

Policy on Constituent Body Finances

Preamble

This policy should be read in conjunction with financial By-laws 14.3 to and including 14.4 and the "Handbook/System for Treasurers of Constituent Bodies".

Constituent Bodies are eligible to receive an annual allowance which is to be used by the Constituent Body to conduct PIPSC business as set out in PIPSC By-laws, Regulations, Policies and other relevant documentation.

Effective Date

November 3, 2018

Policy Objective

To ensure that Constituent Bodies expend allocated funding in a manner that is prudent, demonstrates probity and in the best interest of PIPSC's members.

Fiduciary Duty

The Institute will direct the financial administration of all Institute funds. The institute will take any and all measures necessary to safeguard the use or prevent misuse of institute funds.

Constituent Bodies act in accordance with all PIPSC By-Laws, Regulations, Policies, etc.

Constituent Bodies manage the funds allocated to them. The funds remain the property of the Institute.

Constituent Bodies shall be responsible for any financial obligations they may incur.

The Constituent Body executive has a duty to ensure that the funds allocated are used and defrayed in a manner that:

- is prudent;
- demonstrates probity;
- is in accordance with all PIPSC By-Laws, Regulations, Policies, operating instructions, "Handbook/System for Treasurers of Constituent Bodies", etc;
- furthers the interests of the PIPSC and its membership;
- withstands Membership & public scrutiny.

The amount reimbursed for an expense covered by this policy shall be the lesser of the actual expense incurred or the maximum eligible as specified by the Institute.

Appointment of Signing Officers

Signing officers are elected or appointed by the Constituent Body executive with the decision being recorded in the appropriate minutes. There should be a minimum of three signing officers.

All cheques shall require the signature of two (2) signing officers.

The Constituent Body shall inform the Institute without delay of any changes pertaining to Signing Officers. The Institute will provide the Constituent Body Treasurer with signature cards and instructions on how to assign the new Signing Officers. The Institute will deal with the banking institution to effect the changes to the signing officers.

A Constituent Body can request a second signature from the Institute.

Constituent Body Annual Allowance

The annual allowance paid to a constituent body is set by an Annual General Meeting of the Institute (reference By-Law 14.3.1). The Institute issues the annual allowances automatically in March of every year to constituent bodies in good standing. In order to remain in good standing, a constituent body must provide the following documents on an annual basis: its election report, draft minutes of its Annual General Meeting (or Regional Council), the approved budget and year-end financial statements presented at the Annual General Meeting. The required documents should be sent to Office of the Executive Secretary via email at annualallowance@pispc.ca. **BOD – August 2015**

The annual allowance is based on the number of Regular and Rand members as at December 31 of the preceding year. The level of funding is in accordance with the latest AGM formula as shown in Attachment "A".

Funding Cap:

A Constituent Body entitled to an annual allowance of \$2,000 or less will receive the lesser of the amount necessary to restore the balance of the actual or deemed funds on hand on December 31 to three (3) times the annual allowance itself, or the annual allowance itself. **2014 AGM**

A Constituent Body entitled to an annual allowance greater than \$2,000 will receive the lesser of the amount necessary to restore the balance of the actual or deemed funds on hand on December 31 to one and a half (1.5) times the annual allowance itself, or the annual allowance itself.

Furthermore, the Institute reserves the right to reduce the annual allowance of any Constituent Body that owes the Institute money as a result of unpaid invoices.

Funding Reserve

Constituent bodies will be allowed to set aside a portion of their annual allowance, upon approval by the Institute's Executive Committee for a business case which specifies the timing and the intended use of these funds; and

These funds will not be included in the calculation of the annual allowance unless the group decides not to proceed with the special initiative approved by the Institutes Executive Committee. **2009 AGM**

Financial Governance and Reporting

Budgets and financial statements shall be prepared and presented to the Constituent Body's Annual General Meeting (or Regional Council) for approval. Financial statements shall normally be prepared in the format approved by the Institute. Constituent Bodies are permitted to use their own format provided it contains the basic information required by the Institute.

The Constituent Body executive is responsible for conducting PIPSC business within the approved budget. In between Annual General Meeting's, the Constituent Body executive may approve expenses not included in the approved budget. Financial decisions shall be voted on by the executive or the Annual General Meeting and recorded as part of the minutes. The Treasurer must provide the executive with a summary of the disbursements made at every executive meeting.

