

**FINANCE POLICY**  
**LASSONDE ENGINEERING SOCIETY**



ADOPTED: TBD  
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## **SECTION 1 - PREAMBLE**

The purpose of the Lassonde Engineering Society Finance Policy is to formalize procedures to fulfil all LES activities in the most effective and efficient manner and to remain accountable to the Members of the Society. The LES commits to providing accurate and complete financial reports for internal and external use by the Committee, Board of Directors, and all other interested parties.

## **SECTION 2 - AUTHORITY**

### **2.0. Oversight by the Board of Directors**

- 2.0.1. The Board of Directors is responsible for accrediting all Society financial activities.
- 2.0.2. The Finance Committee is authorized to act on the Board's behalf pursuant of Section 4.1.4 of the Finance Policy on financial matters when action is required in advance of a meeting of the Board of Directors.
- 2.0.3. The Board of Directors is responsible for enforcing the Bylaw 4 provisions for this committee.

### **2.1. Oversight by the Finance Committee**

- 2.1.1. The Finance Committee is responsible for overseeing the business described in this policy. The ultimate responsibility for the implementation of these policies will rest with the Vice-President Finance.
- 2.1.2. The Finance Committee shall meet at least once between Board of Director Meetings to conduct their business as outlined in this Policy.
  - a. Written notice of Finance Committee Meetings shall be given at least three (3) days in advance.
- 2.1.3. There shall be a Finance Secretary who shall be responsible for recording all decisions and recommendations made at the Finance Committee meetings, including justification for these decisions and recommendations.
- 2.1.4. The Board of Directors is required to review and approve the minutes for each Finance Committee meeting for the decisions therein to be effective, pursuant to Bylaw 1, Article 6, Section 6.13.2 and 6.13.11

## SECTION 3 - BUDGET AND APPROPRIATIONS

### 3.1. General

- 3.1.1. The Finance Committee shall assist the Vice President Finance in the creation of the Engineering Society operating budgets as described in Bylaw 2, listed below:
  - a. A Summer Budget presenting a general overview of the planned financial priorities which shall be adopted no later than the July Board meeting;
  - b. A Fall Budget containing detailed projections of planned revenues and expenditures which shall be adopted no later than the September Board meeting, and;
  - c. A Winter Budget derived from the Fall Budget including revisions based on actual revenues and expenditures which shall be adopted no later than the January Board meeting.
- 3.1.2. The Engineering Society operating budget must include provisions for mandatory expenditures outlined in section 3.3
- 3.1.3. The balance of an appropriation granted for a fiscal year that remains unexpended when the books of the Society for that fiscal year are closed shall lapse.

### 3.2. Appropriations Process

- 3.2.1. Prior to the creation of the budgets, the Vice-President Finance will request the following information from each Officer, Standing Committee, and Associated Entity of the Society:
  - a. The Vice-President Finance will request budgets prior to the Summer Budget Hearings. Budgets should be returned no later than June 15th of the term.
  - b. The Vice-President Finance will call for amendments two (2) weeks prior to the Fall and Winter Budget Hearings.
- 3.2.2. The Finance Committee shall review the aforementioned information at the respective Budget Hearings which shall be completed no later than one (1) week before the Board of Directors Meeting when the respective budget is adopted.
- 3.2.3. All relevant Officers, Standing Committees, and Associated Entities must be given written notice of a Budget Hearing at least three (3) days in advance.

### 3.3. Mandatory Appropriations

- 3.3.1. The purpose of mandatory expenditures are to create a consistent Society budget that supports the operational health of the Society, as well as provide financial support to club and community initiatives.
- 3.3.2. The following funds are to be created in the budget:
  - a. An Operations Fund to support the Society's day to day operations administrative and accessibility costs. The Fund may also be used to buy equipment and services to fund operations, training and other initiatives set forth by the Board of Directors;
  - b. A Clubs and Teams Fund to support Affiliated Clubs and other clubs deemed eligible by the Society set at minimum 12.5% of all revenues;
  - c. A Student Initiatives Fund will be created to support other community special projects and initiatives, not including affiliated organizations or associated entities, set at 10% of levy revenues.

- d. A Transition Fund to set at 12.5% of discretionary expenditures to define the maximum expenditure of the Society of the next fiscal year until:
    - i. the Summer Budget of that fiscal year is passed; or
    - ii. the month of August of that fiscal year begins.
  - e. A Budget Contingency to act as the rainy-day fund or extenuating financial circumstances, set at 5% of discretionary expenditures.
- 3.3.3. All funds and savings must be held in CDIC (Canadian Deposit Insurance Corporation) protected accounts.

