

Approved by the AFSA Board of Directors, September 28, 2009

The following document contains the provisions for continuing fiscal reporting by the Executive to and oversight by the Board of Directors (herein referred to as the Board).

The role of the Executive in this respect shall be to provide timely, accurate, and open and transparent information on fiscal performance to the Board. The role of the Board shall be to insure that the Executive is operating in a fiscally responsible manner in keeping with the aims and objectives of AFSA, review budgets and forecasts to insure they reflect present reality, and maintain confidence among AFSA stakeholders.

Interpretation

“AFSA Stakeholders” means any individual or organization with an interest or concern in respect to AFSA with particular reference to accounting and finance students and, secondarily, the faculty and administration of the School of Accounting and Finance.

“Agreement in principal” means a satisfaction, based on the degree of knowledge of a reasonable and prudent businessperson, that a statement, forecast, document or other information provides a fair representation and/or outlook and is reasonable and/or based on realistic projections and assumptions.

“Approval” means that there is no *prima facie* reason for objection to the item in question.

“Budget” means the annual operating budget of the Executive passed in accordance with By-Law I.

“Document” means, but is not limited to, any record, book, receipt, statement, or document, internal or externally prepared, electronic or physical, of any kind.

“Documentation” means any document or combination of documents which support the assumptions or information contained in an internally prepared document.

“Fiscal Year” means September 1 to August 31 of each year.

“Materiality” means a variance of 10% or more in any budgetary or non-budgetary item.

“Nominal Expenditure” means any expenditure not exceeding \$150.

- i. Interim Executive Reporting Requirements
 - a. The Vice-President Finance shall present to the Board for approval on the basis of *agreement in principal*:
 - i. In the second week following the start of each term (fall, winter, and summer):
 1. Un-audited statements showing year-to-date actual financial results (herein referred to as interim results)

2. A financial forecast for the remaining fiscal year shown in comparison to the approved budget (herein referred to as interim forecasts)
- ii. Notification of Major Events
 - a. The Vice-President Finance shall immediately report to the board any major event which will materially impact the operations of the executive over the current or future fiscal year(s), or anything giving rise to a material change in the budget or interim forecasts.
- iii. Board Review
 - a. The board shall place on their agenda at an appropriate time of a regular meeting at the beginning of each term (fall, winter and summer) the review and agreement in principal to the interim results and forecasts as required to be reported under 1.a.1
 - b. The board shall, by simple majority vote on the agreement in principal to the report presented by the Vice-President Finance as required under 1.a.1.
 - i. Should the board find reason not to approve the interim results they may compel the Vice-President Finance to provide documentation to their satisfaction for any item in question.
 - ii. Should the Vice-President Finance be unable to provide documentation supporting the interim results to the satisfaction of a majority of directors the Board may compel an independent review of financial records and statements, to be conducted according to discretion of the Board.
- iv. Role of the Board in Reviewing Interim Forecasts
 - a. The role of the board *is not* to second-guess or debate any reasonable and prudent interim forecast prepared by the Vice-President Finance in good-faith and with the competence of a reasonable businessperson.
 - b. Should the board find reason to *not agree in principle* to the financial forecast prepared they may compel the Vice-President Finance to prepare a revised forecast based on changes to specific assumptions.
- v. Authority to Demand Information
 - a. The board may, by simple majority, compel the Vice-President Finance to present to them any document or prepare any report they desire for the purposes of continuing oversight.
- vi. Authorization of Nominal Expenditures
 - a. Any nominal expenditure can be made by the Executive without prior approval of the Board.

- vii. Interim Results and Projections
 - a. The interim results and interim forecasts made pursuant to 1.1.1 shall be reserved for the internal use of the Executive and Board, and neither shall publish, distribute, or make available for release these documents.

- viii. Annual Reporting
 - a. An annual report shall be prepared by the Executive and approved by the Board members of the fiscal year to which it pertains no later than September 15 of each year, and shall include:
 - i. Letters from the President and Vice-President Finance summarizing operations, goals, and progress of AFSA in the past year.
 - ii. Letter from the Chair of the Board of Directors discussing the operations, goals, and progress of the Board in the past year.
 - iii. Management discussion and analysis
 - iv. Financial statements and disclosures showing results of operations of the past year
 - b. This report shall be published no later than September 30th for the year ended August 31st.

- ix. Force and Effect
 - a. The following by-law shall come into force and effect once approved by a majority of the Board
 - b. Amendments to this by-law may be made by a simple majority of the Board