

**BOARD OF DIRECTORS
FINANCE POLICY MANUAL
OF THE
ALMA MATER SOCIETY
OF QUEEN'S UNIVERSITY**

Responsibility	Chair of the Board
Approved by	Board of Directors
Date initially approved	March 1990
Date last revised	April 12, 2026



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Land Acknowledgement

We acknowledge that we are on the traditional lands of the Anishinaabe and Haudenosaunee peoples, known as Katarokwi, or colonially as “Kingston.” The Alma Mater Society at Queen’s University seeks to recognize the importance of these lands to the Indigenous peoples who have existed since time immemorial. The unjust acquisition of these lands occurred through the Crawford Purchase of 1783, a land treaty upheld by the First Peoples but later undermined by the British Crown and the “Canadian” government. This history of numerous broken promises and treaties continues to impact Indigenous communities today.

As settlers on this land, we acknowledge our continued benefit from systemic structures that marginalize Indigenous peoples. Recognizing systemic oppression, it is our duty to actively listen to and amplify Indigenous voices, addressing both past and ongoing injustices for meaningful, positive change. We are grateful to these lands for sustaining us and giving us the gift of life. This acknowledgment is a call to action, committing us to understand and respect the history and ongoing struggles of Indigenous peoples. We recognize that words alone are not enough; our actions must reflect our commitment to justice and reconciliation.

Purpose

This document contains the policies, guidelines and procedures that pertain to the operations of the AMS Board of Directors and to the AMS corporate services and financial activity that the Board oversees pursuant to fulfilling its role and obligations as set out in Section 3.2 of the Bylaws of the Alma Mater Society of Queen’s University Incorporated. The Board shall have exclusive jurisdiction over additions/amendments to this document but shall ensure that the Assembly and the voting members of the Corporation are duly notified of any changes.

The Corporation is a not-for-profit entity created by the Society to ensure its continuing financial viability by overseeing the management of its services and associated financial affairs. The Corporation is bound by the By-laws, and its corporate philosophy is derivative of, and consistent with, the Mission and Operating statements of the Society as set out in the AMS Constitution. In serving AMS members, the Corporation shall remain a risk-conscious organization but be willing to embrace growth and innovation. The Corporation shall normally not undertake any venture for purely financial reasons regardless of the future promise of economic gain.

However, any service/activity that the Corporation does decide to undertake shall be designed to be self-sufficient overall. The Corporation shall facilitate and sustain an annual strategic planning process, at all levels, in support of both short- and long-term strategic initiatives. In addition to providing wage-based service staff positions for students simply wanting employment, the Corporation shall seek to support the Society’s broader objectives through the provisioning of a high quality, relevant range of student funded services, that provide a wide range of employment opportunities designed to provide meaningful out-of-classroom learning and skill acquisition experiences for students.

Scope

This Policy Manual is applicable to the Alma Mater Society of Queen’s University Incorporated. This includes being applicable to all forms and levels of employees, volunteers, contractors, and directors/officers. This Policy Manual has a scope of setting out the Corporate Finance policies for the AMS as approved by the AMS Board of Directors, although all matters with relative governance processes from the Corporation, individuals ought to review and cross reference with the AMS Board of Directors Governance Policy Manual or other applicable Board Policies to ensure the financial oversight and management is maintained alongside the Corporation’s governance.

Terminology

“AMS Board of Directors” hereby also referred to as “the Board”

“Alma Mater Society of Queen’s University” hereby also referred to as “AMS”

“Alma Mater Society of Queen’s University Incorporated” hereby also referred to as “AMS Inc.”

“Ontario Not-for-Profit Corporations Act” hereby also referred to as “ONCA”

“Journal Advisory Board” hereby also referred to as “JAB”

“Indigenization, Equity, Diversity, Inclusion, Accessibility, and Anti-Racism” hereby also referred to as “I-EDIA-A”

“The AMS Inc. By-Laws” hereby also referred to as “By-law(s)”

ACRONYMS TABLE FOR DEPARTMENTS & SUB DEPARTMENTS					
AMS Media Centre	AMC	Common Ground Coffeehouse	CGR	Internal Affairs Office	IAO
Peer Support Centre	PSC	Student Life Centre	SLC	Commission Environmental Sustainability	CES
Walkhome	WHS	Human Resource Office	HRO	Campus Affairs Commission	CAC
Foodbank	FBK	Information Technology Office	ITO	Clubs Commission	CLB
Queen’s Journal	JNL	Marketing Office	MAR	Social Issues Commission	SIC
Society 58	SOC	Communication Office	COM	Commission of External Affairs	CEA
Queen’s StuCons	QSC	Orientation Roundtable	ORT	Board of Directors	BOD
Queen’s Pub	QPR	Housing Resource Centre	HRC	Judicial Affairs Office	JAO

The Brew	BRW	Academic Affairs Centre	AAC	Civic Affairs Office	CAO
		International Affairs Centre	IAC		

The Society: the Alma Mater Society of Queen's University (the abbreviation of which is "AMS"), that is, the unincorporated association whose membership consists of Society members; it includes all Government Departments under its purview.

The Corporation: the Alma Mater Society of Queen's University Incorporated (the abbreviation of which is "AMS Inc."), that is, the incorporated association, incorporated under the Act, whose membership consists of members of the Corporation as set out in the By-laws; it includes all operating AMS Office Departments and Corporate Departments under its purview.

AMS Office Departments: The operating departments of AMS General Office and respective departments funded through the AMS General Office; including Human Resource Office, IT Office, Accounting Office, Marketing Office, Communications Office, and the General Office Itself.

AMS Government Departments: The operating departments of the Society, this includes all Commissions, the Internal Affairs Office, Judicial Affairs Office, Civics Affairs Office, Academic Affairs Centre, Housing Resource Centre, the Clubs Office, and the Orientation Roundtable.

AMS Corporate Departments: The operating departments for the services of the Corporation, this includes all business classified type services and program type services.

Human-Capital Resource Management ("HCM"): The approach to the use of practices and processes that organizations use to manage their workforce effectively. It encompasses various activities aimed at maximizing the value of human capital through proper management and investment. Unlike traditional human resource management, which often focuses on administrative tasks, HCM emphasizes strategic alignment with business objectives and the development of employee potential.

Managing Directors: Are the senior positions that retain a title of "director" as a delineation of Office department heads that are student senior managers; this includes the Director of Marketing and Director of Communications. Managing Directors are not granted or entitled to the powers and position of a Board Director.

Board Directors: Are the members (voting) of the Board that comprise of the Executive Directors (Management), the Student Directors, and the Community Directors.

Managing Officers: Are the senior positions that retain a title of "officer" as a delineation of the Office departments heads that are permanent staff managers; this includes the Operating Officer, Human Resource Officer, IT Officer, Facilities Officer, etc. Managing Officers are not granted or entitled to the powers and position of a Corporate Officer.

Corporate Officers: the President and CEO, Vice-President (Operations), Vice-President (University Affairs), Chair, Vice-Chair, General Manager, and any other person designated an Officer by the By-laws.

Management: The culminative "body" that performs the operating functions of the Corporation and the Society. Where the Management collectively are responsible for carrying out the directions of the Board and the Assembly, as applicable. They are represented by the President, Vice-President (Operations), Vice-President (University Affairs), and the General Manager.

Double-Bottom Line: The AMS's guiding principle for decision-making, which expands the traditional financial "bottom line" to include both fiscal responsibility and student impact. In addition to achieving financial sustainability (e.g., breaking even), the Board evaluates performance based on the Corporation's positive impact on students through initiatives such as services, programs, employment opportunities, events, grants, and strategic investments that enhance student life and learning. This principle reflects a dual purpose: the Corporation's responsibility to remain financially sound, and the Society's mandate to serve and benefit students. It ensures that the Corporation fulfills its fiduciary obligations while advancing meaningful outcomes for the student community.

