

**CONSTITUTION
OF
ACCOUNTING AND FINANCE ENDOWMENT FUND**

As Amended (May 30, 2015)

ARTICLE 1 – NAME and FUNCTION

The name of the organization shall be the Accounting and Finance Endowment Fund, hereinafter referred to as the “AFEF”. It is to function as a non-profit organization within the University serving the educational needs of students enrolled in any of the programs under the School of Accounting and Finance (SAF).

ARTICLE 2 – DEFINITIONS

2.01 When used herein the following words or phrases shall have the meaning or definition ascribed in this Article 2:

- (a) **“SAF”** shall mean the School of Accounting and Finance at the University of Waterloo.
- (b) **“AFEF Board”** shall mean the group of Directors of the Fund as described in article 5.01.
- (c) **“AFSA”** shall mean the “University of Waterloo Accounting and Finance Student Association.”
- (d) **“By-Laws”** shall mean those by-laws passed by the Members.
- (e) **“Chair”** shall mean the Chair of the AFEF Board elected in accordance with the provisions of this constitution and/or the appropriate by-laws and whose duties are set out therein
- (f) **“Director”** shall mean a member of the AFEF Board elected in accordance with the provisions of this constitution and/or the appropriate by-laws and whose duties are set out therein.
- (g) **“Fund”** shall mean the Accounting and Finance Endowment Fund
- (h) **“Member”** shall mean any SAF student or director or associate director of SAF.
- (i) **“University”** shall mean the University of Waterloo, its successors, assigns and any organization, entity or body which the University of Waterloo controls or of which it is a shareholder, partner, joint venturer or investor.
- (j) **“UWAFAA”** shall mean the University of Waterloo Accounting and Finance Alumni Association.
- (k) **“SAF Student”** shall mean any person enrolled on a full-time basis in any of the SAF undergraduate, regular or co-operative, or graduate programs, with the exception of students in the PhD program.

2.02 For all purposes of this Constitution, except as otherwise expressly provided or unless the context otherwise requires:

- (a) All references in this Constitution to designated “articles”, “sections”, “schedules” and other subdivision are to be designated articles, sections, schedules and other subdivisions of this agreement.
- (b) The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Constitution as a whole and not to any particular article, section, schedule or other subdivision of this Constitution.
- (c) The headings are for convenience only and do not form a part of this Constitution nor are they intended to interpret, define or limit the scope, extent or intent of this Constitution or any provision hereof.
- (d) Any reference to any entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity.
- (e) Words in the singular include the plural and words in the masculine gender include feminine and neuter genders and vice versa.

ARTICLE 3 – PURPOSE

3.01 The object of the AFEF is, subject to Section 3 of the University of Waterloo Act, 1972, to provide funds to maintain and improve the quality of the educational experience of all SAF students by providing funds to:

- (a) better prepare students to face the challenges and responsibilities which they will encounter in their professional careers; and
- (b) to provide improvements in the quality and the diversity of students' educational experiences.

Only that portion of the funds generated through the investment of donations, hereinafter referred to as "Income", shall be spent. The term "funds" when used in this constitution shall mean the funds raised by the AFEF and held by the University on separate account in accordance with this Constitution and all income accrued thereto.

The AFEF Board shall annually approve the use of the funds for accounting and finance educational needs including teaching resources, student projects, and other educational purposes the AFEF Board shall consider appropriate.

ARTICLE 4 – POWERS

To achieve the purposes and objects aforesaid, the AFEF Board shall have the following powers, with respect to the AFEF, subject to the provisions of the University of Waterloo Act, 1972, and the control and authority of the University's Board of Governors, the University Senate, and the Office of the President, and Vice-Chancellor:

(a) Raising Funds

To raise funds as follows:

- (i) Effective fall 2015, through the payment by each SAF student of the sum of \$20.00 per academic term (formerly \$75.00/term from 1991 to 2009, \$50.00 from 2009 to 2015) indexed at the discretion of the AFEF Board and approved by the University's Board of Governors as per paragraph 10.02. Provided, however, that all amounts paid to the AFEF shall be fully refundable in accordance with the University's policy on incidental fees;
- (ii) by the receipt of donations; and
- (iii) through the solicitation of additional funds in ways approved by the University.

