



TREASURERS' GUIDE FOR PROFESSIONAL ASSOCIATIONS



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Nova Scotia Teachers Union

FOREWORD

The Finance and Property Committee has the authority to oversee the finances of the NSTU as set out in NSTU Operational Procedure 4 – Committees – Standing Committees of the Provincial Executive, D – Finance and Property Committee. This Authority includes oversight of NSTU Committees including Professional Associations.

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 to relevant NSTU By-Laws and Operational Procedures. Others however, serve only as suggestions or examples of best practices on how to handle financial matters.

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

Treasurers' Guide for Professional Associations

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1. Generally Accepted Best Practices

GENERAL GUIDELINES FOR TREASURERS

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 signing authorizers on all transactions and is responsible for double checking and coding all of the expenses that are submitted to be processed. They hold a fiduciary responsibility to the Association.

The general guidelines for Professional Association Treasurers are as follows:

- Submit all bills and expense claims promptly to Central Office for payment.
- Ensure that each bill and expense claim is authorized by two signing authorizers of the Association.
- Signing authorizers **SHALL NOT** authorize their own cheques, two (2) other signing authorizers **MUST** authorize the cheque.
- Provide and ensure that all supporting documentation is present for expenses submitted for payment.
- Indicate the category in which expenses are to be recorded (budgetary coding).
- 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 AND THE ISSUING OF CHEQUES

The directive for a cheque to be issued (expense form, invoice, receipt, etc.) is to be submitted to the NSTU Financial Officer. The documentation can be submitted by mail, email, fax, or dropped off at the NSTU Central Office. The Treasurer should review expense forms to ensure that they are signed and properly completed (please ensure they are clearly filled out, especially the name and address of the payee). Cheque directives should include the budget category (the budget line the expense should be put against).

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

The NSTU Central Office will process dually authorized and completed cheque directives on a weekly basis. If a cheque directive has not been dually authorized or the supporting documentation is not present, the cheque will not be issued until this information has been received by the NSTU Financial Officer.

The NSTU Central Office is aware of the cheque volume required during October Conference time and is prepared to prioritize its efforts to meet this demand.

DEPOSITS TO THE BANK ACCOUNT

A Treasurer may make deposits directly to the Association's bank account. A copy of the bank deposit slip must be forwarded to NSTU Central Office. Alternatively, cheques can be sent to the NSTU Central Office for deposit. Deposits also require the corresponding budget category (the budget line the revenue should be put to).

Any amounts paid to the Association by the NSTU will be directly deposited to the Association's bank account.

SIGNING AUTHORIZERS

Please note, the signing officers on the Professional Association's chequing account are the NSTU signing officers. Professional Association Treasurers do not have the authority to sign cheques. Only NSTU Central Office staff can write and sign cheques. If there is an emergency or unique situation, please contact the NSTU Financial Officer immediately.

As stipulated in the Professional Association Model Constitution (see Appendix A), each Association must have a minimum of three (3) signing authorizers bonded for the disbursement of Professional Association funds and other banking purposes. Signing authorizers must be members of the Association's Executive, as chosen by the Executive, and the Treasurer must be one of the signing authorizers. Signing authorizers should be approved, by motion, at an Executive meeting of the Association. Once approved, the NSTU Financial Officer should be notified with the names of the individuals chosen. Generally, most Associations will have the Treasurer, President, and one or two fellow Executive members as signing authorizers.

Signing authorizers, and indeed all Association Executive members, hold a fiduciary responsibility – meaning the signing authorizers have a financial responsibility to both their Association and to the NSTU to conduct the Association's financial affairs responsibly.

All expenses of the Association must be approved by two of the Association's signing authorizers. Expense forms, invoices, etc., may be signed by two signing authorizers before they are submitted to Central Office. Alternatively, if the documentation (expense form, invoice, receipts, etc.) reaches Central Office without a signature, the Financial Officer will scan and email a copy to each signing authorizer of the Association. When signing authorizers receive such an email, they should reply to the Financial Officer indicating their approval or rejection of the expense. Once the Financial Officer receives two replies from signing authorizers indicating the expense is approved, then a cheque for the expense will be written and sent out. If cheques are anticipated by the Association (following a meeting for example), signing authorizers should check their email regularly so that reimbursements may be processed in a timely manner.

SUPPORTING DOCUMENTATION FOR EXPENSES

Cheques will only be issued if supporting documentation has been supplied to the NSTU Financial Officer and the expense has been approved by two of the Association's signing authorizers. Examples of supporting documentation include signed and completed expense forms, invoices, and receipts. A Professional Association may have a standard expense form; alternatively, the generic expense form provided by Central Office may be used (see Appendix B).

EXPENSE CLAIMS

All Association members engaged in Union business **MUST** be reimbursed expenses at the NSTU rates as stipulated in NSTU Operational Procedure 9 – Expense Guidelines (see Appendix A). Expense forms **MUST** be completed and signed by individual members and be reviewed by the Treasurer or designate for accuracy. An expense claim form can be found in Appendix B.