## SECTION 4 - REQUESTS FOR FUNDING, RE-APPROPRIATIONS, AND DIRECTIVES

### 4.1. Finance Committee Responsibility

- 4.1.1. Requests for funding, re-appropriations, and directives will be presented to the Finance Committee by the Vice-President Finance or Finance Secretary upon receipt.
- 4.1.2. The Finance Committee will be responsible for reviewing funding requests, re-appropriations, and directives, ensuring they are reasonable and complete.
- 4.1.3. The Finance Committee will be responsible for gathering any necessary information about the request from the group or individual making the request.
- 4.1.4. The Finance Committee must either come to a decision regarding each request or make a recommendation to the Board of Directors.
- 4.1.5. Recommendations must be made if any of the conditions in sections 4.2.4 or 4.3.4 are met.
- 4.1.6. Requests that the Committee deems unusual or controversial should be referred to the Board of Directors.

### 4.2. Requests for Funding

- 4.2.1. The Society allocates funding to the student body by supporting affiliated clubs, subsidizing activity fees and funding special projects.
- 4.2.2. Requests for funding made by the Engineering Society, Associated Entities, Affiliated Clubs, and Membership shall be addressed to the Vice President Finance and/or the Finance Secretary. The requests should be delivered following the process defined in written communication by the Vice-President Finance, or by email to [finance@lasengsoc.com](mailto:finance@lasengsoc.com).
- 4.2.3. Funding requests should consist of a written request that includes the following:
  - a. The amount of funding requested;
  - b. The purpose of the request;
  - c. The budget line or fund name that the funding will be spent from;
  - d. The name and contact information of the person or organization requesting funding;
  - e. A complete budget which includes:
    - i. All projected sources of income and expenses;
    - ii. A contingency fund; and
    - iii. Comments describing each line item.
  - f. An explanation as to how granting the requested funds would improve the student experience for members of the Society; and
  - g. Any other additional information that the Finance Committee requests.
- 4.2.4. Funding requests approved by the Finance Committee will not be deemed approved unless also approved by the Board of Directors if they meet any of the following criteria:
  - a. Requests for funding greater than \$999.99 CAD,
    - i. The only exception being delegate fees for conferences under the jurisdiction of the Vice-President External, as defined in the External Policy.
  - b. Requests made for funds that have already been spent.

- c. Requests for funding that require the approval of a Memorandum of Understanding (MOU) under section 4.2.5.
- 4.2.5. Funding requests approved by the Finance Committee will not be deemed approved unless an MOU is also approved by the Board of Directors if they meet any of the following criteria:
  - a. Requests for funding made by individuals not covered by the reimbursement convention set forth in Bylaw 1, Article 6, Section 6.5, including Members requesting from the Student Initiatives Fund and any requests for club funding.
  - b. Requests for funding any activity in partnership with an external organization, except any organization that runs conferences under the jurisdiction of the Vice-President External, as defined in the External Policy.
- 4.2.6. A Memorandum of Understanding (MOU) must:
  - a. Extend the right to reimbursement to the relevant individuals;
  - b. Include any stipulations agreed upon by the Finance Committee, Board of Directors, and relevant individuals;
  - c. Be approved by the Board of Directors; and
  - d. Be signed by the Society's signing authorities and the relevant individuals.
- 4.2.7. Funding requests made by the Society that require the services of a server at a food business or a delivery worker must include budgeting for a gratuity payment of at least 15

### 4.3. Re-Appropriations

- 4.3.1. The Society from time to time may determine to amend its approved budget.
- 4.3.2. Re-appropriation requests made by the Society, Associated Entities, Affiliated Clubs, and Membership shall be addressed to the Vice-President Finance and/or the Finance Secretary. The requests should be delivered following the process defined in written communication by the Vice-President Finance, or be email to [finance@lasengsoc.com](mailto:finance@lasengsoc.com).
- 4.3.3. Re-appropriation requests should consist of a written request that includes the following:
  - a. The proposed budget line reallocation(s);
  - b. Calculated net transfer(s);
  - c. The purpose of the request;
  - d. The name and contact information of the person or organization requesting re-appropriation;
  - e. An explanation as to how granting the requested re-appropriation would improve the student experience for members of the Society; and
  - f. Any other additional information that the Finance Committee requests.
- 4.3.4. Re-appropriations requests approved by the Finance Committee will not be deemed approved unless also approved by the Board of Directors if they meet any of the following criteria:
  - a. All re-appropriation requests that would change the amount of funds under the portfolio of the respective Officer, Standing Committee, or Associated Entity;
  - b. All re-appropriation requests greater than \$999.99 CAD.

