

## **CAPE's Annual Budget Process**

Pursuant to the Association's Constitution, the Finance Committee is responsible for preparing an annual budget on behalf of the National Executive Committee (NEC), for presentation to the membership at the Membership Budget Meeting (MBM) and Annual General Meeting (AGM).

The Association's fiscal year runs from May 1 to April 30.

The following description outlined below, comprises the budgetary process for the fiscal years 2018 – 2019 and 2019 – 2020 budgets. While the dates in subsequent processes may vary, the general process structure is followed, as outlined below.

### **Budget Input**

#### ***Finance Committee***

The Finance Committee oversees the budget process for the Association, pursuant to provisions in the Association's Constitution. The Finance Manager requests input into the budget from the CAPE Finance Committee and other Sub-Committee Chairs, beginning in January.

#### ***Internal Association Review of Budget Submissions***

The Finance Manager requests input into the budget from all members of the Association's management team, beginning in January.

The Association's management make submissions to the Finance Committee beginning in February.

The Finance Committee meets with the Association's management throughout February and/or March to review the overall budget submissions.

#### ***Authoring of the Annual Budget***

The Finance Committee and Finance Manager, in consultation with management, prepare a proposed two-year budget.

CAPE's Finance Committee holds special meetings to review the proposed budget. These meetings are of indeterminate duration throughout February, March and April, often lasting two days at minimum.

CAPE's Finance Committee finalizes the budget in April, typically at the regularly scheduled monthly meeting.

### ***Local Leadership***

Pursuant to the Association's Constitution, the President and Finance Committee consult with the Local Leadership Council, in preparing the annual budget, normally in the month of April.

### ***National Executive Committee***

CAPE's Finance Committee recommends the proposed budget to the NEC, typically at the regular April NEC meeting.

The NEC reviews the overall budget submission in late April and decides on whether to submit the proposed budget to the members or to send it back to the Finance Committee for revisions. The NEC ultimately approves to recommend the proposed budget package to the overall membership, at the MBM.

The NEC then submits the budget to the membership at the MBM, and subsequently submits it for approval by a vote of the members, following the AGM.

### **Membership Budget Meeting**

The budget documents are provided to the Association's membership at the MBM.

Pursuant to the Association's Constitution, the MBM takes place in the National Capital Region, normally in the month of either May or June.

The MBM discusses issues of interest relating to the budget, reviews and discusses the proposed budget. Members attending the MBM can make recommendations to the NEC on matters arising at the meeting. Recommendations are ultimately presented to the NEC.

The NEC and the Finance Committee can consult further with the general membership on the overall proposed budget, following the MBM, over the summer months into the early fall.

### **Membership Approval of the Budget**

Ballots relating to the budget are issued to the membership at the same time as the materials relating to the AGM, typically immediately after the AGM. This material, including the proposed budget and the audited financial statements, are sent to the membership following the AGM.

The voting period is coordinated by the Elections and Resolutions Committee (ERC), and typically ends ten working days after the AGM.

Results are typically announced two days following the close of the voting period, by the ERC.

## **Description of CAPE's Annual Budget: Explaining the Budget Lines**

### ***Budget Line 1: Revenue***

The majority of the Association's revenue stems from dues which are fees paid monthly by union members via employer at-source deductions. These fees are used to finance the activities of the union. In addition to dues, the Association gains interest from investments that it holds, through the general operating reserve and the restricted Defence Fund.

### ***Budget Line 2: Salaries and Benefits***

Payments to cover staff salaries and benefits, which are governed by employment contracts and the Employee Staff Union (ESU) Collective Agreement. In total, there are 6 management positions and 26 staff line positions in the Association, which cover: labour relations; research, finance, communications and administration. In addition, the Association hires students from time-to-time, to perform other functions, not assigned to the bargaining unit.

### ***Budget Line 3: Staff Severance Pay***

This line item follows statutory guidelines as set out in the ESU Collective Agreement. As per the agreement on severance funds, this will only fluctuate if any staff resign or are terminated. This item complies with contractual obligations.

