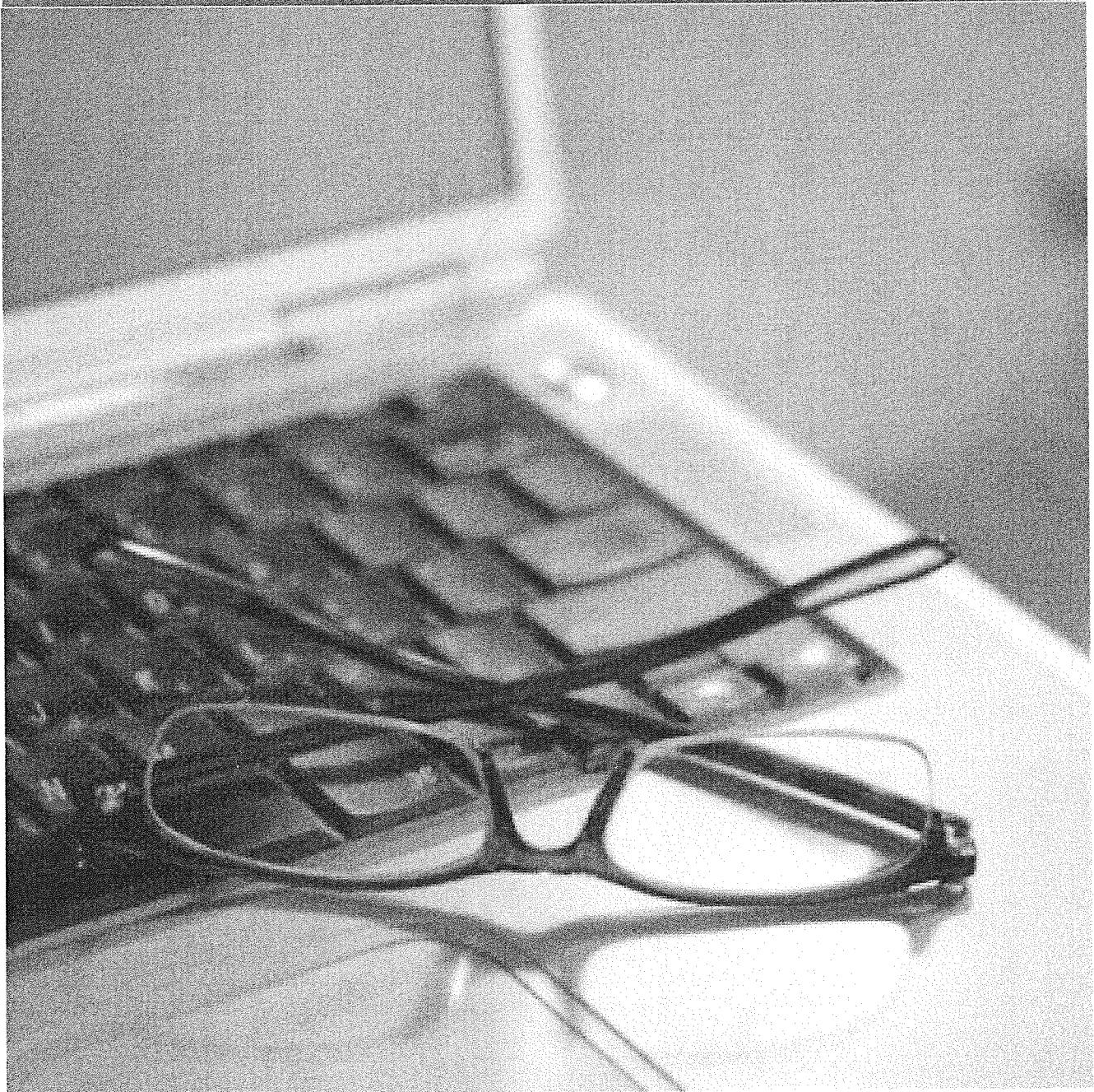


# Professional Association Treasurers' Guide



Nova Scotia Teachers Union



Updated  
March 2013

## **FOREWORD**

This guide, prepared by the Finance & Property Committee, is intended to assist Professional Association Treasurers in carrying out their duties.

Many of the items contained in this guide provide a source of quick reference of NSTU rules and guidelines. Others, however, serve only as suggestions or examples of how financial matters may be handled.

Treasurers are encouraged to suggest changes or additional items that may make this guide more useful and meaningful to those who use it.

## **FINANCE & PROPERTY COMMITTEE**

### **Mandate**

1. Prepare an annual budget
  - a. Present draft budget to Provincial Executive
  - b. Cost all resolutions to Annual Council
2. Exercise control over the finances of the NSTU
  - a. Monitor all expenditures of the NSTU
  - b. Ensure checks and balances are put in place for NSTU funds (see handbook)
  - c. Receive regular reports on income, expenditures, investments and loans
  - d. Ensure audits are conducted on a yearly basis
  - e. Receive and review audited reports of Locals, RRCs and Professional Associations
  - f. Present regular financial statements to the Provincial Executive
  - g. Determine interest rates on repayment of money borrowed from the Reserve Fund
  - h. Receive reports from Executive Director regarding unanticipated expenditures
3. Make recommendations to the Provincial Executive on the provision of financial and management services
  - a. Meet with current providers annually to ensure quality services

- b. Review proposals of service providers as required
  - c. Provide recommendations to the Provincial Executive on contracts with service providers every three (3) years
- 4. Provide leadership, guidance and training for Local, RRC and Professional Association Treasurers
  - a. Ensure a handbook is prepared and updated for Treasurers
  - b. Arrange for meetings and/or conferences for Treasurers on a regular basis
- 5. Exercise oversight and control of properties held or leased by the NSTU
- 6. Provide recommendations to the Provincial Executive on matters referred to the committee by the Provincial Executive
- 7. Consider resolutions referred by Annual Council and make appropriate recommendations
- 8. Participate as required in the NSTU Policy Review process by providing recommendations for the Provincial Executive's consideration
- 9. Provide advice to and representation on NSTU Employee Pension Plan Advisory Committee

Reference: Provincial Executive, June 1985, Dec. 1989, April 1999, Sept. 2001, Oct. 2002, Jan 20-22 2005, June 2005, October 2006, April 2009, October 2011.

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## *Professional Association Treasurer*

The role of the Professional Association Treasurer is to make all financial decisions for the Association in consultation with their Executive. They are in charge of presenting the financial information to their Executive at meetings and are in charge of the budgeting process. The Treasurer is one of the authorizers on all transactions and codes all of the expenses that are submitted to be processed. In addition, if there is not a separate conference Treasurer appointed, they are in charge of the Conference finances and accounting. They hold a fiduciary responsibility to the Association.

The general guidelines for Professional Association Treasurers are as follows:

- Submit all bills and expenses promptly to Central Office for payment.
- Ensure that each expense is authorized by two chosen authorizers.
- Provide and ensure that all supporting documentation is present for cheques submitted for payment.
- Indicate the category in which expenses are to be recorded.
- Review the monthly statements and reconciliation for each bank account held.
- Keep all members of your Executive informed as to the financial condition of your Professional Association. At each Executive Meeting, present the written Treasurer's report on the financial condition of the Association.
- Make all major financial decisions in consultation with members of the Executive.
- Prepare a budget, in consultation with the Executive for the upcoming year.
- Provide any materials and answer any questions for the year end internal review as required by NSTU Central Office for the period for which you held the position of Treasurer.

## **Cheque Directives**

The directive for a cheque (expense form, invoice, receipt, etc.) is to be submitted to the NSTU Financial Officer signed (by two authorizers) to indicate approval. The documentation can be submitted by mail, email, fax or dropped off at NSTU Central Office. The Treasurer should review expense forms to ensure that they are properly and clearly completed (especially the name and address). If the documentation has not been dually approved, the Financial Officer will scan a copy and email this to the authorizers. The authorizers may reply by email noting their approval or rejection of the transaction. Once approved, the cheque will be produced, signed by NSTU signing officers, and mailed out (or directly deposited).

Note – The signing officers on the main Professional Association account are the NSTU signing officers. PA Treasurers do not have the authority to sign cheques. Only NSTU Central Office staff can write cheques. If there is an emergency or unique situation please contact the Financial Officer immediately.

