

EXECUTIVE REPORT

Ben Frid
VP Finance
April 2014 Spring General Meeting



I. DESCRIPTION OF POSITION

The Vice President Finance has overall fiscal management responsibility for the CFMS and acts as the Chief Financial Officer. He or she is responsible for managing the CFMS bank accounts, investments, and budgetary revenues and expenses. The VP Finance is responsible for long-term strategic planning together with the President. He or she is responsible for the development of policy relating to finances (including travel, sponsorship, and long-term strategic planning).

The primary responsibility of this portfolio this year has been leading the review of the bylaws CFMS to comply with changes to the Not-for-profit Incorporation Act. The revised by-laws have been distributed to the CFMS membership and will be voted upon at this SGM. Otherwise, efforts have been devoted towards continuing to improve the financial positioning of the CFMS through strategic allocation of financial resources, and implementing a new online payment system for members to utilize.

II. ACTIVITIES

Meetings attended:

September 20-22	Annual General Meeting 2013	Vancouver BC
October 19	CHPE Fall Meeting	Ottawa ON
October 18-20	Fall Executive Meeting	Ottawa ON
November 19	CHPE Fall Teleconference	T/C
November 30	Executive Teleconference	T/C
December 16	Executive Teleconference	T/C
January 9	CHPI Grant Meeting	T/C
January 10-12	Winter Executive Meeting	Toronto ON
January 14	AGM Discussion	T/C
January 16	Executive Teleconference	T/C
January 25	Finance Committee Teleconference	T/C
February 5	Finance Committee Teleconference	T/C
February 5	Executive Teleconference	T/C
February 10	CHPE Winter Teleconference	T/C
March 18	Finance Committee Teleconference	T/C
March 18	Executive Teleconference	T/C
March 28	Executive Discussion	T/C
April 6	Finance Committee Teleconference	T/C
April 25-27	Spring General Meeting 2014	Ottawa ON

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III. PRIORITIES AND PROJECT AREAS - Accomplishments to Date

A. CFMS BY-LAW REVIEW AND NFP ACT COMPLIANCE

As per the *Corporations Canada* website:

The new *Canada Not-for-profit Corporations Act* (NFP Act) establishes a new set of rules for federally incorporated not-for-profit corporations in Canada. These new rules will replace Part II of the *Canada Corporations Act* (old Act), the law that has governed federal corporations for nearly a century. The rules under the NFP Act are modern, flexible and more suited to the needs of the not-for-profit sector.

Source: <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04958.html>

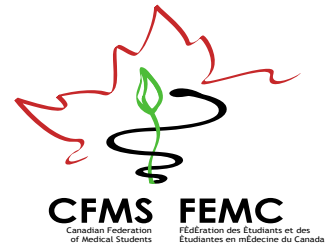
The CFMS is required to revise its bylaws to comply with these changes and submit to Corporations Canada by October 17, 2014. As VP Finance, I led the review of these bylaws, analyzing each section to ensure that our bylaws were still valid and that they complied with the NFP act. Multiple revisions were reviewed and discussed with the Executive, the Finance Committee, and our legal counsel (Dust Evans Grandmaitre) before final revision. The above quote is relevant in that these changes largely serve to simplify our bylaws; there are multiple sections that previously had to be explicitly stated in a federal nonprofit corporation's bylaws that now are simply implied. While revising these bylaws, I did some general editing of the bylaws to ensure that they are up to date with the current operations of the CFMS. However, the last by-law review was only two years ago and I did not find any major discrepancies or problems. The CFMS membership has been given the mandatory minimum time to review this document and will have an opportunity to discuss at the SGM before voting on the new bylaws approval. Any preliminary comments or questions before then are encouraged to be brought forward (contact me at vpfinance@cfms.org).

B. BUDGET OVERSIGHT

The CFMS remains in excellent financial position and there are no concerning items in our budget to report at this time. There will likely be another surplus at fiscal year end (June 30, 2014), despite excellent budgeting from last year's VP Finance Shemer Ratner. This continues to be a challenge for the CFMS, both in terms of effective year-to-year forecasting and also appropriate utilization of CFMS reserves. A more thorough review of the year-to-date budget will be conducted in closed session at

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SGM 2014. In addition to oversight of the organizational budget, I continue to work with the members of the CFMS Exec to help manage individual portfolios with success.

There were three changes to the budget voted on by the executive since AGM 2013. Note that as per the CFMS Financial Policy, the Executive is entitled to make budget changes up to and including \$5,000, but items greater than \$5,000 require a vote by the CFMS membership at a general meeting.

- 1) The Executive voted to increase funding for student initiative grant funding from \$8,000 to \$12,000 (co-sponsored by Ontario Regional Reps and VP Finance).
- 2) The Executive voted to increase funding for Annual General Meetings by \$5,000 (sponsored by VP Finance).
- 3) The Executive voted to donate \$1,000 to the Amanda Kelsall Memorial Fund, with the implication that a precedent is set for donation to all future Canadian medical student memorial funds (sponsored by President).

C. INVESTMENT REVIEW

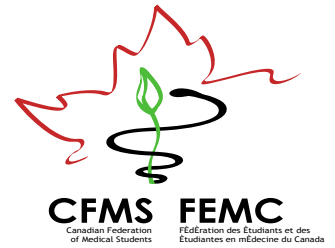
The Finance Committee is working with our TD investment advisor, David Sollars, to invest last year's surplus funds in low-volatility equity and fixed-income funds. As the CFMS is not in the business of attempting to generate profit with risky financial instruments, a low-volatility approach has been central to our efforts. Our decisions have been guided by the CFMS Investment Policy. A more thorough review of the CFMS' financial reserves will be conducted in closed session at SGM 2014.

D. PAYPAL IMPLEMENTATION

The Finance Committee is currently implementing a Paypal-based online payment system. Ideally, members will eventually be able to make payments for goods and services, perhaps even including conference registration, through such a system. However, there are significant costs involved- both direct costs through Paypal and indirect costs associated with the increased complexity to our accounting. The Finance Committee will continue to work to determine how to best balance the burden of these costs between the organization and its members.

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IV. FOLLOW-UP, VISION, GOALS AND RECOMMENDATIONS FOR THIS POSITION

EXPECTED DELIVERABLES

CFMS BY-LAW REVIEW	APPROVAL BY MEMBERSHIP AT SGM 2014
PAYPAL ACCOUNT ACTIVE	EARLY SUMMER 2014
INITIATE FINANCIAL AUDIT PROCESS	LATE SUMMER 2014
BUDGET	APPROVAL BY MEMBERSHIP AT AGM 2014
ASSET MANAGEMENT	ONGOING

I look forward to continuing to honour the trust of the members of the CFMS with diligent management of this organization's finances. If you have any questions or concerns about any item within this document or concerning the finance portfolio, please contact me at vpfinance@cfms.org.

Ben Frid
VP Finance 2013-2014
Canadian Federation of Medical Students