THE LEDGER

A ledger is a record keeping device which is used to record all 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 at the NSTU Central Office. Each Association has separate accounts where these transactions are recorded.

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 that have been recorded in the ledger and have not yet cleared the bank, must be determined.

The NSTU Financial Officer performs the bank reconciliations on a monthly basis. The bank statement is received by Central Office and will be forwarded to the Treasurer along with a copy of the completed bank reconciliations.

FINANCIAL AND OTHER REPORTING

As stipulated in the Professional Association Model Constitution, the fiscal year for all Associations is August 1st – July 31st (see Appendix A). As stipulated in NSTU By-Law, Professional Associations shall annually submit the information required for its internal review and shall submit a budget for the ensuing year by December 1st (see Appendix A).

The year end internal review is conducted out of the NSTU Central Office. The process should not be onerous; however, the Treasurer will be required to answer some year end questions regarding such things as receivables, payables, analytical, etc. The Treasurer must also ensure that a budget for the upcoming year is submitted by the deadline.

The Treasurer should also update the Association's Executive regularly regarding the financial situation of the Association. Upon request, the NSTU Financial Officer will produce financial information and forward it to the Treasurer for presentation at Executive meetings. Requests for information should be made a week in advance of an Executive Meeting in order to provide time for proper review. This also allows time for the Financial Officer to make any necessary changes and/or answer any questions before the meeting.

The following must be submitted annually to the NSTU Central Office by December 1st:

- Draft minutes from the Annual General Meeting (AGM)
- President's Report delivered at the AGM
- Conference Report delivered at the AGM
- Association Membership List
- Budget approved at the AGM

2. BUDGETING

THE BUDGET PROCESS

The Treasurer is responsible for creating a budget for the Association for the upcoming fiscal year. The budget should be completed and presented at the Annual General Meeting. At the Annual General Meeting the budget is considered and approved 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 Association 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. A five-year summary of actual results can be obtained from the NSTU Financial Officer. Other considerations include but are not limited to upcoming events, trends, and proposed changes in operations.

The Conference budget should also be prepared by the Treasurer in conjunction with the Conference committee.

It should be noted that a budget does not have to be balanced (revenue exactly equalling expenditures); a budget can show a surplus or a deficit. If a deficit budget is created there must be adequate funds to cover the anticipated deficit from net assets (a reserve of funds from previous years). Budget lines should never be “plugged” (artificially and unreasonably increased or decreased) in order to balance the bottom line.

The overall coordination of the budget process rests with the Treasurer and Finance Committee, but input must be sought and received from the President, Vice-Presidents, Secretary, Committee Chairs, and others within the Association. There are sample budgets and other useful budgeting information for Treasurers in Appendix B. The NSTU Financial Officer is also available to aid Associations with the budget process.

REVENUES

Fundamentally, Associations receive revenue from Conference fees, Association memberships, and possibly from the NSTU on an as needed basis.

Conference and membership fees should be set by motion at an Executive meeting of the Association. If a change is made to these items, the NSTU Central Office should be made aware.

As stipulated in NSTU Operational Procedure 13, Associations may qualify to receive funds from the NSTU (see Appendix A). If the net assets of the Association are less than \$13,350 at July 31 of the previous year, expenses to conduct up to three Executive meetings for eight individuals will be covered by the NSTU. Further, if an Association is experiencing undue financial hardship they may appeal to the Finance and Property Committee for funds.

The general guidelines for Professional Associations to have meeting expenses paid by the NSTU:

- A Professional Association may request reimbursement of an Executive meeting up to three (3) months after the meeting.

- A Meeting Reimbursement Request Form must be submitted by the Association President with approval from the Treasurer or fellow signing authorizer. The written request must include a list of all the members that attended the Executive meeting.
- In the event that a Professional Association decides to host more than three (3) Executive meetings in a given fiscal year, the Association can decide on which of the three (3) meetings they wish reimbursed.
- Only expenses approved, received, and submitted at the refund request date will be reimbursed by the NSTU. Meeting expenses received after the refund request date will not be refunded.
- The NSTU will reimburse expenses prior to the determination of year end net assets. In the event that the net assets exceed \$13,350, the Professional Association must reimburse the expenses for that meeting to the NSTU.

BUDGETING CATEGORY LINES

Each budget line is categorized based on where the revenue is being received from or where the expenditure is being spent. Associations have very well-defined mandates as set out in NSTU By-Laws and Operational Procedures. Expenditures must align with these mandates. A list of typical budget categories, including definitions, can be found in Appendix B. These are the same categories as used in the internal review of financial statements prepared by Central Office during the year end review.

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.

Per the Model PA Constitution – Article IX Finances – The Executive may make expenditures up to five percent (5%) of the Professional Association’s budget, to a maximum of three thousand dollars (\$3,000), without prior approval of the general membership.