## **Authorization**

There are several ways that expenses can be authorized. Expense forms, invoices, etc., can be signed before they are submitted to Central Office. Alternatively, if the documentation (expense form, invoice, receipts, etc.) reaches Central Office before it is authorized, the Financial Officer will scan and email a copy to all authorizers. When authorizers receive one of these emails they reply to the Financial Officer indicating their approval or rejection of the expense. When the two necessary authorizations are received the cheque for the expense will be sent out. Authorizers should check their email regularly so that the process is completed in a timely manner.

## **Supporting Documentation**

A cheque will only be issued when supporting documentation has been presented. Examples of supporting documentation include completed expense forms, invoices, and/or receipts. Each Professional Association may have a standard expense form, alternatively they can use the generic expense form provided by Central Office (see Sample Forms and Other Documentation).

Original documents need not be submitted for a cheque to be processed, however these documents should be forwarded to NSTU Central Office. They can be submitted while at the NSTU Central Office on business or mailed in once they have accumulated. They do not need to be submitted every time a cheque is processed. If originals are submitted after the fact they need to be clearly marked so that the Office is aware that the transactions have already been processed. All of the documentation, for each Professional Association, will be kept together in a binder along with the monthly bank reconciliations and financials at Central Office.

## **The Ledger**

A ledger is a record keeping device which is used to record all of the transactions that occur in a business or organization. A ledger is necessary for keeping permanent financial records. Items are entered into the ledger as they occur - not when they are processed by the bank. All of the accounting is done through the accounting system Accpac, at Central Office. Each PA has separate accounts where these transactions are recorded.

## **Categorization**

Each transaction that is recorded in the ledger must be categorized. A suggested list of categories, with definitions is available to Treasurers and Presidents. The list is also in the "Sample Forms & Other Documentation". It should be noted that these categories are only suggestions, but will be used in the financial statements that are prepared for year end.

Treasurers are responsible for coding the expense forms, receipts, and invoices before they are sent to Central Office – indicating which budget line to apply the expense. If expenses are not categorized the Treasurer will be contacted for direction. When financials are received they should be reviewed to ensure that the categorization appears reasonable.

## **Distribution**

All cheques are mailed directly to the payee unless the Treasurer indicates otherwise. The cheques that are printed include the PA's name, logo and specific banking information.

## **Timing**

A completed directive for a cheque (dually authorized) will be processed on a daily basis. If the directive has not been dually authorized or the supporting documentation is not present it will be held until this information has been presented.

For cases of unexpected expenses requiring immediate payment, an advance can be requested for Conference day (with support required to be submitted afterward) or expenses can be covered by an executive member and reimbursed through an expense form per usual.

Central Office is aware of the cheque volume that will be required during conference time and is prepared to meet the demand.

## **Deposits**

Deposits can be made by the Treasurer at the Association's bank. A copy of the bank deposit slip must be forwarded to Central Office. Any amounts paid to the Association by the NSTU will be directly deposited to bank account of the PA. Cheques can also be sent to Central Office for deposit. Again, the corresponding category must be noted.

## **Bank reconciliations**

Bank reconciliation is the process of matching and comparing the transactions in the accounting ledger to the transactions on the bank statement. Bank reconciliations are an important control which must be performed monthly on all bank accounts held. To reconcile the bank, the transactions that have been recorded in the ledger and have not yet cleared the bank, must be determined.

The Financial Officer will be performing the bank reconciliations on a monthly basis. The bank statement will go to Central Office and when it is received it will be forwarded to the Treasurer along with a copy of the completed bank reconciliations.

## **Financial Reports**

The Financial Officer will be producing financial information monthly (also upon request) and forwarding it to the Treasurer for presentation at Executive meetings. The Financial Officer will be available to review the statements with the Treasurer before the information is presented. Requests for information should be made a week in advance of an Executive Meeting in order to provide time for proper review.

## **Year end**

By-Laws and Standing Orders

### Standing Orders, 3(b)

*Each Professional Association of the Nova Scotia Teachers Union shall submit annually the information for its internal review, and shall submit a budget for the ensuing year with the understanding that necessary supports are put in place by the Provincial Executive for the appropriate officers.*

The majority of the procedures for the year end review will no longer be required as the accounting has been internalized. The Treasurer will be required to answer some year end questions (receivables, payables, analytical) and ensure that conference information (which is the responsibility of the Conference Treasurer) has been submitted for review (if necessary).



## *Professional Association Conference Treasurer*

October conference generates a significant amount of revenue and incurs significant expenditures for Professional Associations each year. As these transactions are a part of the yearly Profession Associations activities they are subject to internal review by Central Office each year if a separate conference account is being maintained.

A separate account for conference can be maintained – meaning that the Conference Treasurer will be able to write cheques for the conference from this account. The conference account can only be used for the purposes of the conference. Alternatively, conference expenses can flow through the main account as described previously under Professional Association Treasurer.

If there is a separate conference account, the conference treasurer will still be responsible for keeping proper records and following specific guidelines. When the records for the year are complete they will still be submitted to Central Office for review by the Financial Officer.

Conference Treasurers are subject to the following guidelines:

- Keep accurate records in a ledger (manual or electronic).
- Pay all bills and expenses by cheque.
- Ensure that each cheque is signed by two authorized signing officers (signing officers shall not sign their own cheques).
- Record all pertinent details for each cheque issued on the cheque stub and in the ledger.
- Review the monthly statements and reconciliation for each bank account held.
- Only issue cheques when supporting documentation is present.
- Keep records current and up to date.
- Keep all members of the Executive/Conference Committee informed as to the financial condition of the conference account. At the end of the Conference, submit a written Treasurer's report to the Executive on revenues and expenses which have been incurred.
- Make all major financial decisions in consultation with members of the Executive/Conference Committee.

- Prepare the materials for the year end internal review by Central Office for the period for which you held the position of Conference Treasurer.

## Bank Accounts and Cheques

A chequing account enables a Treasurer to keep a record of cheques (expenses incurred). There must be at least three signing officers set up on the chequing account. Each cheque that is approved and written needs the signature of two of its signing officers. Signing officers cannot sign their own cheques. Signing officers hold a fiduciary responsibility – blank cheques **MUST NOT** be signed in advance. The chequing account must be set up so that the bank will return your cancelled cheques or provide copies of cheque images along with your monthly bank statement.

## Supporting Documentation

A cheque should be issued **ONLY** when supporting documentation has been presented. Examples of supporting documentation include completed expense forms, invoices, and receipts. Each Professional Association should have a standard expense form. When a cheque is issued, the cheque number must be recorded on the supporting documentation. All documentation should be kept, in an organized manner, for the year end. There should be support for each cheque written during the year. Cheque stubs should be made out to include the number, payee, date, amount and purpose of the cheque being issued.

## The Ledger

A ledger is a record keeping device which is used to record all of the transactions that occur in a business or organization. It can be kept manually (in a column ledger book) or electronically (in Quicken or other software appropriate for accounting). A ledger is necessary for keeping permanent financial records. Items should be entered into the ledger **as they occur** not when they are processed by the bank. The ledger should be kept in a safe place (if manual) or backed up to an external drive regularly (if electronic). It is also recommended to password protect the data if it is being kept electronically.

Each transaction that is recorded in the ledger must be categorized. A suggested list of categories, with definitions is available to Treasurers and Presidents. The list is also in the "Sample Forms & Other Documentation". It should be noted that these categories are only suggestions but, will be used in the financial statements that are prepared for year end.

## **Bank Reconciliations**

Bank reconciliation is the processes of matching and comparing the transactions in the accounting ledger to the transactions on the bank statement. Bank reconciliations are an important control which must be performed monthly on all bank accounts held. To reconcile the bank, the transactions which have been recorded in the ledger which have not yet cleared the bank must be determined. Bank reconciliations can be done manually or electronically (in Quicken). Either way, a reconciled report of the bank must be done for each month of the year.

## **Quicken Software**

Currently, Quicken software is available to any Treasurer that wishes to use it. A list of commonly asked questions and answers is included with Sample Forms and Other Documentation. The Financial Officer is available for tutorials, for those new to the software, questions or any other Quicken support. Copies of the software belong to the Professional Association and with the change of Treasurer should be passed along to the next Treasurer.

## **Controls**

As the majority of conference revenue collected is cash and cheque, controls should be in place to safeguard assets and ensure the accuracy of financial records. There should be a receipt book and one person recording the receipt of all revenue collected (name, date, amount). There should be a different person collecting the cash/cheques. A third person should reconcile the cash to the receipt book at the end of the day to ensure there are no discrepancies.