Operations: Refers to the day-to-day management and implementation of the organization's mandate, as distinct from governance. It includes overseeing, maintaining, and reporting on activities, and ensuring the successful delivery of programs and services. This function is carried out through the management of the Corporation's commissions, offices, and services, translating strategic direction into tangible outcomes.

Governance: Refers to the oversight function of the Corporation, distinct from operations. It includes evaluating, scrutinizing, and holding operational activities accountable, as well as setting long-term strategic direction in alignment with the Corporation's mission. Governance is carried out by the Board and other governing bodies of the Corporation and is commonly referred to as "Corporate Governance." This definition applies only to the Corporation and does not extend to the use of "Governance" in relation to the Society, which is defined separately.

Controller: the Corporation's senior financial professional responsible for accurate financial reporting, legal compliance, and maintaining the Corporation's accounting records, including budgeting and financial planning. They oversee the accounting department of the AMS and manage its associated staff.

Capital Expense: The costs the Corporation allocates to acquire, upgrade, and maintain essential physical assets like property, technology, or equipment, crucial for expanding operational capacity and securing long-term economic benefits.

Depreciation: standard accounting method that allows the Corporation to divide the upfront cost of physical assets across the number of years it expects to use them.

Capital Assets: assets that have the following characteristics: an expected useful life of more than one year; acquisition cost exceeds capitalization limit; is not expected to be sold as a normal part of business operations; and tends not to be easily converted into cash.

Reserves: funds, assets, and/or resources set aside by the Corporation to cover specific liabilities, expenses, and/or risks.

Roles and Responsibilities

Board of Directors

- ④ Review and approve the yearly operating, capital, and funds budgets for the Corporation. Approve administrative charges and space-cost recovery fees each year, approve any major adjustments and any changes in methodology.
- ④ Final approval for establishing and dissolving restricted internal funds, approval of non-budgeted expenditures from all internally restricted funds, purchasing capital assets and expenditures,

approving compensation grids, approving adjusting capital reserve security thresholds, approving depreciation schedules, and any other approvals as outlined in this Policy Manual

- ☞ Following review and endorsement by the Finance and Risk Committee, approval of any amendment(s) to this Policy Manual.
- ☞ Review reports on performance of funds, status of reserves, matters elevated by Committee(s), and standard reporting systems as outlined in the policies and procedures of the Corporation.
- ☞ Provide direction to Vice-President (Operations) on asset disposal via sale bid where necessary.

Board Chair

- ☞ Be a co-custodian of this Policy Manual, ensure compliance with all aspects of this Policy Manual and fulfill all requirements under this Policy Manual as Corporate Secretary and Board Chair.
- ☞ Prepare the Board Budget and bring for approval to the Board; in coordination with the Vice-President (Operations), who brings to the Board the approval of the Consolidated Funds Budget; that includes the Advantage funds allocation to the Board for the Year. This shall begin preparation in May and be approved no later than July.
- ☞ Ensure appropriate approvals as outlined in the Governance and Finance Policy Manuals, respectively, of the goal plans and budget approvals across the Corporation throughout May to July in coordination with the Executive and the General Manager and with the assistance of the Controller.
- ☞ In the case of an “emergent capital requirement,” funds may be expended without prior Board approval, provided that the criteria for such expenditures are met and written authorization is obtained from the Board Chair and either the President or the Vice-President (Operations). The Board Chair shall coordinate with the President or Vice-President (Operations) to ensure the expenditure is reported to the Board at the earliest opportunity.

Finance & Risk Committee Chair

- ☞ Ensure the regular reporting of fund balances, including the use and source of funds, to the Finance and Risk Committee, in coordination with the Vice-President (Operations). This responsibility excludes quarterly investment reports, which are reviewed by the Investment Committee in accordance with the Board of Directors Governance Policy Manual.
- ☞ Coordinate, during the development of a restricted fund, the preparation and review of committee materials to ensure compliance with approval requirements prior to submission to the Board, in accordance with the “Establishment of Restricted Funds” section of this Policy Manual.
- ☞ Coordinate with Controller the annual review of Capital Reserve,
- ☞ Serve as a co-custodian of this Policy Manual and as delegated by the Corporate Secretary (the Board Chair), assist in enforcing this policy and its components within the finance and risk scope of the Committee Chair’s role.

The Executive

- ☞ In the case of an “emergent capital requirement,” funds may be expended without prior Board approval, provided that the criteria for such expenditures are met and written authorization is obtained from the Board Chair and either the President or the Vice-President (Operations). The

Board Chair shall coordinate with the President or Vice-President (Operations) to ensure the expenditure is reported to the Board at the earliest opportunity.

- ☞ For corporate sponsorship and advertising, the arrangements under this agreement with non-alcoholic sponsors may be ratified by an Executive and General Manager. May grant special permission for a sponsor to use their own posters and promotional material for advertising.
- ☞ Ensure compliance with, and provide training on, all policies set out in this Policy Manual to relevant direct reports, as required for all AMS employees and officers.

President

- ☞ Develop with the General Manager and the Vice-President (Operations), the annual operating budgets of the General Office and the Corporate Office departments. Work with the Vice-President (Operations), the Facilities Officer, Operations Officer, and SLC Head Manager on the yearly SLC operating budget for approval by July. Work with the Vice-President (Operations) on the IAO operating fee allocation for the year and develop the budget with the AMS Secretariat, ensuring approval at the Assembly following receipt of the budget and approval of the membership fee allocation at the Board by June.

Vice-President (Operations)

- ☞ Oversee the review and setting of the annual administrative charge and space-costs recovery fee to services.
- ☞ Develop, with the Vice-President (University Affairs), the Society's department allocations for the Year by end of May. Develop, with the General Manager and the President, the annual operating budgets of the General Office and the Corporate Office departments. Coordinate with the Board Chair on the annual Board Budget allocation from the advantage fund. Further, coordinate throughout May to July appropriate Budget approvals at Board meetings as provided in the Finance Policy Manual and the Governance Policy Manual of the Board.
- ☞ Work with the Controller and General Manager to develop the annual Consolidated Funds Budget and annual capital budget. Work with the General Manager with the assistance of the Controller to report to the Board in August and December of each year the performance of the internally restricted funds.
- ☞ Oversee the disposal of capital assets in accordance with this Policy Manual, in coordination with the General Manager, and accept the highest bid. Where bids are deemed inadequate, the matter shall be referred to the Board, and any disposal shall proceed in accordance with the Board's direction.
- ☞ For restricted funds, ensure compliance with all policies provided in Part B of this Policy Manual, recognizing that there are several components that engage the Vice-President (Operations).
- ☞ Per the Health and Dental Fund Policy, it is the duty of the Vice-President (Operations) or, when unavailable, another Executive to create and execute an annual communications plan coordinated through the broker. The communications plan must be developed prior to the start of each academic year in September.
- ☞ Affinity programs shall operate as an accountability centre under the Vice-President (Operations). Refer to the section on Affinity Programs in this Policy Manual.

Vice-President (University Affairs)

- ☞ Work with the Vice-President (Operations) on the annual fee allocation for Society departments (excluding the IAO). In coordination with Commissioners, develop Commission budgets between May and June, with the goal of Board approval by June for departmental allocations. Ensure the Board receives all relevant budgets under the Vice-President (University Affairs), including Commission budgets, the VPUA budget, and the OUSA budget (developed with the CEA). Following Board approval of fee allocations and receipt of these budgets, the Vice-President (University Affairs) shall present the operating budgets they oversee to Assembly for final approval.

