LOCAL

SECRETARY-TREASURER'S / TREASURER'S

HANDBOOK

This handbook is designed to provide guidance to Local Secretary-Treasurers or Treasurers in the maintenance of the Local's finances and the preparation of the Local's annual financial statement in accordance with By-Law 8, Section 10 and By-Law 12, Section 8 of the Agriculture Union By-Laws.

The role of Secretary-Treasurers or Treasurers, as the case may be, is to function as the financial advisor to the Executive and the general membership. If financial advisors are responsible, meticulous and conscientious, then so too will be his/her officers.

This document can assist Treasurers in maintaining a bookkeeping operation that will provide clear, concise answers to the National Office of Agriculture Union, the Executive of the Local and the general membership.

All financial records must be kept in a prescribed manner so as to facilitate inspection records and provide ease in responding to questions from the CRA, the Agriculture Union, the Local membership. (Reference By-Law 12, Section 9).

In accordance with the Income Tax Act, all financial records shall be retained for the legal period as prescribed by the CRA. (Reference By-Law 12, Section 6).

Annual audited statements of Local finances are to be received by the Agriculture Union National Office **prior to March 1** of each year and must cover the previous year from January 1 to December 31. The statements must be **signed by two members that are not signing officers** of the local (Reference By-Law 8, Section 10).

In the event that a Local does not submit the audited statement prior to March 1, any subsequent monies owing to the Local shall be retained by the Finance Officer pending the receipt of such a report. (Reference By-Law 12, Section 8).

BUDGET

A budget should be established by the Local in accordance with the revenue(s) available to the Local and expenditures which are necessary to the good operation of the local. A Local can plan its budget and have it available at the Annual General Meeting. The practice of having a budget has several advantages:

- it distributes monies according to the planned activities of the Local and enables Locals to set monies aside for big expenditures like sending observers to Triennial Conventions or bargaining committees;
- it makes it easier for a Local to justify increases in Local dues;
- it gives a mandate to the Local Executive to abide by the priorities established through the budget by the membership at the Annual General Membership Meeting;
- allows Local members at General and/or Annual Membership Meetings to assess whether or not the Local funds are being spent in accordance with previous decision in determining the budget.

As a Treasurer, you may want to consider suggesting to the Executive to present a budget at the next Annual General Membership Meeting. This will not only make your task easier at the meeting, but it will also help the membership to understand clearly where their money is being spent. As the memberships priorities are established, it will assist the Executive throughout the year to allocate money to various activities.

In formulating your budget, do not base it on ideal conditions but always consider unfavorable variations. Each month consult your budget and compare your projected income and expenses with the actual figures to detect unexpected increases or decreases. If any decided change should appear, alter future budgets to make them meaningful.

Budgets can be as simple or complicated as you want them to be. It should be understood that experience is the best teacher in developing budgets that are close to actual expenditures. A budget which is a “best guess” of future income and expenses, can serve a number of useful purposes.

1. Justify additional increases in dues because of changing prices in commodities being already utilized (i.e.) travel, hotel costs, hydro, telephone, etc.

2. Provide additional factual information on a proposal to increase service (i.e.) send observers to conventions, outside training, office rental, purchase of equipment, etc.

3. Provide a comparison each month and at the end of the year as to how close the expenditures are following the budgeted amounts.

4. Give the Local a sense of where they stand on their finances at any given moment.

   Most budgets are fairly easy to establish and are based on actual expenditures during the previous one or two years. It is necessary to add in an expected inflation rate for each year as well as determining that the budget item will remain the same, increase or decrease in frequency of use by the Local.

   A budget will contain two types of expenditures (a) costs that occur once or twice per year (photocopier lease that have payments twice a year, annual meetings, Conventions, etc.; (b) costs that are due monthly (i.e.) office rent, general or executive monthly meetings, hydro, telephone, etc.

   Following is a relatively simple budget that could serve a Local that is fairly active.