## **Presenters**

Presenters receiving an honorarium for their services at Conference are receiving a taxable benefit.

If the presenter is a professional that presents full or part time then they will likely be invoicing for their services which means that they will be claiming that income as part of their business as a presenter.

If the presenter is not a professional presenter then they need to be informed that the money that they are receiving is taxable and that they are required to claim it on their personal income tax return as income. A letter outlining this information which can be provided to presenters is included in "Sample Forms and Other Documentation". If the amount paid to presenters exceeds \$500 the Treasurer must notify the NSTU by year end as NSTU Central Office is required to issue a tax form to such individuals.

## **Year End Financials/Internal Review**

### **By-Laws and Standing Orders**

#### **Standing Orders, 3(b)**

*Each Professional Association of the Nova Scotia Teachers Union shall submit annually the information for its internal review, and shall submit a budget for the ensuing year with the understanding that necessary supports are put in place by the Provincial Executive for the appropriate officers.*

The fiscal year for all Locals, RRC's and Professional Associations is August 1 – July 31. At the end of each fiscal year, the Treasurer, with the assistance of the Conference Committee where applicable, prepares year end financial statements (Conference Report) to be submitted to Central Office for review. This statement should consist of all revenues and expenditures incurred for the conference. If Quicken software is being used, this task consists of completing reports once all of the transactions have been recorded and reconciled.

Each year, once the conference account has been closed off, (which must be before July 31) the Treasurer must provide the information required for internal review. Such items consist of (but are not limited to) a copy of the ledger (manual or electronic), all bank statements during the period with cancelled cheques, bank reconciliations for each month, deposit book, cheque stubs, supporting documentation for ALL cheques written during the period, and explanations for any large deviations from the budget. When the review is complete, the conference report will be incorporated into the main financial statements of the Association.

## ***Budgeting***

The Treasurer is responsible for creating a budget for the Association for the next fiscal year. The budget should be completed to present at the Annual General meeting by the last meeting of the fiscal year. The annual general meeting considers the budget and approves it following any amendments that may be introduced and approved. Although the ultimate responsibility lies with the Treasurer, input should be sought and received from the President and all Executive members.

Budget preparation does not just involve a review of finances, nor is it simply a matter of increasing all items by a few dollars. Instead, the aim of the process should be the provision of the best possible service to members within the economic confines of the resources available. This process, therefore, should involve a review of all programs, projects and services planned for the year ahead, with an estimate of cost for each.

Categories should be reviewed line by line looking at the previous year's budget and the actual from the past year. Other considerations include, but are not limited to, upcoming events, trends, and proposed changes in operations. It should be noted that a budget does not have to balance. There can be a surplus budget or deficit budget. If there is a deficit budget there should be adequate funds to cover the deficit accumulated in net assets. Budget lines should never be "plugged" in order to balance.

Conference budgets should also be prepared by the Conference Treasurer and committee.

There are sample budgets and other useful budgeting information for Treasurers if they require additional guidance. It is located in "Sample Forms and Other Documentation". The Financial Officer is also available to aid with the budget process.

### **Professional Association Grants**

Financial grants are budgeted each year for Professional Associations. In order to receive the Professional Association grant the following must be provided to the NSTU:

- Current Executive List
- Current Membership List
- Annual Report , as presented to the Conference
- Financial Statement\*
- Conference Report (previous year)\*
- Provincial Professional Development Day Report

### **Effective August 1, 2013:**

#### *Operational Procedure 14(c)(ii)(iii)*

ii) Professional Associations may qualify for their executive meetings expenses to be paid for if, at the end of their fiscal year, their financial net assets are less than \$13,350. Meeting expenses will be paid for for three executive meetings for a maximum of 8 executive members. NSTU expense guidelines will be followed for reimbursement. Any expenses that appear unreasonable will be subject to the approval of the Finance & Property Committee.

iii) Professional Associations whose Financial Assets are less than \$13,350 in the previous year shall have costs for three executive meetings paid for by the NSTU. Any Professional Association experiencing undue financial hardship due to the implementation of this operational procedure may apply to the NSTU Provincial Executive for consideration of additional funding to deal with cost over-runs.

## ***Miscellaneous***

### **Annual Council**

#### **Professional Associations**

Each Professional Association shall be entitled to one delegate with voting status at the Annual Council.

Reference: By-Laws, Article III, 1.(e)

### ***Basic and Optional Services for Professional Associations***

The Provincial Executive adopted the following list of basic and optional services for **Professional Associations** (April 24, 2008):

#### **Basic Services**

- Bank Charges
- Committee Meetings
- Conference Expenses
- Executive Meetings
- Office Supplies
- Travel Insurance

#### **Optional Services**

- Gifts
- Grants/Scholarships/Bursaries
- Journal
- NSTU Conferences
- National Conference
- Other Conferences
- Other Dues/Memberships
- Web Page
- Newsletter
- Release Time

### **Bonding**

The policy covers the Local, RRC and Professional Association signing officers as well as Central Office signing officers. Our current policy coverage carries a limit of liability of \$100,000 with a \$2,500 deductible. The main intent of this policy is to protect from employee dishonesty.

## **Travel Accident**

A new Travel Accident Policy, that became effective August 1, 2007, was negotiated on behalf of all Locals, Regional Representative Council and Professional Association members. By negotiating a provincial policy, NSTU has been able to realize savings. The new policy provides coverage at a rate that would be lower than what the individual Professional Associations could have negotiated on their own.

Each year Professional Association's will need to fill out an information sheet to identify the actual number of Committee members and number of meetings per year.

Professional Associations are billed the annual premium each year from Central Office.

## **Computer Equipment Guidelines**

Professional Associations should be aware of the following (Operational Procedure 14 (c) (iv): *"There shall be no purchases of capital equipment over \$500.00 without prior approval of the NSTU Finance & Property Committee".*

The purchase of computers can be expensed at the time of purchase; it does not have to be set up as a depreciable asset.

All purchase records including receipts, software licenses, registration and any guidebooks should be maintained by the Treasurer.

All software used on the computer should be licensed. Updated virus protection software should be installed and the computer scanned regularly.

The Treasurer should maintain an inventory record of maintenance checks and which position on the executive (including the person's name) the computer has been delegated. The computer should be examined annually as being in sound working order.

Following its useful life the computer must have all data, files and records removed. Useful life is defined as the period of time in which the equipment could be used resourcefully unless deemed obsolete by improved technology or wear and tear. The hard drive should be "scrubbed" using a product or service to totally remove all data and if possible have an expert verify that the computer has been 'cleaned'. The Treasurer should retain the document that certifies that the scrubbing has taken place or, alternatively, that the hard drive has been physically removed and destroyed. Verification must be provided to the Executive that the hard drive has been physically destroyed.

*“Any disposal sale should be for the current fair market value. The computer may be donated to charity or school based initiatives needing old computers. A receipt for transfer of ownership should be maintained”.*

*Approved Provincial Executive Meeting January 17/18, 2008*

## **Inventory**

If inventory items exist in the Professional Association there should be a list that tracks such items. Keeping track, and knowing where items are at all times is important and can potentially save the need for replacing the item due to losing track of who has possession of it. Inventory items that are purchased by the PA are the property of the PA and should not be for personal use. In the event that an inventory item is no longer useful it should be disposed of properly (for computers see above guidelines on disposal). If an item is being sold it should be done so at its fair value (what it could be sold for in an open market).

## **Tax**

### **Gifts and awards**

Since the Canada Revenue Agency views the relationship among the NSTU and the Provincial Executive, the Local Executives, the RRC's and the Professional Associations as an employer/employee relationship, the following CRA policy for gifts and awards applies.

Under the policy (effective 2010) there is no limit to the number of non-cash gifts and awards an employee can receive in one year. There is a single exemption of \$500 that can be applied to all the non-cash gifts and given to an employee annually. Gifts must be given for a special occasion such as a religious holiday, a birthday, a wedding, or the birth of a child. Awards must be given for an employment related accomplishment such as long or outstanding service. An award cannot be performance-related.

These policies only apply to non-cash gifts and awards. Cash and near-cash gifts and awards are taxable. Near-cash items are those which can easily be converted to cash (like a gift card or gift certificate). Recipients of such payments should be made aware of the tax consequences. A letter that can be distributed to recipients has been provided in “Sample Forms and Other Documentation”.

