

From: Glenn Hawley [GlennHawley@shaw.ca](mailto:GlennHawley@shaw.ca)  
To: The RASC Council  
Subject: Society Finances

Sent: July 4, 2018 5:23 PM

From the 2016 budget report

[https://www.rasc.ca/system/files/NC161\\_2016\\_Narrative\\_Budget\\_1.6.pdf](https://www.rasc.ca/system/files/NC161_2016_Narrative_Budget_1.6.pdf)

We can read:

"A key consideration in our budgeting process is reviewing our budget based on business segment. As a charitable organization, it is important that our membership and publication "businesses" can pay their own way and not be subsidized by charitable operations. Based on this breakdown, we are showing the following "net" values:

- Membership Services 28,134.00
  - Publications 6,934.00
  - Charitable Operations (45,710.00)
- Net Deficit (10,593.00)

Based on this analysis, we are showing a surplus on both membership services and publications which is due mostly to the reduction in our administrative overhead due to the SkyNews acquisition as well as improved Handbook sales and membership related revenues. The expenditures attributed to Charitable Operations are consistent with our charity income (donations and investments)"

More recently we Councillors were emailed the recent 2018 GA report showing an annual deficit on the membership services side of some \$117,000, or \$23 per member.

How did we collapse over two short years to the tune of almost \$150,000 per annum?

It's not a drop in income, since our investment income goes always to the charitable segment.

It has to be an increase in costs.

Or in this case mostly a wholesale shift of costs from the charitable sides (publications and charitable) to the membership side.

For example, all the Observer's Handbook revenue is accorded (properly) to the charitable category, the publications segment having been eliminated. But the costs of OH printing and distribution, \$19,000, are charged against the membership services side.

Instead of membership paying 33% of office costs and salaries, we members are now paying 50%.

The Board proposed a fee increase of \$3.00, but this isn't going to cover more than a small fraction of the problem.

This is an enormously important change in accounting practice, and yet we've received not a word of explanation from anyone on the Board.

Is it the intention of the Board to expend the ~\$500,000 in unrestricted funds we received from the sale of the old office building? And rid us of that money for some reason?

What is going on here?

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From: Glenn Hawley [GlennHawley@shaw.ca](mailto:GlennHawley@shaw.ca)  
To: The RASC Council  
Subject: Society Finances

Sent: July 6, 2018 12:40 PM

Since all the fundraising income goes to the Charitable side, all the associated costs should go there, too, and none should be allocated to Membership.

The government wants us to maximize our charitable spending, not move that spending to the non-charitable side of our operations.

The former division between Member, Publishing, and Charitable also allowed us to ensure that our publishing operations were covering their costs.

And since all our publications are educational in nature, and thus charitable under our mandate, all we need to do is add the publishing and charitable costs to yield a net "charitable" expense for our government form.

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From: Blair Stunder <<mailto:blair.s@shaw.ca>> Sent: Friday, July 06, 2018 9:49 AM  
To: The RASC Council <<mailto:council@lists.rasc.ca>>  
Subject: Society Finances

A couple of items stand out on the Expenses slide of the "GA Work Exercise.pptx" file.

Under the Office section.

"Postage", "150th", "Branding" and "Website" show large increases from the 2017 Actual to the 2018 Budget.

Under the Committees section.

"Fundraising" reflects the addition I assume of the additional staff for fundraising. As well as the rent increase to reflect the space for the archives.

Current accounting standards don't allow for the expected increase in revenues in the 2018 Budget with the addition of the "Fund-Raiser" position.

The question would be, do we allow the increase in (Exposure) costs in the short term to allow for the possible increase in revenue stream for the long term.

Blair Stunder, NCR Prince George Centre, Observing Committee

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From: Patrice Scattolin [scattol@videotron.ca](mailto:scattol@videotron.ca) Sent: July 6, 2018 1:17 PM  
To: [council@lists.rasc.ca](mailto:council@lists.rasc.ca)  
Subject: Society Finances

It's indeed suspicious that without any significant increase in services to members, the deficit ascribed to members ballooned to be close to 50% of membership fees. An unfavorable reallocation would certainly explain all this. And it wouldn't be new as execs in the past have attempted to justify large fee increases with such mechanism (the case of beer in everyone fridge comes to mind).

