



Operating Policy – Clubs Financial Procedures

1. Purpose

- 1.1. To outline the procedures associated with the financial operations of MSU Clubs.

2. Signing Authority

- 2.1. All MSU Clubs shall authorize a minimum of two (2) and a maximum of three (3) signing authorities to conduct the financial affairs of the Club;
 - 2.1.1. A minimum of two (2) signatures is required to conduct any financial transaction.
- 2.2. All signing officers must be eighteen (18) years of age or older;
- 2.3. All Clubs shall designate their President(s) and Vice-President Finance (or equivalents) as signing officers of the Club;
 - 2.3.1. One additional Executive Member may be designated as a signing authority;
- 2.4. All signing officers shall be authorized to use their Club's "Bank Account Number" to conduct business with MSU operations;
 - 2.4.1. The MSU will provide each ratified Club with a unique account number;
- 2.5. Signing authority cannot be transferred to another individual unless authorized by the Clubs Accounting & Accounts Receivable Supervisor, Clubs Accounting Clerk, or MSU Vice-President (Finance);
- 2.6. Clubs must designate their signing officers by September 1 of the Academic Year.

3. Membership & Fees

- 3.1. Each Club member shall register as a member of their respective Club

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online in a process determined by the Clubs Administrator as a means to track membership numbers;

- 3.1.1. Each Club member must provide their name, student number and McMaster email address.
- 3.2. Each Club may set a membership fee of their choice which shall be paid for online in a process determined by the Clubs Accounting & Accounts Receivable Supervisor and Clubs Accounting Clerk.
 - 3.2.1. Membership fees shall be paid by each Club member, including Executive Members;
 - 3.2.2. Membership fees will be deposited directly into the Club's MSU bank account;
 - 3.2.3. Cash transactions will not be permitted;
 - 3.2.4. Clubs may charge non-MSU members a different membership fee than MSU members.
- 3.3. Club membership fees shall be communicated to the Clubs Administrator and Clubs Accounting Clerk, via email, no later than the second Monday of September each year;
- 3.4. Any member of a Club may apply to their respective Club Executive Team for a refund of membership fees by December 1 of the current academic year in the following circumstances where:
 - 3.4.1. The Club's mandate or proposed activities as specified to the member when signing up for membership are not congruent with the Club's actual mandate or proposed activities;
 - 3.4.2. There are serious organization issues within the Club's Executive Team which leads to a lack of communication with Club members, or a lack of programming as promoted to potential Club members;
 - 3.4.3. In any circumstance that seriously inhibited the member's ability to enjoy membership in the Club;
 - 3.4.4. The Club funds are used in a manner that was not communicated to Club members.
- 3.5. Where the Club's Executive Team cannot solely issue a refund within ten (10) business days after the Club is first notified of a request, the Executive Team or the Club member may request assistance from the Clubs Administrator;
 - 3.5.1. The Clubs Accounting Clerk will act as the arbitrator of fees;
 - 3.5.2. The Clubs Administrator will meet with a representative from the Club and the member to review the situation;
 - 3.5.3. The Clubs Administrator will make a decision based upon information provided;
 - 3.5.4. The decision of the Clubs Administrator shall be final and cannot be

appealed.

4. Budget, Insurance, & Auditing

- 4.1. All MSU Clubs shall produce an annual budget detailing all revenue (including membership fees and sponsorships) and expenses (including administrative costs and contingency planning);
- 4.2. The MSU shall provide standard insurance to all ratified MSU Clubs;
 - 4.2.1. If a Club wishes to secure their own independent insurance they must work with, and receive approval from, the Clubs Administrator;
- 4.3. All annual budgets shall be accompanied by a year plan of project events that the Club plans to hold through that year;
- 4.4. Club preliminary budgets must be submitted with their New Club Application or Renewal Application;
- 4.5. Clubs annual budgets must be submitted by October 7 of that academic year;
- 4.6. All MSU Clubs shall submit to any audit of their financial account by of:
 - 4.6.1. The MSU Clubs Administrator;
 - 4.6.2. The MSU Clubs Accounting Clerk;
 - 4.6.3. The MSU Vice-President (Finance);
 - 4.6.4. The MSU Director of Finance, or designate;
- 4.7. The MSU Vice-President (Finance) or the MSU Director of Finance may freeze a Club's financial account under any of the following circumstances:
 - 4.7.1. The Club opens an external bank account;
 - 4.7.2. The Club is not represented at a mandatory MSU training, this includes mandatory training for Club presidents;
 - 4.7.2.1. A designate may be sent on behalf of the Club, with approval from the Clubs Administrator;
 - 4.7.3. All Club Executive Members do not attend, or complete mandatory executive training as outlined by the Clubs Administrator;
 - 4.7.4. The Club's budget is not submitted by October 7;
 - 4.7.5. Spending or accounting irregularities are detected;
 - 4.7.6. There is evidence of the Club violating a municipal, provincial, or federal law;
 - 4.7.7. The Club uses an external ticketing vendor without consulting the Clubs Accounting Clerk;

