. International Student Events

10.3.3.10. Legacy Events need their own budget line such for; Frosh Week, Ontario Health Sciences Olympics, Canada Health Sciences Games, Lecture Series, DCC Live!, Fright Week, and the Community Services Undergraduate Conference

- 10.3.4. The incoming Board of Directors shall, in consultation with the Finance Committee, vote to approve a final Annual Budget no later than June 1st.
- 10.3.5. The Annual Budget shall include all expenses incurred since the beginning of the current Fiscal Year and prior to approval of the Annual Budget.

#### **10.4. Budget Revisions**

10.4.1. If revisions are proposed to the approved FCSS budget (including increases or decreases in categories of spending) such proposals must be brought to the FCSS Student Groups Committee month prior to the date of the event or initiative.

10.4.1.2. When the revision is less than \$20.00 there is no need to go in front of the Student Groups Committee.

10.4.1.3. When the revision is above \$20.00 then there is a need to go in front of the Student Groups Committee.

10.4.1.4. If there is a major change in the event such as reallocation of funds to a new event. This needs to get approved by the Student Groups Committee.

10.4.1.5. Student groups looking to spend on events before approval of any spending commitments cannot be made before the revised budget.

### **11.0. Student Group Budgeting**

#### **11.1. Application**

11.1.1. This Part only applies to Student Organizations. Deadlines

11.1.2. The ED Finance and the Finance Committee may, at their discretion, set deadlines for, and must clearly communicate those deadlines to the relevant stakeholders:

11.1.2.1. The submission of base budget funding proposals;

11.1.2.2. The submission of additional funding proposals;

11.1.2.3. The submission of reimbursement requests; or

11.1.2.4. Any other financial process in relation to FCSS funding.

#### **11.2. Budget Proposals**

11.2.1. Student Clubs, Course Unions, Interest groups, and Affiliated groups shall submit a detailed event list using the date outlined in the Student Clubs Policy to the ED Events prior to submission of the clubs budget on September 30th of each year.

11.2.2. Student clubs shall use the detailed budget template provided in the Student Clubs Policy when submitting their detailed budget to us on September 30th.

### **11.3. Year-Over-Year Allocations**

11.3.1. There is a threshold to maintain when proposing a budget. No approved budgets get carried over into the next year.

11.3.2. Budgets that do not get used up will not get carried over to use for the next year's student clubs team, and will instead go back to the student society cost center.

### **11.4. Funding Assessment Criteria**

11.4.1. Decisions regarding Student Groups budgets will be made by the Student Groups, and the Student Clubs Committee in consideration of the following criteria:

11.4.1.1. Standing: the Student Organization must have Official Recognized Standing and meet its obligations under the FCSS student clubs policy;

11.4.1.3. Effectiveness: how closely the initiative fits the mandate of the Faculty of Community Services Society;

11.4.1.2. Optics: whether the initiative creates any substantial circumstances, reputational harm towards the FCSS or FCS Dean's Office, or corruption in relation to the reputation of the FCSS or the Faculty of Community Services Dean's Office;

requesting Student Group, and whether there is a clear purpose with a planned outcome;

11.4.1.4. Accessibility: how accessible and far-reaching the initiative is to students and members of the community;

11.4.1.5. Community-building: to what extent the initiative positively contributes to a sense of community at the Faculty of Community Services Society undergraduate community and beyond; and

11.4.1.6. Cost/benefit ratio: whether the initiative is financially sustainable, to what extent it provides value at its proposed cost, and whether similar value can be achieved at a reduced cost.

### **11.5. Budget Amendments**

11.5.1. As soon as a Student Group becomes aware that an expense will deviate from their Approved Spending by more than \$20 or any amount that brings them over their yearly allowance, Organizations must request amendments to their funding proposal.

11.5.2. Amendments must be submitted to the ED Finance, and a decision on whether amendments are Approved Spending shall be rendered:

11.5.2.1. By the Finance Committee within two weeks for any variances over \$20;

11.5.2.2. By the Finance Committee or two Signing Members within seven days for any variances under \$20; or



11.5.2.3. By the Finance Committee or two Signing Members, Society Manager, ED Finance and Corporate Relations, or The Executive Director within a reasonable amount of time for any urgent matters.

## **12.0. Spending**

### **12.1. Approval of Spending**

12.1.1. All material spending by FCSS directly will be approved by at least two Signing Members of the Executive.

12.1.2. For Student Clubs, budgets must first be approved by FCSS, the FCSS Student Clubs Committee, Finance Committee, and then individual spending items approved by at least two members of the executive of the student club.

12.1.3. One or two designated persons will take care of the purchasing for the student club, so the reimbursement of items is quick and efficient.

### **12.2. Further Approval**

12.2.1. Executive members will have the authority to spend within the approved operating budget, on a category by category basis, with the following exceptions that require approval from the FCSS Board of Directors:

12.2.1.1. Irregular or ad hoc spending exceeding \$500 or 50% of any budget category;

12.2.1.2. Contracts or agreements that commit to the purchase of goods and services for a period of more than one year; or

12.2.1.3. Funding for any new initiatives not previously proposed.

12.2.1.3.1. In only rare circumstances on a case-by-case basis will the FCSS, Finance Committee, and Student Clubs Committee will allow the FCSS or any of its student groups to use gift cards as prizes or gifts.

### **12.3. Recordkeeping**

12.3.1. Minutes will be kept for all spending decisions within an organization and documentation retained for each transaction, to ensure a clear and transparent audit trail of expenditures.

