

## Budget Policy

Last revised: June 2024

### 1.0 Budget Approval

1.1 The approval of the annual operating budget of the VCCFA rests with the membership as per Bylaw 6.10.6. The Treasurer shall normally submit an annual Association budget for members' approval by a General Meeting by September 30<sup>th</sup> of each year.

1.2 The fiscal year for the Association is October 1 to September 30 as per Bylaw 6.10.6.

### 2.0 Budget Preparations

2.1 Before seeking the approval of the membership, the Treasurer shall seek the recommendation of the Executive for the annual budget proposal.

2.2 When preparing the annual budget submission, the Treasurer should strive to work within the guidelines of the Budget Policy. Should the Treasurer be unable to propose a budget within these Guidelines, a written rationale shall be attached to the proposal.

### 3.0 Guidelines

#### 3.1 Balanced Budget Proposal

3.1.1 The annual budget proposal put to the membership should be balanced. If to balance the proposal the Treasurer requires additional funds, they shall be sought in the following sequence:

- a) allocations from the Contingency Fund
- b) allocations from the Defence Fund
- c) other allocations or proposals

#### 3.2 Financial Operations

3.2.1 Maintaining a Balanced Position: During any fiscal year if it appears that the year-end balance will be in deficit, the Treasurer may, with Executive approval, draw upon the Contingency Fund to prevent a year-end deficit position. If necessary, the Executive may authorize an allocation of less than \$2,000 from the Defence Fund. If further funding in excess of \$2,000 is required to prevent a year-end deficit, a further

allocation from the Defence Fund may be made with the approval of the membership through a special resolution and notice of motion.

3.2.2 Line Transfers: During any fiscal year, the Executive may approve internal budget line fund transfers provided they maintain the overall balanced year-end position.

### **3.3 Contingency Fund**

3.3.1 A Contingency Fund, with a maximum value of \$100,000, is established to pay for unexpected costs or balance an annual operating budget, as per 3.1.1 above.

3.3.2 Excess funds shall be placed in either the following year's operating budget or into the Defence Fund or divided between the two.

3.3.3 The Operating Fund shall be maintained in safe, secure investments as per Bylaw 8.02; and interest earned by the Fund shall be allocated to the Fund.

### **3.4 Defence Fund**

3.4.1 The treasurer will propose direct transfer to the Defence Fund from the annual operating budget of the union as part of the annual budget approval process. Additional transfers to the Defence Fund may be proposed by the Treasurer for approval by membership at any General Meeting.

3.4.2 Direct Transfers from the Defence Fund: Direct transfers may be approved from the Defence Fund to the annual operating budget of the union either through annual budgets or by special resolutions as per Bylaw 5.6.3 Notice of Motion. A rationale for transfers from the Defence Fund must be presented with any such proposal. While not limited to the following, such transfers shall primarily be for:

- a) Funding picket pay or its equivalent during strikes or lockouts or any authorized union job action.
- b) Funding the costs of operating the union during strikes, lockouts, or any authorized union job action.
- c) Supporting the work of negotiating committees by funding the purchase of release and/or funding other negotiating related training and expenses.
- d) Defending the union or any of its members.
- e) Raising the greater community's level of political or social awareness regarding the work of the union and its members.
- f) Supporting the actions of other unions or groups that are in solidarity with the goals and objectives of the VCCFA.
- g) Supporting the objectives of the VCCFA as set out in its Constitution

- h) Allocations to the annual operating budget as per item 3.1 above.

### **3.5 Legal and Arbitration Reserve Fund**

3.5.1 A Legal and Arbitration Reserve Fund, with a maximum value of \$150,000, is established for the purpose of paying the costs of legal advice and representation and arbitration costs which exceed the funds allocated in the operating budget in any year.

3.5.2 Use of funds is authorized by the Executive.

3.5.3 The Fund shall be maintained in safe, secure investments as per Bylaw 8.02; and interest earned by the Fund shall be allocated to the Fund.

## **4.0 Dedicated Allocations**

4.1 The VCCFA will provide adequate budget to hire interpreters for all union meetings and events.

4.2 The Community Action budget line will be budgeted with 1 percent of the annual budget. This budget is allocated by the Community Action Committee in donations to deserving charities in the neighbourhoods of VCC's campuses and in the areas where many of our students live.

4.3 The Anti-Racism Committee budget line will be budgeted with 1 percent of the annual budget. This budget is allocated for training, education, organizing, event planning and other activities supporting the Committee's mandate.

4.4 Other approved VCCFA Standing Committees may receive an operating budget for expenses.

## **5.0 Reports**

5.1 All books and records pertaining to the financial position of the Association shall be audited annually as per Bylaw 9 Audit of Accounts and all included in the Treasurer's annual financial statement Bylaw 6.10.5 and financial records as per Bylaw 6.10.2.

5.2 The Treasurer will prepare a year-to-date budget-to-actual report for the Executive regularly.

5.3 The Treasurer will provide a fiscal update on the budget at a Spring General Meeting and at the Annual General Meeting.

5.4 When the Treasurer can reasonably anticipate that there will be an unfavourable variance in any budget line or that the FA will see an unexpected overall material surplus or deficit, the Treasurer will provide a report to the Executive explaining the variance.