



MEMO

From the office of the...

AVP Finance & Vice-President (Finance)

TO: Members of the Student Representative Assembly
FROM: Jess Anderson, AVP Finance and Alex Johnston, VP Finance
SUBJECT: Bylaw 5; Non-MSU Groups – OPIRG Referendum
DATE: February 9th, 2020

To the Members of the Student Representative Assembly,

Over the last month, the Finance Committee, myself, and the Vice-President (Finance); Alex Johnston, have diligently reviewed the operations and finances of the Ontario Public Research Group (OPIRG) McMaster. OPIRG is defined as a Non-MSU / Non-University group that collects student fees as outlined in Bylaw 5. Through consultations between myself, Alex, the OPIRG McMaster Board members, and OPIRG Union representatives, we have gained further information and insight regarding their current state and what agreements they are bound by through their associated union.

There is a history of OPIRG failing to abide by its Bylaw 5 responsibilities to students and the SRA (*for reference please see the additional information below that includes the 2019 December memo outlining Finance Committees concerns and the 2017 memo from the last OPRIG referendum*). Bylaw 5 groups include OPIRG, Solar Car, Incite, Marching Band, and Engineers Without Borders. Thus, the SRA has a duty to ensure compliance with appropriate accounting procedures and good governance practices. The SRA maintains the ability to send any Bylaw 5 group to referendum should it lose faith in a group's ability to properly govern the money given to it by students (see section 3.4 of Bylaw 5). Specifically, the University and its affiliated student groups must abide by the Compulsory Ancillary Fee Protocol (CAF). CAF agreement principles apply to all student groups and the MSU. Specifically, the SRA is the mechanism to add fees levied for undergraduate students. As such, the SRA reserves the right to send a fee to referendum if it feels a group is in violation of Bylaw 5 requirements.

Since the SRA meeting of December 8, 2019, at which OPIRG McMaster delegated to the Assembly, the Finance Committee has continued to review OPIRG's budget and spending practices. The Finance Committee continues to believe that OPIRG McMaster is not being fully transparent with their finances, violation of section 3.1.2. of Bylaw 5. As well, the Finance Committee believes the group's allocation of funds spent on salaries, benefits and administration is disproportionate to the funding allocated to student initiatives. With this, the Finance Committee is standing firm on its stance that the OPIRG fee should be sent to referendum to seek the will of students in this matter.

To that extent, we have also spent time assessing what any viable fee structure options exist, if any, should the SRA send the OPIRG McMaster fee to referendum. We scheduled an additional meeting with both student and union representatives from OPIRG. The intention behind this meeting was for us to gain as much information about the group as possible. We learned more about the union that represents the paid OPIRG staff, to what extent the OPIRG McMaster group is tied to the union, as well as whether or not the group can operate and exist without a paid employee. Additionally, to ensure we are following all of the proper procedures, additional consultations with University stakeholders confirmed with us, that all fee changes must be changed through student approval and the only way to gain this student approval is through referenda run through the Elections Department. As stipulated in the MSU Constitution (section VII), the SRA is the only internal MSU governing structure which can send an fee to referendum.

Now possessing the information that OPIRG should not be operating without a paid staff member, the Finance Committee, as well as Alex and myself, believe the referendum should consist of only two options: "Yes" or "No". The logic here is simple; given the years of non-compliance with Bylaw 5, the need for a referendum is plainly apparent. Since OPRIG McMaster's Board of Directors feels a full-time staff member is necessary for their operations, we cannot reduce the fee further while maintaining an opt-out system, as they would be unable to sustain staff and student initiative support. For this reason, the fee should either exist as is or be removed completely.

With this motion in place, the finance committee believes the OPIRG fee should be sent to referendum in the Spring 2020 SRA General Elections. In addition, the Finance Committee encourages the SRA to take a stance in this referendum and pass a motion encouraging students to vote 'no' to supporting a fee for OPRIG McMaster in a forthcoming referendum.

Thank you for your time Alex will be happy to answer any additional questions.