Constituent Bodies shall maintain all financial records (invoices, vouchers, bank statements, cancelled cheques, etc) for two (2) years. All records over two (2) years shall be submitted to the Chief Financial Officer of Institute within six (6) months of the fiscal year end where they will be held for an additional four (4) years.

Issuing of Cheques

All cheques shall have the signatures of two signing officers. A signing officer cannot also be the payee.

- Cheques shall not be pre-signed by any of the signing officers.
- A cheque shall only be issued upon submission and thorough review of original supporting documentation. Once the payment has been issued, the cheque number shall be written on the supporting documentation and the documents retained by the Treasurer for further review or audit.
- Cheques shall be made payable to the supplier of goods or services or the Institute member. Cheques shall never be made payable to "Cash" or to a credit card account.
- In instances where a second signing officer of a Constituent Body is not available, the cheque must be sent to the Institute for the mandatory second signature.

Examples of Acceptable Use of Funds

Should there be concerns as to what is an acceptable use of funds treasurers are to refer back to "Fiduciary Duty" above and, as necessary, seek clarification through the PIPSC Executive Committee. Where applicable this section must be read in conjunction with Attachment "B". The PIPSC Board of Directors reserves the right to adjust Attachment "B" rates and inclusions.

The acceptable use of funds relates to the expenses included in the approved budget of the Constituent Body. In the course of conducting its business, the Constituent Body may incur expenses related to:

1. All Constituent Body meals and travel expenses incurred in carrying out the business of the Constituent Body, and where those meals and travel expenses are not otherwise covered by the Institute, the amount to be paid out shall not exceed the rates defined in the Institute's Travel Policy - Schedule A and as further defined in Attachment "B". When submitting a claim for meal expenses, the claimant must provide the itemized receipt and must identify the purpose of the expenditure and the names of the individuals in attendance.
2. Office supplies & administration expenses such as paper, pens, pencils, files folder, postage, staplers, ink cartridges, etc.
3. Telecommunication expenses such as internet service, cell phone plans, etc.
4. Promotional items are permitted provided each piece exhibits a PIPSC logo and/or the PIPSC website URL - www.pipsc.ca – subject to Attachment B.

Preference must be given to promotional items that will remain visible in the work place post the original distribution event.

PIPSC and its constituent bodies shall expend reasonable efforts and resources to ensure that said items are, in order of importance:

- union made in Canada
- made in Canada
- union made
- certified fair trade products

providing that the application of these guidelines does not incur more than a fifty percent (50%) incremental cost over the cost of similar items otherwise purchase.

5. Door prizes or gifts subject to Attachment B.

6. Hospitality/caucus rooms at Institute events such as Annual General Meetings, Regional Councils, Steward Councils, training, etc. – subject to Attachment B.

7. Small charitable donations in recognition of an Executive member's passing or an immediate family member of the Executive, in lieu of flowers are allowed up to the maximum value specified in Attachment B. Family member is usually defined in the Executive member's collective agreement as part of bereavement leave.

8. Networking social events such as BBQs, picnics, holiday socials, team building, etc. are permitted – subject to Attachment B.

9. Other events such as retirements, lunch & learns not covered under the training envelope, visibility initiatives, etc are left to the discretion of the Constituent Body executive, provided the decision is documented in their minutes – subject to Attachment B.

Gifts given for retirement or recognition of a member service such as "Steward of the Year" or "Executive of the Year" are approved by the Constituent Body Executive and documented in the minutes.

10. Purchase of Institute assets by Constituent Bodies such as laptops, projectors, printers, smart phones, tablets, voice recorders, etc.

- All purchases and disposal of assets greater than \$200.00 (Income Tax Act requirement) require a motion from the Constituent Body Executive or at their Annual General Meeting. All such asset purchases and disposals shall be reported to the office of the Chief Financial Officer, who is responsible for tracking these assets.
- Assets that are in the possession of any executive member of the Constituent Body shall be returned to the Constituent Body at the end of their term or upon resignation. The Chief Financial Officer must be notified by Constituent treasurer of the assets' movement.

11. Constituent Bodies may conduct joint events. When joint Constituent Body initiatives incur expenses, one Constituent Body can pay for vendor invoiced goods/services either directly to the vendor or through the partnering Constituent Body. Original transaction receipts are required by the payee to facilitate payment.