It should also be noted that CRA considers the NSTU an employer and those who volunteer as a member of a Local, RRC, Professional Association or other NSTU committee, as employees. Therefore, if a member is participating on more than one of the above sub-organizations they must be aware that the policy for gifts and awards applies to them as “NSTU employees”. This means that the total gifts and total awards received in a tax year, from any NSTU sub-organization or committee must be under \$500 respectively in order for them to be tax free.



Members receiving gifts and awards should be made aware of this so that in the event that they receive gifts or awards, deemed to be taxable under the CRA policy, that they can inform Central Office and that the proper tax forms are produced at year end.

### **Honoraria payments**

ALL honoraria payments must be paid out of Central Office. These will be paid out on request. The following information must be remitted to Central Office in order for the payments to be made; name of the recipient, amount of payment, mailing address of the recipient and their social insurance number. These items are required for tax purposes. Cheques will be prepared for each individual for which a payments is to be made and sent out as directed by the Treasurer. The cost of the honoraria will be billed to the Professional Association. It should be noted that EI must be remitted on each dollar of honoraria paid and that the employer's portion will be charged back to the PA. Honoraria payments will automatically be T4'd at year end. A copy of the "Honoraria Payment Form" is located in "Sample Forms and Other Documentation".

### **Scholarships/Bursaries/Awards**

A T4 slip must be issued for any scholarships, fellowships or bursaries given to members even if the member can exclude the amount from income on his or her income tax and benefit return.

If there is a post-secondary scholarship or bursary program for family of members, the fair market value will need to be reported as a scholarship on a T4A slip for the family member. If the family member meets certain criteria, he or she may be able to exclude the amount from income on his or her income tax and benefit return. If there are questions about the T4A slips issued to family members, they can be referred to "Scholarships, fellowships, bursaries, study grants, and artists' project grants", or to the "General Income Tax and Benefit Guide" located on the Canada Revenue Agency website.

Since all payments originate from Central Office, NSTU will be able to identify what payments will require tax forms at year end. The Association must ensure that all the necessary information required to complete the tax form has been submitted including addresses and social insurance numbers of recipients. This information will have to be received by Central Office in early January for the prior taxation year.

In the case where a payment is made to a school/campus for purposes of awarding scholarships to students, the Professional Association may or may not be aware of who received the scholarships. Any person who makes a payment, i.e. a scholarship, is responsible for reporting and filing the T4A's. In the case where a lump sum contribution is made to a school for purposes of the school awarding scholarships to its students, the school is responsible for preparing and filing the T4A's.

## Other Taxable Benefits

It is the responsibility of the NSTU Central Office that T4 or T4A slips be issued to recipients of taxable benefits from NSTU Professional Associations. Following is a listing of benefits deemed to be taxable:

- Family/Pet Care
- Child Care Only (under 40 kms. each way)
- Honoraria (see above)
- Grants/Scholarships (see above)
- Cash or Near Cash Gifts
- Spousal Business Travel
- Non-Accountable Grants
- Other/Misc.

A "Taxable Benefits Review," prepared by our representatives at Grant Thornton, with a description of benefits and applicable tax reporting requirements is located in "Sample Forms & Other Documentation".

Individuals who require T4/T4A Slips will be identified by Central Office and the information required to complete the forms will be required in early January. The information required is as follows:

- names and mailing addresses of all recipients during the taxation year;
- their Social Insurance Number (SIN);
- the total amount of the payment; and
- the type of payment.

These totals will be added to amounts paid out to individuals by Central Office and a T4 will be issued on or before February 28 for the taxation year if their aggregate taxable benefits are greater than \$500.

## *Sample Forms & Other Documentation*

Examples of the following forms may be found below:

- Category Lists
  - PA expenses defined
  - PA Conference expenses defined
- PA Expense Form
  - 2 different examples
- Honorarium Payment Form
- Budget Template - Conference
- Quicken – questions and answers
- Employee Benefits Review (prepared by Grant Thornton)
- Letter – receiving a taxable benefit (Cash near-cash)
- List of Required items for year end

## Revenue and expenditure category guidelines: Professional Associations

Purpose: To provide Treasurers with guidelines for categorizing their expenses for Budget and Financial Statement purposes. This will ultimately enable us to better interpret yearly results.

CATEGORY	DESCRIPTION
<b>REVENUE</b>	
NSTU Grant	Amount received from NSTU - record full amount before deductions of honoraria, etc.
Membership fees	Amounts collected from members to belong to your Association
Conference Revenue	Revenues earned at conference - include registration fees, exhibitor fees, etc. Should be your total conference revenue from your Conference Report
Investment Income	Interest earned on investments or in bank accounts, gains or losses on investments
Miscellaneous	Any other revenue that you earn (you should clearly document anything that is posted here)
<b>EXPENDITURES</b>	
Bank charges	Monthly bank charges and investment fees on any investments held
Committee meetings	Costs incurred for committee meetings - includes travel, meal costs, sub costs, etc.
Conference expenses	Expenditures incurred from conference. This amount should be your total conference expenditures from your Conference Report
Conferences and workshops	Expenses incurred to send a member to a conference or workshop - includes registration fees, travel, meals, etc.
Dues and memberships	Costs to belong to affiliate Associations
Executive meetings	Costs incurred for Executive meetings - includes travel, meal costs, sub costs, etc.
Gifts and donations	Expenses incurred for gifts, flowers, memorials or donations
Honoraria	Amount that was paid out to members as honoraria (must break out - split- as will be a part of NSTU grant cheque), El expenses on honoraria
Miscellaneous	Expenses that do not fit the description of any other line - must be well documented
Office equipment	Purchases that are capital in nature (will provide a lasting benefit) - examples are computers, office furniture, printers, fax machine, etc.
Office expenses	Expenses incurred for postage, photocopying, printing, and includes items such as pens, paper, envelopes, labels, print cartridges, etc.
PD Grants	Amounts awarded to teachers to undertake a PD project
Scholarships and bursaries	Amounts awarded for scholarships or bursaries
Special Projects	Expenses incurred to undertake a Special Project
Telecommunications	Expenses incurred for telephone (land line, cellular) and internet

Revenue and expenditure category guidelines: Professional Associations Conference Report

Purpose: To provide Treasurers with guidelines for categorizing their expenses for Budget and Financial Statement purposes. This will ultimately enable us to better interpret yearly results.

CATEGORY	DESCRIPTION
REVENUE	
Registration fees	Amounts collected from attendees who attended conference - refunds should also go in this line
Exhibitor fees	Amounts collected from exhibitors
Miscellaneous	Any other revenue that you earn (you should clearly document anything that is posted here)
EXPENDITURES	
Catering	Costs for meals and snacks
Committee expenses	Costs incurred for conference committee - includes meeting costs, travel, etc.
Equipment	Expenses incurred for equipment rented or purchased specifically for conference
Facilities	Amount paid to rent meeting space to hold the conference
Gifts/Prizes	Expenses incurred for gifts, prizes, giveaways, etc. at the conference
Hospitality/Reception	Costs incurred to put on a reception or have a hospitality room- including entertainment, food, supplies, etc.
Miscellaneous	Expenses that do not fit the description of any other line- must be well documented
Office	Expenses incurred for postage, photocopying, printing, paper, envelopes, etc.
Presenters	Expenses associated with presenters including presenter fees, gifts, travel, supplies, etc.
Supplies	Includes other costs necessary to run the conference- includes display booths, name tags, etc.