AMS General Manager

- ☞ For disposal of capital assets, property shall be sold to the party submitting the highest bid, provided that the Vice-President (Operations) and General Manager believe that the bid is sufficiently high. If all bids are judged to be inadequate, the disposal shall be referred to the Board.
- ☞ Corporate sponsorship and/or advertising arrangements with non-alcoholic sponsors may be approved and ratified by the Executive and the General Manager.
- ☞ Work with the Vice-President (Operations), with the assistance of the Controller, to report to the Board in August and December of each year the performance of the internally restricted funds.
- ☞ In June, the Controller or General Manager will present a comprehensive full-year report to the Board on the performance of the Internally Restricted Funds individually and as a whole.
- ☞ Develop annually the General Office operating budget with the Vice-President (Operations), and work with the President on the Office department's operating budgets and their respective allocations. While the Controller largely leads, with the Vice-President (Operations), the Administrative Charge and Space-Cost Recovery Fee review and setting processes, the General Manager has an important role being the long-term managing employee of the General Office and the direct reporting manager of the senior permanent staff; they shall work with the Executive and the Controller, as well as necessary members or bodies of the Board, to ensure the long-term sustainability of the General Office, including being heavily involved in the administrative charge or space-cost recovery fee setting processes.
- ☞ It is the General Manager's responsibility, in conjunction with the Controller, to ensure that all books and records of the Corporation and its services are maintained as required by the By-laws or any applicable legislation.
- ☞ Ensure compliance with all policies listed in this Policy Manual as required by all employees and officers of the AMS.

Controller

- ☞ Assist the Vice-President (Operations) in the review and setting of the annual administrative charge costs to services.
- ☞ Assist the Vice-President (Operations) in the setting of the annual space-cost recovery charge to services.
- ☞ Ensure executive training and compliance on the credit card policy and its associated procedures. Oversee exemption requests as outlined in this Policy Manual or any other policies of the Corporation.

- ☞ Assist the Vice-President (Operations) and General Manager in reporting to the Board, in August and December of each year, the performance of the internally restricted funds.
- ☞ In June, the Controller or General Manager will present a comprehensive full-year report to the Board on the performance of the Internally Restricted Funds individually and as a whole.
- ☞ Assist the Vice-President (Operations) in the annual budgeting processes for operational, capital, and fund budgets and their consolidations.

Part A: Corporate Finance and Capital Policies

Section 1: Accounting and Operating Budgets

Board of Directors Budget

- 1) The Board shall be charged administrative overhead in accordance with Part B. s.1.10.
 - 2) That the Board shall not be charged capital depreciation for office furniture, equipment, or computer purchases. Capital acquisitions and associated amortization shall be charged to the General Office.
 - 3) Income accrued from the invested reserves (the Advantage Fund) will first fund the annual Board operating budget, including both operational and discretionary funding. This amount shall be transferred at the end of the fiscal year. There shall be no surplus or deficit. Where the Board Budget does not require the full amount allocated from Advantage Fund income, any remaining funds may be used for special project funding in accordance with the Advantage Fund Policy.
 - 4) The Chair of the Board shall prepare a Board Budget for approval alongside the Consolidated Funds Budget for the respective year (typically approved at July Board Meeting). The incoming Chair shall begin this in the Month of May, and coordinate with the Vice-President (Operations) on what the proposed allocation for the Board Budget will be.
- Components of the Board Budget:

- a. Honorariums and Director Appreciation (e.g., Socials)
- b. Director Liability Insurance cost
- c. Retiree Benefits and PSE Bursary program cost.
- d. The Board derived professional costs from the use of legal counsel, consultants, etc.
- e. Recruitment expenses for senior level permanent staff.
- f. Board general operating expenses, including accommodation/meals, travel, room/equipment rental, printing, and professional development. Note a higher amount for general operating expenses for months where a CSGM or CAGM are held; for these the Board shall cover all expenses except the livestreaming expenses; these are costed to the Internal Affairs Office.
- g. Special projects funding for the year of the Board's committees.

Student Activity Fees and Unit Budget Allocations

- 5) The AMS Student Activity Fee shall be collected and applied in accordance with the AMS Student Activity Fee Policy, which is maintained to ensure compliance with Queen's University policies and applicable provincial regulations governing "ancillary fees." All other AMS department specific fees shall be allocated according to how they were approved (e.g., The Clubs Grant Fee should be in its entirety reflected in the revenues for the Clubs Commission Budget.).
- 6) The distribution of the AMS Student Activity Fee shall follow the Budget and Fee Allocation Framework Manual, located in the Board of Directors Governance Folder. This document is updated to reflect the fee allocation requirements outlined in this Policy Manual for Society departments and the methodology for determining amounts, ensuring consistent budgeting and delivery of Society functions year over year.
- 7) The collected AMS Membership Student Activity Fee is what funds the governance and office operations for the Society. The Society is first allocated out the membership fee a targeted value at a minimum that should cover:
 - a. The approved personnel expenses for the Society departments as provided in the Board approved Compensation Grid.
 - b. The required special projects that are outlined in Society or Corporate policies for the Society departments to fulfill. This can include Grants, Bursaries, Awards, Certificates, Mandated events etc.
 - c. Management within the Society departments shall follow directives issued by the members, Assembly, or the Board, as communicated through reports or motions. Examples include directives from the Special Committee on External Alignment Report, the decision to de-slate elections in 2024, pursuit of a federal advocacy partner, or the AMS Strategic Plan 2025–2028, including the Clubs-focused section.
 - d. Any expenses arising from external partner agreements overseen by a Society department, or from department-specific agreements, including memoranda of understanding with the City of Kingston, Queen's University, clubs, or faculty societies, shall be allocated accordingly.
- 8) The remaining amount is to be allocated to the AMS General Office and should be approximately proportionate to the value of expenses derived to the General Office by the Society departments, and ensure that any Society function is not charged for accessing General Office departments, including accounting, communications, marketing, information/technology, and human resources. The remaining amount of the General Office is funded through Administrative Charges outlined below in addition to marginal alternative source revenues.

Administrative Charge

- 9) Each AMS corporate service is charged an amount representing a reasonable allocation of costs that are incurred on behalf of the total AMS (e.g., payroll, permanent staff, and executive payroll, etc.) and accumulated and reported in the AMS General Office. This allocation is known as the Administrative Charge. The rationale for the Administrative Charge is to ensure that the costs of operating each service are fully costed with both direct and indirect expenses.
- 10) Administrative Charges shall be set annually by the Vice-President (Operations) in conjunction with the Controller during the draft phases of the budgeting process.
- 11) The reasonableness of the Administrative Charge shall be reviewed regularly by the Vice-President (Operations) in conjunction with the Controller to ensure it accurately reflects the estimated utilization of AMS General Office overhead. Consistency from year to year is important to prevent distortions in the operating results of corporate services due to changes in judgment or estimation methods. The Vice-President (Operations) shall not adjust the annual Administrative Charge charged to each AMS corporate service by more or less than 10% annually. They may be granted an exception from the Board under the following conditions:
 - a. There has been a significant increase or decrease in an expense of the AMS General Office that indirectly benefits a current or new service(s); or
 - b. There has been a significant change in the assessment of Student Activity Fees impacting the AMS General Office.

Space-Cost Recovery Charge

- 12) Each AMS corporate service is charged an amount representing a representative portion of the total facility costs of the Student Life Centre that are charged to the AMS for space occupied by the AMS and are referred to as Space Cost Recovery.
- 13) AMS Clubs and offices of the AMS are not charged a Space Cost Recovery fee. These spaces are considered part of the Society and are there for the benefit of the members of the AMS. All members of the AMS pay the Student Life Centre student activity fee which supports the funding for these spaces.
- 14) The Space Cost Recovery fee shall be set annually by the Vice-President (Operations) in conjunction with Controller during the draft phases of the budgeting process.
- 15) The Vice-President (Operations) shall not adjust the annual Space Cost Recovery charged to each AMS designated space by more or less than 10% annually. They may be granted an exception from the Board under one of the following conditions:
 - a. There has been an addition, or removal, of AMS designated spaces; or
 - b. There is an explicit requirement for more funding outlined in the SLC Agreement.

