

Policy on Constituent Body Allocations

Effective Date: 24 July 2025

1. Purpose and Scope

The purpose of this policy is to ensure that Constituent Bodies receive appropriate funding and expend their allocated funding in a manner that is prudent, demonstrates probity, withstands Membership & public scrutiny, and is in the best interest of PIPSC's members.

It includes the annual allowance to Constituent Bodies specified in By-Law 14.3 as well as any other funds allocated to a Constituent Body.

2. Roles and Responsibilities

The Institute directs the financial administration of all Institute funds and retains signing authority over all accounts. The Institute shall:

- take any and all measures necessary, up to and including withholding constituent body funding or freezing a constituent body's bank account, to safeguard the use or prevent misuse of Institute funds.
- deal with the banking institution to effect changes to signing officers.
- define Constituent Body reporting requirements.

Constituent Bodies have a fiduciary duty to manage the funds allocated to them. The funds remain the property of the Institute. The Constituent Body shall:

- maintain accurate records of all financial matters, and remit records older than two years to the Institute for safekeeping.
- be responsible for any financial obligations they may incur.
- inform the Institute without delay of any changes pertaining to Signing Officers.
- maintain accurate record of payments to members for cell phone and internet and submit quarterly reports to the Finance Committee. **(BOD - July 2022)**

The **Constituent Body executive** is responsible for conducting PIPSC business within the approved budget in between Constituent Body Annual General Meetings.

3. Annual Allowance

The Institute issues the annual allowances to Constituent Bodies in the spring of every year, in accordance with the PIPSC funding formula, after they provide the following documents to the PIPSC National Office:

- their election report.
- draft minutes of their AGM (or Regional Council).
- their budget, as approved at their AGM.
- year-end financial statements approved at their AGM.
- a report on the use of funds set aside in the previous year, if applicable.

The Institute may reduce the annual allowance of any Constituent Body that owes the Institute money as a result of unpaid invoices.

Annual allowances should normally be spent in the year for which they are allocated. Constituent bodies may set aside a portion of their annual allowance, subject to approval by the Institute's Executive Committee, based on a business case which specifies the timing and the intended use of these funds.

- 4. Funding Formula (AGM 2014, Remote areas AGM 2016)**

Regions will receive \$5.00 per member for the first 5,000 members plus \$2.00 per member in excess of 5,000 members;

Groups will receive the greater between the following options:

Option 1 - Base amount of \$1000, plus \$10.00 per member per year for the first 5,000 members and \$3.00 per member per year in excess of 5,000 members.

Option 2 - \$ 10 per member per year for the first 2,000 members and \$ 8 per member per year if there are more than 2,000.

Sub-Groups and Branches will receive the greater between the following options:

Option 1 - Base amount of \$750, plus \$13.00 per member per year for the first 1,000 members and \$4.00 per member per year in excess of 1,000 members. **(AGM 2019)**

Option 2 - \$ 10 per member per year for the first 2,000 members and \$ 8 per member per year if there are more than 2,000.

NOTE: The annual allocation for constituent bodies in defined remote areas under section 110.7(1) of the Canadian Income Tax Act and the NJC Directive on Isolated Posts, be increased as follows to reflect the cost differences in remote regions:

Nunavut: 175%

Northwest Territories: 140%

Yukon: 120%

All other remote areas as defined above: 120%

- 5. Funding Caps (AGM 2014)**

A Constituent Body entitled to an annual allowance of \$2,000 or less will receive the lesser of the amount necessary to restore the balance of the actual or deemed funds on hand on December 31 to three (3) times the annual allowance itself, or the annual allowance itself.

A Constituent Body entitled to an annual allowance greater than \$2,000 will receive the lesser of the amount necessary to restore the balance of the actual or deemed funds on hand on December 31 to one and a half (1.5) times the annual allowance itself, or the annual allowance itself.

- 6. Use of Funds**

The acceptable use of funds relates to expenses directly related to the business of the Institute, incurred in accordance with this policy, and included in the approved budget of the Constituent Body. The Board or the AGM of the Institute sets limits on the acceptable use of Institute funds, and further guidance is provided in the Treasurer Handbook.

Should there be concerns as to what is an acceptable use of funds treasurers are to refer back to “Fiduciary Duty” above and, as necessary, seek clarification through the PIPSC Executive Committee.

In the course of conducting their business, Constituent Bodies may not incur expenses related but not limited to:

1. Charitable donations, other than donations to the Legacy Foundation, or small donations in recognition of an Executive member’s passing or an immediate family member of the Executive, in lieu of flowers. Donations using constituent body funds are paid by the constituent body. Such donations shall not be provided with a tax receipt for tax purposes.

