

**CONSTITUTION  
OF  
ACCOUNTING AND FINANCE ENDOWMENT FUND**

*As Amended*

**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 semi-autonomous, non-profit organization within the University.

**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 Student”** shall mean any person enrolled in any of the undergraduate, regular or co-operative, or graduate programs under the School of Accounting and Finance at the University on a full-time basis.
- (b) **“Affiliate Member”** shall mean any person who is not less than eighteen (18) years of age, or a corporation or partnership who or which has made a financial contribution to the AFEF in the immediately preceding fiscal year of the AFEF.
- (c) ***Repealed***
- (d) **“AFSA”** shall mean the “University of Waterloo Accounting and Finance Student Association.”
- (c) **“By-Laws”** shall mean those by-laws passed by the Members.
- (d) **“Chair”** shall mean that person elected in accordance with the provisions of the appropriate AFSA by-laws and whose duties are set out therein.
- (e) **“Member”** shall mean any SAF Student or Director or Associate Director of the School of Accounting and Finance of the University.
- (f) ***Repealed***
- (g) **“University”** shall mean the University of Waterloo, its successors, assigns and any organization, entity or body of which the University of Waterloo controls or of which it is a shareholder, partner, joint venturer or investor.
- (h) **“Funding Council”** shall mean the Funding Council comprised of those people described in Article 6.

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

- (a) Unless otherwise stated, 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 School of Accounting and Finance (SAF) Students by providing funds to the Accounting & Finance Student Association (AFSA).

Subject to the provisions of Article 10.03 only 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 based on a review of the general budget prepared by the Funding Council as described in article 6.

#### **ARTICLE 4 – POWERS**

To achieve the purposes and objects aforesaid, the AFEF shall have the following powers, 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 2014, the payment by each SAF student the sum of \$15.00 per academic term (formerly \$75.00/term from 1991 to Spring 2009 and \$50.00/term from Fall 2009 to Spring 2014) indexed annually subject to the approval of the Board of Governors of the University by an amount not to exceed the change in the previous year’s Consumer Price Index as established by Statistics Canada. 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) the solicitation of additional funds in ways approved by the University.

**(b) Chair of the AFEF Board**

Chairs the AFEF Board, calls meetings, ensures 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 Funds and to require the University to hire a separate “investment manager” to administer the Funds. The cost of the investment manager shall be paid out of the Funds;

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

The AFEF 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 Board of Directors of the AFEF as provided herein, or as they may be executed, shall in no way interfere with or otherwise adversely affect the autonomy of the School of Accounting and Finance 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 the School of Accounting and Finance 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 by the AFEF from its earnings, 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 Funds unless a separate investment manager is hired to administer the Funds;

**(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 Institutes or 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 of Directors, each of whom must be a minimum of 18 years of age, who are elected or appointed as the AFSA Board of Directors in accordance with the provisions of the AFSA Constitution and will include;

- (a) The Chair of AFEF, normally the Chair of AFSA's Board of Directors;
- (b) *Repealed*
- (c) four (4) members of AFSA's Board of Directors;
- (d) the AFSA President;
- (e) the Director of the School of Accounting and Finance;
- (f) one (1) representative of the Alumni Association, who is a member of the Alumni Association's council;
- (g) one (1) SAF alumnus who is graduated within the three (3) years immediately preceding his/her appointment to the Funding Council

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

## **ARTICLE 6 – FUNDING COUNCIL & ITS ROLE**

**6.01** The Funding Council shall be elected or appointed in accordance with the provisions of the appropriate AFSA by-laws and comprised of the following:

- (a) the AFSA President, who shall serve as the chair of the Funding Council
- (b) the Vice President of Finance of AFSA;
- (c) four (4) members of AFSA's Executive team to represent the SAF undergraduate programs. Diversity of membership across programs is desirable.

**6.02** The Funding Council prepares a general budget with major categories of spending with explanations to be presented to the AFEF Board for approval as per Article 3.

## **ARTICLE 7 – MEMBERSHIP**

**7.01** Members and Affiliate members shall have the meaning ascribed in Article 2 and shall have the rights and privileges set out in the appropriate AFEF and AFSA by-laws.

**7.02** Membership shall be terminated as follows:

- (a) upon graduating from the any of the undergraduate or graduate programs under the SAF at the University;
- (b) the death, dissolution or winding up of a Member or Affiliate Member;
- (c) the receipt of the resignation of an Affiliate Member by the AFEF Board. Such resignation shall become effective upon receipt thereof;
- (d) a Member ceasing to be enrolled on a full time basis as an SAF Student; or
- (e) in the case of an Affiliate Member, failing to make a financial contribution to the AFEF in the previous fiscal year of the AFEF.

## **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 Members;

**8.02** Such further meetings as may be prescribed by the AFEF by-laws shall be called and held as provided for therein.

## **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 Board of Directors of AFEF 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 an SAF Student shall be fully refundable in accordance with the University's policy on incidental fees.

**10.02** Save as provided in Article 10.03 or until Dissolution as provided for herein the capital of the AFEF shall not be expended, distributed, or paid out.

**10.03** Of the funds contributed to the AFEF for the fiscal year commencing May 1, 1991 ninety (90%) percent shall be utilized and disbursed in accordance with the purposes of the AFEF and the balance shall remain in the AFEF. Each year thereafter the percentage remaining in the AFEF shall be increased by ten (10%) percent until the ninth year when all funds contributed shall remain in the AFEF.

**10.04** If, in any year

- (a) less than four (4) student representatives are appointed to the Funding Council;
- (b) less than four (4) student representatives are appointed to the AFEF Board;
- (c) a Chair is not appointed; or
- (d) the Chair ceases to hold office during their term of office and the vacancy is or are not filled within one (1) month of the vacancy in the manner prescribed in the appropriate AFSA 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 the appropriate AFEF and AFSA by-laws, which fulfill the requirements set out in this sub-Article 10.03.

**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<sup>rds</sup> 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 Funds held by the University of Waterloo. 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 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 the School of Accounting and Finance 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 thirty (30%) 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 Board of AFEF, 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 Funds 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 the School of Accounting and Finance 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, 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), the School of Accounting and Finance is wound up, dissolved, disbanded, discontinued or no longer exists, the Funds 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 shall include at least 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 officers of the AFEF, and their duties and responsibilities;
- (d) Establishment of any standing committees, such as an executive committee, and their powers, duties or responsibilities; and (e) 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.

**ARTICLE 16 – AUTHENTICATION OF ACTS OF AFEF BOARD of DIRECTORS**

**16.01** All acts of the directors of the AFEF Board shall be taken or confirmed by way of resolution of the directors passed at a duly constituted meeting 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 Treasurer.

**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.