**Motion to Amend AUS VP Finance Selection Process**

**Whereas** the AUS has discussed and consulted extensively on the topic of modifying the AUS VP Finance selection process, including but not limited to at: the AUS Legislative Council, Town Hall, Financial Management Committee, Executive Committee, Constitutional and Bylaw Review Committee, and more

**Whereas** based on these discussions and the feedback from students, the AUS has narrowed potential changes to the VP Finance selection process to three options;

**Whereas** according to the Electoral Bylaws:

*4.2 Referenda may be initiated by a two-thirds (2/3) vote of Council or by a petition signed by at least one hundred and fifty (150) members of the Society and filed with Elections AUS a minimum of twenty-one (21) days prior to polling.*

*4.3 In the case of a Council-initiated question, Council must ratify the wording of the question in both official languages of the AUS a minimum of twenty-one (21) days prior to polling. Approved fee-related questions must also be forwarded to the Office of the Deputy Provost (Student Life and Learning).*

*4.5 Council may form a “Yes” or “No” committee in any referendum through a regular motion of Council. A chairperson for the committee shall be appointed in the same motion.*

**Whereas** the deadline established by the Chief Returning Officer for the approval of referendum questions is November 4th 2015 and the formation of referendum committees is November 16th, 2015;

**Be It Resolved** that AUS Council approve **one of the three** attached referendum questions regarding the Constitutional amendment to modify the AUS VP Finance selection process;

**Be It Further Resolved** that a “Yes” Committee be established for the “Question Regarding the AUS VP Finance Selection Process”; and that AUS President Jacob Greenspon serve as Committee Chairperson

Moved By:

Jacob Greenspon, AUS President

Mirza Ali Shakir, AUS VP Finance

Erin Sobat, Arts Senator

Option 1:

**Question Regarding Constitutional Amendment to Modify the AUS VP Finance Selection Process**

**Whereas**, as a Non Profit Corporation the AUS is required to complete annual audits, and present them to McGill University as per the AUS Memorandum of Agreement;

**Whereas**, failure to provide these audits in the past has resulted in AUS student fees being withheld and AUS services being significantly affected;

**Whereas**, the AUS experienced significant delays in completing the 2014-2015 annual audit due to incorrect and unsatisfactory accounting practices during the 2014-2015 academic year;

**Whereas**, the AUS unknowingly incurred a $65,000 deficit due to accounting mistakes and lack of oversight over financial records during the 2014-2015 academic year;

**Whereas**, the AUS appointed an accounting firm, LMCKA, prior to 2013 to handle its accounting records at a cost of $40,000 a year, yet LMCKA did not handle accounting to a satisfactory level and the AUS now handles all bookkeeping and accounting internally;

**Whereas**, the AUS VP Finance is the main accountant of the organization while currently the AUS Executive Assistant assists with some bookkeeping tasks;

**Whereas**, the AUS VP Finance portfolio requires extensive technical knowledge and experience in accounting procedures;

**Do you agree to amend the AUS Constitution as follows?**

**From:**

**Article 15 – Eligibility**

1. All members of the AUS in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to any of the AUS Executive positions.
	* 1. Only members of the AUS enrolled in the Bachelor of Arts program in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to the Arts Representative to SSMU positions.

**To:**

**Article 15 – Eligibility**

1. All members of the AUS in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to any of the AUS Executive positions.
	* 1. Only members of the AUS enrolled in the Bachelor of Arts program in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to the Arts Representative to SSMU positions.
		2. To stand for election to the position of AUS Vice-President Finance, candidates must hold sufficient qualifications for the duties and responsibilities required of the position, as determined by a two-thirds majority vote of a screening committee struck for these purposes. Decisions of the screening committee may be overturned by a two-thirds majority vote of AUS Council. The composition, criteria and evaluation methods of this committee shall be determined by a two-thirds majority vote of the Legislative Council and included in the AUS Electoral Bylaws.

**Moved By:**

Jacob Greenspon, AUS President

Mirza Ali Shakir, AUS VP Finance

Erin Sobat, Arts Senator

Option 2:

**Question Regarding Constitutional Amendment to Modify the AUS VP Finance Selection Process**

**Whereas**, as a Non Profit Corporation the AUS is required to complete annual audits, and present them to McGill University as per the AUS Memorandum of Agreement;

**Whereas**, failure to provide these audits in the past has resulted in AUS student fees being withheld and AUS services being significantly affected;

**Whereas**, the AUS experienced significant delays in completing the 2014-2015 annual audit due to incorrect and unsatisfactory accounting practices during the 2014-2015 academic year;

**Whereas**, the AUS unknowingly incurred a $65,000 deficit due to accounting mistakes and lack of oversight over financial records during the 2014-2015 academic year;

**Whereas**, the AUS appointed an accounting firm, LMCKA, prior to 2013 to handle its accounting records at a cost of $40,000 a year, yet LMCKA did not handle accounting to a satisfactory level and the AUS now handles all bookkeeping and accounting internally;

**Whereas**, the AUS VP Finance is the main accountant of the organization while currently the AUS Executive Assistant assists with some bookkeeping tasks;

**Whereas**, the AUS VP Finance portfolio requires extensive technical knowledge and experience in accounting procedures;

**Do you agree to amend the AUS Constitution as follows?**

**From:**

**Article 15 – Eligibility**

1. All members of the AUS in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to any of the AUS Executive positions.
	* 1. Only members of the AUS enrolled in the Bachelor of Arts program in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to the Arts Representative to SSMU positions.