We have a governance problem though. Currently our employees, board and our execs are certainly motivated by growing their operations. That appears to be interpreted as national office operations. And failing to do so must be perceived as a failure on their part. Well sorry to say that it must be equally understood to be a failure to not have generated the charitable donations to cover the cost of that growth. Sure we can give National a year or 2 where it ramps up it's expenses to generate the assets needed to generate donations but eventually the donations must catch up with the expenditures. Don't expect membership to pick up all that slack.

Current National Office has all the tools it needs to raise fees by \$20. I dare you! See what that does to the membership...

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The RASC doesn't have a monopoly on astronomy practice. There is the FAAQ as a warning as to what can happen when national hubris (or lack of vision) gets the focus away from members concerns. There is no reason why there couldn't be an "Ontario Astronomical Federation" or a "Maritime Astronomical Association" with cheaper fees that clubs would find a more compelling offering. Remember that being provincial also makes them eligible for funding on ground of culture and education setting the bar even lower.

On final thing, as a comment to a point raised by our professional fundraiser, don't forget that there is giving also at the local center that doesn't get accounted for nationally. No doubt there is an opportunity to fundraiser the membership but local donations shrinks the amount of money you could get to an amount lower than what you might otherwise expect. I just thought I should consider this when setting goals.

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From: Donald Town Sent: July 9, 2018 4:13 PM  
To: 'The RASC Council'; 'The Board of the RASC'  
Subject: NC meeting

Robyn,

Although the PowerPoint package sent out just before the National Council Meeting had a few budget details, the 3 slides at the end of the presentation did not contain enough information to properly review the 2018 budget. The Finance Committee report from Feb 24, 2018 and the Treasurer's Message in the 2017 Annual Report did not allude to any serious deficits projected for 2018.

I read in the BoD minutes (excerpt below) from June 13 that you put together a spreadsheet with Randy Attwood that identified the \$23.85 per member shortfall.

Robyn Foret briefed the Board on budget figures affecting membership fees and showed us the Excel spreadsheet he'd put together with Randy Attwood. These figures show a shortfall of \$23.85 per member per year. In the past the Society has shored up the budget shortfall with funds or moneys from the sale of Dupont. This is not sustainable. A brief discussion followed.

Could you provide the spreadsheet to National Council?

There has been some discussion on the Council forum since the GA, but in order to provide meaningful comments and input to the Board, we need the details of our projected spending and income that led to this situation.

Although Catherine Carr has just stepped into the Treasurer's role, I would like to hear from her what her initial thoughts are regarding the budget and recommendations to prevent widespread mutiny if we elect to pass on significant fee increases.

Regards,  
Don Town, Belleville Centre

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From: Chris Gainor [cgainor@shaw.ca](mailto:cgainor@shaw.ca) Sent: July 9, 2018 5:10 PM  
To: The RASC Council Cc: RASC Board

Hi Don

Robyn is on vacation overseas for a couple of weeks. The board will be meeting next week. We will respond to your questions as soon as we can, but not before that meeting.

Regards, Chris  
Chris Gainor, Ph.D.  
President

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From: Alister Ling [dawnskygaze@gmail.com](mailto:dawnskygaze@gmail.com) Sent: July 9, 2018 7:54 PM  
To: The RASC Council Cc: The Board of the RASC  
Subject: Budget (was WebEx info for the Sunday NC meeting)

I would like to make a couple of separate points about the budget:

1) Since I am not steeped in the details, I feel quite uncomfortable about presenting this to our local council without prepared speaking points or something like an FAQ for obvious questions. At the moment I can say little more than "a fair number of fairly smart people have looked closely at the line items and conclude that our best way forward is a fee hike of more than \$20."

2) Proportion of publication costs aimed at member services: When I look back at my personal use of the Handbook and SkyNews, I figure about 10% is mine and 90% is directly for the public. I give away SkyNews at meetings or scope "medic-clinics". The Handbook I infrequently use myself, but put it on show when I am at the observatory or at outreach when someone asks me a question to which I reply: "well, with membership you get this marvellous reference book that can answer that very question along with hundreds of others! See... let's just flip to the right page....". So yes, \*I\* use it, but largely it is used \*during\* public education/outreach, which is for charitable use.

Regards,  
Alister Ling  
Edmonton Centre.

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From: Glenn Hawley [GlennHawley@shaw.ca](mailto:GlennHawley@shaw.ca) Sent: July 9, 2018 8:09 PM  
To: The RASC Council Cc: RASC Board  
Subject: Society finances

I, too, would like to find out what went wrong that we should suddenly discover we've cratered by over \$100,000 over the course of a year.

This appears to be a result of erroneously allocating publications (and other) costs to membership services.