# PROFESSIONAL ASSOCIATIONS EXPENSE ACCOUNT

PROFESSIONAL ASSOCIATION: \_\_\_\_\_ Date: \_\_\_\_\_ Start: \_\_\_\_\_ Finish: \_\_\_\_\_  
 Date: \_\_\_\_\_ Start: \_\_\_\_\_ Finish: \_\_\_\_\_

## HOTEL:

DELTA HALIFAX ☐ OTHER ☐ # Nights \_\_\_\_\_ Signed for ☐

HOTEL: \_\_\_\_\_ Paid For ☐ ATTACH RECEIPT

## ACCOMMODATIONS - other than hotel:

(Please designate on the hotel bill the Professional Association or function attended on behalf of the NSTU)

TRAVEL: Bus ☐ Air ☐ Train ☐ ATTACH RECEIPTS

Own car ☐ # km

From: \_\_\_\_\_ To: \_\_\_\_\_

From: \_\_\_\_\_ To: \_\_\_\_\_

Rate \$ \_\_\_\_\_ X Total Kilometres \_\_\_\_\_ = \$ \_\_\_\_\_

## MEALS

# Amount

Breakfast: \_\_\_\_\_ \$ \_\_\_\_\_

Lunch: \_\_\_\_\_ \$ \_\_\_\_\_

Dinner: \_\_\_\_\_ \$ \_\_\_\_\_

TOTAL \_\_\_\_\_ \$ \_\_\_\_\_

**SEE REVERSE FOR IMPORTANT  
INFORMATION RE BREAKFAST  
REIMBURSEMENT.**

(including taxes and gratuities)

## OTHER EXPENSES (ITEMIZE AND ATTACH RECEIPTS)

**SEE REVERSE - CRA INFORMATION**

1) Child Care Only (Over 40 km each way) \$ \_\_\_\_\_

2) Child Care Only (Under 40 km each way) Member's SIN # \_\_\_\_\_ \$ \_\_\_\_\_

3) Other Family/Pet Care: Member's SIN # \_\_\_\_\_ \$ \_\_\_\_\_

4) Other (explain) \_\_\_\_\_ \$ \_\_\_\_\_

Note: SIN number must be provided in order to receive reimbursement for items 2 & 3 TOTAL \$ \_\_\_\_\_

## INCIDENTALS

When staying overnight on approved NSTU business an amount of \$4.00 per overnight is claimable.

NAME: \_\_\_\_\_ LOCAL: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ Postal Code \_\_\_\_\_

Signature: \_\_\_\_\_ Is this a new address? Yes ☐

N.B. The total expense may be issued on one/two cheques to provide Credit Union deposit and/or a personal cheque. Please indicate the division desired under Credit Union and Personal.

Personal: \$ \_\_\_\_\_ Credit Union \$ \_\_\_\_\_ Deposit Account # \_\_\_\_\_ ALL 8 digits

**In the event of an ambiguity concerning the consistency of an expense claim with NSTU expense guidelines, the expense form will be submitted to the next Finance and Property Committee meeting for review and disposition.**

ACCOUNTING USE ONLY

**THIS SECTION MUST BE COMPLETED BEFORE PAYMENT IS ISSUED**

Days claimed under Provincial Article 31.07(i)(b) and Community College Article 38.1 or 37.1

SUBSTITUTE REQUIRED: Yes ( ) No ( ) INDICATE BOARD: \_\_\_\_\_

CHECK ONE: Full day ( ) Community College ( )

1/2 day ( ) Provincial ( )

## TOTALS

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

## TOTAL

\$ \_\_\_\_\_

REVIEWED

Sept/11

# INSTRUCTIONS FOR FILLING OUT EXPENSE ACCOUNT FORM

Effective - September 2011

1. Barring unforeseen circumstances, Professional Associations should abide by the following guidelines recommended by the Finance and Property Committee:
  - (a) Meeting(s) that begin at 2:00 p.m. or later, the previous night cannot be claimed.
  - (b) Meeting(s) that end before 1:00 p.m. on a given day, the respective night cannot be claimed.
2. (a) NSTU members are eligible to claim hotel, meals, travel and other appropriate expenses while attending or while enroute to or from NSTU approved provincial NSTU meetings and conferences, according to rates established from time to time by the Provincial Executive.
  - (b) NSTU members may claim hotel accommodations enroute to an approved NSTU meeting, conference or event providing that the distance from the member's home to the event venue is in excess of 450 km. Reimbursement shall be the cost of the enroute accommodation or the amount negotiated at the NSTU contract hotel, whichever is the lesser.
3. Expense cheques will not be issued unless Expense Form is filled out in detail.
4. Metrage rate is forty-four cents (44c) per kilometre. (Multiply miles by 1.6 to convert to kilometres).
5. Subject to the maximum per day amount \$86.00 (exclusive of taxes), accommodations at the Delta Halifax are to be charged to the Union. However, before signing a bill, please check each item to ensure that the expense was incurred, and that the expense is allowable (see below).
6. When staying at hotels or motels, other than the Delta Halifax, a receipt must accompany the expense form. The Professional Association will accept receipts up to \$86.00 per day, (exclusive of taxes.) Without a receipt, the Professional Association will accept a claim of \$20.00 per overnight for members who require accommodation other than his/her own residence.
 

**NOTE: Members on Professional Association business in Halifax, choosing to stay in a hotel other than the contract hotel will be reimbursed, with receipts, for accommodations, breakfast and parking. REIMBURSEMENT FOR THESE THREE ITEMS COMBINED WILL NOT EXCEED THE AMOUNT, WITH TAXES AND LEVIES, WHICH WOULD HAVE BEEN PAID FOR ACCOMMODATIONS HAD THE MEMBER STAYED AT THE CONTRACT HOTEL. The maximum amount that can be claimed for breakfast is the NSTU breakfast rate.**
7. Personal items such as telephone calls, bar, etc. will NOT be paid by the Professional Association, except as allowed in No. 8 below as an incidental charge. Therefore, you are advised to pay for these items at the desk when checking out.
8. **INCIDENTALS:** When staying overnight on approved Professional Association business an amount of \$4.00 per overnight is claimable. (Please complete front of the form.)
9. **MEAL ALLOWANCE:** At all times, number of meals, tips and total amounts are to be shown. The per diem rate for members for meals is to be a maximum of \$49.00 including taxes and gratuities, which shall be apportioned: \$11.00 for Breakfast; \$13.00 for Lunch and \$25.00 for Dinner.
 

**NOTE: Members staying overnight at the contract hotel will not be reimbursed for breakfast, as continental breakfast is included in the contract rate.**
10. Payment for taxi fare will not be approved when a member claims metrage for attending the same Professional Association function.
11. The cost of taxi travel to and from the hotel to the Union building will only be reimbursed with receipt and approval.
12. **PARKING:** If you are not staying at any hotel, parking fees up to a maximum of \$25.00 per diem with official parkade receipts will be accepted.
13. Any claim for Air, Bus or Train fare must be substantiated with a receipt.
14. **FAMILY CARE:**

Any reimbursement for family care (other than child care described below) and pet care will always be considered a taxable benefit.

Reimbursements for child care services are generally also considered a taxable benefit. However, if an employee/member incurs additional child care expenses because of a requirement to travel out of town on NSTU business, the CRA has a current administrative policy of not including the reimbursement of the additional child care expenses as a taxable benefit. The CRA has not defined a distance to support "out of town" travel. However, the NSTU has been advised to define a distance of 40 kilometres from the member's place of residence for this purpose. Therefore, based on the current administrative policy of the CRA, child care reimbursements received by members required to travel out of town for meetings, which relate to expenses that are in addition to their normal child care expenses, will not be considered a taxable benefit.

If the total taxable benefits, whether paid by the provincial body or the local, received by an individual (including family/pet care) from the NSTU exceed \$500, the NSTU is required to issue a T4 to the individual.

  - (a) The Professional Association will cover the necessary family care expenses for members if they are on authorized Professional Association business.
  - (b) All claims must be accompanied by a properly completed expense form and will be paid on the basis of amounts approved from time to time by the Provincial Executive.
  - (c) The rate for childcare shall be:
    - i) \$8.00/hour up to a maximum of \$64.00 per day for children under the age of 14, or \$80.00 per day maximum, if overnight is required, if the child is 18 years of age or younger.
    - ii) These rates will apply to special needs dependents and elder care with the approval of the Professional Association Executive.
  - (d) Before claims are paid, receipts must be provided from the person/agency providing such childcare.
  - (e) The Professional Association will reimburse receipted pet care expenses to a maximum of \$15.00 per day.
15. The total expense may be issued on one/two cheques to provide Credit Union deposit and/or a personal cheque. Please indicate the division desired under Credit Union and Personal on the reverse side.
16. Each separate trip should have the event, the date, the location and the purpose noted.

