



## Funds

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Owner:	Director of Finances
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## Purpose

This document governs administration of all of the funds held by the Graduate Student Society.

## Definitions

1. The following definitions shall be used for this document:
  - a. Finance and Audit Committee: The GSS Committee responsible for reviewing and evaluating the Society's financial policies. Chaired by the Director of Finance.
  - b. Benefit Plan: The mandatory extended health, dental, optical, prescription, and travel insurance plan for all part- and full-time graduate students.
  - c. Instance: A single legal action or single matter requiring legal counsel.

## Benefit Plan Bursary Fund

2. The purpose of the Benefit Plan Bursary Fund is to generate earnings which will be used to provide annual Benefit Plan Bursaries for graduate students in financial need.
3. Annual interest and dividends collected from the Benefit Plan Bursary Fund shall be allocated in the form of Benefit Plan Bursaries.
  - a. The use of the Benefit Plan Bursary Fund for purposes other than Benefit Plan Bursaries must be approved by 2/3 majority vote of Council
4. Any returns earned on the Benefit Plan Bursary Fund investments will remain with the Benefit Plan Bursary Fund and contribute towards its principal.
5. The Benefit Plan Bursary Fund has no target value.

## Benefit Plan Contingency Fund

6. The purpose of the Benefit Plan Contingency Fund is to mitigate any future risk of excessively high Benefit Plan premiums.
7. Any access the Benefit Plan Contingency Fund shall be approved by a 2/3 majority vote at GSS Council.
8. Any returns earned on the Benefit Plan Contingency Fund investments will remain with the Benefit Plan Contingency Fund and contribute towards its principal.
9. The Benefit Plan Contingency Fund has no target value.

## Capital Fund

10. The Capital Fund shall only be used for:
  - a. Purchasing real estate;

- b. Securing a long-term lease on a building or space;
  - c. To pay for renting additional space for graduate student use;
  - d. Major renovations;
  - e. Unexpected property or building maintenance of GSS-controlled space; or
  - f. Other space-related expenses.
11. The purpose of the Capital Fund is to preserve and grow the fund.
  12. Any access to the Capital Fund shall be approved by a 2/3 majority vote at GSS Council.
  13. Any returns earned on the Capital Fund investments will remain with the Capital Fund and contribute towards its principal.
  14. The Finance and Audit Committee is responsible for identifying the total target value of the fund in accordance with space needs on an ongoing basis.

### **Contingency Fund**

14. The Contingency Fund may only be utilized for the following purposes:
  - a. Recoup of deficits absorbed during the GSS fiscal year;
  - b. Special projects valued over \$5,000, approved by a 2/3 vote at GSS Council;
  - c. Special projects valued under \$5,000, approved by Executive Committee;
  - d. Non-budgeted expenses related to staff benefits (parental leave, etc.);
  - e. Expenses related to legal defence or legal action exceeding the Legal Defence Fund (\$25,000); and,
  - f. Other expenses determined by a 2/3 majority vote of Council.
15. In the event of a fiscal deficit, the Contingency Fund will automatically recoup the deficit. Record of the recoupment will note in the annual audited financial statements as a transfer from the Contingency Fund to the Operating Fund.
16. In the event of a fiscal surplus, the surplus will automatically be contributed to the Contingency Fund. Record of the surplus transfer will be noted in the annual audited financial statements as a transfer from the Operating Fund to the Contingency Fund.
17. Any returns earned on the Contingency Fund investments will remain with the Contingency Fund and contribute towards its principal.
18. The Contingency Fund balance must be at least 5% of the annual operating budget.
19. If the Contingency Fund balance diminishes to less than 5% of the annual operating budget, the Finance & Audit Committee must recommendation to Council a plan to replenish the Contingency Fund. Adoption of this recommendation will be at Council's discretion.
20. If the Contingency Fund accumulates to greater than 100% of the annual operating budget, Council may approve a one-time transfer of assets from the Contingency Fund to one of the other GSS funds or create a new fund.

### **Legal Defence Fund**

21. The Legal Defense Fund shall be used to provide the GSS with the necessary resources to enter into legal action where appropriate.
22. The Legal Defense Fund may be used for the following:
  - a. Legal costs involved in defending the GSS in court action brought against it, in cases not covered by the GSS's Directors' Liability policy;
  - b. Legal costs involved when the GSS brings legal action against other parties;
  - c. Any judgments rendered against the GSS; and,
  - d. Other expenses determined by a 2/3 majority vote of Council.
23. The Legal Defense Fund may not be used for the following:
  - a. Legal costs involved in settling disputes between GSS members; and,

- b. Legal costs for opposing parties, except costs as awarded by the courts, for legal actions involving the GSS.
24. The GSS Executive Committee may approve the use of funds up to \$500 per instance.
- a. Whenever the Legal Defense Fund is accessed, Council must be informed of the amount, date, and reasons for access through a report at the next Council meeting.
25. Any returns earned on the Legal Defense Fund investments will remain with the Legal Defense Fund and contribute towards its principal.
26. The Legal Defense Fund shall hold a target amount equal to \$25,000.
- a. If the Legal Defense Fund falls below its target amount, the Finance & Audit Committee shall propose mechanisms to GSS Council to replenish the Legal Defense Fund.

**Governing Documents Associated with this Regulation**

P2100 Investment Policy Statement

Conflict of Interest Policy

**Amendment History**

Created: November 18, 2014

**Scheduled Review Date**

July 2016