Sincerely,

Alex
Vice-President (Finance)

Jess
Associate Vice-President, Finance

ADDITIONAL INFORMATION:

AVP Finance, Jess Anderson's Initial OPIRG Memo from December 8th, 2019

After having reviewed OPIRG's budget proposal for the 2019-2020 year, the finance committee is not satisfied with the group's current state. In previous years, OPIRG has been given recommendations and has been sent to referendum for not adhering in full to the set of bylaws that their group resides in. In the 2017-2018 year, OPIRG was recommending by the finance committee to be sent to referendum on the premise that they failing to meet the requirements of section 3.1.1 and 3.1.2 which state the following:

3.1.1 Annual provision of financial statements to the Vice-President (Finance) by October 15, in a similar manner as submitted to the University, notwithstanding any accommodation provided by the SRA Standing Committee on Finance;

3.1.2 Maintenance of easily accessible online financial reporting;

This motion of sending OPIRG to referendum passed through the SRA, and the results of the referendum was that the groups fee be reduced to \$5.50. With this being said, it can be seen that there have been concerns and issues raised with this group in the past and on this basis the finance committee feels comfortable recommending that the group be sent to referendum once again. The rationale behind this decision is that the group was unable to answer our questions in full (no comments on current staffing), the large surplus the group is currently sitting on (as of April 17th 2019 surplus of \$91,947) and the fact that the vast majority (about 87%) of student funding is still being allocated towards salaries, benefits and administration.

I am available to answer any questions that you might have on any of the listed recommendations or decisions! Additionally, below you will find all of the various questions/responses and supporting documentation.

Thank you,
Jess Anderson

Associate Vice-President Finance
avpfinance@msu.mcmaster.ca

ADDITIONAL INFORMATION:

The following questions were posed by the Finance Committee (FC) as follow-up information gathering following the OPIRG delegation of December 8, 2019. The respective responses from OPIRG McMaster (OM) are listed after each question.

- 1. (FC) We noticed there was a surplus in the 2018-2019 year, but this year there is no surplus listed, is this accurate?**

(OM) *No, this is not accurate, I will be sending you an updated budget as soon as we receive our levy funds which should be sometime this week and the board approves the new and finalized budget. We calculated a worse case scenario for opt out rates this year to be safe in planning finances until we were given the correct opt out number.*

- 2. (FC) Is there a reason for the yellow highlights indicated on the PDF?**

(OM) *We are in the process of updating it, the highlights are irrelevant, just from our notation.*

- 3. (FC) Typically student groups choose to have a surplus in their budget plans to avoid any undue hardships, is there any particular reason your group is choosing to budget for no surplus/ end with \$0?**

(OM) *See 1.*

- 4. (FC) What does your current staffing look like? I.E. how many full time, part time etc —> what is the \$43,000 going towards?**

(OM) *We unfortunately have no comment on this for the sole reason that it's still a work in progress. We are still investigating matters to make sure we take the best course of action. I apologize if this makes this complicated, we are trying to work it out but will provide you with all information as soon as we know what direction to take.*

- 5. (FC) For the student fees revenue is that because you received a 50% opt out?**

(OM) *I'm not sure where 50% was obtained but we had received a different value (roughly 33.7%). We will be sending you all the documents if you'd prefer!*

- 6. (FC) What is the \$3000 for Audit & Accounting Services?**

(OM) *We budget \$3000 under Audit & Accounting Services to ensure a high caliber Chartered Professional Accountant (BB Hawkins) with over 15 years*

experience with our organization examines all of our financial records with a fine toothed comb. This is to ensure that our organization is following everything according to guidelines and that everything is running smoothly. We can send you the auditor report from last year (however I believe we may have already sent it) and we will send you the next one when it becomes available.

7. (FC) What is \$1000 in strategic planning for? Why does Activist skills training cost \$1500/who do your hire for this training?

(OM) Since we are an activist-based board, we want to make sure we are well-versed in maintaining policies, rules, and guidelines. The strategic planning and activist training go hand in hand. I don't have the name of the person we use right now, its in my records (I apologize, it's been difficult trying to memorize a lot of factors after the transition) and I can send it! It is a session that we usually hold once a year and are thinking of holding it twice a year moving forward.