(b) Chair of the AFEF Board

Responsibilities: schedule and chair all of the Board meetings; ensure that all orders and resolutions decided by the AFEF Board are carried out; look after all paperwork for funding proposals; ensure that the AFEF Board is appropriately constituted and that this constitution is respected.

(c) Receipt of Reports

To receive a monthly and yearly report from the University with respect to the income and capital of the Fund and to require the University to hire a separate "investment manager" to administer the Fund. The cost of the investment manager shall be paid out of the Fund;

(d) No Power to Sign on Behalf of the University

The AFEF Board shall have no power to make any financial commitments or undertakings of any kind that might be contractually binding on the University and all formal documents making any commitments or contracts shall be signed in the name of the University in a manner and by such persons as shall be directed by the Board of Governors of the University;

(e) School of Accounting and Finance not to be Affected

And provided further that the powers of the of the AFEF Board as provided herein, or as they may be executed, shall in no way interfere with or otherwise adversely affect the autonomy of SAF in the exercise of its powers, authorities, duties or regular conduct of its affairs. The funds raised for the AFEF and the interest earned thereon shall not have an adverse effect on the funding of SAF and shall be held by the University in an account separate from all general funds of the University to be used in accordance with the provisions of this Constitution;

(f) University to be Reimbursed for Expenses

And provided further that all direct expenses of the AFEF shall be paid from the earnings of the AFEF, and that the general accounts of the University shall be fully reimbursed from the particular accounts of the AFEF, unless otherwise stipulated in a written agreement with the University, for all or any services provided to the AFEF or expenditures made by the University in connection with management or operation of the AFEF; provided that the AFEF shall not be charged a fee for the administration of the Fund unless a separate investment manager is hired to administer the Fund;

(g) Periodic Review by the University

And provided further that the AFEF and its Constitution shall be subject to periodic review by the Board of Governors of the University, such review to be carried out in the light of any new or revised policies established by the Board of Governors or the Senate of the University for the purpose of defining or controlling the affairs or earnings of foundations or similar groups which may be established under the authority of the Board of Governors or the Senate of the University.

ARTICLE 5 – AFEF BOARD

5.01 The affairs and business of the AFEF shall be conducted by the AFEF Board, each member of which must be a minimum of 18 years of age and will include;

- a. Four (4) elected student Directors who may not at the same time serve on either the AFSA board of directors or the AFSA executive. Each student Director of the AFEF Board must be directly elected by the Members.
- b. The Chair of the AFSA board of directors.
- c. the AFSA president;
- d. The director or designate of the School of Accounting and Finance;
- e. One (1) representative of the UWAFAA, who is a member of the UWAFAA's council. The appointment must be ratified by the UWAFAA's Council;
- f. One (1) SAF alumnus who graduated within the three (3) years immediately preceding his/her appointment to the AFEF Board. The appointment must be ratified by the UWAFAA's Council.
- g. The Chair of the AFEF Board shall be chosen by and from among the Directors. The Chair will normally be an elected student Director.
- h. The Chair of the AFEF Board cannot have a position on either the AFSA Board of Directors or the AFSA executive at the same time that he or she holds the position of AFEF Chair.
- i. The student Directors shall recuse themselves from discussions involving proposals from groups in which they hold direct leadership positions (see article 6). This applies to the four elected student Directors. Since many student groups fall under the AFSA umbrella for administrative purposes, the chair of the AFSA board of directors and the AFSA president need not recuse themselves from proposals coming from AFSA affiliated groups; however, they would recuse themselves from proposals from non-AFSA related groups if they hold a leadership position in that group.

Provided, that the failure to elect or appoint all of the foregoing, subject to the provisions of Article 10, shall not constitute a breach of this Constitution.

