

Science Coffee and Donut Shop Restructuring and Refinancing Resolution

The Science Society Board of Directors,

Hereby Defining the Science Coffee and Donut Shop as the legal incorporated subsidiary of the University of Waterloo Science Society, hereafter known as the Coffee and Donut Shop, Science CnD, or simply CnD,

Hereby Defining the University of Waterloo Science Society, hereafter known as SciSoc, or UW Science Society, or Science Society as the Faculty of Science Student Body Representation to the UW Federation of Students,

Herein noting the previous deficits of the CnD in the year 2011-2012 of amount \$4000.00 to vendors requiring substantial bailout by the UW Science Society of the amount \$5845.06.

Taking into consideration that no attempt was made to repay debts prior to requesting forgiveness of debts at the Science Society Board of Directors Meeting on the 24th May, 2016, this being the case it is noted that no evidence has *a priori tempore* been put forward to show any lack of ability to repay in full or in part debts outstanding,

Emphasizing that the Science Society is the legal custodian of the CnD and therefore a credit default by the CnD would be borne by the Science Society, requiring the provision of a loan from the Science Society without choice on the matter to resolve the financial predicament of the CnD,

Further noting that the Science Society *Policies & Procedures* - Policy 206, states that the CnD has a separate bank account and exercises solely responsible for its expenditure and operation,

Keeping in mind that Policy 202 was created to prevent future financial failure and mitigate risks of credit default / debt mismanagement by the CnD, such that:

1. The CnD is entitled to request access to their funding based on need pending approval by simple majority vote of the Board of Directors; and
2. That if such decision is reached the funding comes at the cost of 1% budget deducted from each club's budget,

Recalling that while the CnD may be non-profit, this does not indicate it is a service available to all students irrespective of accessibility; CnD is a Fee for Service entity and thus must muster its own income and expenditure without appropriation of SciSoc fundings as much as necessary for effective operations,

Highlighting corporate and nonprofit legal status of debts outstanding as administered by the Canada Customs and Revenue Agency, that as a legal entity an *incorporated association* is recognized by the legal system as having rights and responsibilities such as its ability to enter into contracts, buy goods and services, borrow money, have bank accounts, etc., in its own name, including but not limited to,

1. The liability of the members/volunteers is limited (*exempli gratia*, members are not personally liable for debts of the corporation);
2. Continuity of the organization is assured while the membership changes;
3. A corporation can own property in its name regardless of membership change;
4. The ability to bring a legal action in its own name (an unincorporated body cannot); and
5. The chances of receiving government grants may increase because of the stability the organization appears to have.

Defining nonprofit as an incorporated legal entity separate from its members and directors formed for purposes other than generating a profit to be distributed to its members, directors or officers as outlined by the Canada Customs and Revenue Agency, as per the Income Tax Act (R.S.C., 1985, c. 1 (5th Supp.)),

Determining that the situation of the CnD constitutes a matter of urgent fiscal reorganization and financial cooperation with with Science Society for the continued operation and longevity of the Science CnD, the UW Science Society Board of Directors hereby:

1. ~~Shall consider an upfront investment for renovation of existing locale and equipment, purchase of new systems and materials provided some measure of the following recommendations and requests are enacted;~~
 - a. To foster growth of revenue streams and introduce measures to promote surplus, including, but not limited to:
 - i. A CnD “facelift” [this includes a new hot chocolate machine] to increase appeal and retention of customers,
 - ii. Enhanced advertisement, and
 - iii. Greater market diversity in produce choice;
 - b. Such that the CnD operates as a business with the intent to make money only to further its own renovation, customer retention, and product/marketable diversity;
2. Mandates the CnD apply for capital investment and grants from University derived sources, as well as seek corporate sponsorship or direct investment to meet the needs herein outlined;
3. ~~Requests the implementation of outside eating areas which shall provide greater appeal and the potential for buyer retention. The opening of tables and chairs outside the bridge next to the shop would encourage students to come in, buy goods, and sit outside to enjoy. Having an outside patio-like set up would let people know where the CnD is and be its own advertisement! We note that most people [first years, especially] do not know where to go for food during their first few weeks (viz. huge business opportunity here);~~
4. Requires greater market diversity in sales and products offered by the CnD:

- a. Add new snacks and on-the-go meals or specialty food days offers choice in selection and opportunity to target different students,
 - b. Increasing of prices for the new items, while keeping most existing items constant in price (subject to review) would increase consumer base,
 - c. A Science themed CnD -- i.e twizzlers in flasks or snacks and such or milk for coffee in a beaker, etc...,
 - d. Increase number of and diversity of snacks about the register to reach debit minimum (see introduction of debit section) and increase general purchases for round numbers (ie. people do not like change);
5. Requires an increases in price for select items, particularly so for items that bring in the most revenue, to make some amount of money to further cover future revamp, maintenance, and products, ~~and debt repayment~~, without increasing coffee prices as this is a source of advertisement, under the discretion of the CnD managers and VP Finance;
 6. Recommends adding additional and larger cup sizing, in conjunction with price increases for larger cups so that money is made off of larger purchases relative the the consumption amount (ie. sell the cheapest coffee, but also a larger size that's about the same as everywhere else);
 7. Strongly urges that hours and supply levels are changed to accommodate for the large morning demand including:
 - a. An 8:00 - 14:00/15:00 (2:00/3:00pm) operation period at minimum so to accommodate morning rush and afternoon coffee break,
 - b. Allow managers or non-manager volunteers alike to open the CnD (or just unlock it) and then have the different members closing,
 - c. Increase number of persons capable of opening and closing besides managers (as ENV and ENG do).
 8. Suggests that compensation should be an event for all Volunteers (dept club, scisoc admin, and CnD volunteer employees) at one time per term until CnD brings in sufficient revenue to reward its volunteers;
 9. Requires the CnD administrative staff to replace the "freebie" (\$1.00CAD per shift) with a *flat point based employee discount*, likely increasing sales by volume as a result of discount (ie. people like to buy more things with discounts), included in this effort we recommend the elimination of the volunteer appreciation tip jar and replacement with a *take a penny leave a penny* system if students do not wish to have change returned;
 10. Requests that CnD caters a Science Orientation event to market to first year students and increase their interest in CnD for resume building as well as inform them about CnD in general;
 11. Suggests the CnD:
 - a. Use a cork-board advertisement along its Wall in the Biology Building Windows,
 - b. Uncover and rearrange the room to appear larger and be inviting;
 12. Provides the Science Society Board of Directors with a walk through and floor plan discussion of the actual facilities;
 13. Strongly Urges that CnD to purchase and operate a Debit and/or Credit machine for transactions above some CnD administrative staff determined limit, because:

- a. Debit is relatively inexpensive, but offers strategic opportunity for increased consumerism from tap functions and large consumer market with debit accessibility,
 - b. If the debit fee is obtrusive, implement a price increase inversely proportional to the purchased amount to offset this fee / make up for it in purchase volume by debit,
 - c. A transaction minimum provides the opportunity to have things around the counter available to “round up” the price. Eg. Crackers, peanut butter/jam/honey, candy etc;
14. Suggests that CnD opt for fresh ground coffee as it ought to decrease prices (purchasing coffee beans is far cheaper), as well it will be tastier and release an aroma that is inviting to the CnD providing a good method for bringing people into the shop;
15. Requests that CnD offer catering at competitive prices for Departmental Clubs / Events:
 - a. Allow or require departmental clubs (or other FEDs clubs if interested) to purchase through CnD at first attempt,
 - b. Instate a premium on purchases to ensure CnD takes in revenue on each transaction;
16. Recommends that CnD give first year science students a form of coupon in their orientation goodie bags that incentivizes them to come to the shop;
17. Recommends the Special Events, such as:
 - a. Have a Faculty & Staff Appreciation day for 20 to 50% off on a large coffee (assuming the introduction of sizing with cost differences by size that are sufficient to ensure no loss of funds with the 50% discount),
 - b. Fluorescent Foods Friday with blacklights, if cheap and non-harmful this would could be a termly event meant to advertise how ‘cool’ the CnD, and adds meaning to being a Science CnD as opposed to Arts or Eng or Env;
18. Requires that CnD maintain data records and analytics for all sales and purchasing, revenue, and income to be presented to BoD termly, this includes but is not limited to:
 - a. Records detailing how well individual products perform,
 - b. Daily revenue (both in total and per product),
 - c. Termly expenditures and profit ,
 - d. Approximate records of high and low activity by the day to aid in deciding operation hours (approximate customer volume per hour of operation of CnD),
 - e. Metrics on the total Debt as a percentage of operating costs, and income as a percentage of debt;
19. Noting that the CnD Administrative staff and the VP Finance of Science Society shall have the sole right of implementation of this accord and agreement hereafter agreed to by the Science Society Board of Directors;
20. Mandates an audit of the CnD Finances and Customer/Product Analytics presented by the VP Admin, VP Finance, and a CnD Finance manager, to the Board of Directors for Beginning of Term expectations/plans, and at culmination of the term another Analytics Presentation highlighting the intended modifications, success, and financial situation;
21. Decides to remain actively seized on the matter.