ADDITIONAL INFORMATION:

Memo to the SRA from Scott Robinson (AVP Finance) and Tuba D'Souza (VP Finance) in 2017:



MEMO

From the office of the...

**VP Finance & AVP Finance, Chair of
the Finance Committee**

TO: Members of the Student Representative Assembly
FROM: Daniel Tuba D'Souza, Vice-President Finance & Scott Robinson,
Associate Vice-President Finance
SUBJECT: SRA 17K Motion for OPIRG Referendum
DATE: November 16th, 2017

On Tuesday, November 7th the Finance Committee met to review the non-university non-MSU groups that receive student funds. The groups include: McMaster Marching Band, OPIRG McMaster, McMaster Solar Car, Incite Magazine & Engineers Without Borders McMaster Chapter. During this process, it is the committee's responsibility to audit the financial statements of each group, and ensure that the practices of the group and in compliance with MSU Bylaw 5.

When reviewing OPIRG McMaster, the Finance Committee voted in agreement that they have not sufficiently complied with MSU Bylaw 5 section 3.1.3, and thus we have submitted a motion for referendum for the OPIRG fee to the SRA for consideration. The motion reads as follows:

Moved by *D'Souza*, Seconded by *Ibe* that the SRA bring the OPIRG fee to referendum in January of 2018.

This memo will go over the following information

- The history of Bylaw 5
 - Past concerns and efforts for collaboration between the MSU and OPIRG
 - Finance Committee Decision & Recommendation 2017
-

History & Purpose of Bylaw 5 – financial affairs (est. 2013)

The purpose of Bylaw 5 as created: to ensure awareness and financial accountability of fees created through MSU referendum or MSU General Assembly for students and student leaders.

Prior
to
the

2013/2014 year, there was no university or MSU policy dictating that a Bylaw 5 group make their spending and budgets publicly available nor was there any group ensuring that these groups were being held accountable to students. This raised concerns from both the MSU and the university in regards to financial transparency.

September 29, 2013

VP Finance 2013-2014, Jeffrey Doucet puts forward a change to Bylaw 5 with the main additions of:

- Sending all Bylaw 5 groups to referendum every three years to ensure their relevancy
- The SRA must send the fee to referendum to be evaluated by students directly if the groups fail to either meet reporting requirements or is deemed to administer themselves that is inconsistent with the original referendum

September 29, 2013

The SRA decides to send the Bylaw back to the finance committee for a more thorough consultation with the Bylaw 5 groups

February 23, 2014

The finance committee (Chair: Daniel D'Angela) re-proposed Bylaw 5 – financial affairs after more consultation with the Bylaw 5 groups without the triannual referendum and empowering finance committee to submit a motion for referendum to the SRA for consideration if the reporting regulations were violated.

- The debate around this motion was heavily centered around OPIRG with OPIRG representatives & some SRA expressing concerns that this Bylaw violated OPIRG's autonomy and that the SRA does not have jurisdiction to mandate groups to report.
 - Other members of the SRA stated that the SRA has a **fiduciary and moral duty of creating awareness of the fees that students pay**
 - The Bylaw 5 changes passed with an overwhelming majority 25 in favor to 3 opposed.
-

Past Concerns & Efforts for Collaboration

Key point in question from the original motion:

1. Refund procedure will be well advertised

Of the 4 years since Bylaw 5 – financial affairs as changed has been in effect, questions or concerns regarding OPIRG’s opt-out have been raised 3/4 years as reflected in meeting minutes from SRA 13G, 13O, 14H, and 16K.