Earlier this year I read some vague reference to Randy "simplifying our chart of accounts". Is that where this disaster comes from?

And why didn't anybody notice the problem and maybe ask somebody why the budget was divided into the three business segments in the first place? (James Edgar, myself, Mary Lou Whitehorne, Dave Lane, or Meyer Tchelebon, for examples)?

If that ppt slide represents our chart of accounts as it stands now, it'll take weeks to fix things, so the sooner that process is started, the better.

Note that far from the BoD minutes' assertion of: "In the past the Society has shored up the budget shortfall with funds or moneys from the sale of Dupont.", we had a budget surplus in 2016 of some \$28,000 on the membership side. No shoring up was needed.

From: Chris Gainor [cgainor@shaw.ca](mailto:cgainor@shaw.ca)  
To: The RASC Council  
Subject: Budget

Sent: July 10, 2018 1:32 AM  
Cc: RASC Board

Alister has touched on a question that is important to me. In considering our upcoming budget and dues, I believe that it is important that what the board decides is understandable. I believe that it is important that we in the Board and National Council be able to understand and explain the decisions the Board makes on the budget and our dues. So I want to make sure that we produce more information for council reps and ordinary members that is understandable and accessible. We have made some progress in that area, but there is more to do, and I want us to do more.

The board - with input from council - has to make decisions about how to deal with our current budgetary situation. While the current numbers point to a big fee hike, the board also has to consider alternatives. There has been a lot of speculation about what might be done, but I don't think would be a good idea for me to speculate right now. Many of us are new to our roles, including myself and our treasurer.

In the meantime, we all appreciate your ideas, such as Alister's other point.

Regards, Chris  
Chris Gainor, Ph.D.

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From: Catherine Carr [catherine.carr.773@gmail.com](mailto:catherine.carr.773@gmail.com) Sent: July 10, 2018 9:38 AM  
To: [council@lists.rasc.ca](mailto:council@lists.rasc.ca)  
Subject: Society Finances

Good morning!

Thank you everyone for taking the time to consider the Society's finances. I have just been added to the National Council list and unfortunately missed some comments prior to today.

I will get caught up over the next day or two and then add my thoughts regarding the budget and the chart of accounts and membership fee increase.

Thanks for your patience - didn't want you all to think I was ignoring anyone!

Catherine

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From: Karen Finstad [herself@karenfinstad.com](mailto:herself@karenfinstad.com) Sent: July 17, 2018 3:18 PM  
To: Randy Attwood; The Board of the RASC Cc: The RASC Council  
Subject: Request from Ottawa Centre

Dear Randy and Bodlings,

I've been asked by Ottawa Council for information on the Robotic Telescope, over and above what is available on the website and in BoD minutes. Could you please share with us:

If the telescope cost 24K USD and the initial BoD decision was to take 55K CAD from the Northcott and Millman funds, what are the additional requirements that take us to an "estimated startup cost" of 75K to 100K CAD?

Can you please tell us how much has so far been raised in cash donations? And a list of the donated equipment and software?

Outside of the initial 55K, are the remaining costs, including ongoing ones, intended to come solely from donations?

What proportion will come from user fees, if any?

Will membership fees ever be used to cover some of these costs?

Does anyone have any idea yet as to how many members are interested in using the robotic telescope, and how much they would be willing to pay in user fees?

Your answers will be much appreciated, thank you.

Karen

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From: Glenn Hawley [GlennHawley@Shaw.ca](mailto:GlennHawley@Shaw.ca) Sent: July 18, 2018 6:13 PM  
To: donald.town@gmail.com  
Subject: Re: Society finances  
Attachments: 2008CRA.doc

I concur with your concerns about where this staggering deficit came from.

Here attached is a brief history of what happened in 2008 that led to the creation of the tripartite split between member, publications, and other charitable finances.

Our current deficit appears to have arisen from a wholesale transfer of costs onto the membership side, and the elimination of the publications category... but information is too sparse for me to be able to figure out why.

It is notable that the CRA did not disapprove of the way we had parceled things out back then. I sent this to the Board today, prior to their meeting, in the hopes of getting some sort of response.

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From: Glenn Hawley [GlennHawley@shaw.ca](mailto:GlennHawley@shaw.ca) Sent: July 27, 2018 8:40 PM  
To: The RASC Council; Randy Attwood; The Board of the RASC  
Subject: Request re: remote telescope from Ottawa Centre

Since the purchase was made with charitable funds, the telescope has to be open to the public, and cannot be a member benefit.

