



Financial Policy

Oversight: Vice-President Finance and Operations

Date passed: August 24, 2020

Date of next review: August, 2025

Related Documents: Procurement Policy, Signing Authority Policy, Corporate Credit Card Policy, Investment Policy

Definitions:

SRC – Students Representative Council

Executive Officer – A Member elected for one year to primarily carry out the strategic plans and policies adopted by the SRC according to a specific work portfolio.

Auditor – A third party contracted by Acadia Students' Union (ASU), authorized to review and verify the accuracy of financial records and ensure ASU is in compliance with regulations.

Purpose:

To serve as a framework when making decisions related to the finances of ASU and provide transparent, consistent, and accountable practices in meeting ASU fiduciary duties.

Scope:

All accounting systems, procedures, and responsibilities in ASU. This policy also includes any equipment or corporate credit card in ASU.

Statement:

1. Auditor's Report

- a. A financial audit must be conducted every year by an outside accounting firm to ensure that proper accounting procedures are being followed.
- b. The firm conducting the audit shall be reviewed in accordance with the Procurement Policy after a maximum of 5 years.
- c. Any change in auditor will be approved by the SRC.
- d. The annual audit, once presented to and approved at SRC, will be made available on ASU website.

2. Budget Cycle

- a. The operating budget for the following financial year will be drafted by the Vice President Finance and Operations and General Manager no later than February 25th.
- b. A proposed operating budget will be presented to the Finance Committee for feedback and approval prior to being motioned for adoption at the SRC.
- c. After approval by the SRC, the full year budget summary shall be published on ASU website.
- d. The Vice-President Finance and Operations will provide the SRC with a mid-year budget report.

3. Capital Expenditures

- a. Any capital expenditure within ASU will be submitted to the Vice-President Finance and Operations, General Manager, and Finance Manager through a capital project proposal.
- b. No capital expenditure may be proposed after July 31st for that fiscal year.
- c. Any capital expenditure in excess of five percent of the total Union budgeted revenues for the year in which the capital expenditure is initiated shall be approved by the SRC.
- d. Capital expenditures of five per cent or less of Union budgeted revenues shall be approved by the Executive Board.
- e. Ongoing service costs cannot be considered under capital expenditure as they must consist of one time purchases for eligibility.

4. Cash and Inventory Handling

- a. All ASU employees (full and part time), Executive Officers, representatives, and volunteers shall use care and diligence when handling cash and inventory. Additionally, those individuals handling cash and inventory shall be held responsible for shortages, where applicable.
- b. Each ASU service will ensure daily deposits and cash floats are secured and properly accounted for.
 - i. Service Managers will ensure the previous day's deposit has been accurately recorded and remit deposits to the Finance Office on the appropriate day for secure pickup.
- c. ASU services with inventory will have appropriate inventory controls in place including inventory tracking procedures with accompanying documentation.

5. Cell Phones

- a. Executive Officers and full-time staff of ASU are permitted to receive a subsidy toward cell phone plans should they elect to use their personal cell phone for work purposes and not make use of a dedicated landline.

- i. Those Executives and full-time staff utilizing their cell phone will provide their number on an internal ASU directory and to any external vendors requiring a telephone number for contact purposes.
- ii. Cell phone subsidies will be standard across ASU and reviewed by the Executive Board annually during the Budget Cycle (section B).

6. Cheque Requests

- a. All cheque requests will be submitted to the Finance Department utilizing the Cheque Request Form.
- b. Cheques not picked up from the Finance Department within six months of issuance will be stale dated and destroyed.
 - i. Should the requestor continue to require the funds after a cheque has been destroyed, they will be required to begin the approval process from the beginning.
- c. Any purchases under \$500.00 by an ASU Department should avoid being paid by cheque and will be made with a corporate card unless one is unavailable at the time of purchase.
- d. Any cheques issued in respect to ASU Clubs or House Councils cannot be in an individual's name but must be issued to the Club or House Council name attached to their BMO Community Account.