Corporate Credit Card

- 16) All AMS corporate credit card holders shall be provided with a procedures document for review, which shall be signed prior to issuing the card. AMS Accounting shall retain copies of the signed procedures documents. The procedures document should be referred to for further information, and the most up to date processes.
- 17) AMS corporate credit card information shall not be a saved payment method with vendors (Uber, Amazon, etc.) regardless of whether purchases are business related. This reduces the risk of subsequent purchases that are not AMS business related being charged to the credit card. It is the cardholder's responsibility to ensure other users of their card do not save payment information. In situations where the card holder considers it necessary to save AMS corporate credit card information with vendors, this must be discussed and approved by the Controller in advance. It is prohibited to save an AMS corporate credit card in a digital wallet.

Suspension of card privileges shall be considered if:

- a. There has been a failure to complete monthly coding on time—without prior communication with the Controller.
- b. There are missing receipts to support transactions.
- c. The credit card has been used for inappropriate purchases or purposes.

Compensation Grid

- 18) The AMS Compensation Grid outlines the hours, term, and compensation calculations for all remunerated student positions for the upcoming operating year. It is approved through the restructuring process, with final approval authority resting with the Board
- 19) The Personnel Committee as per its terms of reference is responsible for reviewing and recommending approval of department restructures and the compensation grid in advance of Board approval. The Compensation Grid shall be approved by no later than the first Friday of December.
 - a. The department restructures and the Compensation Grid process shall follow the AMS Department Restructure Framework.
- 20) The Personnel Committee Chair shall ensure, in coordination with the HR Officer, that the Compensation Grid is updated and approved at the Board following any restructures approved outside of the regular restructure framework timeline and is communicated accordingly as per the procedure set out in the restructure framework.

Section 2: Assets and Capital Management

Capital Expenditures

1. The appropriation of AMS funds towards the purchase of capital assets is a key function of the Board as capital expenditures constitute both a long-term capability and a future

commitment. With the aim of creating a uniform process by which these expenditures are approved, and to parallel the practice of other organizations, the capital asset purchases shall be made exclusively under this Policy Manual.

2. Background: In keeping with the historical role of the Board within the AMS, the legal requirements imposed by the laws of Ontario, and the authority granted to the Board by By-law 3.8, the Board shall continue to be the final authority on any capital expenditures made by the Society. However, the Board recognizes that the day-to-day operation of the Society may, from time to time, require the purchase of fixed assets for which the cost is below the scope of those expenditures that should be capitalized, or considered by the Board. Furthermore, the Board recognizes that occasions may arise that require, in the best interest of the Society, capital expenditure decisions to be made within a time frame that would render it unreasonable to convene the Board, or that capital expenditure decisions need to be made that would only occur to maintain current operations within a service. With these principles in mind, the following policies apply to capital expenditures.
3. The purchase cost of a fixed asset shall be capitalized if it meets each of the following criteria:
 - a. The cost is greater than two thousand five hundred dollars (\$2,500.00); and
 - b. The asset in question is expected to yield benefits beyond the current fiscal year.
4. The purchase of capital assets is subject to the approval of the Board in accordance with the following:
 - a. The purchase is greater than seven thousand five hundred (7500) dollars, and is proposed in the annual capital budget, which is approved in conjunction with an operating budget; or
 - b. The purchase is greater than seven thousand five hundred (7500) dollars, and is proposed in the form of a proposal during the operating year; or
 - c. The purchase is greater than seven thousand five hundred (7500) and is deemed “emergent” in nature as outlined in its section.
 - i. Capital expenditures that qualify as “emergent capital requirements” under Part A. s.2. *Emergent Capital Expenditures* of this Policy Manual shall not be subject to the requirements under Part A. s.2.3. to s.2.5. but shall follow as closely as possible the same guidelines for supporting the expenditure.
 - ii. The approval by the Board of a capital expenditure shall be made only by approval of a motion to that effect. The motion shall include the maximum allowable expenditure (including applicable taxes) and the depreciation period and refer to any specific constraints applied by the Board.
5. The purchase of capital assets is subject to the approval of both the Controller and Vice-President (Operations) in accordance with the following:
 - a. The purchase is greater than two thousand five hundred dollars (\$2,500) and less than seven thousand five hundred dollars (\$7,500), and is proposed in the annual

- capital budget, which is approved in conjunction with an operating budget and monthly report to the Board; or
- b. The purchase is greater than two thousand five hundred dollars (\$2,500) and less than seven thousand five hundred dollars (\$7,500), and is proposed in the form of a proposal during the operating year
 - c. The purchase is greater than two thousand five hundred dollars (\$2,500) and less than seven thousand five hundred dollars (\$7,500), and is deemed “emergent” in nature as outlined in its section
 - i. Capital expenditures that qualify as “emergent capital requirements” under Part A. s.2. *Emergent Capital Expenditures* of this policy shall not be subject to the requirements under Part A. s.2.3. to s.2.5. but shall follow as closely as possible the same guidelines for supporting the expenditure.
 - ii. The approval by the Board of a capital expenditure shall be made only by approval of a motion to that effect. The motion shall include the maximum allowable expenditure (including applicable taxes) and the depreciation period and refer to any specific constraints applied by the Board.

Annual Capital Budget

6. At the beginning of the year, each service shall include a “capital budget” along with their operating budget submission to the Board, considering all their current assets, which ones might need to be replaced in the current year, and any other capital assets needed to achieve their objectives.
 - a. This capital asset spreadsheet should include all the current assets, and the depreciation costs the service is incurring.
 - b. Any capital expenses intended primarily for renewal must be reported separately and included in the budget. This should include an inventory of the service’s current equipment, along with the estimated cost of replacement and the expected useful life of the equipment.
 - c. Any capital transactions that are requested for the primary purpose of fulfilling an established goal or objective also require a proposal.
 - d. Any other capital requirements that fall below the Board approval threshold outlined in Part A. s.2.3. must also be included in this budget.
7. The following documentation must be presented for a capital expenditure request that is required to take the form of a proposal:
 - a. Written justification of how the capital expenditure is in the long-term best interests of the AMS (including options analysis if appropriate) by the appropriate Service or Office Senior Manager, on behalf of Management.

- b. Demonstration of price comparison and/or purchase options as appropriate.
Ensure that all costs associated with duties, custom, delivery and foreign exchange are included, where applicable, to ensure an equal comparison of price.
 - c. Demonstration of product comparison (including warranty, maintenance, and operating costs) as appropriate.
 - d. Depreciation schedule of the capital expenditure.
 - e. Depreciation schedule for the service/office showing the status of all the current capital assets being depreciated.
 - f. Such other forms and documentation as the Board may direct from time to time.
8. The Board may request additional supporting documentation, as it deems necessary to properly assess the proposal. It is expected that capital expenditure proposals of unusual scope be supported by substantial additional documentation.

Amortization

9. The amortization scheme of the purchase of any capital asset shall align with the Society's accounting policy as disclosed in the annual audited financial statements. Capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the useful life of an asset are capitalized. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value.
10. Capital assets are amortized on a straight-line basis: Computer, furniture and equipment useful life of 3 to 10 years, and leasehold improvements with a useful of 5 years.
11. Consideration is given to:
- a. The anticipated lifetime of the asset;
 - b. Past practices; and
 - c. Generally accepted accounting principles.
12. In determining the amortization scheme of a capital asset purchase, with regard to Part A s.2. *Annual Capital Budget*, the Board shall specifically consider:
- a. Manufacturer's specifications;
 - b. Warranty and service provisions;
 - c. Past experience with similar assets;
 - d. AMS Accounting policy;
 - e. Revenue Canada guidelines; and
 - f. Industry practice.
13. Amortization shall be set to begin when ownership has transferred to AMS, and the asset is available for use.

