

SMUFU Spring Meeting
Wednesday, April 24, 2024

Treasurer's Report
Prepared by Búi Petersen, SMUFU Treasurer

The attached budget, approved by the SMUFU Executive Committee (April 9, 2023) is provided for membership vetting and approval. As I will go through most things in some detail at the meeting, I will in this report only highlight a couple of points.

As reported at the last Annual General Meeting, the main financial concern in the last couple of years has been unprecedented legal and arbitration expenses (e.g., \$346,000 in 2022-23). In the last year, the Executive Committee has made a concerted effort to reduce these costs. This effort has included (1) the development of finance policies (see attached) that outline the procedures for approval of expenditures, (2) more extensive utilization of CAUT's support and legal services, (3) a deliberate effort to minimize the use of paid legal support, including the practice of calling own lawyer only after other alternatives have been explored (i.e., CAUT's legal services), and (4) the hiring of a Labour Relations Officer to enable to us to manage most cases in-house.

We have also been successful in resolving issues and grievances in the early stages, and in this last fiscal year, we have not sent any new cases to arbitration. Almost all the \$62,000 of legal expenses incurred in the last fiscal year were associated with cases already underway at the beginning of the year. We have not incurred any significant legal costs since July 2023.

An important change for the budget this year is that with the proposed changes to the SMUFU Constitution and Bylaws, the plan is to not include most of the legal expenses in the operating budget and instead charge costs related to the legal defence of our members from the Defence Fund. This is because legal and arbitration expenses are near-impossible to predict, making them difficult to budget for, and to avoid having to retroactively, and somewhat arbitrarily, charge some cases to the Defence Fund while covering some from our operating budget. Instead of budgeting for legal defence and arbitration costs, the new process will require the Executive Committee to budget for annual contributions to the Defence Fund, and, whenever possible, contribute end-of-year operating surpluses to the Defence Fund.

We present the proposed budget for 2024-25 together with last year's budget and last year's actual revenues and expenditures (i.e., the fiscal year ending March 31, 2024). Note that these are revenues and expenditures before any end-of-year adjustments.

We hope to be able to answer all the questions you may have about the proposed budget at the meeting.

SMUFU 2024-2025 Budget - Year Ending March 31, 2025

	2024-25 Budget	2023-24 Actual (before adjustments)	2023 - 2024 Budget
REVENUE			
CONTRIBUTIONS			
Members Dues	466,590	460,828	453,000
Members Dues - retro for 22-23	-	12,819	-
ASTFA Dues	7,100	7,165	6,700
TOTAL REVENUE	473,690	480,812	459,700
EXPENSES			
MEMBERSHIP FEES			
Caut Fees	64,000	63,518	60,780
CAUT Fees -ASTFA	2,200	2,232	2,088
NUCAUT	3,400	3,375	3,222
Caut Defence Fund Fees	25,000	24,937	23,400
Caut Defence Fund Fees - ASTFA	840	840	840
ANSUT Fees	-	6,737	26,425
ANSUT Fees - ASTFA	700	701	670
NS Federation Fees	2,813	2,835	2,813
TOTAL MEMBERSHIP FEES	98,953	105,175	120,238
OPERATING COSTS			
Fr. Stewart Teaching Award	750	750	750
Bank Charges & Interest	252	- 27	252
Conferences	8,000	3,712	7,500
Appreciation Dinner/Events	8,000	6,862	8,000
Donations - Strike, etc.	6,000	5,028	6,000
Donations - Social Benefits	3,000	1,000	3,000
Donations - General	1,000	2,000	1,000
Donations - Student Relief	1,000	1,000	1,000
EDIA Lecture Series	2,000	-	-
Audit	7,000	6,899	6,500
Bookkeeping	6,500	7,450	6,000
Consulting Fees	500	-	500
Legal Fees	5,000	62,000	50,000
Contribution to Defence Fund	60,000	-	-
Course Releases (Art. 11.1.12(j))	25,430	-	25,430
Honoraria	8,500	8,717	8,500
Research Grant	5,000	2,959	5,000

Scholarships	21,500	21,500	21,500
Vic Catano Memorial Scholarship	3,500	3,500	3,500
Insurance	6,500	6,040	6,036
TOTAL OPERATING COSTS	179,432	139,390	160,468
OFFICE EXPENSES			
Parking	580	574	523
Office (Expenses and) Supplies	3,500	4,664	3,500
Phone, email, telecommunication	1,800	794	1,800
Amortization, Furniture & Fixtures	40	36	40
Amortization, Computer	1,550	1,560	1,550
TOTAL OFFICE EXPENSES	7,470	7,628	7,413
SALARY EXPENSES			
Salaries	187,161	173,769	171,052
TOTAL SALARIES EXPENSE	187,161	173,769	171,052
TOTAL EXPENSES	473,016	425,961	459,171
NET OPERATING INCOME	674	54,851	529