5. Balanced budget should be the objective of the budgeting process.

EXAMPLE BUDGET

Local No. _____

Agriculture Union – PSAC

Budget of Revenue and Expenditures for the year 20 _____

REVENUE	
190 members @ $3.00/month x 12 months	$6,840
EXPENDITURES	
Executive Meetings	375
Office Expenses	1,200
Telephone	500
Postage/Messenger	140
Stationery & Supplies	150
Furniture & Equipment	500
Training	500
General Membership Meetings	575
Gifts	200
Remuneration	200
Executive Expenses	1,200
Conferences	800

	$6,340
Contingencies Reserve	500

TOTAL EXPENDITURES	$6,840

EXPENSES – DEFINITIONS

Examples of Local expenses are listed below:

Bank Charges

Included in this account are any service charges and administration costs charged by the bank.

Books and Publications

This refers to books, publications, magazines and legal texts acquired by Locals as reference material or as reference for the use of members. It also includes newspaper subscriptions.

Bulletins and Newsletters

This account includes the cost of printing and related charges incurred in the preparation of bulletins and newsletters distributed to members.

Bursaries

Included in this account are grants provided to students to support the continuation of their studies.

Collective Bargaining

Expenses incurred in relation with collective bargaining such as for committee attendance, travel and ratification vote.

Committees

Included in this account are cost incurred for establishing and running committees. Such committee might be established for matters such as grievances, privatization, health and safety, sick and shut-ins, etc. Gifts are not to be included in this item but should be under “Flowers and Gifts”.

Conferences

This account refers to costs incurrent by delegates and/or observers in relation with conventions and meetings other than Local meetings such as Federation of Labour, Regional Conferences, PSAC Convention, etc.

Demonstrations

Any amount spent in relation with strikes, walkouts and information pickets are to be included in this account.

Donations

This account includes any cash donations and grants voted by the Local to assist other non-profit organizations.

Executive Expenses

The claim by the Executive, individual or the whole group, for approved and authorized activities on behalf of the Local, other than Executive Meetings, (i.e.) claim for expenses to attend Local or Regional Labour Management Meeting.

Executive Meetings

Costs incurred for executive meetings including hall rental, coffee, per diem and mileage paid to individuals attending, airfare, hotel accommodations, taxis, costs of meals, beverage, compensation paid for salary, etc… are to be recorded in this account.

Flowers and Gifts

Any donations in kind or cash given to members upon retirement, illness, wedding, etc… are to be recorded in this account.

Furniture and Equipment Rentals

Included in this account are furniture and equipment rented or leased. Maintenance contracts are to be excluded from this account and recorded under “Repairs and Maintenance” of furniture and equipment.

General Membership Meetings

Included in this account are expenses incurred for General Membership Meetings such as hall rental, coffee, per diem and mileage paid to individuals attending, airfare, hotel accommodation, taxis, cost of meals, beverage, compensation paid for salary, etc.

Insurance

Insurance on individuals and/or equipment and property is to be included in this account. The amount included in the expense of the period shall be limited to the amount corresponding to the coverage period included in the current year. The

exceeding portion of the payment over the expense of the year shall be recorded in prepaid expenses.

Leasehold Improvements

Any major improvements and repairs added to the rented office shall be recorded in this account. (i.e.) New lighting, additional electrical outlets, etc.

Local Executive Expenses

This account refers to individual expenses claimed by members of the Executive for activities for which there is no other item to which to charge.

Stationery & Supplies

This account includes normal office supplies and stationary such as pens and pencils, paper, staplers, etc. It also includes items such as pins, crests, etc. Note that items recorded in this account are normally under $100.

Postage/Messenger

Included in this account are stamps, delivery charges, messenger services and other similar charges.

Professional Fees

Professional fees include costs incurred for auditors, lawyers and other professionals.

Repairs and Maintenance of Furniture and Equipment

Included in this account are costs incurred for service and maintenance contracts and repairs.