Most notably, in 2014, the committee of the whole discussion revealed that “there was a slight issue with the opt-out, but there are plans from both the MSU and OPIRG to make changes moving forward”. Despite the good-will of the assembly, this was clearly not achieved as in 2016 a similar concern was raised with the assembly making the 3 specific recommendations below:

- The assembly would like to see the opt-out process be moved online
- The assembly would like to see how many opt-outs were received
- There was a discussion about sending this fee to referendum but the assembly decided that it would be brought forward at a future meeting

These recommendations/concerns were communicated to OPIRG in December of 2016 and again in August of 2017 both online and in person. **As of the 2017 opt-out period none of these recommendations were followed.**

In SRA 17J the concern of an inadequately advertised opt-out was raised ***again*** in committee of the whole from various members on the assembly along with other concerns.

Recommendation of the Finance Committee for SRA 17

Finance Committee Decision & Recommendation

When reviewing OPIRG McMaster, the Finance Committee was satisfied with their compliance with sections 3.1.1 and 3.1.2. **However the Finance Committee does not believe that they are fulfilling their duty in 3.1.3**, administering the fee in accordance with their original General

Assembly motion from 1995. The vote regarding this was unanimous by the committee. Therefore, in accordance with section 3.4 of MSU Bylaw 5 – financial affairs, the finance committee is submitting a motion for referendum for the OPIRG fee to the SRA for consideration.

In a motion to the General Assembly of 1995, OPIRG McMaster advertised that the fee “shall have a well-publicized opportunity to obtain a refund.” Through our external research and consultation with the staff of OPIRG McMaster, we do not believe that the opportunity to obtain a refund was well advertised.

Avenues through which OPIRG McMaster advertised the fee refund in 2017

- Rotating graphic on the MSU screens (Appendix A: *Figure 1*)
- Ad in the MSU Almanac (Appendix A: *Figure 2*)
- Flyer on the door of the OPIRG McMaster office
- Flyer given out during the MSU ClubsFest (Appendix A: *Figure 2*)

Ontario Public Interest Research Group (OPIRG) McMaster

OPIRG McMaster exists to empower students and community in exchanging ideas and taking action on diverse social justice and environmental issues by connecting individuals, groups, organizations, and resources.

We value Anti-Oppression, Empowerment, Creativity and Innovation, Equity and Inclusivity, Consensus, and Environmental Responsibility.

Email: opirg@mcmaster.ca
905.525.9140 x27289
MUSC 229

View our events list on our website or follow us on Facebook to stay informed about our many public events, including a wide range of free events during "Making Connections: OPIRG's Social Justice and Environment Week," held September 25-29, 2017. OPIRG's skills training sessions, Passion to Power, held each term include workshops on consensus decision-making, anti-oppression, conflict transformation, publicity and outreach, and other important activist skills.

Student volunteers form the core of OPIRG's activism. Our student-run volunteer working groups meet regularly to educate themselves and organize around a diverse range of issues. Former working groups have included Adaptive Design, McMaster Indigenous Student Community Alliance, Fossil Free McMaster, Guatemalan Solidarity, Hamilton Freeskool, Hamilton Urban Beekeepers, Threadwork and many others. New working group ideas are encouraged. OPIRG's volunteer Board of Directors define both our vision and our activism. Join us and gain valuable volunteer experience working with an engaged social justice organization, while contributing to impactful outcomes.

Visit our alternative lending library full of books and dvds focusing on social justice, human rights and environmental sustainability issues. Students use our library for a variety of their course requirements. We build our resources based on your needs and interests; ranging from anti-racism, animal welfare, green politics, women's health, to urban development, timely zines and much more. Also available is the OPIRG button-maker, megaphone and projector.

OPIRG's core funding comes from full-time undergraduate students, in the form of a \$8,07 refundable levy. If you do not wish to support the work of OPIRG McMaster, you can claim a full refund by bringing your student card to the OPIRG office. This must be done within three weeks after the completion of the drop and add period, when your student status has been finalized. If you are not a full-time McMaster undergraduate student, \$10 will get you a Community Membership, entitling you to all the wonderful things OPIRG has to offer.

opirgmcmaster.org

[@OPIRGMcMASTER](https://twitter.com/OPIRGMcMASTER) [/OPIRG.McMaster](https://www.facebook.com/OPIRG.McMaster)