That means funding to keep it going needs to also come from charitable funds, fees specific to its use, donations, etc. rather than membership fees.

Giving members priority access over non members creates issues for the segregation between membership and charitable aspects of our finances, and could put us "offside" with the CRA or CNFPCA (or both)

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From: Yukon Astronomical Society Sent: July 27, 2018 8:54 PM  
Subject: Request re: remote telescope from Ottawa Centre

Does it mean that RASC cant charge for the telescope use?

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From: f Catherine Carr [catherine.carr.773@gmail.com](mailto:catherine.carr.773@gmail.com) Sent: July 28, 2018 5:28 AM  
To: Glenn Hawley; Randy Attwood; The RASC Council  
Subject: Remote telescope

Glenn, you are mistaken.

The Society cannot transfer money to "non-qualified donees" (Centres without charitable registration) and claim that as a charitable expenditure.

This is what you're recollection refers to. We have the position document from the tax lawyer the Society hired in 2008 that confirms this.

There is no CRA requirement that stipulates what can and cannot be a member benefit.

Lisa de Vita and I are working on a summary paper to help clarify this and will circulate it shortly.

Catherine

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From: Glenn Hawley Sent: July 28, 2018 12:38 PM  
To: Catherine Carr; Randy Attwood; The RASC Council  
Subject: Request re: remote telescope from Ottawa Centre

Members themselves are not "qualified donees", and we may not spend charitable money on benefits to members.

That's why we had to boost membership fees back in 2008, so that we were no longer using revenue from the Handbook to keep the fees down.

And all our income, other than membership fees, is charitable money. Fundraising, grants, legacies, sales of goods, investment income, renting out part of our office and staff... it's all "charitable".

The funding for any member benefit must come from the members alone, not from charitable money. So if we charge people to use the remote telescope, and those charges cover the costs, then we're fine as long as we do not discriminate between members and non-members.

Before the Society risks falling "offside" we need to clarify this completely, and if necessary pay the tax lawyer again for her advice.

"There is no CRA requirement that stipulates what can and cannot be a member benefit."

The issue is not what can be a member benefit, but rather where the money comes from to pay for it.

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From: Robyn @ Home [rforet@shaw.ca](mailto:rforet@shaw.ca) Sent: July 29, 2018 10:17 AM  
To: 'The RASC Council'; 'Catherine Carr'; 'Randy Attwood'  
Subject: remote telescope

Please be careful with broad generalizations.

The Board is carefully considering all factors in developing the remote telescope program. The funding secured is not as limited as Glenn suggests; please don't consider statements outside of the Board or the to-be-assigned Committee as factual.

Robyn Foret

Vice President, Royal Astronomical Society of Canada

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From: Chris Gainor [cgainor@shaw.ca](mailto:cgainor@shaw.ca) Sent: July 29, 2018 3:22 PM  
To: The RASC Council Cc: RASC Board  
Subject: remote telescope

Dear Glenn

We on the board are doing preparatory work to deal with the budget and the strategic plan later this year. I might also note that it is the summer, and this week there are more than the usual reasons to be out observing.

So I will admit at being puzzled with you again sharing your unique and argumentative views on society finances with the whole council right now in this string. A few days ago I admonished you privately about some previous emails to council, and promised to get answers to some of the detailed questions on society finances that you have asked the board. We are considering your questions, many of which we think are good questions, but we need some time to do that.

I find some of your statements in this string and your emails immediately after the GA rather strange since you once served on the executive and as national president. Indeed, it may be the case that you played a major role in making some of the changes that you are now criticizing.

The Society Treasurer has replied to you by saying that she and our fundraiser are working on a paper on the RASC's charitable status. This paper will be ready in advance of the next National Council meeting in September.

We cannot and will not work according to the schedule of your email effusions to council. We will take note of what you have said, but we are done arguing with you via email while we are still gathering information.

Chris

Chris Gainor, Ph.D.  
President  
Royal Astronomical Society of Canada

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From: Glenn Hawley [GlennHawley@shaw.ca](mailto:GlennHawley@shaw.ca) Sent: July 29, 2018 5:31 PM  
To: The RASC Council  
Subject: remote telescope

"Indeed, it may be the case that you played a major role in making some of the changes that you are now criticizing."

If anything, my concerns stem from the Society no longer adhering to (and seemingly no longer understanding) the important changes made while I was on the Executive Committee and the Board, changes forced upon us by the CRA and then by the CNFPCA.