Emergency Capital Requirements

14. For the purposes of this policy, an “emergent capital requirement” refers to a capital expenditure that cannot be deferred without causing material loss to the Corporation if the Board were to wait until a meeting could reasonably be convened.
15. In the case of an “emergent capital requirement,” the expenditure of funds to satisfy the requirement may be made without the prior approval of the Board upon satisfaction of the following criteria:
 - a. The written authorization of one of: the President, the Vice-President (Operations), or General Manager; and
 - b. The written authorization of the Chair of the Board (or the acting Chair of the Board).
16. The details of any capital expenditure made under this section shall be provided to the Board as soon as practicable, along with the written authorizations required under Part A. s.2.15. and the required capital expenditure documentation as outlined in Part A. s.2.7.
17. The Board shall pass a motion ratifying the emergent capital expenditure, to determine the amortization scheme of an expenditure made under this section and to refer to any specific constraints applied by the Board.

Disposal of Capital Assets

18. The following stipulations shall apply to all disposals of AMS property:
 - a. Disposals shall be administered by the Vice-President (Operations), or by a designated representative of the Vice-President (Operations).
 - b. Written bids are to be solicited and received by the administrator of the sale.
 - c. All property is to be sold without a warranty, express or implied, except with the permission of the Board.
 - d. The property shall be sold to the party submitting the highest bid, provided that the Vice-President (Operations) and General Manager or designate believe that the bid is sufficiently high. If all bids are judged to be inadequate, the disposal shall be referred to the Board.
 - e. In the event that bids for an equal amount are received, preference shall be given to members of the AMS. If this criterion does not yield an unequivocal solution, the first of the tying bids is to be accepted.
 - f. If the Board feels that a particular disposal is of an extraordinary nature and that the disposal policy does not provide the most effective method of selling the property, the Board should give the Vice-President (Operations) special instructions regarding the sale.
 - g. All proceeds from disposal are to be received through e-transfer, cheque deposit, or bank draft, and must be received free and clear and not subject to any hold, in order for the property to be released.

- h. All associated costs of the disposal are to be borne by the purchaser or taken into consideration when determining the highest bid.

Security of Capital Reserve

19. The AMS shall maintain a Security of Capital Reserve as a protective measure for emergencies related to safety, property loss, or funding shortfalls. This reserve provides additional security beyond AMS liability and property insurance.
2. The Security of the Capital Reserve shall be fixed at \$250,000; this amount is to be reviewed annually by the Board and the Finance & Risk Committee.
3. All increases or decreases to this reserve must be made in keeping with the mandate of the Corporation and be approved by the Board.
4. The AMS will endeavor to ensure that this Security of Capital Reserve is consistent with any Canada Revenue Agency requirements.

Section 3: Alternative Source Revenue

Affinity Programs

1. The Board recognizes the significant potential value of affinity agreements, noting that every external dollar that the AMS can bring in is either a dollar spent on programs / services / opportunities for its members, or a dollar passed on in savings for the same. Thus, the Board recommends that AMS Inc. continue to attempt to identify opportunities to enter into such agreements with reputable corporations capable of offering top quality service to our members at a reasonable cost. Such opportunities might include, but would not be limited to, on-campus soft drink pour age, and a range of benefits/services that might be afforded to members through exclusive on-campus banking or other arrangements with banks. The Board shall also seek to ensure that the AMS is directly involved in any Queen's University initiatives (including negotiations) with an external organization, in order to take advantage of opportunities that might feasibly benefit students.
2. Revenue generated by an affinity agreement within the given year shall be spent on programs within that year. This offers the students who are enabling the AMS to accrue that revenue, the opportunity to benefit from the programs/services/opportunities it is providing. It is also consistent with the Board's policy of spending interest accrued on investments during the year in which it is accrued.
3. Affinity programs shall operate as an accountability centre under the Vice-President (Operations). During the budgeting process, the Executive, having ultimate responsibility for identifying priorities for the expenditure of affinity program revenue, shall submit those priorities to the Board for approval as part of the affinity programs budget. Assuming the

Board approves, the revenue from affinity programs may be spent in a number of ways depending on the Society's priorities (as defined by the Executive) in a given year.

4. No project/service/opportunity shall be funded by affinity revenues without Board approval. This approval may come in the form of a budget that includes certain expenditures (e.g., \$x for the Evening Child Care Centre) or in the form of approval for a particular expenditure (e.g., \$x to pay down the principal on the loan such as that carried by the AMS lounge).
5. Any projects that are identified throughout the course of the year shall be considered by both the Executive and the Board within the context of the budgetary constraints of that year. In other words, if it appears that the revenues from affinity programs will be required to offset the costs of operating existing AMS programs/services/opportunities which benefit the quality of student life, then affinity program revenues shall not be directed towards new initiatives.

Corporate Sponsorship or Advertising

6. An important opportunity exists to allow the AMS to better fulfil its mandate with respect to programming and extracurricular activities at Queen's University. These guidelines are intended to ensure that the AMS maintains a consistent approach in our sponsorship arrangements. The students at Queen's University represent a significant market force. Privileged access to this market must be granted in an orderly fashion consistent with the goals of both Queen's University and the AMS.
7. Our pursuit of corporate sponsorship is intended to improve the quality of student life at Queen's University through improved extra-curricular programming.
8. The following set of guidelines will serve to:
 - a. Increase awareness within the AMS of the potential benefits of corporate sponsorship.
 - b. Increase awareness within the AMS of the potential pitfalls of corporate sponsorship.
 - c. Remove ambiguity within the organization as to what is acceptable and what is unacceptable in sponsorship agreements.
 - d. Allow professional, unambiguous, and expedient negotiation to occur on an event-by-event basis between the AMS and the sponsor.
 - e. Ensure tasteful and unobtrusive sponsorship arrangements that are consistent with the goals and beliefs of the AMS.
 - f. Develop a good reputation in the corporate community for being clear and fair in our approach to sponsorship.
9. Guideline 1 on the types of corporations;

- a. The Corporation shall entertain offers from all companies able, in the Corporation's sole and exclusive discretion, to satisfy existing AMS policies, and any existing Queen's University policies and provincial regulations.
- b. Any company sponsoring an AMS event must satisfy existing AMS policies regarding purchase and sale of goods and services.

10. Guideline 2 on exclusivity;

- a. The AMS will typically not offer exclusive rights to a single corporation to sponsor all events for a given year.
 - i. Exclusive representation may be given on an event-by-event basis.
 - ii. It is recognized that it may be in the best interests of the AMS to have the same sponsor for several events. This is permissible and is up to any one of the Executives to bring to Board for approval.
- b. Signage/Props at Events
 - i. It is understood that sponsoring corporations may require signage as part of their agreements.
 - ii. At events where alcohol will be served, signage shall be permitted in accordance with the Ontario Liquor License Act, its regulations, and Queen's University policies.
 - iii. Preferred positioning shall be offered if the content of the agreement justifies it insofar as the sponsoring company's offer is significantly generous to warrant such exposure.
 - iv. Signs and props shall be erected by the AMS, unless the AMS defers this task to the sponsoring agent, in which case the sponsoring agent shall act under the direct supervision of the AMS and comply with campus engineering specifications.
 - v. Signs and props must be of high quality and generally shall include only names and logos.
 - vi. The AMS reserves the right to take steps to ensure its role as promoter and organizer of these events is clear to participants.
- c. Advertising
 - i. Event sponsors shall be permitted to put logos on posters advertising events they are sponsoring.
 - ii. Generally, the posters shall be of standard AMS design, and the sponsor shall provide the necessary logos.
 - iii. The Executive or their delegate may grant special permission for a sponsor to use their own posters and promotional material for advertising.