(BOD - May 2024)

2. Support for candidates in Institute elections.
3. Membership fees in other organizations unless approved by the Institute.
4. Annual fees and interest payments on credit cards.
5. Subsidies for unauthorized activities of Institute employees.
6. Honoraria paid to members for the purpose of attending Institute meetings.
7. Payments to members that are not supported by original receipts.
8. Allowances to Constituent Body Executives/members.
9. Gifts in the form of cash or a near-cash gift card. A near-cash gift card is a gift card that can easily be converted to cash.
10. A Constituent Body’s funds redirected to another Constituent Body without the approval of the Group Executive or Region Executive.
11. Financial investments including but not limited to GIC, term deposits etc.
12. Loans to members.
13. Promoting the revocation of certification.

7. Limits on the acceptable use of Institute funds

The amount reimbursed for an expense covered by this policy shall be the lesser of the actual expense incurred or the following approved dollar amounts:

Category of Eligible Expense	Approved Dollar Amount
MEALS - For constituent body functions meal rates are subject to the maximums specified in the Travel Policy – Schedule “A” plus a ceiling supplement rate as specified herein	Travel rate plus the maximum supplement rate of \$35/member/meal (BOD – Jul 2025)
CELL PHONES – A member of a constituent body executive who uses their personal cell	Maximum approved by the Board as outlined in

<p>phone plan or is provided with a cell phone plan from a Constituent Body, in performance of their duties may be provided with a maximum monthly reimbursement from the constituent body as determined annually by the Board of Directors at their first meeting of the year.</p> <p>The reimbursement shall not exceed the amount as determined by the Board. Claimants shall not request reimbursement from additional sources should the monthly amount exceed the maximum.</p> <p style="text-align: right;">(BOD - Jan 2024)</p>	<p>the Policy on Financial Support for Member Participation Schedule A</p>
<p>INTERNET FEES – A member of a constituent body executive who uses their personal cell phone plan or is provided with an internet plan from a Constituent Body, in performance of their duties may be provided with a maximum monthly reimbursement from the constituent body as determined annually by the Board of Directors at their first meeting of the year.</p> <p>The reimbursement shall not exceed the amount as determined by the Board. Claimants shall not request reimbursement from additional sources should the monthly amount exceed the maximum.</p> <p style="text-align: right;">(BOD - Jan 2024)</p>	<p>Maximum approved by the Board as outlined in the Policy on Financial Support for Member Participation Schedule A</p>
<p>HOSPITALITY EVENTS (not to include, specifically, cultural and/or sporting events) - for costs related to providing meals and/or refreshments related to PIPSC constituent bodies.</p> <p>Rules of application for event to be approved:</p> <ul style="list-style-type: none"> ● Must not be combined with events listed in this policy, and ● Must have the participating constituent body members organized within the same area during the event. 	<p>\$50 per member per event</p> <p style="text-align: right;">(BOD – Jul 2025)</p>

<p>NETWORKING, RECOGNITION OR SOCIAL EVENTS (not to include, specifically, cultural and/or sporting events)</p> <p>Rules of application for event to be approved:</p> <ul style="list-style-type: none"> • The event must not be combined with other events listed in this policy and/or hospitality, • Must include PIPSC visibility during the event, and • Must have the participating constituent body members organized within the same area during the event. 	<p>\$50 per member per event (BOD – Jul 2025)</p>
<p>TRAINING EVENTS (not to include, specifically, cultural and/or sporting events) - to include an element of training related to the PIPSC Training Policy</p> <p>Rules of application for event to be approved:</p> <ul style="list-style-type: none"> • The event must not be combined with other events listed in this policy and/or hospitality, • Must include PIPSC visibility during the event, and • Must have the participating constituent body members organized within the same area during the event. 	<p>\$50 per member per event (BOD – Jul 2025)</p>
<p>CULTURAL EVENTS - To provide a platform for people to celebrate their cultural heritage, showcase their talents and creativity, and promote cultural diversity.</p> <p>Rules of application for event to be approved:</p> <ul style="list-style-type: none"> • Limit to a maximum of 3 events per calendar year constituent body, • The event must not be combined with other events listed in this policy and/or hospitality, • Must include PIPSC visibility during the event, and • Must have the participating constituent body members organized within the same area during the event. 	<p>\$50 per member per event (BOD – Jul 2025)</p>
<p>SPORTING EVENTS - Means any professional or amateur sport, athletic game, or similar event,</p>	<p>\$50 per member per event</p>