SMUFU Financial Policies and Procedures

March 31, 2023

Purpose

The purpose of this document is to outline the policies and procedures for the staff and executive members relating to approval of expenditures and disbursement of funds. In addition to being a guide for the daily/ongoing management of the union's finances, it should also serve as a manual for existing and new Executive members (the SMUFU Treasurer, in particular) and staff. **This policy needs to be provided to any incoming Treasurer (as well as other members of the Executive Committee) and staff on their first day "in office".**

Scope

These policies cover two areas: Authorization (pre-approval) of expenditures and approval of disbursements. It is important to distinguish between the two. Spending authorization involves the approval of expenditures to purchase something or spend money in other ways. Disbursement is the procedure of the actual payment (typically involving the writing and signing of cheques).

Fiscal Year and Budget

SMUFU's fiscal year is April 1 to March 31. Before the end of each fiscal year, the Treasurer shall present a draft budget to the Executive Committee for the following fiscal year. The Executive Committee shall present a proposed budget to be approved by members at the Annual General Meeting in April or May.

Spending Authorization (Pre-approvals)

Levels of authorization

The following levels of spending authorization (pre-approval) are: (a) the Executive Committee, (b) two designated members of the Executive Committee (typically the Treasurer and one of President, Vice-President or Secretary), (c) a designated individual (such as Office Manager or President), or (d) not requiring pre-approval.

No member of the Executive Committee can be part of approving a commitment or expenditure to themselves.

Budgeted expenditures

Budgeted expenditures fall in two categories: fixed/non-discretionary expenditures and discretionary expenditures.

Fixed/non-discretionary (no pre-approval necessary): These include dues, association fees, contracts, payroll, etc. Most of these will be committed to prior to the start of any fiscal year. These will not need pre-approval, unless there is a new contract/commitment or a contract/commitment has been changed. If a new contract is entered into (or an existing contract

is revised), it will need approval from the Executive Committee. However, it will not need further authorization in subsequent fiscal years, unless it is modified. Changes in dues/fees to organizations such as CAUT (which may modify fees from time to time) do not need preapproval. However, any such changes need to be reported to the Executive Committee by the next regular Executive Committee meeting.

Discretionary: All discretionary expenditures (except for the exceptions noted below) need preapproval depending on the amount and type of expenditure.

Levels of approval depending on amount (see the next subsection additional requirements and/or exemptions for specific types of expenses):

- **Purchases/expenditures of \$100 or less (report to Treasurer):** The Office Manager and the President are authorized to spend up to \$100 on budgeted items without preapproval. Such expenditures need to be reported to the Treasurer immediately or at the earliest opportunity.
- **Purchases/expenditures greater than \$100 but less than \$1000 (approval by 2 Executive Committee members):** All purchases greater than \$100 but less than \$1000 (and are relatively routine) require pre-approval by the Treasurer (or other designated member of the Executive Committee) and one of President, Vice-President or Secretary before a spending commitment is made. When in doubt whether the expense of routine nature (i.e., it is a typical expense for the budget category), the rest of the full Executive Committee should be consulted before the expense is approved.
- **Purchases/expenditures greater than \$1000 (approval by full Executive Committee):** All purchases over \$1000, require pre-approval from the Executive committee.

Additional requirements and/or exemptions for particular budget categories

- **Office expenses:** The Office Manager is authorized to spend up to the budgeted monthly amount without requiring further pre-approval. Any purchase above the budgeted monthly amount requires pre-approval by the Treasurer (or other designated member of the Executive Committee) and one of President, Vice-President or Secretary.
- **Conferences:** Conferences expenses are intended primarily for CAUT conferences and events. While CAUT generally covers the cost of airfare to Ottawa and any registration costs, the union will cover accommodation (usually hotel arranged by CAUT), travel to and from airports (use public transportation where practical), and per diem (at SMU rates) for meals not provided by CAUT. CAUT will reimburse the union for a portion of the expenses incurred by the union. All regular CAUT events require the approval of two members of the Executive Committee as described above. All other conference expenses over \$100 require approval of the full Executive Committee.
- **Appreciation dinner/events:** Before any expenses are incurred in this category, the Executive Committee shall determine how these funds will be used in the current fiscal year. Once the general use of the funds has been determined, expenses can be approved as per the amount-limit guidelines above.