- iv. The most significant exposure that shall be offered is a co-billing arrangement whereby the name of the sponsor is secondary to the name of the AMS, which shall act as the lead presenter in all cases.
 - v. The sponsor may make use of AMS published media in accordance with AMS By-laws and policies.
- d. Legality
- i. All arrangements and giveaways must be in accordance with existing municipal, provincial, and federal laws.
 - ii. All arrangements with liquor companies shall be subject to the Queen's University policies and the Liquor License Act of Ontario, its regulations, and, where required, shall be approved by the LLBO.
- e. Approval Process
- i. Arrangements under this agreement with non-alcoholic sponsors may be ratified by the Executive and General Manager.

Part B: Restricted Funds

Section 1: Restricted Funds General Terms

1. Fund accounting comprises the collective accounting procedures resulting in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions of an organization. Fund accounting involves an accounting segregation, though not necessarily a physical segregation, of resources. Internally restricted funds allow an organization to separate extraordinary, non-operational expenses from the operating fund, thereby removing a psychological disincentive to save or make large expenditures and plan for projects of a longer time horizon.
2. Restricted funds are classified as either internally or externally restricted. These terms refer to the basis under which the funds were established, which will also determine the governance and authority over the fund. See section 2 below.
3. Restricted funds or reserves are reported on the Statement of Financial Position of the AMS in the Net Assets section. The associated invested funds for the funds are reported on the Statement of Financial Position as Short-term marketable securities and Long-term marketable securities. All AMS restricted funds are funded and therefore are referred to as restricted funds in this document.
4. All budgets for internally and externally restricted funds shall be passed by the Board and must detail all sources of revenue and proposed expenditures, if any. These budgets shall be approved by the Board during the same period as the approval of the Consolidated Operating Budget. Note that there may be additional approvals required for externally restricted funds based on the terms of the contract governing these funds.

5. All expenditures within restricted funds are subject to the following terms;
 - a. Final Approval by the Board: Although the proposals for expenditures will emanate from different sources and management structures depending on the fund, all expenditures are subject to approval by the Board. This can occur through either the explicit inclusion of the expenditure in the budget prepared by the Vice-President (Operations) at the end of the summer, and the approval of that budget; or through a specific motion at the Board after the budget has been passed
 - b. Necessity for Depreciation Determined by Ownership of Asset: Whether or not a capital asset that is purchased out of an Internally Restricted Fund is depreciated depends on whether the AMS has legal ownership of the asset. If the expenditure is a contribution toward an asset that we do not gain legal ownership of, it does not increase the book value of the Corporation's assets and thus will not be depreciated.
 - c. Final Approval over Depreciation Decision by Board: Pursuant to Board Policy on Capital expenditures the Board retains final approval over all decisions relating to the depreciation, if any, of a capital asset. Such decisions must align with the Corporation's accounting policies.

Section 2: Establishment Criteria for Restricted Funds

Internally Restricted Funds

1. It is appropriate to establish an internally restricted fund in instances where it is necessary to build up cash balances for specific purposes such as building repair and replacement funds, program funds to support program continuation if income is uncertain, and opportunity funds to allow the AMS to provide seed funding for a new idea or innovation. The purpose of all funds must be consistent with the AMS Mission Statement. The establishment and subsequent change of internally restricted funds are under the sole authority and responsibility of the Board.
2. A condition of approval requires that all internally restricted funds establish an associated policy which includes the following elements, if they are not otherwise included elsewhere in this Policy Manual:
 - a. The purpose for creating a fund and anticipated time horizon;
 - b. Definition of the source of funds, intended use, and calculation of target amounts;
 - c. Assignment of authority for spending; such as a committee, the appropriate Executive member, or the General Manager;
 - d. Responsibilities for and frequency of reporting fund balances and use and source of funds, which will normally include reporting to the Finance and Risk Committee and to the Board;

- e. Any specific policies, if needed, about investment of funds; however, normally the funds shall be invested consistent with the AMS Investment Policy.

Instituting an Internally Restricted Fund

3. In light of the fact that the creation of an internally restricted fund mid-way through the year can radically alter the final balance of the operating fund and the appearance of AMS Finances, the following policy has been developed:
 - a. Recommendations of Finance and Risk Committee required: The Finance and Risk Committee will review all proposals for new internally restricted funds. The Committee will consider the merit of the proposal using criteria stated in this policy, as well as other criteria that it sees fit. The internally restricted fund proposal shall not be considered for approval by the Board if it fails to receive a recommendation for approval from the committee.
 - b. Changes to Take Effect in Following Fiscal Year: Unless the approval of a new internally restricted fund precedes the approval of the AMS Operating Budget by the Board in late summer, the new fund shall not be implemented until the following fiscal year.
 - c. Process for Review of all Internally Restricted Funds: Based on the annual budget for each fund approved by the Board, results for each shall be presented to the Board in August and December of each year by the Vice-President (Operations) and General Manager or Controller. In June, the Controller or General Manager shall present a comprehensive full-year report to the Board on the performance of the Internally Restricted Funds individually and as a whole.

Externally Restricted Funds

4. From time to time there may be circumstances where a restricted fund is required. This is usually derived from a contract entered into with external parties to the AMS. The terms of the contract will determine the criteria for the establishment of the restricted fund. It is categorized as 'external' due to the fact that bodies external to the AMS are parties to the approval and governance of the fund.

Section 3: AMS Student Centre Fund Policy

1. Purpose: The intent of this internally restricted fund is to provide control over surpluses and deficits arising from AMS occupied facilities, managed by the AMS, for the AMS and its members. Accumulated surpluses are to be used by the AMS to fund AMS facility-based projects and improvements, as approved by the Board.
2. The most significant expenditure of this fund is the AMS portion of the facility operating costs of the Student Life Centre buildings (defined to be the non-athletic portion of the Queen's Centre and the John Deutsch University Centre). Most of these facility operating

costs are budgeted and managed by the Queen's University – Physical Plant Services Department and are a major driver in the determination of the Student Life Centre mandatory student activity fee.

3. The management policy of this fund is as follows;
 - a. Revenue sources are derived from the Student Life Centre mandatory student activity fee and from AMS services which are assessed a rent consistent with the space they occupy (referred to as space costs allocations). Disbursements include;
 - i. AMS portion of the Student Life Centre facility operating costs as calculated by a formula within the SLC Agreement between Queen's University, the SGPS and AMS.
 - ii. Special projects as approved by the Board from time to time to enhance and maintain the facilities occupied by the AMS in the Student Life Centre buildings.
 - iii. An Administrative Charge, representing an allocation of costs of the AMS General Office, as determined by the Vice-President (Operations) in conjunction with the Controller.
4. The annual AMS Student Centre Fund budget shall be developed by the Vice-President (Operations) and approved by the Board. Budget results shall be reported as per Part. B.s.1.4

Section 4: AMS Advantage Fund Policy

1. The purpose of this fund is as follows;
 - a. The primary purpose of the Advantage Fund is to provide a source of financial support for major projects deemed by the Board and the Executive to be in the long-term best interest of students and a benefit to the AMS membership and community. Eligible projects shall normally be identified or otherwise presented to the Board by senior level AMS leadership and must be consistent with the AMS Mission, Vision, and Operating statements.
 - b. Insofar as the Fund is designed to allocate funding only for exceptional projects delivering broad benefits to the community, it needs not be utilized in every, or any, given year, and thus may accumulate over time. Recognizing that the Fund is performance based and tied to external factors, eligible projects shall not be those that require funding on an ongoing basis or in perpetuity, though projects may and should have long-term benefits.
 - c. The Fund shall not have a minimum or maximum expenditure level to which allocation decisions shall abide, though all expenditures are subject to approval by the Board.
2. The general management policy of this fund is as follows;

