

MAUT

Christopher Ragan: Report of the VP Finance – November, 2014

MAUT Financial Snapshot

The budget of the MAUT is relatively simple. The vast bulk of our annual revenues (roughly \$675,000) comes from the fees collected from our members. Another small amount (\$40,000) comes from the McGill Administration to finance teaching releases for members of the MAUT Executive. On the spending side, the single largest item is the dues we pass on to the CAUT and the FQPPU (roughly \$278,000 annually). The other large annual expenditure item is on salaries and benefits for the MAUT staff – roughly \$220,000 per year. For each of the past few years, the MAUT has had an average operating surplus of roughly \$40,000.

The existence of annual surpluses leads to the accumulation of financial assets. As of November 11, 2014, the MAUT had roughly \$553,000 in accumulated financial assets. This overall amount was divided between cash accounts at McGill (\$98,000) and at the Royal Bank of Canada (\$61,000), and holdings in four selected mutual funds (\$394,000).

MAUT Finance Committee

The MAUT Finance Committee usually meets once per academic year; it last met on February 5th, 2014. The Committee has not yet met for the current academic year, but will do so early in 2015. Issues of interest that merit an ongoing discussion (for the Committee as well as for the Council) include:

1. What is the appropriate amount of accumulated financial assets for the MAUT, in view of the possibility of future (expensive) legal cases?
2. Related to #1, what is the appropriate level of membership fees?
3. If MAUT membership grows significantly from its current level, is there an argument for reducing membership fees?
4. What is the best investment strategy for MAUT's accumulated financial assets?