ARTICLE 6 – PROPOSALS FOR FINANCIAL SUPPORT

6.01 Proposals may come from SAF Students, SAF student groups recognized by SAF, SAF student groups recognized by AFSA, including AFSA itself, the Arts Student Union, or SAF. Proposals may also come from SAF faculty and staff.

6.02 Proposals to the AFEF must provide specific information relating to any other applications for funding within the University and proposals for funding to external groups. The AFEF Board shall collaborate with other SAF or University bodies engaged in supporting student educational activities to ensure efficiency and fairness in providing funding among different proposals.

6.03 Student groups whose proposals are approved must keep appropriate records and provide a full accounting to the AFEF Board sufficient to meet University audit requirements.

ARTICLE 7 – MEMBERSHIP

7.01 Members shall have the meaning ascribed in Article 2 and shall have the rights and privileges set out in this Constitution and the appropriate AFEF by-laws.

7.02 Membership shall be terminated as follows:

- (a) upon graduating from any of the undergraduate or graduate programs under the SAF at the University;
- (b) the death, dissolution or winding up of a Member; or
- (c) a Member ceasing to be enrolled on a full time basis as a SAF Student.

ARTICLE 8 – MEETINGS

8.01 The Chair of the AFEF Board shall call an annual meeting of the Members at the University of Waterloo on a day and at a time as shall be convenient to the AFEF Board;

ARTICLE 9 – AUDITORS

The accounts of the AFEF shall be audited by the Auditors of the University, who are appointed by the Board of Governors. The AFEF Board shall have the right to require an additional audit and in such event any expenses for fees or services for such audit shall be charged to the particular accounts of the AFEF.

ARTICLE 10 – FINANCES

10.01 Participation in the AFEF by SAF Students shall be voluntary. Any contribution automatically included in the fees and tuition paid by a SAF Student shall be fully refundable in accordance with the University's policy on incidental fees and all proceeds generated by the VSC become part of the Fund;

10.02 Voluntary Student Contribution (VSC)

The VSC is a student donation to the Fund and is included on the undergraduate fee statement.

The student donation may be indexed by the AFEF Board up to the Government of Canada's rate of inflation every four (4) years. Any such change must be approved by the University's Board of Governors. Any change, other than with respect to inflation, in the level of the VSC collected requires approval by the AFEF Board, the Membership of AFEF, and the Board of Governors of the University.

10.03 Until dissolution as provided for herein the capital of the AFEF shall not be expended, distributed, or paid out.

10.04 If, in any year

- (a) less than four (4) student representatives including the Chair are elected to the AFEF Board;
- (b) a Chair is not appointed; or
- (c) the Chair ceases to hold office during their term of office and the vacancy is not filled within one (1) month of the vacancy in the manner prescribed in this constitution or the appropriate by-laws;

Then, upon the occurrence of any such events, no amount of the income which is available to be disbursed during such year shall be expended or disbursed until the election or appointment of the subsequent year's AFEF Board in accordance with this constitution and/or the appropriate by-laws.

10.05 No member of the AFEF Board shall (except for repayment of expenses incurred on behalf of the AFEF) receive any remuneration for acting as such.

ARTICLE 11 – AMENDMENTS

11.01 This Constitution may be amended by the approval of 2/3^{rds} of the votes cast in a referendum of Members. For the purposes of such a referendum twenty (20%) percent of the Members shall constitute a quorum. Provided, however, that Articles 3, 4, 8, 10, and 11 of this Constitution shall not be subject to amendment.

ARTICLE 12 – APPROVAL OF THE CONSTITUTION

Before becoming effective, the Constitution of the AFEF and any amendments thereto shall be approved by the Board of Governors of the University.