- 4.7.8. Any other violations as determined by the Clubs Administrator or Clubs Advisory Council;

5. Financial Assistance

- 5.1. Upon request, the MSU may provide a Club with bridge financing (short-term, no interest loans), at the discretion of the MSU Vice-President (Finance) and Clubs Accounting Clerk, to financially assist those Clubs in meeting their mandate through events or programming for a maximum of \$5,000;
- 5.2. Clubs shall not apply for bridge financing as a subsidy for the Club's overall budget;
- 5.3. A written application for bridge financing must be submitted to the Clubs Accounting Clerk along with an event description and a valid Event Code from the McMaster University Student Groups Event Portal;
- 5.4. The MSU Vice-President (Finance) must approve any bridge financing requests;
- 5.5. All Clubs must abide by the repayment schedule set out by the MSU;
 - 5.5.1. Where a Club defaults on re-payment of the loan, the MSU Vice-President (Finance) or the MSU Director of Finance may freeze the Club's financial account and garnish the account until the loan is fully repaid.

6. Contracts

- 6.1. Club members, including executives, shall not be authorized to sign contracts of any type on behalf of the MSU or an MSU Club;
- 6.2. If a Club wishes to enter into a contract (i.e. to book a venue or an entertainer), the Club shall contact the Clubs Administrator and Clubs Accounting Clerk for approval;
 - 6.2.1. The Clubs Administrator or Clubs Accounting Supervisor shall sign all approved contracts on behalf of MSU Clubs;
- 6.3. Any contract signed by a Club member, including executives, on behalf of the Club or the MSU shall be considered illegitimate;
 - 6.3.1. The signing of such contract will be considered grounds for sanction as per MSU Clubs Judicial Procedures outlined in **Operating Policy – Clubs Status**;

- 6.4. Payment of contracts shall be processed by means of a Purchase Order, which shall be submitted by a club to the Clubs Accounting Clerk.

7. Sponsorship & Co-Promotion

- 7.1. Club sponsorship and co-promotion shall:
 - 7.1.1. Be consistent with the interest and image of the MSU;
 - 7.1.2. Be consistent with MSU Bylaws, Operating Policies, and Employment Policies;
 - 7.1.3. Not infringe or affect current commercial agreements existing between the MSU and any other party or commercial agreements entered into on behalf of the MSU;
 - 7.1.4. Be consistent with McMaster University Policies;
- 7.2. Approval of sponsorship or co-promotion shall be done by through a Sponsorship Proposal form to be filed out with the Clubs Administrator and Clubs Accounting Clerk;
 - 7.2.1. The MSU reserves to right to approve or deny any sponsorship of co-promotion requests.

8. Funding

- 8.1. Only recognized MSU Clubs shall be eligible for MSU Clubs funding;
- 8.2. Funding shall follow a set criterion recommended by the MSU Vice-President (Finance) and the Clubs Accounting Clerk, in consultation with the Clubs Administrator;
 - 8.2.1. New Clubs are eligible for a maximum of \$200 in funding for their initial academic year;
 - 8.2.2. Returning Clubs are eligible to receive a maximum of \$800 in funding for the academic year;
 - 8.2.3. Clubs in their third consecutive year of operation who have previously applied & used between 50% to 80% of their approved funding over the last two years can be eligible to receive up to \$1,500;
 - 8.2.4. Clubs in their third consecutive year of operation who have previously applied and used no less than 80% of their approved funding over the last two years, can be eligible to receive up to \$2,000;
 - 8.2.5. Funding criterion and eligibility are malleable and the MSU Vice-President (Finance) and Clubs Accounting Clerk reserve the right to allocate Clubs funding at their discretion;
- 8.3. Funding shall operate on a reimbursement basis;

- 8.3.1. When a club incurs an expense that can be covered by MSU funding, the club shall submit an expense form to the Clubs Accounting Clerk & MSU Vice-President (Finance), who will then deposit the funds directly into the Club's MSU account;
- 8.4. Clubs must deposit all external funding and make all expenditures through their MSU Club Account;
- 8.5. Any Club that has its fee collected by McMaster University or has its own levied fee is ineligible for additional MSU funding;
- 8.6. Sports Clubs for which there is a comparable University or intramural team on campus, will be ineligible for funding from the MSU;
- 8.7. Clubs running an event are required to work with the Clubs Accounting Clerk to set up the event page for ticketing;
 - 8.7.1. Clubs are required to use the ticketing vendor provided by the MSU;
 - 8.7.2. If a Club wishes to use an external ticketing vendor, they must receive written approval from the Clubs Accounting Clerk;
- 8.8. Club grants shall be given out on an expense basis as follows:
 - 8.8.1. All Clubs shall file a proposed budget for the upcoming year with the Clubs Accounting Clerk by e-mail, using the budget request form posted on the Clubs website;
 - 8.8.1.1. Clubs shall refer to the Clubs website to download the funding application, complete it, and submit at the Clubs Administrator's discretion by October 7th;
 - 8.8.2. The Clubs Accounting Clerk will inform the Club of the amount of their grant for the year by October 31 for those Clubs who meet the prescribed deadlines.