### ***Budget Line 4: Management Severance Pay***

This line item follows statutory guidelines as set out in management employment contracts. Management severance is accrued monthly based upon individual contracts.

### ***Budget Line 5: Communication***

This category includes external printing of materials for mobilization efforts and other promotional items. Attached to these expenses are postage and translation of materials, as well as communication requirements for the day-to-day management of the national office. Communications tools, such as telephone and the internet expenses are also included.

### ***Budget Line 6: Training and Development***

There is a consistent need for training and development for both the membership and our staff complement. Training for the membership consist primarily of Steward related training, and these sessions are held at the national office, in both the spring and fall, in both official languages. Staff are encouraged to obtain training which pertains to their work, in order to maintain high service standards for our membership.

### ***Budget Line 7: Professional Fees***

Professional fees include services related to expenses for legal opinions for Association business and broad defence of our members' interests, including member issues, referrals to adjudication and other Association internal matters. It includes the hiring of consultants for professional services, in addition to audit related expenses.

***Budget Line 8: Office Expense***

This Includes all items related to running the national office. The Association also maintains liability insurance for our Directors and Officers, in addition to other commercial insurance, as required by our landlord.

***Budget Line 9: Capital Asset Purchase***

This item includes the purchase of business equipment, furniture and other capital items required for the functioning of the national office.

***Budget Line 10: Rent and Operating Expenses***

This item represents the Association's contractual obligations for the existing lease and operating expenses at our national office located at 100 Queen Street, in Ottawa. The operating expenses include overhead for maintenance fees, utilities, property taxes and other contractual obligations to run the national office.

***Budget Line 11: Computer Expense***

These items relate to the maintenance of the Association's website, and other IM/IT related expenses. The Association has two service agreements in place for the general maintenance of our computer systems and related programming, in addition to the maintenance of our membership database and dues reconciliation.

***Budget Line 12: Travel***

Member services including travel costs for Labour Relations Officers to be present for regional consultations and to attend meetings at members' workplaces, as required for regional representation. This item also includes the occasional travel by members, from the regions to the NCR. Also, the annual National Joint Council conference moves from location to location. Other travel costs include expenses for the President to travel outside the NCR to meet with regional members at their respective Local AGMs.

***Budget Line 13: Meetings***

These expenses include information meetings for members, such as the MBM, AGM and other related meetings. In addition, NEC and Sub-Committee meetings are scheduled throughout the year. Most meetings are held at the national office, but when required, meeting room rentals are also included. Committee meetings include interpretation and hospitality related costs. Local Leadership and President's Council meetings are held

regularly. Costs related to transportation and salary reimbursements are included. Mobilization of the membership has also increased. This includes such items as meet-and-greet sessions with the President and national office staff, educational activities with members, and participation in joint-union mobilization activities.

***Budget Line 14: Collective Bargaining***

The Association currently has three collective bargaining tables for EC, TR and LoP members. This includes costs related to salary reimbursement, travel and meals for Bargaining Committee members, and legal fees related to arbitration. These expenses will fluctuate but are higher when we enter into respective bargaining rounds to renegotiate collective agreements, such as the current fiscal year.

***Budget Line 15: Fees Affiliation***

This budget item includes minor fees paid for membership in affiliated organizations such as the National Joint Council and the International Foundation of Employee Benefit Plans.

***Budget Line 16: Local Rebates***

A few of the larger Locals receive a rebate to manage their mobilization efforts, which is fixed in the Association's By-Laws. The remaining Locals have their expenses paid by the national office.

***Budget Line 17: Contributions***

Contributions are payments made to labour and/or social justice related organizations, to help fund their activities, that align with the Association's mandate and priorities.

***Budget Line 18: Defence Fund***

This expense is budgeted to provide a defense fund for the membership. A membership resolution approved in 2015 created the Defense Fund, and 75% of any annual surplus is transferred to this restricted fund.

***Budget Line 19: Executive Contingency***

Prudent planning and budgeting requires that funds be allocated for contingencies. Unanticipated needs can arise throughout the budgeting period. The contingency fund allows the Association to operate during an emergency over expended budget items, without going back to the membership to seek an amendment to a previously approved budget line item.