## Metrage - between HALIFAX and . . .

Amherst .....	214	Liverpool .....	154	Sheet Harbour .....	112
Annapolis .....	206	Louisbourg .....	460	Shelburne .....	223
Antigonish .....	224	Lunenburg .....	103	Sherbrooke .....	195
Baddeck .....	365	Margaree Forks .....	380	Springhill .....	205
Bridgetown .....	181	Middleton .....	161	Stellarton .....	163
Bridgewater .....	108	New Glasgow .....	163	Sydney .....	423
Canso .....	318	New Waterford .....	464	Sydney Mines .....	422
Chester .....	60	North Sydney .....	429	Tatamagouche .....	157
Dartmouth .....	10	Oxford .....	177	Trenton .....	166
Digby .....	235	Parrsboro .....	189	Truro .....	99
Dominion .....	450	Pictou .....	169	Westville .....	158
Glace Bay .....	444	Port Hastings .....	282	Windsor .....	70
Kentville .....	110	Port Hawkesbury .....	292	Wolfville .....	102
				Yarmouth .....	339

Source: Department of Tourism & Culture, as of February 23, 2000

# EXPENSE CLAIM

DATE :	TOTALS
HOTEL : (attach receipts)	\$
TRAVEL (OWN CAR): From _____ to _____ Return: <input type="checkbox"/> total # of kilometers _____ @\$0.44/km	\$
TRAVEL (attach receipts): Bus: <input type="checkbox"/> Air: <input type="checkbox"/>	\$
MEALS :   # of meals Breakfast _____ @\$11.00= _____ Lunch       _____ @\$13.00= _____ Dinner      _____ @\$25.00= _____	\$
INCIDENTALS : _____ @\$4.00/night	\$
OTHER EXPENSES: (attach receipts) 1. _____ 2. _____ 3. _____ 4. _____ 5. _____	\$
TOTAL EXPENSE CLAIM	\$
NAME : _____  ADDRESS : _____ _____ _____  CLAIMANT SIGNATURE : _____  AUTHORIZERS :     1. _____ 2. _____  EXPENSE CATEGORY: _____	





## HONORARIUM PAYMENT FORM

-----  
Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
-----

Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
-----

Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
-----

Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
-----

.....  
Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
.....

Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
.....

Social Insurance Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \_\_\_\_\_  
.....

**This section to be completed by Treasurer**

Local/RRC/Professional Association: \_\_\_\_\_

Total Amount: \_\_\_\_\_

Date to be paid: \_\_\_\_\_ Mail to Treasurer or individuals? \_\_\_\_\_

Signature of Treasurer: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of President: \_\_\_\_\_ Date: \_\_\_\_\_

**As per CRA Regulations**

**Social Insurance Numbers must be provided before payment can be issued.**

**Budget Template**  
**Professional Association Conference Report**

Below are the revenue and expense categories suggested for Conference along with tips on how to budget for each line. Overall, the budget amounts should incorporate past results with expectations for the future.

**REVENUE**

Registration fees	<i>Number of expected attendees multiplied by the registration fee for the upcoming year (1)</i>
Complimentary membership fees	<i>Number of expected attendees multiplied by the membership fee for the upcoming year (1)</i>
Exhibitor fees	<i>Number of expected exhibitors multiplied by the fee for the upcoming year that will be charged to each (2)</i>
Miscellaneous	<i>Other income anticipated such as book sales, T-shirt sales, interest, sponsorships, etc.</i>

**EXPENDITURES**

Catering	<i>Cost of any catering costs for meals, nutrition breaks, etc. Look at last years and factor in expected attendees. If changing caterers get a quote. Don't forget tax and gratuity when budgeting.</i>
Committee expenses	<i>Number of meetings multiplied by the cost per meeting (3)</i>
Equipment	<i>Cost to rent or purchase equipment needed for the conference (i.e. microphone, speakers, video equip)</i>
Facilities	<i>Cost to rent facilities to hold conference. Factor in cost increases due to # of attendees or different venue</i>
Gifts/Prizes	<i>Number of prizes to be given multiplied by the max amount to spend per prize</i>
Hospitality/Reception	<i>Cost to hold a reception or hospitality room including food, entertainment, supplies, etc. Will be dependent on number of attendees.</i>
Miscellaneous	<i>Other anticipated costs of holding the conference</i>
Office	<i>Use actuals from previous years and add/subtract known changes for items such as printing, postage, etc.</i>
Presenters	<i>Should get a quote for main presenter factoring in all expenses that you will cover (travel, meals, accommodations, gift). Also include cost of fees/gifts for other presenters.</i>
Supplies	<i>Use actuals from previous years and add/subtract known changes for items such as booths, name tags, etc.</i>

1. For number of attendees use actual from previous year unless there is a known expectation that there will be significantly more or less attendees in the upcoming year. The registration fee includes the complimentary membership fees. These need to be broken out and shown as an outflow back to the PA. They should be shown as a negative amount under revenue so that the statements reflect the true revenue for the conference.
2. For the number of exhibitors use the actual amount from last year unless it is known that there will be more or less this year.
3. To determine the cost per meeting add up all the costs necessary to hold one meeting - travel of all committee members, meals, accommodations, rental of meeting space, etc.

## Commonly asked questions.....Quicken

### How do I.....

Add a category?

Go to the toolbar at the top and click "Tools"

In the drop down menu choose "Category list"

In the bottom left hand corner click on "New"

A set up Category box will appear

Enter the "Name" of the category you want to create

Under "Type" choose whether it is a revenue or expense OR whether it is a subcategory of an existing expense

Click "OK"

Your new category has been created!

Split a transaction?

In the ledger, when entering a cheque that consists of two or more transactions you can use the split function to categorize properly.

Once you have entered the cheque details (date, number, payee and payment amount) press the "split" which is located next to "edit".

A toolbox will come up which will allow you to split the payment amount into as many categories as required. Just enter the category and the amount which relates to that category.

When finished click "OK"

Your transaction has been split!

Prepare a budget?

Select "Cash Flow" from the toolbar at the top left

From the drop down menu select "Budget"

A screen will appear with tabs at the top. Select the "Set Up" tab to begin

To create a new budget click on "Manual Budget" and click on the "create budget" icon

Enter a name for the budget that you are creating and select "OK"

Automatically a message will appear reminding you that you must choose your categories to begin.

Press "OK"

In the bottom left of your window click the "choose categories" button

Click on any category that you wish to budget for. (if there is a category that is not there you will have to go out and create a new category before you continue)

Once you have chosen all the categories that you want to budget for press "OK"

One at a time select the item you wish to budget for by clicking on it. Then to the right of your screen enter the amount that you wish to budget for the year under "Amount" and under "Period" select "Yearly". When finished click "Apply".

Repeat this procedure for each category.

When you are done that is it! The budget saves automatically.

Prepare a budget report?

Select "Reports" from the top toolbar

From the drop down menu select "Spending" and then "Budget"

A report will generate.

You can click "hide graph" in the top right to hide the graph.

Under the grayed out heading click on the "date range"

Choose the range of dates that you want to report (custom dates works best)

You then need to go up to the "customize" button in the top right

In the "display" tab under budget use the drop down menu to choose the budget that you want in your report then press "OK"

NOTE\* In order to display the total budgeted amounts you must choose a date range that is a 12 month period. If you don't your budgeted figures will get pro-rated in your report

Prepare a report to present to Executive?

Select "Reports" from the top toolbar

From the drop down menu select "Business" and then "Profit and Loss Statement"

NOTE\* If you do not have the business function in your version you may have to select "Banking" and then "Banking Summary"

Go to the drop down menu next to "Date range" and select the dates from which you want to report –

In general it is easiest to use the custom dates at the bottom to ensure you get the right date range.

Once you have chosen your date range you can click on any line to see the transactions that make up that line (you must hit expand to see them all)

Reconcile the bank?

Select "Cash Flow" from the top toolbar

Then select "Reconcile" from the drop down menu

Directions will appear – first enter the end date of the bank statement for the month you are attempting to reconcile.

Enter any service charges or interest that appears on your bank statement that you have not already recorded in your transaction journal.

Press "OK" and a Statement Summary will appear.

Now click in the "Clr" column which is the first column for any transactions that have cleared and are on your bank statement. The goal is to get the difference in the bottom right hand corner of your screen to be 0 – which means that you have successfully reconciled your Quicken balance to your bank balance. If you have checked off all the items on your bank statement that are listed in the Payments and Cheques and Deposits columns and your balance is still not 0 then: there may be an item on your bank statement that you have not recorded in your ledger, there was a numerical error when you entered the amount on one of your cheques, the bank may have made an error when cashing a cheque in your account, you may have entered the wrong ending balance.

If you press finish and your balance is not 0 then a message will come up telling you that the difference amount will be posted to the G/L. Do not do this! Find the reason it does not reconcile and correct it.

When you have balanced you can bring up a reconciliation report to print.

Make a backup?