Salaries and Employee Benefits

Included in this account is the remuneration paid to local representatives. Remuneration includes fixed salaries (hourly and/or daily), taxable per diem (any amount paid that cannot be reasonably shown to be for meals, tips, accommodation), remuneration and allowances. Also included are any wages and other benefits paid on behalf of employees. In the event of salaries being paid, a local representative can be deemed to be an “employee”. CCRA thereby requires deductions be made for Income Tax, Canada or Quebec Pension Plan and Employment Insurance.

Telephone and Communications

This account includes monthly telephone charges as well as long distance calls, internet, and fax charges.

Training

Expenses claimed for attending approved courses and seminars provided by the Agriculture Union and/or PSAC or others shall be recorded in this account.

FINANCIAL REPORTING AND RESPONSIBILITIES

As the Treasurer, you are expected to be able to establish what the financial situation of the Local is at any particular moment. Keeping accurate and up-to-date records are the only ways this can be achieved. It is the Treasurer's responsibility to ensure that consideration of the financial implication of actions and/or motions of the Local are taken into account before costs are incurred. It is also very important to ensure that receipts are received and saved to show the legitimate expenditures of funds.

FINANCIAL STATEMENTS

A Local will prepare its financial statements by using the information recorded under revenues and expenses.

By keeping up-to-date records of the financial transactions, the Treasurer should be in a position to provide up-to-date financial statements at Executive and/or General Membership Meetings. The Local's finances will be audited each year as per By-Law 8 Section 10 of the Agriculture Union By-Laws.

EXAMPLE of AUDITOR'S STATEMENT

I have examined the finances of this Local and to the best of my ability found the figures to be correct and the bookkeeping practice in accordance with the Agriculture Union Local Secretary/Treasurers/Treasurers Handbook.

Signature

_____ _____

Member's Name (Printed) Date

Signature

_____ _____

Member's Name (Printed) Date

Note:

The statements must be **signed by two members that are not signing officers** of the local (Reference By-Law 8, Section 10).

EXAMPLE ANNUAL FINANCIAL STATEMENT

Local No. _____
Agriculture Union – PSAC
YEAR : JANUARY 1 TO DECEMBER 31, 20 ____

Cash Book Balance – previous Year End		$619.03
REVENUES		
Local share of members' dues	$6,870.00	
Interest Income	126.23	
	$6,996.23	
EXPENDITURES		
Executive Meetings	$ 385.00	
Office Expenses	1,200.00	
Telephone	457.00	
Postage/Messenger	132.00	
Stationary & Supplies	150.00	
Furniture & Equipment	525.00	
Training	475.00	
General Membership Meetings	590.00	
Gifts	150.00	
Remuneration	200.00	
Executive Expenses	1,125.00	
Conferences	900.00	
Bank Service Charge	60.00	
	$6,349.00	
Contingencies Reserve	500.00	
TOTAL EXPENDITURES	$6,849.00	
Excess of Revenues over Expenditures	$ 147.23	$147.23
Cash book balance Current Year End		$766.26
Bank balance at Year End	$ 816.52	
Less outstanding cheque	50.26	
Cash book balance as above	$ 766.26	$766.26

(Signed) _____
Name – President

(Signed) _____
Name – Treasurer

Auditors statement attached.

RULES FOR FINANCIAL RELIABILITY

To keep financial records and systems on a reliable level, the following rules of business should be observed:

(a) record all incoming cash: the amounts along with their sources and dates;

(b) try to pay bills by cheques. Never make a disbursement out of cash receipts;

(c) if a petty cash fund for incidental cash payments is needed, make sure to get a receipt.

In general, expenditures of Local funds should be authorized in advance. This is normally based upon the budget items which are fairly constant and consistent (i.e.) office rent, telephone, etc. Other expenditures that vary in amount (i.e.) training, gifts, executive expenses, etc., should have approximate amounts approved in advance and the final amount should be approved at the Local meeting by way of the financial report.

(October 2024)