The Finance Committee does not feel as though promoting through these avenues justifies a well-advertised opportunity. **Additionally, we do not feel as though the graphics which were advertised (Figure 1, Figure 2) should be valued as an “opt-out advertisement”**. The majority of the graphic focuses on an explanation of OPIRG and the services they provide, with a small portion at the end dedicated to the opt-out opportunity. A public comparison of how the finance committee believes an opt-out opportunity should be advertised is the promotions done for the Health and Dental plan opt out, which features very clearly outlines the steps in the process, and is not crowded with other information *Figure 4*. *This method of opt-out was also*

referred to by an OPIRG Board member during SRA 17J demonstrating awareness of the qualities of an effective opt-out program.

Final Thoughts

Concerns have been raised regarding OPIRGs opt-out process over the past three years and yet the group has failed to take into account any of the recommendations made by the SRA. In order to fulfill the fiduciary and moral responsibility of the SRA to ensure that students are made aware of the fees that they pay, the finance committee and VP Finance strongly urge the assembly to allow students to decide for themselves via. a referendum during the Presidential election in January.

I am available to answer any questions that you might have, and hope to be as helpful in this process as possible.

Thank you,

Daniel Tuba D'Souza
Vice President (Finance)
McMaster Students Union
vpfinance@msu.mcmaster.ca

Scott Robinson
Associate Vice-President Finance & Chair of the Finance Committee
McMaster Students Union
avpfinance@msu.mcmaster.ca

Figure 1: OPIRG 'Opt-Out' advertisement displayed via MSU screen network

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OPIRG MCMASTER

 @OPIRGMcMASTER

 /OPIRG.McMaster

 opirgcmcmaster.org

Figure 2: OPIRG 'Opt-Out' advertisement displayed in MSU Almanac and Welcome Week preview



OPIRG exists to empower the exchanging of ideas and taking action on social justice and environmental issues by connecting individuals, groups, organizations, and resources. We value Anti-Oppression, Empowerment, Creativity and Innovation, Equity and Inclusivity, Consensus, and Environmental Responsibility.

Volunteer Opportunities

Our student-run volunteer working groups meet to educate and organize around a range of issues. Former groups include: Adaptive Design, McMaster Indigenous Student Community Alliance, Fossil Free McMaster, Guatemalan Solidarity, Hamilton Freeskool, Hamilton Urban Beekeepers, Threadwork and more. OPIRG's volunteer Board of Directors define our vision and activism, and there are always opportunities to gain valuable experience through OPIRG's Volunteer Coordinator.

Resource Library

Visit our alternative lending library of books and resources on social justice, human rights and environmental sustainability. We build our resources based on your needs and interests; from anti-racism, animal welfare, green politics, women's health, to urban development, zines and more. Also available is our button-maker, megaphone and projector.

Events

Subscribe to our events list or follow us on facebook to stay informed about our free public events, including "Making Connections: OPIRG's Social Justice and Environment Week," in September. "Skills Training Series," held each term includes workshops on consensus decision-making, anti-oppression, conflict transformation, publicity and outreach, and more.

Fair Trade

Check out the variety of fair trade products, from chocolate and coffee to handmade woven baskets. Proceeds go to support the grassroots organizations who produce them.

Funding

Our core funding comes from full-time undergrad students, in the form of a \$8.07 levy. If you do not wish to support OPIRG, you can claim a full refund by bringing your student card to our office in MUSC 229*.

* Within 3 weeks after completion of drop/add period.

Figure 3: MSU Health & Dental Opt-Out Graphic



EVERY **FULL-TIME**
UNDERGRADUATE STUDENT HAS

HEALTH & DENTAL INSURANCE

WITH THE **McMASTER STUDENTS UNION.**

f /MSUMcMaster
t @msu_mcmaster

McMaster Students Union
MSU

STAY IN OR OPT-OUT

**OPT-OUT ENDS
SEPT 30, 2017**

- 1 Health and Dental details:
msumcmaster.ca/insurance
- 2 Opt-Out details:
msumcmaster.ca/optout