Select "File" from the top toolbar

From the dropdown menu select "Backup"

A box will appear asking you to select the disk drive and path to the backup folder

Choose where you would like your backup to be saved by clicking on the "Browse" button

To save to an external drive it must be inserted and it will generally be the "E Drive"

Once you have chose where your backup will be saved click "OK"

It should tell you whether or not your backup has been made.

### **Why do I.....**

Have uncategorized amounts on my Profit and Loss statement?

This means that when you were entering transactions in your ledger you did not choose a category for one or more of your transactions. If you double click on the amount and then expand it will list all of the transactions that have not been assigned a category.

NOTE: In the latest version of Quicken it will remind you that you have not entered a category for a transaction.

Not reconcile when I am preparing my bank reconciliation?

There are several possible reasons; there may be a transaction that you did not record in your ledger that has gone through the bank, you may have made an error in entering the amount of your transaction, the bank may have misprocessed a cheque, you may have forgot to enter bank charges or interest.

Not see the proper budget in my report?

You need to go to customize in the top right when creating the report. Under the display tab select the drop down menu next to "budget". All budgets that you have will be listed here. Select the budget that you want in the report and click "OK"

Locals and Professional Associations of the Nova Scotia Teachers Union  
Taxable Benefits Review – July 9, 2012

Description of Benefit	Taxable/Non Taxable	Reporting Requirements	Analysis
<b>Salary and similar type payments</b> - Locals may make the following payments to their employees/members: <ul style="list-style-type: none"> <li>▪ Salaries</li> <li>▪ Sick leave</li> <li>▪ Vacation pay</li> <li>▪ Maternity, parental and adoption leave</li> <li>▪ Personal leave</li> <li>▪ Leave for injury on duty</li> <li>▪ Compassionate leave</li> </ul>	Taxable	Report on T4	<p>All payments received by the employee/member are received as consideration or remuneration for services performed. The Income Tax Act (Canada) ("ITIA") requires the employee to include these amounts in income when the payments are either received or the taxpayer is entitled to receive the payments. Therefore, the amounts will be taxable in the year the payments are either received, or entitled to be received, rather than the year in which they are earned.</p> <p>The Canada Revenue Agency ("CRA") requires the employer/local/professional association to report all employment income earned by employees/members through the T4 reporting process. Since employment income is determined based on when it is received by the employee/member, T4 slips should be issued to the employees/members for all remuneration paid during the year and the appropriate withholdings withheld and remitted to CRA.</p>
<b>Mileage allowance</b> - Mileage allowances can be paid to employees/members or committee members based on a flat rate per trip, monthly amount or on a per kilometer basis.	May be taxable or non-taxable – see analysis for details	Per kilometer reimbursements - Reporting requirements Depends on whether mileage rates are reasonable  Flat rate or monthly amount – Report on T4 or T4A	<p>If the mileage allowance paid by the employer/local/professional association is based on a per-kilometer rate that the CRA considers reasonable, it is not taxable. CRA considers an allowance to be reasonable if all of the following conditions apply:</p> <ul style="list-style-type: none"> <li>- The allowance is based only on the number of business km's driven in a year;</li> <li>- The rate per km is reasonable; and</li> <li>- The employer/local/professional association did not reimburse the employee/member for expenses relating to use of the vehicle.</li> </ul> <p>The CRA considers the following rates reasonable for 2012:</p> <ul style="list-style-type: none"> <li>- \$0.53 per km for the first 5,000 km's; and</li> <li>- \$0.47 per km thereafter.</li> </ul> <p>If the allowance is based on a rate the CRA does not consider reasonable, the employees/members must include the mileage allowance in income and may be able to deduct allowable expenses.</p> <p>The current per km rate used by the employer/local/professional association is \$0.44 per km.</p> <p>The CRA's administrative position is that a committee member may be considered an employee/member even though he or she is a volunteer. As such, committee members would fall under the same guidelines as employees/members with respect to travel reimbursements.</p> <p>The CRA's administrative practice is to treat the reimbursement of travel costs for committee and board members, from their homes to the board office or meeting location, as a taxable personal benefit. In a recent court case involving the board members of the Strait Regional School Board the courts ruled the travel to be of a business nature as the board members were considered to be traveling from their home offices to the meeting location. Accordingly, the travel costs were considered a non-taxable benefit.</p>

Locals and Professional Associations of the Nova Scotia Teachers Union  
Taxable Benefits Review – July 9, 2012

Description of Benefit	Taxable/Non Taxable	Reporting Requirements	Analysis
<b>Accidental death and dismemberment premiums</b> - Premiums for accidental death and dismemberment may be provided to employees/members.	Non-taxable	No reporting requirements	Pursuant to subparagraph 6(1)(a)(i) of the ITA, policy premiums for accidental death and dismemberment coverage are not included in calculating the taxable benefit.
<b>Private healthcare premiums</b> - Private health care premiums may be provided to employees/members.	Non-taxable	No reporting requirements	Pursuant to subparagraph 6(1)(a)(i) of the ITA, premiums paid by an employer/local/professional association to a private health services plan are not considered a taxable benefit.
<b>Tuition fees</b> - Locals may agree to reimburse an employee/member for tuition fees and other costs associated with education or training.	Non-taxable	No reporting requirements	When training is taken primarily for the benefit of the employer/local/professional association, there is no taxable benefit whether or not the training leads to a degree, diploma or certificate. A taxable benefit arises when the training is primarily for the benefit of the employee/member. A reimbursement of tuition fees, books and other costs associated with obtaining the education will all be considered a non-taxable payment to the employee/member.  If an employee/member is reimbursed for tuition fees and the reimbursement is not considered a taxable benefit, the employee/member will be prohibited from claiming non-refundable tax credits for the tuition fees and the education credit.
<b>Non-accountable grants/payments</b> - Locals and professional associations may provide employees/members with a non-accountable grant/payment. The payment may relate to travel expenses, education costs, telecommunication costs, etc.	Taxable	Report on T4	Non-accountable grants or payments are taxable for the individuals receiving them. The individuals may be able to deduct the expenses for which the grants or payments were received providing the expenses were incurred for business purposes.  If the grant is provided to an employee/elected official, it will be considered employment income for which withholding deductions (EI and CPP if necessary) will be required.
<b>Expense reports – per diem meals</b> - Meal allowance may be provided to employees/members based on a per diem amount.	Generally non-taxable	No reporting required	CRA has indicated that allowances for travel expenses are taxable, except where the following conditions are satisfied: - The allowance is a reasonable amount; - The allowance is received for traveling away from the municipality or metropolitan area where the employer/local/professional association's establishment was located; and - The traveling is done in the performance of the duties of office or employment.  CRA has not established what they consider to be a reasonable amount as they have with mileage allowances. However, allowances currently established by the NSTU of \$11 for breakfast, \$13 for lunch and \$25 for supper for a total of \$49 per day would be considered reasonable.



Locals and Professional Associations of the Nova Scotia Teachers Union  
Taxable Benefits Review – July 9, 2012

<p><b>Spouse's and other family members travel costs</b></p> <ul style="list-style-type: none"> <li>Locals, RRC and professional associations may reimburse employees/members for travel expenses incurred on behalf of their spouse or other family members.</li> </ul>	Generally taxable	Report on T4 (for employees and elected officials) or T4A	<p>Where an employee/member is accompanied by a spouse (or other family member) on a business trip, any payment or reimbursement by the employer/local/professional association of the spouse's traveling expenses is a taxable benefit to the employee/member unless the spouse was requested by the employer/local/professional association to go and the main purpose for going was to assist in attaining the business objectives of the trip. (See comments on withholdings under "Non-accountable grants")</p> <p>Travel expenses related to the spouse are considered to be those that are in addition to the expenses incurred if the employee/member were to travel alone (ie meals, airfare, additional accommodations).</p> <p>T4A slips are required to be issued if payments are made to Canadian residents that were:</p> <ul style="list-style-type: none"> <li>In excess of \$500 for the year; or</li> <li>Tax was deducted from the payment.</li> </ul> <p>As noted previously, the CRA's administrative position is that a committee member may be considered an employee/member even though he or she is a volunteer. As such, committee members would fall under the same guidelines as employees/members with respect to child/pet care reimbursements. (See comments on withholdings under "Non-accountable grants")</p> <p>Any reimbursement for family care (other than child care described below) and pet care will always be considered a taxable benefit.</p> <p>Reimbursements for child care services are generally also considered a taxable benefit. However, if an employee/member incurs <b>additional</b> child care expenses because of a requirement to travel out of town on employment-related business, the CRA has a current administrative policy of not including the reimbursement of the additional child care expenses as taxable benefit. The CRA has not defined a distance to support "out of town" travel. However, based on a number of their other policies, such as the ability to claim travel costs for medical expenses, you should be safe in assuming any travel beyond 40 kilometers from the member's place of residence would be considered "out of town" travel. It should be cautioned that CRA's administrative policies are not law and could be changed at any time. Therefore, based on the current administrative policy of the CRA, child care reimbursements received by members required to travel out of town for meetings, which relate to expenses that are in addition to their normal child care expenses, will not be considered a taxable benefit.</p> <p>If the total <b>taxable benefits, whether paid by the provincial body or the local</b>, received by an individual (including family/pet care) from the NSTU exceed \$500, the NSTU is required to issue a T4A to the individual.</p>
<p><b>Expense reports – family/pet care</b></p> <ul style="list-style-type: none"> <li>Locals and professional associations may reimburse committee members for child day care, family care and pet care which they incur to attend meetings.</li> </ul>	Taxable	Report on T4 (for employees and elected officials) or T4A if required – See analysis for details	