12.3.2. Itemized receipts must be obtained and kept on file for any purchase of goods or services.

### **12.4. Prohibited Spending**

12.4.1. FCSS funds are not permitted to be spent on the following for student clubs:

12.4.1.1. Alcohol;

12.4.1.2. Donations to external charities or causes;

12.4.1.3. Honorarium exceeding \$200 per speaker;

12.4.1.4. Any spending that is not Approved Spending, including deficit spending;

12.4.1.5. Any spending in contravention of section 14.0 - Conflict of Interest of this finance policy document.

12.4.1.6. There shall not be any spending on Cannabis.

12.4.1.7. Lottery tickets; and

12.4.1.8. Gambling

And any spending thereof shall not be reimbursed.

## **12.5. Approved Prize Spending**

12.5.1. All student clubs, initiatives, services, and committees shall purchase prizes in bundles or physical singular options.

## **12.6. Honorariums**

12.6.1. The FCSS may have honorariums for roles that are contracted such as the Board Chairperson, CRO, DRO, Photographers, Videographers, Board of Directors Secretary, and Commissioners.

12.6.2. The FCSS Executive Board may start to gain honorariums at a later time down the line when the Board of Directors know our annual budget is stable, and the Executives complete achievable demanding goals set out in the strategic plan.

## **12.7. Reimbursement Procedure**

12.5.1. No spending shall be reimbursed that does not have supporting documentation or for which prior approval was not sought. Exceptions to this process will be granted in emergency circumstances only by the FCSS Executive Director and in consultation with the Student Society Manager.

12.5.2. The ED Finance and Corporate Relations shall ensure that all Approved Spending is reimbursed and processed in a timely manner to the extent that it is in the FCSS' control.

12.5.3. The Finance Committee shall maintain a contact by the [fcssfinance@torontomu.ca](mailto:fcssfinance@torontomu.ca) email for Student Groups to request reimbursements from the FCSS for Approved Spending.

12.5.3.1. Student Groups are responsible for sending their receipts to the [fcssfinance@torontomu.ca](mailto:fcssfinance@torontomu.ca) in a timely manner upon purchasing items.

12.5.3.2. Reimbursements must be submitted to the ED Finance by the communicated deadlines and that any receipts received after the end of the FCSS fiscal year (unless previously approved by the ED Finance), are not required to be reimbursed.

12.5.4. Reimbursement receipts for student groups, committees, and services must be under \$2,500 for each receipt.

## **13.0. Vendor and Venue Contracts Policy**

### **13.1. Refer to the event management policy,**

13.1.1. Ensuring contracts never get signed by students, and it goes through the process of getting it to the student society first, then university legal, and back to the group.

## **14.0. Reporting**

### **13.1. Transparency**

13.1.1. In-year and year-end reporting will be prepared by the ED Finance, and approved by the ED Finance and the Executive Director. Financial reports and budgets for each Activity Code will be published on the FCSS website and made available to the Student body for review during the SAGM.

13.1.2. Reports will be made available to the Faculty of Community Services Dean's Office upon request.

### **13.2. Organization Budget Reporting**

13.2.1. Student Groups shall provide financial reports showing, at minimum, actual versus budgeted expenditures in such a manner and at such times as required by FCSS, which will include at the end of each Fiscal Year.

13.2.2. Explanations shall be provided by the Student Organization for any variances between Approved Spending and actual spending.

13.2.3. Expenditure data will be made available to executive members of Student Groups from the Toronto Metropolitan University financial system, with Activity Codes established to identify each individual group.

13.2.4. The ED Finance will ensure that such access is arranged for Student Groups.

13.2.5. The ED Finance will act as the primary point of contact for Student Groups on financial reporting.

13.2.6. The ED Finance will review financial reports from Student Groups and flag any issues for discussion with the Finance Committee.

13.2.7. Student Groups will ensure that documentation is retained for all transactions included in its financial reporting that clearly identifies the amount, item, date of purchase, and any other pertinent information needed to identify the transaction, to ensure that there is an appropriate audit trail.

## **14.0. Conflict of Interest**

### **14.1. Obligations**

14.1.1. All Executives and Directors of FCSS and Student Groups shall:

- 14.1.1.1. Comply with this conflict of interest section and voluntarily report perceived or real incidences of conflict of interest to the ED Administration and Operations for the student groups committee to investigate;
- 14.1.1.2. Arrange their personal and private affairs in such a manner as to prevent real or potential conflicts of interest from arising;
- 14.1.1.3. Serve without compensation; and
- 14.1.1.4. At all times and places, and regardless of whether engaged in business of their respective Student Groups, take reasonable steps to avoid the exercise of any influence on Group decisions in which they have a personal interest, which may include but is not limited to a financial benefit.

## **14.2. Prohibitions**

- 14.2.1. All Directors of FCSS and Student Groups shall not:
  - 14.2.1.1. Receive any profit from their position, whether directly or indirectly;
  - 14.2.1.2. Act, after they leave their position, in such a manner as to take improper advantage of their previous position;
  - 14.2.1.3. Solicit or accept transfers of personal economic benefit other than incidental gifts, customary hospitality or other benefits of nominal value;
  - 14.2.1.4. Accept substantial gifts, benefits or favors for their personal use or enjoyment offered by a supplier, proposed supplier, purchaser, proposed purchaser, donor, proposed donor, association, institution or person with whom the member is dealing with on behalf of their Group ; and
  - 14.2.1.5. Approve or vote on decisions regarding purchases or payments for the purchase of goods or services from enterprises in which the member or a close personal contact of the member has a financial interest.

## **14.3. Breach of this Part**

- 14.3.1. FCSS and Student Group Executives in contravention of this Part shall be subject to an internal investigation regarding the student society manager, TED, and Student Group Committee.
- 14.3.2. Student Organizations in contravention of this policy will not be reimbursed for any spending in violation of this policy, and may further risk losing Official Standing depending on the severity of the breach.