Issues such as our conformity to government regulations are important ones for the Council to be aware of, as are issues with respect to the budget, and the horrendous proposed membership fee deficit we saw at the National Council meeting at the GA.

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From: Robert Dick [rdick@robertdick.ca](mailto:rdick@robertdick.ca) Sent: July 30, 2018 9:27 AM  
To: [council@lists.rasc.ca](mailto:council@lists.rasc.ca)  
Subject: remote telescope

As a Council Member, and Committee Chair, I feel Glenn's comments and questions are reasonable - given the lack of available supporting information on which the BOD made such a critical decision. It seems from the dialogue that there is no business case "at this time" for this purchase, although it will significantly restrict other charitable activities.



I can appreciate that this decision may have been based on a quick assessment with a "short fuse" that was energized by emotion. But such a large expense/investment is a significant change in the operations of the RASC. I think the Council of Centre representatives deserves to understand either 1) Why was this decision made, and how its fees will be spent? Or, 2) what impact will the ~\$100,000 have on the future use of donations and other fund raising activities (i.e. how will it restrict the activities of the RASC in the future). Justification that comes after a holiday, tells me that the RASC did not do its homework prior to the decision and "this speaks volumes".

The trite answer may be that it will "have little impact", but I think we all know that this will have a profound effect on the operations of the RASC. The project should be "sold" to the membership. I am still waiting to be convinced this "was" a good idea.

Robert Dick, Ottawa Centre

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From: Richard Christie [rachristie@shaw.ca](mailto:rachristie@shaw.ca) Sent: July 30, 2018 1:17 PM  
To: rdick@robertdick.ca; The RASC Council  
Subject: remote telescope

I agree.

The fact is, this discussion started with Karen's email asking some straight-forward questions and neither of the respondents (Randy and the BOD) responded in ten days (and still have not really in terms of answering Karen's original questions) at which point Glenn replied with some additional thoughts and questions for all of us to think about.

Richard Christie, Okanagan Centre.

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From: Karen Finstad [herself@karenfinstad.com](mailto:herself@karenfinstad.com) Sent: July 30, 2018 1:44 PM  
To: council@lists.rasc.ca  
Subject: remote telescope

Hi all,

Actually Randy Attwood did put together some responses to my questions just last week, which I was then able to share with Ottawa Centre. I asked if there was some reason why those answers weren't shared with this list, and if I understood correctly it's because a more complete report is being prepared. In the meantime I suppose there's no harm in attaching what Randy sent to me.

Karen

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#### Robotic Telescope Program

#### 2018 Expenses

Telescope Purchase	\$24,000 \$USD	\$31,168 \$CDN
CCD Camera purchase	\$15,000 \$USD	\$19,480 \$CDN
Site Rental started in April	\$1500 / month \$USD	\$17,500 \$CDN
Manager – independent contractor	\$2,000 / month for 6 months + HST	\$13,560
Total		\$81,708

There may be a few more bits and pieces required but that is essentially all the expenses to get the system up and running

#### 2018 Revenue

Donations - RASC campaign approx \$11,000 as of July 23 and continuing  
Sponsorships, Donations in kind \$14,534

Donated items include a computer, Canon 6D DSLR, Software Bisque The SkyX Pro, DC3 Dreams ACP Expert and various discounts on the STX16803 camera and accessories from Diffraction Limited  
Total \$25,534

Difference – from RASC funds \$57,174

Donations are still coming in – and hopefully will continue as progress of the telescope setup is reported on the website.

We expect the program to ultimately pay for itself – with donations, sponsorships, grants and user fees. It may take a year to get there.

We do not know how many members will join up – the response has been positive but we don't have the data which says X members will pay \$Y to access the telescope. That is part of the next six months as we put the plan in place. We do not plan to use membership fees to finance the project.

Ideally we wanted to raise the funds first – then rollout the program when the funding was in place. That may have taken years. When the telescope already on site became available, we jumped at the opportunity.

Estimates are that we purchased \$(US)51K of equipment for \$(US)24K by purchasing the used telescope. Plus we may be up and running 1-2 years sooner than planned. That was the reasoning for deciding to go the route we did.

If you want to explore the worst case scenario where we can't get enough revenue (via users and other sources) to fund the annual costs, we can sell the scope and recoup much of our expenses. We don't expect to have to do this of course, but it was part of the initial "what if" discussions.

Please let me know if you have any further questions.

Randy Attwood

Executive Director