**Locals and Professional Associations of the Nova Scotia Teachers Union**  
**Taxable Benefits Review – July 9, 2012**

<p><b>Student work terms</b></p> <ul style="list-style-type: none"> <li>- The NSTU will occasionally accept students for work terms to provide the student with work experience, but will not provide a wage to the student. At the end of the student's term, the NSTU may provide a grant to that student.</li> </ul>	Taxable	Report on T4 if required – See analysis for details	<p>Payments to students which are received in connection with their employment at the NSTU are deemed by the ITA to be employment income of the student. CRA also requires an employer/local/professional association, who pays an employee/member an amount greater than \$500 for employment services, to issue a T4 to that employee/member and deduct the appropriate withholdings.</p> <p>Therefore, if the student is paid more than \$500 in recognition of services during the work term, the NSTU is required to issue a T4 to the individual. Also, the NSTU will be required to withhold the required deductions from the employment income.</p> <p>The NSTU is required to issue T4A slips if payments are made to Canadian residents that were:</p> <ul style="list-style-type: none"> <li>- In excess of \$500 for the year; or</li> <li>- Tax was deducted from the payment.</li> </ul>
<p><b>Study grants/scholarships</b></p> <ul style="list-style-type: none"> <li>- Locals and professional associations may provide study grants to students attending post secondary institutions.</li> </ul>	Taxable	Report on T4A if required – See analysis for details	<p>Therefore, if the total taxable benefits, whether paid by the provincial body or the local, received by an individual (including scholarships) from the NSTU exceeds \$500, the NSTU is required to issue a T4A to the individual.</p>
<p><b>Non-cash gifts</b></p> <ul style="list-style-type: none"> <li>- Locals and professional associations may provide non-cash gifts to their employees/members or committee members.</li> </ul>	May be taxable or non-taxable – see analysis for details	Total gifts and awards over \$500 – Report on T4 or T4A	<p>CRA's new policy on gifts and awards to employees allows the employer to provide an unlimited number of non-cash gifts and awards, per year, tax free (subject to a \$500 per year value limit as discussed below). A gift has to be for a special occasion such as a religious holiday, a birthday, a wedding, or the birth of a child. An award has to be for an employment-related accomplishment such as outstanding service, employees' suggestions, or meeting or exceeding safety standards. An award given to your employee for outstanding service or performance-related reasons is considered a reward and is a taxable benefit for the employee.</p> <p>If the combined total value of all non-cash gifts and awards received exceeds \$500, including taxes, the amount over \$500 is taxable. Non-cash gifts that are of a nominal value, such as T-shirts bearing employer logo, mugs, plaques, etc., are not considered a taxable benefit and are excluded from this \$500 threshold.</p> <p>As well as the gifts and awards, once every five years an employee can be given a non-cash long-service or anniversary award valued at \$500 or less, tax free. The award must be for a minimum of five years service, and it has to be at least five years since you gave the employee the last long-service or anniversary award. Any amount over the \$500 is a taxable benefit. The \$500 exemption for long-service awards does not affect the \$500 exemption for other gifts and awards in the year you give them.</p>

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<p><b>Cash, near-cash gifts</b></p> <ul style="list-style-type: none"> <li>- Locals and professional associations may provide cash or near cash gifts to their employees/members or committee members.</li> </ul>	Taxable	Report on T4 (for employees and elected officials) or T4A	The CRA's new policy on gifts and awards does not apply to cash or near-cash gifts. A near-cash gift could be a gift certificate, gift card, gold nugget, securities, stocks, or any other item that can be easily converted to cash. All gifts of this type are taxable to the employee/member and the NSTU is required to issue a T4 or T4A.
<p><b>Honorariums</b></p> <ul style="list-style-type: none"> <li>- Locals and professional associations may provide honorariums to guest speakers at various events.</li> </ul>	Taxable	Report on T4 (for employees and elected officials) or a T4A if required – See analysis for details.	<p>T4's are required to be issued to individuals who would be considered to be an employee of the Union. Elected officials such as the local presidents and treasurers would be considered employees of the Union. Therefore, if elected officials receive honorariums, it would be considered employment income as addressed under "salary and similar type payments."</p> <p>The NSTU is required to issue T4A slips if payments are made to Canadian residents that were:</p> <ul style="list-style-type: none"> <li>- In excess of \$500 for the year; or</li> <li>- Tax was deducted from the payment.</li> </ul> <p>Therefore, if the <b>total taxable benefits, whether paid by the provincial body or the local</b>, received by an individual (including honoraria) from the NSTU exceeds \$500, and they are not an employee/member of the NSTU, the NSTU is required to issue a T4A to the individual.</p>

## **Cash or near-cash gift/award recipient:**

We are pleased to give you this gift in appreciation of your efforts on our behalf. Thank you!

To avoid any possible tax consequences for you or the NSTU, we provide you with the following information regarding the receipt of a cash or near-cash gift or award.

The Canada Revenue Agency's has an administrative policy that exempts non-cash gifts and awards in some cases. A gift has to be for a special occasion and an award has to be for an employment related accomplishment. If the gifts and awards fall under these rules an unlimited number of non-cash gifts and awards can be given with a combined total value of \$500 or less annually. The policy **does not** cover cash or near-cash gifts or awards, making them a taxable benefit. A near-cash item is something that can be easily converted to cash, such as a gift certificate or gift card. All cash or near-cash gifts or award are taxable and must be reported in the recipient's taxable income. If your total cash or near-cash gifts or awards that you receive in one calendar year (from all NSTU related groups) accumulates to \$500.00 or more, a tax slip will be issued from the NSTU. If the total cash or near-cash gifts or awards received are less than \$500 each in a tax year then it is the recipient's responsibility to report the taxable benefit on their personal income tax return.

If you have any questions concerning this matter please contact the NSTU Financial Officer, Melanie Waye, at the NSTU ([mwaye@staff.nstu.ca](mailto:mwaye@staff.nstu.ca)).

# Professional Associations

## July 31 Year End

Please ensure that all points are considered and if a point is not applicable that it is noted.

Required:

- Bank statements for any additional bank accounts held (other than chequing account)
- Are there any amounts receivable at July 31 – that is amounts that are owed to the Association that have not yet been received?
- Investment statements as of July 31 (if applicable)
- Are there any amounts that were paid in the current year that are for expenses that will not happen until next fiscal year? (Prepaid amounts)
- Are there any amounts payable at July 31? That would be amounts that the Association owes for which a cheque has not yet been written. Payable amounts are expenses that were incurred during the current year but have not been paid yet (reasons could include that invoice or completed expense form not yet received).
- Have all the Minutes for meetings held during the fiscal year been submitted to Central Office?
- Analytical – a statement will be sent at year end indicating all of the revenues and expenditures for the year compared to budget. The report will also contain a “difference” column. Please note any large or unusual deviations from budget and explain why.
- Copy of draft Budget for upcoming year (please send in the approved budget once it is approved)
- If there is a separate conference account has the conference Treasurer submitted all required documents for year end?
  - Conference Report (totaling all revenues and expenditures for each category)
  - All bank statements for the conference
  - Bank reconciliations for the conference account
  - Copy of Quicken or ledger kept for the conference account
  - Supporting documentation for all cheques written
  - Returned cheques or images
  - Copy of the Conference Budget if there was one
  - Who were the signing officers on the conference account?