for which admission tickets are offered for sale and that is viewed by the public. Rules of application for event to be approved:	(BOD – Jul 2025)
<ul style="list-style-type: none"> ● Limit to a maximum of 3 events per calendar year constituent body, ● The event must not be combined with other events listed in this policy and/or hospitality, ● Must include PIPSC visibility during the event, and ● Must have the participating constituent body members organized within the same area during the event. 	
PROMOTIONAL ITEMS	\$100 per item
DOOR PRIZES AND RELATED GIFTS	\$100 per prize/gift
FLOWERS OR DONATIONS IN MEMORIAM	\$100 per occasion
GIFTS - A gift has to be given voluntarily, and generally would be to recognize a special occasion such as the retirement of a member or a PIPSC staff member, the departure from a constituent body executive or it could be used for a gift for a guest speaker.	\$250 per gift
AWARDS - An award has to be for the recognition of the steward or member's overall contribution to the Institute. Generally, a valid, non-taxable award has clearly defined criteria, a nomination and evaluation process, and a limited number of recipients.	To be determined by a constituent body vote. Values and purpose must be documented in the executive meeting/AGM minutes.
DONATIONS TO THE LEGACY FOUNDATION - The donation amount must be reflected in a separate line item in constituent body financial statements. The amount of the donation will be deducted from the allocation in the year the donation is made. Donations will not result in a reimbursement of the donated amount in the following year's allowance.	Maximum of \$2,000.

8. Gratuities (BOD - June 2022) - All constituent bodies and PIPSC members who include a gratuity as part of payment for services rendered shall be limited to a gratuity based upon the amount as determined annually by the Board of Directors (BOD) at their first meeting of the year. If a member or constituent body provides a gratuity

more than the limit as determined by the BOD, they shall not be reimbursed for the excess amount unless prior authorization is provided by the BOD.

Members can pay a gratuity amount of a minimum of \$5, up to a maximum of 20% of the tax included amount for services rendered.

9. Sourcing of Promotional and Visibility Items

The Institute may maintain a partnership with a national supplier that will provide quality promotional items, in a timely manner at a competitive price point for all constituent bodies based on the list of eligible promotional items. All reasonable effort should be made to partner with suppliers, who should offer ethical purchasing policies and maintain ethical wages and working conditions for their employees.

Constituent bodies may purchase promotional items from providers of their choice, while respecting the points outlined in this policy. When purchasing promotional items for events in support of equity seeking groups, PIPSC and its constituent bodies should normally purchase from suppliers that are owned and operated by persons of those specific equity seeking groups.

Promotional items are permitted provided each piece exhibits a PIPSC logo and/or the PIPSC website URL – www.pipsc.ca – subject to section 7 Limits on the acceptable use of Institute funds. Preference must be given to promotional items that will remain visible in the workplace post the original distribution event. **(BOD - Nov 2023) (BOD - Jan 2024)**

PIPSC and its constituent bodies shall expend reasonable efforts and resources to ensure that said items are, in order of importance:

- union made in Canada
- made in Canada
- union made
- certified fair-trade products

Environmental impact should be considered when sourcing promotional and visibility items including but not limited to:

- When purchasing visibility items, preference should be given to material that are:
 - not detrimental to the environment,
 - recyclable,
 - biodegradable.
- Consideration should be given to waste created because of purchasing visibility items, including the packaging.

(BOD Nov2024)

**10. Tracking of
Institute Assets**

All purchases and disposal of assets greater than \$200.00 (Income Tax Act requirement) require an approved motion of the Constituent Body Executive or AGM.

Assets that are in the possession of any executive member of the Constituent Body shall be returned to the Constituent Body at the end of their term or upon resignation.

The Constituent Body treasurer must notify the Institute of any purchase, movement, or disposal of assets.

**11. Issuance of
Cheques**

Cheques issued by Constituent Bodies shall comply with the following:

- All cheques shall have the signatures of two signing officers. In instances where a second signing officer of a Constituent Body is not available, the cheque must be sent to the Institute for the mandatory second signature.
 - A signing officer cannot also be the payee.
 - Cheques shall not be pre-signed by any of the signing officers.
 - A cheque shall only be issued upon submission and thorough review of original supporting documentation. Once the payment has been issued, the cheque number shall be written on the supporting documentation and the documents retained by the Treasurer for further review or audit.
 - Cheques shall be made payable to the supplier of goods or services or the Institute member. Cheques shall never be made payable to “Cash” or to a credit card account.
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**12. Examination of
Constituent
Body Financial
Records**

The Institute monitors the transactions on all constituent body accounts and may request supporting documentation from time to time on payments issued by a constituent body from its annual allowance.

