



**Financial Officers Handbook Addition**

## **Background**

In the summer of 2020, Jason Kenney's UCP Government introduced Bill 32. This anti-union legislation erodes the democratic rights of unions to be self managing and that restricts the way in which a local can use money that is collected from dues. As a Financial Officer, this means some significant changes in how we track and report our finances.

The legislation affects the work of Financial Officers in three important ways. First, locals must identify all their spending as being related to either "core" activities or "non-core" activities and report the amount or percentage of dues money that is spent on "non-core" activities to the membership. Second, if a local spends dues money on "non-core" activities, the local must seek and receive permission from each member to collect the portion of dues that is spent on "non-core" activities. Third, locals must report all details of their finances in a manner that members can keep, not just be shown on screen or in a meeting.

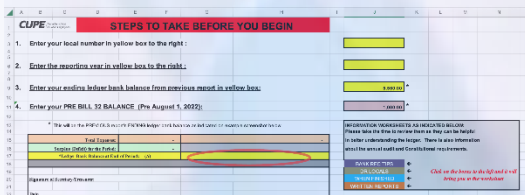
The legislation came into full effect on August 1, 2022, and because of the regulations, the application, and its impact on CUPE Locals may change over time.

To help locals comply with the implementation of the legislation, the CUPE Ledger has been altered to meet the data collection and reporting requirements as defined in the legislation.

Modifications have also been made to CUPE's Member Relationship Management (MRM) database to enable locals to collect details about member's dues preferences.

## **New Bill 32 Ledger: Begin here**

A new line has been added to insert your pre-Bill 32 ledger balance. Your pre Bill 32 balance is the amount of funds the local had in their bank account prior to August 01, 2022.



## **Reviewing your Local's budget**

The local should carefully review all budget items for those expenditures that may fit into the "non-core" categories. For each of those potentially "non-core" expenditures, the local should carefully analyze whether or not they can be deemed "core." If the local has

non-core expenditures, the local should consider whether you have other income (such as from investments, rental income or pre-August 1, 2022, money) to support them or if you want to discontinue that expenditure.

If the local has designated that their spending is 100% “core” please switch to the new ledger at the start of their new fiscal year.

BUDGET						
LOCAL NO.	B	Administrative Expenses	Operating Expenses	Capital Expenses	Reserve	Contingency
CURRENT YEAR	B	+	+	+	+	+
INCOME	Current Year Actual	Current Year Budget	Current Year Variance	Current Year Budget	Variance between current and last year's budget	Current Year Budget
Income						
Other Income						
TOTAL INCOME						
EXPENSES						
CUPE Fee Dues						
Office Costs						
Printing						
General Expenses						
Special Expenses						
Healthcare Expenses						
Construction Expenses						
Capital Expenses						
RESERVE EXPENSES						
Reserve						
TOTAL EXPENSES						
TOTAL NON-CORE EXPENSES						
Reserve Contributions						
Expenses Exceeding Local Year Total Will Show Negative Total Variance						
TOTAL BUDGET						
Actualized Income in New Expenses for Next Year						
TOTAL INCREASES						

## Recording Income

In the CUPE Ledger, there are changes to how locals report income. There are two important changes to how income is reported under Bill 32.

First, if a local has determined that some of its dues money is spent on “non-core” activities the local is required by the legislation to obtain permission from each member before they can collect the “non-core” dues amount from that member. As such, there are now two categories to report dues income in the ledger– “CORE” DUES and “NON-CORE” DUES.” This information will be obtained from the dues check off list that locals receive from their employers.

ENTER TRANSACTIONS				
INCOME				
RE ES	CORE DUES	OTHER	NON CORE DUES	CUPE
-				

Second, because Bill 32 only requires that members opt-in to the payment of dues that are spent on “non-core” activities, it is important to identify any non-dues sources of income that may be used to fund “non-core” activities.

If the local has non-dues sources of income (such as investment income or income from renting out space in property owned by the local) this income should be reported in the OTHER column of the monthly ledger along with a detailed description of the income source. The columns look like this in the monthly ledger.

This information will be reflected on the “Bill 32 Reporting” sheet in the ledger and will look like this:

6			
7	<b>BILL 32 REPORTING</b>		
8			
9	Total Non-Core Income:	\$0.00	
10	Total Non-Core Expenses:	\$120.00	
11	Pre-Bill 32 funds applied to non-core expenses	\$1,000.00	\$880.00
12			

The total non-core income, the total non-core expenses and the amounts of Pre-Bill 32 funds applied to non-core expenses will be automatically populated here.

This information will also be captured in the Treasurer sheet in the ledger and will look like this:

22			
23	<b>TOTAL CORE INCOME:</b>		
24	<b>TOTAL NON-CORE INCOME:</b>		
25	<b>TOTAL INCOME:</b>		

### Recording Expenses

As with reporting income, there are additional steps that need to be taken when reporting expenses. The most significant change is that all expenses must be accompanied by a detailed description.