### 4.4. Appeals

- 4.4.1. All appeals for funding amounts shall delivered to the Vice President Finance following the process defined by the Vice-President Finance, or by email to [finance@lasengsoc.com](mailto:finance@lasengsoc.com).
- 4.4.2. All appeals must include the following:



- a. A written request describing the reasons for appeal and the amount appealed;
  - b. An updated budget;
  - c. Any additional supporting documentation that would help the Finance Committee process the appeal (new support evidence, additional costs, etc.); and
  - d. A pitch presented from the appealing requester regarding the aforementioned.
- 4.4.3. The Finance Committee shall be responsible for reviewing each appeal and deciding on the amount allocated
- 4.4.4. If the club or individual is still unsatisfied with the result of the appeal, they may submit their appeal as a motion to the Speaker of the Board of Directors (speaker@lasengsoc.com).

#### 4.5. Directives

- 4.5.1. A directive is any Finance Committee motion that handles:
- a. Defining the practices of the Finance Committee for the respective fiscal year;
  - b. Requests regarding the use of Society property; or
  - c. Any other business under the jurisdiction of the Finance Committee that is not considered a funding request or a re-appropriations request.
- 4.5.2. Directive requests made by the Society, Associated Entities, Affiliated Clubs, and Membership shall be addressed to the Vice President Finance and/or the Finance Secretary. The directives should be delivered to the Society Office following the process defined in written communication by the Vice-President Finance, or by email to finance@lasengsoc.com.
- 4.5.3. Directive requests should consist of a written request that includes the following:
- a. A summary of the directive;
  - b. The purposes and principles of the directive;
  - c. The name and contact information of the person or organization requesting the directive;
  - d. An explanation as to how implementing the directive would improve the student experience for members of the Society;
  - e. An analysis of any other effects the implementation of the directive would have and its potential impacts for members of the Society; and
  - f. Any other additional information that the Finance Committee requests.

## SECTION 5 - REPORTING AND REIMBURSEMENT

### 5.1. Reporting

- 5.1.1. Organizations and clubs (hereafter referred to as Clubs) that receive funding from the Society will be expected to keep complete financial records of all money they receive from all sources and spend on any expense.
- 5.1.2. The Finance Committee may examine the financial records at any time during the respective fiscal year and will examine the financial records it receives to ensure that they appear correct and complete.
- 5.1.3. The Finance Committee must review the finances of the Society annually through an audit.
  - a. The financial review from a professional accounting firm must be approved by the Board of Directors.
  - b. A report must be drawn up by the financial reviewer to be included in the end of year financial report.
  - c. The salary of the financial reviewer will be determined by the Board of Directors
- 5.1.4. The Finance Committee will keep the financial records it receives on file for future examination by the Clubs, Society Members, and the Lassonde School of Engineering.
- 5.1.5. At the April Board Meeting each year, the Finance Committee will present an end of year financial report. This report will include:
  - a. A final copy of the Society budget with actual expenditures;
  - b. A summary of all funding requests that were examined by the Finance Committee that academic year;
  - c. A summary of the findings the Finance Committee made while examining the financial records of the Clubs it funded during the fiscal year; and
  - d. A report from the auditor.
- 5.1.6. The Vice-President Finance shall ensure that the following information is made available on the Society's website, in a timely fashion after approval:
  - a. The amount of any funding allocation made to an affiliated club or external organization;
  - b. The amount of each allocation from the Club Fund;
  - c. The amount of each allocation from the Student Initiatives Fund;
  - d. The detailed budget of each Officer;
  - e. The detailed budget of each internal Director of the Society; and
  - f. The amount of any other special funding allocation.

### 5.2. Reimbursement

- 5.2.1. All requests for reimbursement shall use a cheque requisition form provided by the Society. This form can be found in the Society office or on the Society website. Delivery should be made to the Society office or emailed to [finance@lasengsoc.com](mailto:finance@lasengsoc.com). Each form must have the following items completed:
  - a. The name of the person to be reimbursed and email;
  - b. The alphanumeric identifier of the approved finance request;

- c. A description of what was purchased;
  - d. Original purchase receipts for each item; and
  - e. The signature of an Officer or Level 1 Director responsible for the budget line.
- 5.2.2. Each Officer shall be responsible for ensuring that all cheque requisition forms submitted by committees in which they oversee (as defined in Bylaws) are complete and ensuring that all expenses by those committees are related to their operations.
- 5.2.3. Reimbursement requests made by the Society that require the services of a server at a food business or a delivery worker must include proof of a gratuity payment of at least 15
- 5.2.4. The Vice President Finance shall be responsible for ensuring that all requests include sufficient documentation, are for the correct amount and are in general accordance with the funding request presented to the Finance Committee.

## SECTION 6 - LOAND AND DEBT

### 6.1. Loans

- 6.1.1. No money shall be raised by way of loan by the Society.
- 6.1.2. No loans shall be purchased by the Society.

### 6.2. Debt

- 6.2.1. The Society shall not go into dept at any time.