In addition, the Institute may conduct a more thorough examination of the financial records of a Constituent Body, either on its own initiative or at the request of the Constituent Body. Once the report of the examination findings and recommendations is finalized:

- A copy of the examination report shall be provided to the constituent body executive, to the Regional Director or Group President, and to the Institute’s Finance Committee.
 - The Treasurer or President of the Constituent Body shall present the results of the examination to the constituent body’s AGM or Regional Council.
 - Any significant or material financial discrepancies uncovered shall be forwarded to the Executive Secretary and General Counsel. **(BOD 23Aug2023)**
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13. References

By-Law 14.3 and 14.4

Treasurer Handbook

Travel Policy

Appendix A: Examination of Constituent Body Finances

Appendix A to the Policy on Constituent Body Allocations: **Examination of Constituent Body Finances**

The scope of a review can be expanded at the discretion of the Director, Finance and Corporate Services to include additional fiscal years for the constituent body under review or financial records of other constituent bodies when supported by initial findings.

Responsibilities

The **Constituent Body Executive** shall:

- Comply with the Institute Policy on Constituent Body Finances
- Co-operate fully if selected for a review
- Implement recommendations outlined in the report of the review

The **Director, Finance and Corporate Services** shall:

- Coordinate the review of the financial records related to Institute activities of members and/or constituent bodies
- Conduct the review in a timely and fair manner
- Be consistent in the interpretation of the application of the Institute Policy on Constituent Body Finances
- Attempt to resolve any issues or questions directly with the member or the executive of the constituent body
- Prepare a full report detailing the findings and recommendations coming from the review
- Raise any significant concerns resulting from the review with the Executive Secretary and the General Counsel. **(BOD 23Aug2023)**

The **Executive Secretary** and the **General Counsel** shall: **(BOD 23Aug2023)**

- Provide guidance to the Director, Finance and Corporate Services on matters of concern uncovered during the review
- Bring matters forward for the consideration of the President or Executive Committee as deemed appropriate

The **President** and **Executive Committee** shall:

- Consider significant concerns identified during the review which are brought to their attention and take action as deemed appropriate

The **Board of Directors** shall:

- Consider significant concerns identified during the review which are brought to their attention and take action as deemed appropriate

The **Groups and Regions** shall:

- Consider significant concerns identified during the review which are brought to their attention and make recommendations to the Board of Directors as deemed appropriate, if required.

The **Finance Committee** shall:

- Discuss the Director, Finance and Corporate Services' report of the review conducted on finances of the constituent bodies.
- Make recommendations to the Board of Directors with regards to changes to the Policy on Constituent Body Finances, if required.

Types of Examinations:

Random examination or examination at the discretion of the Director, Finance and Corporate Services:

- The Director, Finance and Corporate Services will select constituent bodies for review on an annual basis.

Examination at the request of a constituent body:

- A constituent body's Executive or Annual General Meeting may request a review of its own finances
- A Region may request a review of the finances of its Branches
- A Group may request a review of the finances of its Sub-Groups

Examination at the request of the Executive Committee or Board of Directors:

- The Executive Committee or Board of Directors may request a review of any constituent body

Three areas of review (including but not limited to):

Internal controls, processes and the quality of work performed:

- Are the records complete and well organized,
- Are proper controls in place for the approval of expenses
- Have all supporting documents been provided and have they been verified
- Were the cheque signed by two authorized signing officers

Reasonableness and legitimacy of the expenditures, as per Institute Policy and constituent body approval:

- Are the expenses in accordance with Institute Policies
- Are the expenses reasonable and respectful of the constituent body's budget or financial decisions of the constituent body's executive recorded in the minutes
- A cross reference of expenses paid by a constituent body with expenses paid directly by the Institute (or if required with expenses paid by another constituent body)

Accuracy and Representational Faithfulness of the Financial Reporting:

- Is the financial information presented a fair representation of the expense incurred
- Can the user of the financial statement rely on the financial information presented

Findings and Recommendations:

In his or her report, the Director, Finance and Corporate Services shall outline the strengths and weaknesses of the financial reporting for the period under review and make recommendations on areas for improvement. Questionable results of the examination should be reported to the Executive Secretary and the General Counsel for further possible action. **(BOD 23Aug2023)**