7. Reimbursement

- a. Expenses incurred personally for ASU purposes may be reclaimed, provided the signing officers approve the expense in advance of purchase.
 - i. No purchase over \$500 will be considered for personal reimbursement and should be made in accordance with the Purchasing Policy.
- b. To reclaim an approved expense you must fill out the Reimbursement Form.
- c. With the exception of ASU travel related expenses, reimbursements are discouraged and should not be a regular practice.
- d. ASU clubs or House Councils are not eligible for reimbursement but must submit a Grant Application for approval (see section 9).

8. Grant Program

- a. The ASU grant program allows ratified clubs or House Councils to apply for funding before their expenditures.
- b. Clubs or House Councils requesting funds must submit ASU Grant Application to the Vice-President Finance and Operations for approval.
 - i. Once the grant application is approved by the Finance Committee (or in the Summer months by the Executive Board), the Vice-President Finance and Operations will submit a Cheque Request Form to the Finance Department for issuance.
- c. Any funds unutilized by the Club or House Council must be returned to ASU within one year of issuance.

- i. The ASU reserves the right to withhold any future funding to a club or House Council found to have not remitted unused funds.

9. Travel

- a. Executive Officers and full-time employees requiring to travel for work purposes by plane, train, or bus must choose the most economical of the these options and purchase an economy ticket.
- b. Any Executive Officer or full-time employee is eligible to make a mileage claim when traveling out of town on ASU business. Travel by private vehicle may be necessary to save time and/or costs. Reimbursement for costs are made to the driver only and are calculated by applying the mileage (km) rate to the actual driving distance while on ASU business, which must be shown to be the most direct route.
 - i. Claims must be approved by the appropriate department head.
 - ii. Kilometer rate is \$0.49 per kilometer.
- c. Any Executive Officer or full-time employee is eligible to apply for a per diem when traveling on ASU business. The per diem allowance is granted for meals incurred out-of-pocket when traveling on ASU business or attending a conference in which the meals are not provided. The per diem allotments are: \$10 for breakfast, \$20 for lunch, \$30 for dinner.
 - i. Application will be made using the Expense Reimbursement Form and accompanied with all appropriate receipts.

10. Electronic Equipment (Laptop, mainly, but not limited.)

This is intended to minimise ASU's expense to electronic equipment as well as increase the user's (owner's) personal safety and safeguard on the provided hardware.

- a. Owner¹'s Roles and Responsibilities
 - i. The owner cannot leave laptops unattended and always lock the computer without accessing from unauthorized person.
 - ii. Keep it at safe spot all the time, which also means the following:
 - 1. The owner is required to consider the overall security of laptop in terms of the location, time of day and events if they are participating.
 - iii. The owner is discouraged to use their laptop at the public spaces. They have to ensure to never open any confidential document or communication at where a third party can see.
 - iv. The owner is prohibited to use a laptop for personal use and download any type of suspicious software.
- b. Maintenance
 - i. A laptop should be put the maintenance cycle every 5 years of the use. This maintenance is for both hardware and software.
 - ii. If there is any issue, which is hard to solve internally, the owner is able to bring to Acadia IT support office for maintenance.

¹ An owner means a person who assigned a corporate laptop, or any type of equipment assigned through ASU.

- iii. The equipment could be put in the maintenance cycle if there is any barriers to use at daily use.
 - iv. The maintenance fee should be the lowest option, and the fee is 100% reimbursed for this maintenance purpose.
- c. Breaks and Reimbursement
- This part will be read with Recovery Table (Appendix. A).
- i. Personal Careless

If any conditions are met below, it shall be considered as Personal Careless action.

 - 1. The owner uses the equipment without paying attention to the overall security of equipment in terms of the location, time of day and events if they attend.
 - 2. Using the equipment outside of the regular working hours, and places.
 - 3. The time of the owner using the equipment for personal use.
 - ii. Accidental Event

If any conditions are met below, it shall be considered as Accidental Event action.