1	/ of Public Employees				
2	<b>MONTH</b>	<b>January</b>			
3	Date	Cheque No./EFT Ref. No.	Cheque is cleared <input checked="" type="checkbox"/>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>
4	1				
5	2				

Going forward, in Alberta, all union expenses in the ledger will have to provide both the name of the payee and a description in a separate column. This information will be important if there is ever a dispute about whether an expense is related to “core” or “non-core” activities.

Under the name of payee please include the full name of the person, business, or organization the payment has been made to.

Under the description column it will be important to include as much information as possible. Things to include here are:

- Purpose of the payment
- Reference to budget item or motion in local meeting minutes
- Detailed list if it covers more than one item

MONTH		January			
Date	Cheque No./EFT Ref. No.	Cheque is cleared <input checked="" type="checkbox"/>	NAME OF PAYEE	DESCRIPTION	
1	32	<input checked="" type="checkbox"/>	visa	budget item Convention hotel rooms for 3 members attending, meal for all 3	
2				members attending; budget item office supplies, paper for copier and new	
3				garbage cans for office.	
4					

Then proceed to mark the expense in the appropriate column of “core” or “non-core”. When inputting non-core expenses into the ledger, input the amount of the expense in column Z (non-core expenses) and provide a full description of the expenditure in column E (description).

U	V	W	X	Y	Z	AA	AI
AR IN THE CORRESPONDING BANK COLUMN							
					<b>NON-CORE EXPENSES</b>		
Committee Expenses	CUPE ONLY Conventions/ Conferences	Education	Contributions/ Donations	Other	Other Non Core Expenses	<i>**must give full description in column E</i>	

### Financial Reporting

There is a new sheet in the ledger marked “Bill 32 Reporting.” This sheet will provide all the information about “non-core” expenses that must be reported to members. The report provides:

- a list of “non-core” expenses
- a list of persons or entities paid in respect to these expenses
- the total amount and percentage of dues spent on “non-core” expenses.

	A	B	C	D	E	F	G	H	I
4	LOCAL NUMBER:								
5	REPORT YEAR:								
7	<b>BILL 32 REPORTING</b>								
9	Total Non-Core Income:	\$0.00							
10	Total Non-Core Expenses:	\$120.00							
11	Pre-Bill 32 funds applied to non-core expenses:	\$1,000.00	\$880.00						
12	Dues Spent on non-core expenses:		\$0.00						
14	% Dues spent on non-core expenses:		#DIV/0!						
16	Full-year Non-Core Expense Information	Non-Core Expense Information by Month							
21	Name of Payee	Description	Amount	Name of Payee	January	Description	Amount	Name of Payee	
22			0				\$10.00		
23			0				\$10.00		
24			0				\$10.00		

The amounts are also included in the Treasurer’s Report and is located at the bottom of the monthly expense and income columns and it looks like this:

UEC	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
TOTAL CORE INCOME:										
TOTAL NON-CORE INCOME:										
TOTAL INCOME:										
TOTAL CORE EXPENSES:										
TOTAL NON-CORE EXPENSES:										
TOTAL EXPENSES:										

The trustees audit report now includes reporting columns to indicate non-core dues and non-core expenses.

INCOME AND EXPENSES FOR THE PERIOD		ASSETS AND LIABILITIES	
<b>INCOME</b>		<b>ASSETS</b>	
Dues	-	Ledger Bank Balance	5,430.00
Other	-	Other Bank Account - In Savings	-
<b>NON-CORE DUES</b>	-	Union Dues Owing to Local	-
<b>TOTAL INCOME</b>	-	Investments Owned by Local (at year end)	-
<b>EXPENSES</b>		Value of Property and Equipment	-
CUPE Per Capita	-	Other	-
Referral Fee	-	<b>PRE-BILL BALANCE</b>	880.00
Salaries	-	<b>TOTAL ASSETS</b>	<b>6,310.00</b>
Operating Expenses	-	<b>LIABILITIES</b>	
Special Purchases	-	Money Owing to CUPE National	-
Executive Expenses	-	Other	-
Bargaining Expenses	-	<b>TOTAL LIABILITIES</b>	-
Gratuities/Arbitration	-		
Contributor Expenses	-		
CUPE ONLY Conventions/Conferences	-		
Education	-		
Contributor Donations	-		
Other	-		
<b>TOTAL EXPENSES</b>	-		
<b>TOTAL NON-CORE EXPENSES</b>	130.00		
<b>TOTAL OVERALL EXPENSES</b>	130.00		
Surplus (Deficit) for the period	(130.00)		
<b>LEDGER BANK BALANCE AT END OF PERIOD</b>	<b>5,430.00</b>		

## Support and Resources

The CUPE National Representative assigned to the local can provide more information about how to navigate Bill 32 reporting requirements. Direct support to locals is also available upon request.

For locals using QuickBooks or Simply Accounting, please have your accountant change your accounts accordingly to become compliant with Bill 32 financial reporting requirements.

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