- **Donations:** All donations (regardless of amount) need the approval of the full Executive Committee.
- **Legal/arbitration expenses:** All legal and arbitration expenditures require approval as per the specified policy detailed below.
- **Honoraria:** Honoraria are to be paid to members of the Executive Committee (and members of the Bargaining Committee) as determined by the Executive Committee within the budget approved by members.
- **President's research allowance:** This allowance is to be used for research purposes, following the guidelines of the Tri-Council agencies for allowable research expenditures. The President will be reimbursed for research expenses, as per the reimbursement procedures detailed below.
- **Scholarships:** Scholarships are to be awarded and disbursed as determined by criteria and procedures established by the Executive Committee.
- **Subscriptions (and other monthly expense commitments):** To determine the level of approval required (see amount limits above), these expenses need to be considered in terms of the total annual costs, or the cost of the total commitment if longer than one year.
- **Capital expenditures:** Capital expenditures (such as computers and other equipment that is amortized) over \$100 require the approval of the Executive Committee.
- **New budget categories:** Whenever a new budget category is created or a category is revised, the Executive Committee needs to determine how the money is to be used, the levels of approval required, and how the funds are to be disbursed.

Unbudgeted expenditures

All unbudgeted expenditures need to be pre-approved by the Executive Committee.

Reimbursement policy

Members and staff acting on the behalf of the union shall be reimbursed for expenses such as parking, approved conference participation, the President's research allowance, etc.

Reimbursements require the use of SMUFU's expense reimbursement form, which specifies the person to be reimbursed, the amount, date of expenditures, and the purpose of the expenditure.

Documentation/record keeping

Approvals should be in writing, either using a stamp on a document that can be signed by those approving, or, if email approvals are used, these emails should clearly indicate in the body of the email what the expenditure is for and the amount. Referring to an attachment for this information is not sufficient. Hard copies of the approvals (i.e., email approvals should be printed) should be attached to the invoice and/or receipt when paid. In the case of approvals at the Executive Committee level, meeting minutes will form the formal approval. The date of the Meeting Minutes should be indicated on the relevant documents.

All financial documents with approvals should be hard copy and used as the primary financial document. These will be posted the Bookkeeper, who will stamp that they are processed. They can then be filed by month or by vendor/'Customer' in the SMUFU office. Financial documents are kept for 7 years as required by CRA.

Legal and Arbitration Expenditures

[Section to be finalized. Legal expenses have in 2023-24 been approved the same way as other expenses.]

Disbursement Policy

SMUFU has approved the following methods of payment: cheque (requiring two signatures), pre-authorized payment (PAP), and credit card (VISA)

By cheque:

- The Office Manager writes the expense code on the invoice or applicable disbursement document.
- The Office Manager prepares manual cheques weekly for all invoices for approved purchases.
- The Office Manager attaches to each cheque the invoice or other disbursement document and its approval.
- Designated Executive Committee members sign cheques weekly. Whenever possible, the Treasurer should be one of the signers on each cheque. No one should sign a cheque issued to themselves.
- Cheques are mailed or hand delivered

Pre-Authorized Payment (PAP):

- Disbursements via PAP require pre-approvals as per the Spending Approval Policy.
- Any new PAP to be established require two signing officers to sign the vendor's authorizing banking document.
- Invoices/documentation for all PAPs need to be provided to the Treasurer every month.

VISA card

- Visa is used to pay for disbursements when it is the only practical choice.
- Visa is set up for automatic payment on the chequing account.
- The Visa statement is accessible to the Office Manager online via the chequing bank account.
- The statements are accessible within a few days of its cut-off of around the 4th of each month.

- Any commitment for a monthly service paid by Visa first requires approval as per the Spending Authorization procedure described above.
- For the items on Visa, the Office Manager writes the expense codes on each invoice or applicable disbursement document.
- Each month, all invoices for disbursements on the Visa statement are attached to the statement. A notification is then sent out that the Visa is available for approval.
- The Visa statement and each of its back-up invoices, are approved by the Treasurer and one other signing officer prior to its automatic payment date. The Treasurer can designate another signing officers to do their approval if they expect to be out of town. [Best if VISA statement is approved as part of the cheque signing procedure]
- When this is done, the Treasurer should review and add their approval when they are again available.
- The Visa statement is reconciled monthly by the Bookkeeper

Payroll Procedures

- Bi-weekly payroll is prepared by the Bookkeeper. Payroll (including gross salary, individual deductions, and net pay) for each employee needs to be approved by two Executive members (normally the Treasurer and one of President, Vice-President and Secretary). Approval is not required for subsequent pay period, unless there is a change in net pay.
- Whenever there is any change in gross salary, individual deductions, or net pay for an employee, the new payroll is sent for approval as outlined above.
- The Office Manager will prepare post dated cheques for these payrolls; cheques will be signed by the Treasurer and one other signing officer.