9. Reimbursements

- 9.1. Clubs can access their Club account and funding through the MSU Accounting Office;
- 9.2. Any expenditures under \$150 shall be paid for by the Club and reimbursed by the MSU Accounting Department once a Clubs Claim Form has been received;
 - 9.2.1. A Club will only receive cheque reimbursement upon presentation of receipts, and/or additional documentation requested by the Clubs

- Administrator or the Clubs Accounting Clerk;
- 9.2.2. Documentation must accompany a completed Clubs Claim Form with a valid mailing address, which shall be posted on the MSU Clubs website for download;
 - 9.3. Upon presentation of documentation outlined above, the Clubs Accounting Clerk will authorize payments;
 - 9.4. All receipts for approved events held from the time of budget approval to December 1, must be submitted by January 15;
 - 9.5. All receipts for reimbursement for approved events held after December 1 must be submitted by April 15 of that academic year;
 - 9.6. Receipts with a purchase date older than eight (8) months are not eligible for reimbursement;
 - 9.7. Purchases made the previous academic year are not eligible for reimbursement;
 - 9.8. Clubs will receive an email when a cheque is available for pick-up at the MSU Accounting Office;
 - 9.8.1. Cheques must be picked up within ten (10) business days;
 - 9.8.2. If cheques are not picked up after twenty (20) business days, they will be sent by mail to the address provided;
 - 9.8.3. Cheques must be deposited within six (6) months of their issue date;
 - 9.8.3.1. Expired cheques will not be re-issued and cannot be resubmitted.

10. Payments

- 10.1. Invoices, events, or items that require payments over \$150 can be paid via Purchase Order prior to the payment period;
 - 10.1.1. Club's Signing Officers must complete a Clubs Purchase Order Form which can be downloaded from the MSU Website;
 - 10.1.2. Clubs Signing Authorities must submit a completed Purchase Order Form with a minimum of two signatures, date required, and a formal event invoice, a minimum of ten (1) business days prior to the required pick-up date;
 - 10.1.2.1. An Invoice must include:

- 10.1.2.1.1. A unique invoice number;
 - 10.1.2.1.2. The vendor's name and contact information;
 - 10.1.2.1.3. An itemized list of services rendered and price breakdown with clearly separated and stated tax amounts as well as business and HST number;
 - 10.1.2.1.4. The full name of the Club with the MSU prefix;
- 10.1.3. The Clubs Accounting Clerk will determine if the cheque will be mailed directly to the vendor or is to be picked up at the MSU Accounting Office by authorized personnel prior to the event;
- 10.2. Online purchases can be done directly from the MSU Club Account and must be made through the Clubs Accounting Clerk;
- 10.2.1. Clubs Accounting Clerk shall complete online purchase upon presentation of a complete Clubs Purchase Order form, approved event plan and/or additional documentation requested by the Clubs Accounting Clerk or Clubs Administrator;
 - 10.2.2. All orders will be delivered to the MSU office, unless otherwise authorized;
 - 10.2.2.1. Clubs will be notified via email when items are available for pick-up;
- 10.3. Any monies remaining in the Club's individual bank account at the end of the fiscal year shall be considered the sole property of that Club under the MSU and cannot be refunded;
- 10.4. If a Club fails to renew its status or is disbanded, any monies remaining in the Club's bank account shall be held in trust for two (2) calendar years at which time the Clubs Administrator or MSU Director of Finance shall close the account;
- 10.5. Clubs shall be responsible for any and all debts remaining from previous years.

11. Use of Funds

- 11.1. Excluding any MSU Clubs funding, a maximum of \$15 per person may be spent on member appreciation;
 - 11.1.1. A proposal must be submitted for approval, outlining the use of revenue for member appreciation prior to purchase;
 - 11.1.1.1. In the event that a purchase is made without approval, the individuals will be expected to replace lost revenue.

- 11.2. MSU Clubs funding must only be used for purchases that support the mandate of the Club as outlined in their approved constitution;
- 11.3. MSU Clubs funding may not be used for additional expenses including, but not limited to;
 - 11.3.1. Merchandise and/or apparel for Club members;
 - 11.3.2. Food, unless integral to event or mandate;
 - 11.3.3. As a direct donation to an organization or for the purchase of items in exchange for direct donations to an organization;
 - 11.3.4. Any other limitations as determined by the MSU Vice-President (Finance) or Clubs Accounting Clerk.

12. Executive Authority

- 12.1. All allegations of misconduct made on the basis of discrimination or harassment will be dealt with according to relevant MSU and McMaster University policies;
- 12.2. **Operating Policy – Clubs Financial Procedures** shall not preclude the Clubs Administrator or Clubs Accounting Clerk from devising creative solutions to novel situations;
 - 12.2.1. Such solutions shall be made in consultation with the MSU Vice-President (Finance) and/or MSU Director of Finance.