ARTICLE 13 – ESTABLISHMENT OF A SEPARATE ORGANIZATION

In the event that the Members, through a majority vote to the effect at a membership referendum, determine that it is desirable to set up a new fund with similar objects to the AFEF but wholly separate from the University, a separate organization may be set up (hereinafter referred to as the “New Fund”) and this Constitution shall continue to apply to the Fund held by the University. Provided, however, that for the purposes of such referendum twenty (20%) percent of the Members shall constitute a quorum.

Provided, further however, that if the Board of Governors of the University after consideration of the objects and powers of the New Fund, determine that it is in the best interest of the University to transfer the funds, and the Canada Revenue Agency and the Public Trustee for the Province of Ontario approve such transfer, the University shall transfer the Funds to the New Fund upon such terms and conditions as the Board of Governors of the University may direct. After such transfer is finalized, the AFEF shall be dissolved.

ARTICLE 14 – DISSOLUTION

14.01 The AFEF shall terminate upon the occurrence of any of the following events:

- (a) the winding-up, dissolution, disbanding or discontinuance of SAF provided that a re-organization or change of name shall not constitute a winding-up, dissolution, disbanding or discontinuance;
- (b) the occurrence of any one of those situations or events as set out in sub-Article 10.04 for five (5) successive years; or
- (c) the approval of eighty (80%) percent of the votes cast by the Members at a referendum of Members to consider the termination of the AFEF. For the purposes of the holding of such referendum twenty (20%) percent of the members shall constitute a quorum.

14.02 Upon the occurrence of the event set out in paragraph 14.01 (a) and if the funds have not, or are not, transferred to a New Fund the funds held therein shall be disbursed to registered charities within Canada which have, as their purpose, the advancement of accounting and finance education as recommended by the AFEF Board, subject to the ratification of the Board of Governors of the University.

14.03 Upon the occurrence of those events provided for in paragraphs 14.01 (b) and (c) no further amounts shall be collected as provided for in subparagraph 4.01 (a) (i). The Fund existing as of the date of the occurrence of the events provided for in paragraphs 14.01 (b) and (c) and all income arising thereon shall, in the event that SAF has not been wound up, dissolved, disbanded, or discontinued, be administered in accordance with the purposes and intentions set forth herein by the University of Waterloo Accounting and Finance Alumni Association Executive. If, at any time after the occurrence of the events set out in paragraph 14.01 (b) or (c), SAF is wound up, dissolved, disbanded, discontinued or no longer exists, the Fund shall be distributed in accordance with the provisions of paragraph 14.02.

ARTICLE 15 – DRAFTING AFEF BY-LAWS

15.01 The AFEF Board, at their earliest convenience and subsequently as may be required, shall draft by-laws in concert with the general aims and objectives of the AFEF relevant to the management of the affairs of the AFEF, the procedures of the meetings of Members, the meetings of Directors and the meetings of the AFEF Board and without limiting the generality of the foregoing these should include the following:

- (a) Definition of quorum, frequency of regular meetings, notice of meetings, minutes, and records, etc.;
- (b) Formality of making and passing resolutions, and voting procedures;
- (c) Establishment of any standing committees, and their powers, duties or responsibilities; and
- (d) Establishment of a fiscal year, which shall coincide with the University's fiscal year, and accounting procedures which shall be satisfactory to, and approved by the University's Vice President, Administration & Finance, and the University's Auditors.

15.02 The AFEF Board may draft additional by-laws.

ARTICLE 16 – AUTHENTICATION OF ACTS OF AFEF BOARD of DIRECTORS

16.01 All acts of the Directors shall be taken or confirmed by way of resolution of the Directors passed at a duly constituted meeting of the AFEF Board and duly recorded by written minutes. Within a period of not more than ten days following the date of any duly constituted meeting of the Directors, a copy of the minutes of the said meetings shall be forwarded or delivered, as indicated above, to the University offices of the President, the Vice-President Academic and Provost, and the Vice President, Administration and Finance.

ARTICLE 17 - NO GAIN TO DIRECTORS

17.01 The AFEF shall be carried on without the purpose of gain for its Directors and any profits or other accretions to the AFEF shall be used in promoting its objects.