



Guidelines for Financial Policy Development

LOCAL FINANCIAL RESPONSIBILITY

- Locals should develop a financial policy utilizing these guidelines.
- CRA has rules to guide appropriate financial conduct and process – not following these rules could open your Local up to possible financial penalties or legal consequences if an audit were to be performed and your Local did not have the appropriate controls in place to mitigate those risks.

FINANCIAL AUTHORIZATIONS

- All cheques **must have two signatures**, and the online banking process must have **two-person authorization**.
- **Cheques cannot be pre-signed.**
- No person will sign a cheque that is payable to themselves, nor authorize a request for payment to themselves.
- There must be a minimum of three (3) cheque signers, one of whom must be the Local Treasurer.
- **No one individual** should be able to access funds, be it by debit card, online banking, or other methods.

REQUIREMENTS FOR EXPENDITURES

- **All expenditures must have a backup** in the form of an invoice, receipt, approved motion passed at a local meeting or approved financial policy.
- To ensure that all payments are legitimate, proper documentation is required.
- Backup documents should be marked with the cheque number, date, and payee's name for future reference.
- All financial documents must be kept for 7 years.

Guidelines for Financial Policy Development (continued)

FINANCIAL PAYMENTS

- All payments to members, including but not limited to Honorariums, Stipends, A Set number of hours, Flat amounts, or any type of Direct Payment, are considered taxable income.
- All Direct Payments must be paid through the SUN Request for Payment process (members must have a TD1 on file at SUN Provincial) or through the Employer to comply with CRA rules (exception is if the Local has a process to produce T4s)
- Membership Policy 046-M-2010 provides more information and the process related to Honorariums.
- Determine who will receive an Honorarium or Direct Payment (i.e. President, Vice President, Secretary, Treasurer, NAC Chairperson, Local Returning Officer)
- Set the number of hours per month/quarterly/yearly paid at the member's rate of pay.
- Set the Flat amount paid monthly/quarterly/yearly.
- Set number of paid union leaves (i.e. if a full-time day worker)
- Union leaves can be billed directly to the Local by the Employer

RECOMMENDED REVIEW

- Local Financial Policy and Local Dues should be reviewed biannually or as required.
- An Annual Audit or Review should be completed by each local.

MEETING FUNDING AND ATTENDANCE

- Who is expected to attend?
- Are there alternates?
- How are they funded?
- Are there any expenses paid for participation? (i.e. rural locals paying fuel or kilometrage for defined distances)
- SUN mileage rate is set at the maximum CRA allowable rate (available on the website), and anything higher is considered taxable.

SUN EVENT FUNDING

- What must members do to have access to funding?
- Set criteria - for example: #s of meetings attended over a one (1) year period, activities that support the Local- on a Local committee, participate in Nurses' week activities, unit or ward rep or recorded assistance of a member in an LR matter.

Guidelines for Financial Policy Development (continued)

SUN PROVINCIAL EVENTS

- This would be events such as the Annual Meeting & Bargaining Conference
- How many provincially funded spots does the Local have? Based on one per local recorded in SUN's Database.
- Are any Local members on Provincial Committees? They have separate funding available through SUN Provincial.
- How is the Local funding distributed? Is the Local Executive given 1st option to attend?
- Does the Local have other funds? If so, how are members determined? Utilizing the same Criteria determined above?
- If locally funded, what is covered? E.g.: shared hotel, shared travel expenses- could be as per SUN policy for km's or receipts for gas, registration fee, is the banquet included, unions leave, or a predetermined number of hours if attending on a day off? (processed through SUN Provincial)
- If meals are to be covered, determine amounts or use those set by SUN Provincial (available on the SUN Website). Locals have no obligation to match SUN reimbursement rates.
- Requests reviewed by the Local Executive, or at a Local Meeting? Verified for meeting funding criteria?
- All funding must be paid out of the current year.
- SUN Provincial clearly defines what is covered by their funding for their events. Locals can choose to pay more. Receipts are necessary to prove that the member incurred the costs. If members are provincially funded, the Treasurer may wish to review their expense claim forms to ensure members are not receiving double payments.

OTHER EDUCATION AND CONFERENCES

- This would be events such as CFNU Biennium, CLC Convention, SFL Conferences (SFL/CLC Spring School, Prairie School for Union Women, SFL OH&S Conference, etc.)
- Members must apply to SUN Provincial for funding to be considered for local funding.
- Members not selected for Provincial funding may apply for local support.
 - Local Executive will review requests based on Local finances, Local funding criteria of members applying.
 - If a ceiling amount is determined, funds will be divided and assigned fairly and equitably.
 - Funding may include travel expenses (mileage, parking, taxi, flights, baggage fees), registration costs, shared accommodations (reasonable costs)
 - Funding should be used for work of the union not to be used for Nursing Education.

Guidelines for Financial Policy Development (continued)

DONATION REQUESTS

- This would be requests for various events such as Annual Meeting, fundraisers, union strike support, other Union events, Labour Councils, etc.
- Shall be considered by the Local Executive or at a Local Meeting based on funds available and set criteria.
- All donations should support SUN's Mission, Vision & Values.

GIFTS FOR MEMBERS

- **Local dues are intended for the Local to function**, to provide members support in labour relations issues, union education and other activities which support members and communities.
- It is inappropriate to divide the local funds between the members to disburse the funds.
- If locals wish to give gifts for retirement, holidays, birthdays, weddings, etc, cash and prepaid credit cards aren't advisable. The CRA considers this taxable income, and therefore, it should be included on a T4. Gift cards for specific retailers are allowed, but locals must keep a log of these gifts, listing the recipient's name, date, amount, and reason for the gift.
- Gifts of actual items or gift cards cannot exceed \$500/person/year, or the amount over \$500 is considered taxable. The exception is smaller items like t-shirts, mugs, etc.
- If the Local wishes to give a cash gift, it should be processed in the same manner as an Honorarium through the SUN Request for Payment process.
- There must be a clear financial policy or approved motion from a local meeting to support the payment.
- Purchasing an item is a better option for a local.

SCHOLARSHIPS

- All Scholarships and Bursaries are considered income by the CRA.
- Locals wanting to provide scholarships need to be aware of their responsibility to the CRA.
- CRA requires T4As to be filed for scholarships paid out.
- Locals need to be set up with a payroll number with CRA in order to file T4As.