



University of Alberta Students' Union

**FINANCE
COMMITTEE**

Tuesday, December 8, 2015

4.00pm

SUB 0-55

AGENDA (FC 2015-09)

- 2015-09/1 INTRODUCTION**
- 2015-09/1a Call to Order**
- 2015-09/1b Approval of Agenda**
- 2015-09/1c Approval of Minutes**
- 2015-09/1d Chair's Business**
- 2015-09/2 QUESTION/DISCUSSION PERIOD**
- 2015-09/3 COMMITTEE BUSINESS**
- 2015-09/3a SU Awards Report.**
- 2015-09/3b Minimum Wage Increase Discussion.**
- 2015-09/3c Budget Principles Discussion.**
- 2015-09/4 INFORMATION ITEMS**
- 2015-09/5 ADJOURNMENT**
- 2015-09/5a **Next Meeting:** To be decided.**

**FINANCE
COMMITTEE**

Wednesday November 04, 2015

**5:00 pm
SUB 6-06**

ATTENDANCE

NAME	PROXY	PRESENT
Cody Bondarchuk (Chair)		Y
Levi Flaman		Y
Alex Kwan		Y
Charles Lewis		Y
Robyn Paches		N
Kevin Wang		Y
Jane Yu	Sam Cheng	Y
Vivian Kwan		N
Brett Stephen		Y

MINUTES (FC 2015-08)

2015-08/1 INTRODUCTION

2015-08/1a Call to Order

Meeting called to order at 5:05 pm.

2015-08/1b Approval of Agenda

BONDARCHUK added "WUSC" as item 2015-08/2a to the Question/discussion period.

FLAMAN/ALEX KWAN moved to approve the agenda for November 04, 2015 as amended.

Vote 7/0/0

CARRIED

2015-08/1c

Approval of Minutes

ALEX KWAN/LEWIS amended the minutes to change "5.07" to "5:07" under Attendance.

FLAMAN/WANG moved to approve the minutes for October 05, 2015 as amended.

Vote 4/0/3

CARRIED

2015-08/1d

Chair's Business

2015-08/2

QUESTION/DISCUSSION PERIOD

2015-08/2a

WUSC

BONDARCHUK: I spoke with the head of WUSC. For anyone that doesn't know, WUSC is our student group which administers the student refugee fund. We have 2 types of dedicated fee units (DFUs): operational and granting. Because some of WUSC's money goes to operations, they have to do a full financial audit every year. I'm encouraging them to become a granting DFU so that they don't have to do the full audit. WUSC's head is in favour of it, and she is going to bring it to her board. The 2% of funds that were siphoned off every year for administrative expenses were never used. They have been holding it. With the proposed new setup, that 2% would go to their granting pool. If anybody doesn't have any issues, I'll be making a motion at Council to change their name to Student Refugee Granting Fund, and to make them a granting DFU.

They will still have to go through the 5 year plebiscite cycle for renewal, and they have to report to us every year by giving a list of people they have given money to.

STEPHEN: I saw that your fiscal year ends on April 30. Is that a set date?

BONDARCHUK: Yes.

STEPHEN: What does internally restricted net assets mean?

LEWIS: They are assets locked up in internal operations. They have been earmarked for something.

BONDARCHUK: We are slowly phasing these out.

ALEX KWAN: How are our businesses doing? There's always a long line for the *Daily Grind*.

BONDARCHUK: They are doing well. I will report the November numbers to the next Council meeting. The *Daily Grind* is doing well, business of *Undergrind* has quadrupled, and *Deweys* is doing great.

LEWIS: What has changed at *Deweys*?

BONDARCHUK: There was an overhaul in the menu. They took out some items that were never sold. They still have more on offer than *RATT*. The service is much better and friendlier. We have also changed the student group booking rate. Now, they get a percentage off their rate depending on the sales. There is no minimum number of people you have to bring, and the maximum number is around 200 which is dictated by fire regulations. We are encouraging groups to bring in more people by giving discounts depending on sales.

FLAMAN: Can we extend the hours of *Deweys*?

BONDARCHUK: The bar manager has extended hours for Fridays and Saturdays. I think staffing is the only problem. It was opened until 8 o'clock across the board, but it's now open till 10 on Fridays and Saturdays. If there are people by that time, it stays open for longer.

Deweys is also thinking about shuffling their hours. Right now, they open at 7, but makes almost nothing till around 9. So, they are looking at opening later

CHENG: You said there were staffing issues right. Are we only hiring students?

BONDARCHUK: We technically could hire from outside, but preference is given to our students.

CHENG: Where are the advertisements posted?

BONDARCHUK: It's on *Jobkin*.

CHENG: If we post on external sites, we would reach a wider audience, and they may be able to work certain hours where our students can't.

BONDARCHUK: External sites have a price associated with them. It's around \$50-\$100 per post. But, *Jobkin* is free, and a lot of advertisements external to the Students' Union are posted there. I'll pass on the message.

2015-08/3

COMMITTEE BUSINESS

2015-08/3a

APIRG (Alberta Public Interest Research Group) DFU Financial review Submission

BONDARCHUK: All the documents here may not be relevant. Also, make sure to concentrate on the financial section. The only contract APIRG has with us is the elections contract where they pay us to administer their annual board election.

CHENG: On which parts of their spending do we have authority?