 - 1. The owner uses the equipment at the workplace normally as well as paying attention to the overall security.
 - 2. The owner is attending any type of conference event.
 - 3. The owner is driving a vehicle or walking to/back from the office, which has forced them to move their equipment for the work purpose.
 - iii. Recovery Fee
 - 1. The recovery fees are covered by their office supply budgets with certain portion, which is mentioned in the Recovery Table (Appendix. A).
 - 2. Full-time employee and Executive Officer would have same recovery percentage for their Accidental Event. But, they have different rate for Personal Careless action since the length of working years are different, and Full-time employees are at more risks for breaking.
- d. Assigning the Equipment
- President is able to control an ownership from themselves or Vice President, Finance and Operation. General Manager is able to control any equipment assigned to full-time staff.
- i. Conditions

These conditions have to be met in order to assign the equipment:

 - 1. The owner has own department.
 - 2. President and General Manager agree to assign their corporate equipment towards to a candidate due to the liability.
 - ii. Corporate Laptop (Owners List)
 - 1. General Manager,
 - 2. Finance Manager,

3. Health Plan Coordinator,
4. President,
5. Vice President, Finance and Operation

11. Depreciation

This part will support a finance staff and a member who involves in the depreciation cycle.

a. Depreciation

i. Recording Depreciation Expense

1. Every Year-End, the Finance Office is required to calculate the Depreciation Expense, and reporting to General Manager and Vice President, Finance and Operation.
2. As a normal Accounting rule, the Depreciation Expense has to be constant, the Accumulated Depreciation is increased and the Book value is decreased every year.

ii. Straight-Line Method

ASU will use Straight-Line Method to calculate depreciation expenses. In order to calculate, this method will subtract the estimated residual value² from the initial cost of an asset, and then divided by the number of the useful lifespan (see Section B below). This is because of the most standard method to calculate the depreciation price.

iii. The initial cost of an asset includes, but not limited to:

1. Purchased Price of Product/Service³
2. Non-Refundable Purchase Taxes³
3. Required Installation Expense
4. Any other initial expenses⁴

b. Additional Asset

- i. The asset value is varied when the equipment or produce/service receive any type of maintenance or improvement. The value increased by the required costs for maintenance or improvement.

c. Useful Lifespan

The Useful Lifespan is the number of years that the equipment could be used with purchased value.

i. Useful Lifespan Estimation

1. This table is suggestion for Finance Office to calculate the depreciation expenses, but this is not limited their operation for the depreciation cycle. (Appendix. B)
2. Leases are another intangible asset for ASU. The estimation of useful lifespan is the length between the beginning and ending of the lease/agreement/contract.

² The value ASU used annually. Salvage value, Scrap value.

³ The number is accorded from the original invoice.

⁴ The expenses are required only one time at the beginning of the purchase.

Appendix. A

Recovery Table

	Personal Careless		Accidental Event	
Full-time Staff	1	50%	1	100%
	2	25%	2	50%
	3+	0%	3+	25%
Executive Officer	1	25%	1	100%
	2	15%	2	50%
	3+	0%	3+	25%

*"1, 2, 3+" is how many times they need recovery fees.

Appendix. B

Useful Lifespan Estimation Table

Category	Description	Useful Life (yrs)
Automobile	Shared Van	5-10
Electronic Equipment	Laptop, Screens, etc	5-8
Office Equipment	Desk, Chair, any equipment inside the office	5-8
Intangible Asset	Software System	4-8
Bar Equipment	Special Equipment required for Bar operation	5-15
Furniture	Any furniture in the retail store and place	8-10
General Equipment	Any other equipment used for the daily operation at the retail store and place	5-15
Books and Multimedia Materials	Any books or materials to deliver information as delivery media.	8-10