

## 3.1.5 Financial Reporting, Reserves, and Budgeting

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1. The Treasurer will prepare a year-to-date budget-to-actual report for the Directors on a monthly basis.
2. When the Treasurer can reasonably anticipate that there will be an unfavourable variance in any budget line or that the FSA will see an unexpected overall material surplus or deficit, the Treasurer will provide a report to the Board of Directors explaining the variance.
3. The Treasurer will prepare a cheque register, showing all expenditures other than payroll, for the Directors on a monthly basis.
4. The Treasurer will be responsible for drafting the proposed annual Operating Budget in consultation with the FSA President, management, and staff. The Treasurer must present said budget to the Executive for review a minimum of three weeks prior to the General Meeting at which the budget is to be voted on by the membership.
5. When developing the budget, the Treasurer will take into account the current and desired level of each of the reserve funds identified in 7 below and make recommendations to the Board for replenishment of said funds within a reasonable period of time.
6. Approval of the annual Operating Budget by the membership is deemed to delegate authority to the FSA management for the approved expenditures. This includes authority for over expenditure in any category to a maximum of 10% of the budget category or \$10,000, whichever is less, as long as such expenditure does not lead to an overall budget deficit.
7. The following reserve funds are established:
  - 7.1. Strike Reserve Fund.
    - 7.1.1. A Strike Fund is hereby established for the purposes of paying strike pay or strike support pay during periods of labour disruption affecting Faculty & Staff Association members.
    - 7.1.2. The Fund shall also be used to pay the supplementary costs of office relocation, staff overtime during periods of labour dispute, rental of additional equipment/services, purchase of strike-related supplies, and other relevant expenses.
    - 7.1.3. The target value of the strike fund is based on the following principles:
      - 7.1.3.1. Daily strike pay will be set at twice the current Faculty Step 15 hourly rate as listed in the Collective Agreement.
      - 7.1.3.2. The strike fund will be able to support a strike of up to 25 days.

7.1.3.3. An additional \$100,000 will be included for supplementary costs associated with a strike.

## 7.2. General Reserve Fund

7.2.1. A General Reserve Fund is hereby established for the purposes of paying the costs of winding up the affairs of the Society, discharge of any indebtedness arising through employee contracts, maintaining services in circumstances where membership dues are disrupted, or other purpose of like magnitude approved by the Board of Directors.

7.2.2. The target value of the General Reserve Fund is based on the following principles:

7.2.2.1. The value of all potential severances and other monies owing to current FSA staff and management based on their current seniority levels and entitlements.

7.2.2.2. An additional \$50,000 to cover all other potential costs.

## 7.3. Legal and Arbitration Reserve Fund

7.3.1. A Legal and Arbitration Reserve Fund, with a maximum value of \$100,000 is hereby established for the purposes of paying the costs of legal advice and representation and arbitration costs which exceed the funds allocated in the operating budget in any year.

## 7.4. Special Projects Reserve Fund

7.4.1. A Special Projects Reserve Fund, with a maximum value of \$25,000 is hereby established for the purposes of providing a funding source for special projects undertaken by the Board of Directors, which have arisen after adoption of the Operating Budget in any year.

## 7.5. Capital Replacement Reserve Fund

7.5.1. A Capital Replacement Fund, with a maximum value of \$25,000 is hereby established for the purposes of paying the costs of replacing capital equipment at the end of its useful life.

### Revision History

Date	Revision (Brief description)
August 31, 2016	Revised to include calculation for size of reserve fund, remove scholarship fund, improve accountability language
December 2014	Formatted into branded policy template. No changes to content.
February 15, 2012	Combined Financial Reserves policy into financial reporting and budgeting, updated language for reserves and budget requirements to replenish reserve funds, included calculation for size of strike fund.
January 19, 2011	Combined Budgeting and Financial Reporting into one policy, added parts of other financial policies that were being repealed.
March 1, 1995	Approved