BONDARCHUK: They can spend on things if they can find the money for it. We would be specifically looking at the money they get from us.

They appear to get most of their money from us.

CHENG: What if we have a difference of opinion on what they should spend their money for?

FLAMAN: The first line of defence to that comes from students because they can opt-out of this.

BONDARCHUK: It's subjective, and up to your discretion. For example, a luxury trip for board members is not acceptable.

FLAMAN: They seem to have divested some of their interest bearing assets.

CHENG: Are these reports standard.

BONDARCHUK: These statements come from an auditing firm, and most look similar. They have to hire an audit firm.

WANG: Are they supposed to run a deficit?

BONDARCHUK: Their projected deficit for this year is \$15,495.05 which is a bit less than 10% of their revenue. I'd be more concerned if they are running a huge surplus. Their statement of cash flows shows that they have quite a large amount of cash in the bank from previous surpluses. So, they are now trying to reduce that amount by deficit budgeting.

CHENG: How did the \$165,000 in the bank accumulate? Were they saving it as a contingency?

BONDARCHUK: Probably. This is the first year they are providing these reviews. They never had to report to the Students' Union before. Also, under our bylaws, they don't have to spend all their DFU money in a year. They have to make a note about it, which they have.

CHENG: If they budget like this every year, there'll be a point where there will be no cash in the bank. Can they borrow money?

BONDARCHUK: My feeling is that they wouldn't let their bank balance run to 0. \$165,000 is a lot of cash to have on hand. Most not-for-profit organizations like to hold a year's worth of money so that the organization can still run for a full year if something unexpected happens.

STEPHEN: What does account receivable mean? Do we then owe money?

BONDARCHUK: No. It could be anybody.

FLAMAN: Do they only have the single office in HUB?

BONDARCHUK: Yes.

FLAMAN: Can we get their rent lowered so that they have fewer expenses?

BONDARCHUK: That's standard.

CHENG: Why don't we house them here?

BONDARCHUK: There's no space.

This isn't our responsibility, but it's concerning that they have a section for resignations on their agenda for every meeting. They have a strong

staff team though.

WANG: Do they still get money from the Parkland institute?

BONDARCHUK: It wasn't listed here.

FLAMAN/STEPHEN moved to accept APIRG's DFU financial submission for 2015.

Vote 7/0/0

CARRIED

2015-08/3b

FACRA (First Alberta Campus Radio Association) DFU Financial review Submission

BONDARCHUK: They have used the term "Operational Designated Fee Unit" instead of "Operational Dedicated Fee Unit".

FLAMAN: They are reserving funds for a new transmitter. It's in the notes.

BONDARCHUK: They have graduate fees as well, but apparently they are paying less.

CHENG: The major issue I see here are the bad debts. What kind of bad debts can you have as a radio station?

FLAMAN: It's difficult to control who will pay back and who will not.

BONDARCHUK: Well, basically anybody that doesn't pay after being sent an invoice. They will probably blacklist those people/organizations.

CHENG: They should be more careful and do background checks. It's a lot of money

BONDARCHUK: They may collect it after the fiscal year ends. People may pay later.

CHENG: In some businesses, they have down payments. There are some processes that must be changed. We can't have this every year.

FLAMAN: It's common accounting practice to have a portion allocated for bad debts.

BONDARCHUK: It's more than previous years, but some of it may be paid later and included in the next year's statements. But, we can remind them that down payments are never a bad thing.

ALEX KWAN: Their website is really good. Are they going to buy a new transmitter?

FLAMAN: They are keeping it there so that they don't accidentally spend that money on something else.

BONDARCHUK: I don't really agree with their note number 6 because I don't anticipate them moving out.

FLAMAN: If they want more space, and are willing to pay for it, can we give them space from our furniture storage area by moving some stuff to an off-site location?

BONDARCHUK: It's not really possible. We have so little space right now.

FLAMAN: Their website after the overhaul was award winning.

BONDARCHUK: Around \$13,000 is reasonable for a website.

FLAMAN: I would like to see the \$26,426 for equipment broken down a

bit.

CHENG: What are interest and service fees? Banking?

BONDARCHUK: Highly likely. Maybe service fees for broadcasting? I'm not sure.

Why didn't they spend anything on advertising last year?

FLAMAN: They spent a lot of money upgrading the website.

ALEX KWAN/LEWIS moved to accept FACRA's DFU financial submission for 2015.

Vote 6/0/1

CARRIED

2015-08/4 INFORMATION ITEMS

2015-08/5 ADJOURNMENT

2015-08/5a **Next Meeting: November 23, 2015 at 5:00 pm.**

2015-08/5b Meeting adjourned at 5:55 pm.

SUMMARY OF MOTIONS

MOTION	VOTES
<i>FLAMAN/ALEX KWAN moved to approve the agenda for November 04, 2015 as amended.</i>	7/0/0 - CARRIED
<i>ALEX KWAN/LEWIS amended the minutes to change "5.07" to "5:07" under Attendance.</i>	CARRIED
<i>FLAMAN/WANG moved to approve the minutes for October 05, 2015 as amended.</i>	4/0/3 - CARRIED
<i>FLAMAN/STEPHEN moved to accept APIRG's DFU financial submission for 2015.</i>	7/0/0 - CARRIED
<i>ALEX KWAN/LEWIS moved to accept FACRA's DFU financial submission for 2015.</i>	6/0/1 - CARRIED