12. Constituent Bodies may transfer funds to a subordinate constituent body (Groups to Sub-Groups and Regions to Branches) provided the Group Executive or Region Executive approves the request.

BOD – November 2013

Examples of Inappropriate/Not Permissible Use of Funds

1. Support for candidates in Institute elections.
2. Membership fees in other organizations unless approved by the Institute.
3. Annual fees and interest payments on credit cards.
4. Subsidize unauthorized activities of Institute employees.
5. Honoraria paid to members for the purpose of attending Institute meetings.
6. Purchase of tickets for sporting or cultural events.
7. Payments to members that are not supported by original receipts.
8. Allowances to Constituent Body Executives/members.
9. Gifts in the form of cash or a near cash gift card. A near-cash gift card is a gift card that can easily be converted to cash.
BOD – March 2018
10. A Constituent Body's funds redirected to another Constituent Body except as provided for in examples 11 and 12 of the "Examples of Acceptable Use of Funds" section.
BOD – November 2013
11. Financial investments including but not limited to GIC, term deposits etc.
12. Loans to members.
13. Other expenses contrary to the "Fiduciary Duty" statement specified herein.

Electronic Transfer of Funds

All payments issued to Constituent Bodies by the Institute will be done by electronic funds transfer from the Institute's main operating account.

At the request of a Constituent Body, the Institute can transfer funds between accounts. A request for a transfer of funds between accounts will require an email confirmation from two signing officers on the account from which the funds will be drawn.

In the event that funds are transferred to an account in error, the Treasurer of the affected Constituent Body will be notified and the transfer will be reversed.

Attachment "A" - Annual allowance effective January 1, 2015, as per the 2014 AGM

Regions will receive \$5.00 per member for the first 5,000 members plus \$2.00 per member in excess of 5,000 members;

Groups will receive the greater between the following options:

Option 1 - Base amount of \$1000, plus \$10.00 per member per year for the first 5,000 members and \$3.00 per member per year in excess of 5,000 members.

Option 2 - \$ 10 per member per year for the first 2000 members and \$ 8 per member per year if there are more than 2 000.

Sub-Groups and Branches will receive the greater between the following options:

Option 1 - Base amount of \$750, plus \$10.00 per member per year for the first 1,000 members and \$3.00 per member per year in excess of 1,000 members.

Option 2 - \$ 10 per member per year for the first 2000 members and \$ 8 per member per year if there are more than 2 000.

NOTE: The annual allocation for constituent bodies in defined remote areas under section 110.7(1) of the Canadian Income Tax Act and the NJC Directive on Isolated Posts, be increased as follows to reflect the cost differences in remote regions:

Nunavut: 175%

Northwest Territories: 140%

Yukon: 120%

All other remote areas as defined above: 120%

AGM - 2016

Attachment B – Maximum Amount for Eligible Expenses Effective Date: April 26, 2012

Category of Eligible Expense	Approved Dollar Amount
For constituent body functions meal rates are subject to the maximums specified in the Travel Policy – Schedule “A” plus a ceiling supplement rate as specified herein	Travel rate plus the maximum supplement rate of \$35/person/meal
Promotional Items	\$100 per item
Door Prizes and Gifts	\$100 per prize/gift
Hospitality	\$25 per person per event
Flowers or Donations in Memoriam	\$100 per occasion
Networking, Recognition or Social Events	\$25 per person per event
Training or Visibility Events	\$25 per person per event
GIFT - A gift has to be given voluntarily, and generally would be to recognize a special occasion such as the retirement of a member or a PIPSC staff member, the departure from a constituent body executive or it could be used for a gift for a guest speaker. AGM 2018	\$250 per gift
AWARD - An award has to be for the recognition of the steward or member's overall contribution to the Institute. Generally, a valid, non-taxable award has clearly defined criteria, a nomination and evaluation process, and a limited number of recipients. BOD – August 2015	To be determined by a constituent body vote. Values and purpose must be documented in the executive meeting/AGM minutes.
DONATIONS TO THE LEGACY FOUNDATION BOD – November 2017	There will be a cap of \$2,000 for such donations. The donation amount must be reflected in a separate line item in constituent body financial statements. The amount of the donation will be deducted from the allocation in the year the donation is made. Donations will not result in a reimbursement of the donated amount in the following year's allowance.