**To:**

**Article 15 – Eligibility**

1. All members of the AUS in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to any of the AUS Executive positions.
	* 1. Only members of the AUS enrolled in the Bachelor of Arts program in satisfactory standing, as determined by McGill University, shall be eligible to stand for election to the Arts Representative to SSMU positions.
		2. To stand for election to the position of AUS Vice-President Finance, candidates must hold sufficient qualifications for the duties and responsibilities required of the position, as determined by a two-thirds majority vote of the Legislative Council. The criteria and evaluation methods for AUS Vice-President Finance candidates shall be determined by a two-thirds majority vote of the Legislative Council and included in the AUS Electoral Bylaws.

**Moved By:**

Jacob Greenspon, AUS President

Mirza Ali Shakir, AUS VP Finance

Erin Sobat, Arts Senator

Option 3:

**Question Regarding Raising AUS Base Fee to Fund External Bookkeeper Services**

**Whereas**, as a Non Profit Corporation the AUS is required to complete annual audits, and present them to McGill University as per the AUS Memorandum of Agreement;

**Whereas**, failure to provide these audits in the past has resulted in AUS student fees being withheld and AUS services being significantly affected;

**Whereas**, the AUS experienced significant delays in completing the 2014-2015 annual audit due to incorrect and unsatisfactory accounting practices during the 2014-2015 academic year;

**Whereas**, the AUS unknowingly incurred a $65,000 deficit due to accounting mistakes and lack of oversight over financial records during the 2014-2015 academic year;

**Whereas**, the AUS appointed an accounting firm, LMCKA, prior to 2013 to handle its accounting records at a cost of $40,000 a year, yet LMCKA did not handle accounting to a satisfactory level and the AUS now handles all bookkeeping and accounting internally;

**Whereas**, the AUS VP Finance is the main accountant of the organization while currently the AUS Executive Assistant assists with some bookkeeping tasks;

**Whereas**, the AUS VP Finance portfolio requires extensive technical knowledge and experience in accounting procedures;

**Whereas,** the hiring of external auditors has been recognized by AUS auditors, Fuller Landau as one possible solution to the issue of poor accounting practices

**Do you agree to increase the non-opt-outable fee levy from $13.50 to $16.50 per student per semester for full time students and from $6.00 to $7.50 per semester per part-time student, with BA&Sc students paying half the full time or part time rate per semester, for the Arts Undergraduate Society Fund (ARUG)?**

**Moved By:**

Jacob Greenspon, AUS President

Mirza Ali Shakir, AUS VP Finance

Erin Sobat, Arts Senator

**Appendix: Note from Auditors**

Hi Mirza,

Sorry for the delay. We were really busy leading up to the end of the month as is always the case for every month end.

Everything is good. We filed the March 31, 2014, April 30, 2014 and April 30, 2015 corporate tax returns for AUS and it is now up to date and complying with its annual reporting requirement.

In regards to VP Finance position, it would be a definite plus if the individual had some level of accounting and finance background. Unfortunately, how many individuals will you expect to be running with these qualities each year? What happens if none of the candidates have these qualities? That’s something to consider.

The VP finance should have these attributes and an understanding of the following tasks:

1. Have an introductory level of accounting knowing how to account for double entry transactions. In other words, knowing how to post the debits and credits for every transaction.
2. Have an understanding of what assets, liabilities, revenues and expenses are and how they are accounted for. I find that the revenue and expense side is relatively easy since it generally represents the cash deposited and payments made for the year. But what generally is not well understood are the assets.
3. Have an understanding of the accounting software Quickbooks.
4. Keep a good filing system so all documents are retained and easily accessible for following the paper-trail of how the transaction was initiated to its conclusion.
5. Needs to know how to reconcile the bank and keep track of the issued and outstanding cheques. This is critical. I find too many times cheques being reissued because the originals were never cashed and there is no way to verify this; payments made in duplicate because there is no trail of issued cheques reconciling once they’ve been cashed.

This can be a hit or miss depending on the individual. So we as auditors find ourselves in a struggle when the individual is not suited for the role because the records for the year end up being a mess to audit. That is not to say that we can’t do the audit, it requires more time, duplication of work as things are cleaned up and a push for the VP to get the records straightened out.

I would recommend if your budget permits, an external bookkeeper. I have some experience with the McGill Law Student Association. The audit costs are lower because the records are very clean but you have to pay a bookkeeper. All told, the combined audit cost + bookkeeper cost is marginally more than what you would be paying for an audit right now. The tradeoff is that you have consistency each year by having a qualified person maintaining the records, a point of contact to deal with some of the day to day stuff as opposed to us which is much more expensive.

As a last alternative, our office has a separate bookkeeping division which could assist with the accounting but that is a more expensive option than the external bookkeeper. I would recommend this as a last resort after you’ve explored either getting an external bookkeeper or maintaining the status quo with a more qualified VP Finance.

CL