- a. The Advantage Fund, is an internally restricted fund, and functions in accordance with the following parameters:
 - i. Accounting: Investments purchased are both income producing and have the potential for capital and foreign exchange gains and losses. Fund revenues are derived from actual interest and dividend income received, realized, and unrealized capital gains and losses and realized and unrealized foreign exchange gains and losses. Disbursements of the fund include brokerage fees, an administrative charge, an annual allocation to fund the Board department budget (see below), and any special purpose expenditure approved by the Board.
 - ii. Annual Allocation: There shall be an annual transfer (fund expense) from the Advantage Fund through to the Operating Fund for the Board department budget. This allocation shall be up to an amount roughly equivalent to the average annual net investment income (i.e. interest and dividends) anticipated to be realized on the investment portfolio.
 - b. Transfers: The total amount under investment may be increased or decreased, on an annual basis, by transfers to and from the Short-term Investment Fund (SIF) account, depending on the projected needs of the Society, while always ensuring that the total amount invested is equal to or in excess of the total amount of restricted funds.
 - c. Debit & Credits: As a result of implementing its investment strategy, and to respond to temporary cash flow requirements or surpluses, the AMS may establish preferred borrowing rates for loans using the investment portfolio as security and the cost associated with the loans should be recorded here.
3. The annual Advantage Fund budget shall be developed by the Vice President (Operations) in conjunction with the Controller and approved by the Board; results shall be reported as per Part. B.s.1.4. Annually, the Advantage Fund and the market value of all investments shall be reported in the Audited Financial Statements and the Society's Annual Report.

Section 5: AMS Membership Bursary Fund Policy

1. The primary purpose of the AMS Membership Bursary Fund shall be to assist students facing severe financial challenges in paying the cost of the AMS Mandatory Student Activity Fee slate and the AMS Membership fee. The funds shall be administered through Student Awards as part of the General Bursary. The AMS will have control over the amount of funds contributed every year. The terms of reference for this bursary can be found appended to this Policy Manual.
2. The general management policy of this fund is as follows;
 - a. The Vice-President (Operations) shall be tasked with 1) determining the annual allocation to Student Awards in consultation with the Executive and 2) ensuring that

this money is transferred annually. This amount shall be consistent with the historical allocations and consistent with the monies available in the fund and shall be a minimum of \$5,000 each year for 5 years commencing in 2014.

- b. The Vice-President (Operations) shall ensure that they receive the number of recipients of monies from the fund from the Student Awards Office and an annual fund report prepared by the Office of Advancement, as outlined in the terms of reference of the bursary, appended to this Policy Manual.
 - c. In addition, the Vice-President (Operations) shall ensure that any uncollected, withheld or otherwise undisbursed student activity fee funds, be allocated to the AMS Membership Bursary Fund in accordance with the Student Activity Fee policy. Allocations of this nature are at the discretion of the outgoing Vice-President (Operations) at the end of their term, subject to the approval of the Board. Allocations by the outgoing Vice-President (Operations) shall be used toward the AMS' financial obligation to the Membership Bursary Fund in the incoming Vice-President (Operations)' term. This fund shall be invested in accordance with the AMS Investment Policy Statement.
3. The annual AMS Membership Bursary Fund budget shall be developed by the Vice-President (Operations) and approved by the Board during the same period as the annual Operating Budget. Budget results shall be reported as per Part. B.s.1.4 - Process for Review of all Internally Restricted Funds. Annually, the AMS Membership Bursary Fund shall be reported in the Audited Financial Statements and the Society's Annual Report.

Section 6: Accessibility Queen's Fund Policy

1. The primary purpose of the Accessibility Queen's Fund shall be to improve physical, academic, and social accessibility for students across campus and particularly students with disabilities. The funds shall be administered by the Equity Advisory Committee (as outlined in the Society's Assembly Policy and Equity Policy); however, the Board holds ultimate authority with respect to the amount of funds disbursed every year.
2. The general management policy of this fund is as follows;
 - a. The Accessibility Queen's Fund is funded via a student activity fee. AMS Board decided in March 2019 to allocate \$2.50 of the total fee of \$3.00 towards funding of the redevelopment of the new John Deutsch University Centre. The new Accessibility Queen's fee is the remaining portion of the original fee less \$2.50.
 - b. The AQ budget shall include a provision for transportation subsidies to meet the obligations of established AMS bursaries. These funds shall be administered through Student Awards as part of the General Bursary. The AMS shall have control over the amount of funds contributed every year.
 - c. Other granting from the fund is administered by the Equity Advisory Committee which is chaired by the AMS Social Issues Commissioner Internal. This grant is

known as the Accessibility Grant. It is the responsibility of the Vice-President (University Affairs) to ensure that all proposed grants are consistent with the mandate of the fund and meet budgetary restrictions set by the Board.

- d. The Board of Directors holds ultimate authority over the annual allocation and disbursement of funds under the Accessibility Grant program. All grants approved by the Equity Advisory Committee from the Board-allocated funds must be reported to the Finance and Risk Committee at least once in the Fall semester and once in the Winter semester
 - e. This fund shall be invested consistent with Part B.s.1. of this policy.
3. The annual Accessibility Queen's budget shall be developed by the Vice-President (Operations) and reviewed by the Board during the same period as the annual Operating Budget. Budget results shall be reported as per Part. B.s.1.4. Annually, the Accessibility Queen's fund shall be reported in the Audited Financial Statements and the Society's Annual Report.

Section 7: Health and Dental Fund Policy

1. The primary purpose of the health and dental insurance plans is to provide universal access to insured benefits at an affordable cost, tailored to the demographics and needs of the undergraduate student population that comprises AMS members. The AMS has contracted with a major benefits provider to underwrite these plans on a fully insured retention or refund accounting basis, meaning AMS is directly responsible for the payment of all claims and participates in the financial results of the plans. To support administration, AMS has entered a multi-year contract with a firm that provides consultancy and administrative services specific to student-focused plans (i.e., the AMS' broker).
2. The general management policy of this fund is as follows;
 - a. Revenue sources for the fund are an annual student activity fee for each benefit (i.e. health and dental). This fee is optional to students under the condition that the student has provided proof of equivalent coverage. The intent of this condition is to ensure that all students have access to fundamental health and dental benefits at rates that are accessible. Claims are generally submitted through the insurance company's electronic network for payment at the point of purchase, e.g. pharmacy or dentist office or directly with the insurance company.
 - b. The annual premium for each year's plan arises from negotiations between the AMS, the AMS' broker, and the insurance company. These negotiations address the administrative cost/profit, but primarily consider the expected incurred claims as a function of the following factors: the level and type of benefits; number of people on the plan; any prior years' deficit/surplus; potential increase in cost of provided benefits; and the uncertainty surrounding all of these predictions. This exercise is

- done to determine the total payments the AMS will be required to make each year to fund claims made against the plans, ahead of knowing the actual claims activity for the year. Claims for a particular policy year may be made up to six months after the policy year and therefore final financial results of the plans are not available until approximately 8 – 10 months after the end of the plan year. Should actual claims exceed the established premium paid during the policy year, the AMS will be asked for additional payments. Student Activity Fees are reviewed and established upon review of the prior plan year operating/claim results.
- c. The AMS health and dental plans are called retention or refund accounting agreements and are between the insurance company and the AMS. The AMS assumes all the risk and return within the plan structure and maintains reserves to manage that risk. The insurance company administers the processing of claims.
 - d. Approximately eight months after the policy year end, the final actual incurred claim results of the prior (last) year's plans are reconciled and the surplus or deficit as compared to the premium paid is determined and "distributed" according to the terms of the agreement. This process is used to set each of the Student Activity Fees for the next academic year with a goal to keep the fund within a certain minimum and maximum. This activity is typically completed in March for the plan year commencing the following September and must be completed prior to the submission of the student activity fee slate to the Board of Trustees at the end of March.
 - e. The AMS, through its broker and internal channels, shall strive to communicate the benefits of each plan as widely as possible. Informational campaigns shall be conducted annually in a manner determined appropriate by the AMS and its broker.
 - f. It is the duty of the Vice-President (Operations) or, when unavailable, another Executive to create and execute on an annual communications plan that is coordinated through the AMS' broker. The communications plan must be developed prior to the start of each academic year in September.
3. The annual Health and Dental Plan budget shall be developed by the Vice President (Operations) and Controller and approved by the Board at the same time as the annual Operating Budgets are approved. Budget results shall be reported as per Part. B.s.1.4. Annually, the Health & Dental Plan Fund and the market value of all investments shall be reported in the Audited Financial Statements and the Society's Annual Report.
 4. The Fund budget shall explicitly show a schedule detailing the components of the Health and Dental plans operating revenues and expenses commitment, the history of the effects on the fund from prior years' plans claim results and a schedule detailing the budgeted impacts on the overall Fund for the current year and the predicted impact on the subsequent (next) year.

Health and Dental Plan Fund

5. Considering the conditions and understandings set out above, the AMS shall establish an internally restricted Health and Dental (H&D) Plan Fund.
6. The purpose of the fund is set as follows;
 - a. Ensure that fees students pay for H&D Plans are always used directly for those purposes.
 - b. Facilitate provision of the best plan benefits for the lowest possible fee per member student on a consistent basis.
 - c. Reduce/spread out the effect that variations in the resultant claims could have on the fees paid by students on the plan and the benefits provided by the plan.
 - d. Provide accountability and visibility of surpluses/deficits arising from the current year plan operations and prior year's plans' claim results.
 - e. Provide the AMS with sufficient financial resources to continue to manage these plans on a self-insured basis.
 - f. Eliminate the effect that the plans' volatility has on the performance of the Operations Fund.
7. Treatment of Plan and Fund Revenues and Expenditures is as follows;
 - a. Each plan shall be budgeted and accounted for as a separate cost center with its own revenues and expenditures. These revenues shall include both the student activity fees collected from the student members of the plan and any surpluses/deficits from the prior year's claim results. The expenditures shall include the current year operations (premium) expenses, consultant fees, and AMS administration fee allocation for its share of costs from AMS General Office.
8. The funds management guidelines and plans shall be managed in such a way as to have a reasonable expectation that:
 - a. The subsequent (predicted) year's Fund (virtual)² balance shall be no less than 20% of the composite of each of the plan's incurred claims and
 - b. The subsequent (predicted) year's Fund (virtual) balance shall be no more than 30% of the composite of each of the plans incurred claims.
 - c. In the event the Fund accumulates a surplus balance in excess of the management guideline that surplus shall be used to enhance the benefits afforded under the plan and/or to reduce the future individual annual student activity fee.
 - d. Approval of each of the specific component Plans, and the overall Fund, shall be by motion by the Board.
 - e. If the Fund Management guidelines cannot be expected to be achieved in accordance with this policy the Board shall approve the exception by a specific motion to that effect.

- f. If there is an inadequate balance in the Fund to provide for the support of the current year's operating budgets for the Plans, the Board may, but only in exceptional circumstances, provide the Fund with a one-year loan from the AMS Operating Fund or some other source subject to Board approval. (Note: This approval must be contingent on a reasonable expectation that the H&D Plan Fund will be able to pay back the loan AND be within the management guidelines in the subsequent year).

²The value of any claim's fluctuation reserves and/or deficits that are (or are expected to be) in place, and that are being held "in trust" for the AMS, shall be included in the determination of the overall ("virtual") Fund balance minimum and maximum retention targets.

Section 8: AMS SLC Facilities External Fund Policy

1. Background: In 2011, and renewed in 2015, the AMS entered into an agreement with Queen's University and the Society of Graduate and Professional Students (SGPS) to allocate space and jointly pay, based on a described formula, for the facility costs of the Student Life Centre. This agreement requires that two reserves be established and funded; one called the Contingency Fund and the other the Capital Projects fund. The University entered into a separate agreement with the AMS granting the AMS the responsibility to manage (i.e. the Manager) the SLC on behalf of Queen's, the AMS and SGPS in accordance with the Management Agreement. It is the responsibility of the Manager to account for these reserves and the funding of the reserves.
2. The general management policy of this fund is as follows;
 - a. The general policy and management for the Student Life Centre Facilities Fund can be found in the SLC Agreement between the AMS, the SGPS and Queen's University, which is appended to this Policy Manual.
 - b. An annual operating budget is prepared by the Queen's University – Physical Plant Services. Information from this budget is incorporated into the SLC Facilities Budget which is reviewed by the AMS, as the Manager of the SLC Facility. The budget is required to be approved by the SLC Management Board when they meet in the fall and approved by the Board along with the annual Operating Budget. The SLC Facilities Budget always nets to zero as the total of the operating costs are funded by the three parties to the Agreement in accordance with the formula defined in the SLC Agreement.
 - c. The only component of the budget that has a carry-forward component, and is represented by the Student Life Centre Facilities fund, is the Capital Projects fund (\$70K per annum) and Contingency Fund (5% of operating costs). These fund balances and disbursements are managed in accordance with the terms of the SLC Agreement.

- d. The fund is designated as an external fund as decisions are made by internal and external stakeholders; AMS, Queen’s University and SGPS.
3. For purposes of administering the approval process for projects proposed to be funded by the Capital Projects fund, the following information is provided as guidance to understand the terms of the Agreement:
- a. General AMS capital projects (non-service); i.e. boardroom, kitchen, AMS offices; shall be accounted for as leasehold improvements and leasehold amortization shall be budgeted in the AMS General Office accounts.
 - b. Capital improvements for other general/ joint/common student use areas of the Student Life Centre components, i.e. lounges, clubs, meeting rooms, HVAC, display cases, public spaces, information centers, security etc. decided by the AMS as the Building Manager, shall be expensed/allocated through the Student Life Centre Facilities budget and funded by all three parties in accordance with the Agreement.
 - c. Capital and operational costs directly attributable to the building operations and maintenance shall be allocated through the Student Life Centre Facilities Budget.
 - d. Costs associated with cosmetics or discretionary capital improvements made to AMS services shall be borne by the service.
 - e. Insofar as the capital improvements are required due to changes outside of a service’s control (i.e. deferred maintenance or other changes required by law) or infrastructure related (i.e. mechanical, HVAC) the costs shall be the responsibility of the University.
4. The annual Student Life Centre Facilities budget shall be developed by the Vice-President (Operations) (in collaboration with the President) and be reviewed and approved by the Board at the time that the Operating Budgets are approved. Budget results shall be reported as per Part. B.s.1.4. and shall be reported in the Audited Financial Statements and the Society’s Annual Report.

Contact person	<i>Chair of the Board of Directors or Chair of the Finance and Risk Committee</i>
Date of next review	<i>2029</i>
Related policies, procedures, and guidelines	<i>Board of Directors Governance Policy Manual Corporate By-Laws Articles of Incorporation Restructure and Compensation Grid Framework Risk Management Framework Procedure</i>

	<i>Investment Policy Statement</i> <i>*Any Other Applicable Policies (Board Approved)</i>
Policies or Documents superseded by this policy	<i>All policies of the corporation shall ensure alignment with the Finance Policy Manual and the Governance Policy Manual;</i>