3. OCTOBER CONFERENCE DAY

ONLINE CONFERENCE PAYMENTS

All registrations and payments must be made online. There is no on-site registration for the NSTU Professional Association Conferences. Conference registration money is distributed to Professional Association bank accounts at the discretion of the NSTU Financial Officer beginning the first week after registration has opened. Money is distributed based on the online conference registration payment report. The final payment of registration money will be held until all conference refunds have been processed.

REFUNDS

Any refund request made before the official conference registration deadline will be processed. After this date, refunds will only be made for extraordinary circumstances and will need the approval of the Association’s Conference Registrar. The refund form, which can be found on the NSTU website, must be completed by the Conference Registrar. To complete the form, the Registrar will need payment information from the registrant requesting the refund. When the form is submitted, it is automatically sent to the NSTU Financial Officer for processing. When the refund is complete the Financial Officer will confirm by email to the Registrar and registrant. The Financial Officer will then remove the registrant from the conference registration list. This step is crucial as the registration

list is used to generate the payment amounts to distribute to the Associations and to calculate the online fees. It is also used to generate the Association's membership list.

ONLINE FEES

Online Conference registration has associated fees that are the responsibility of the Association; these fees will be invoiced to each Association. Stripe fees are approximately 2.9% of the total amount of registration plus \$0.30 per transaction. These online fees are calculated after all refunds have been processed, generally in December or January.

EXPENSE PAYMENTS

Cheque demand rises during October Conference time. Presenter cheques and other payments that need to be paid on Conference Day can be requested for pickup prior to the Conference. Bills and expenses that come in after the Conference will be prioritized by NSTU Central Office.

GIFTS AND PRIZES DURING CONFERENCE DAY

As stipulated in NSTU Operational Procedure 13, Professional Associations may provide gifts to presenters, special guests, and Conference organizers (see Appendix A). Limited random draws of names of conference delegates for prizes of a modest value may take place. Alternatively, a draw for a single item of a value not to exceed \$200.00 is allowed. Professional Associations shall not purchase gifts, prizes, or door prizes for each delegate or attendee. This restriction does not apply to gifts that have been donated to the Professional Association by an unrelated third party. Further details can be found below under CRA implications.

CONFERENCE DAY PRESENTERS

It is very common for Presenters at Conferences to be paid either a fee or an honorarium for their services.

If the presenter is a professional that presents full or part-time, then they will likely invoice the Association for their services. This means they will be claiming the income as part of their business as a presenter.

If the Professional Association gives a presenter an honorarium for their services at Conference it is a taxable benefit, and the presenter will be required to claim it as income. In these situations, the presenter should be informed that the money received is taxable and that they are required to claim it on their personal income tax return as income. A sample letter outlining this information can be found in Appendix B. If the total amount paid to this individual presenter by the NSTU in a tax year exceeds \$500, then NSTU Central Office is required to issue a tax form. Further details can be found below under CRA implications.

4. CANADA REVENUE AGENCY IMPLICATIONS TO CONSIDER

GIFTS AND AWARDS

The Canada Revenue Agency (CRA) views the relationship between the NSTU and Members of the Provincial Executive, Local Executives and NSTU Reps, RRCs, and Professional Associations as an employer/employee relationship. As such, the CRA policy for gifts and awards applies.

For non-cash gifts and awards the following applies, from the Government of Canada's website:

Policy for non-cash gifts and awards

You may give an employee an unlimited number of non-cash gifts and awards with a combined total value of \$500 or less annually. If the fair market value (FMV) of the gifts and awards you give your employee is greater than \$500, the amount over \$500 must be included in the employee's income. For example, if you give gifts and awards with a total value of \$650, there is a taxable benefit of \$150 (\$650-\$500).

Rules for non-cash gifts and awards

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, or employees' suggestions, or meeting or exceeding safety standards. It is recognition of an employee's overall contribution to the workplace, not recognition of job performance. Generally, a valid, non-taxable award has clearly defined criteria, a nomination and evaluation process, and a limited number of recipients.

An award given to your employees for performance-related reasons (such as performing well in the job they were hired to do, exceeding production standards, completing a project ahead of schedule or under budget, putting in extra time to finish a project, covering for a sick manager/colleague) is considered a reward and is a taxable benefit for the employee.

If you give your employee a non-cash gift or award for any other reason, this policy does not apply and you have to include the fair market value of the gift or award in the employee's income.

The gifts and awards policy does not apply to cash and near-cash items or to gifts or awards given to non-arm's length employees, such as your relatives, shareholders, or people related to them.

Non-cash gifts and awards may be sheltered from taxation if totalling less than \$500 and may only be given for very specific reasons given above. A reward is a taxable benefit regardless of the amount.

Cash and near-cash gifts and awards are always taxable as income. From the Government of Canada's website cash and near-cash gifts or awards are defined as:

Cash and near-cash gifts or awards are always a taxable benefit for the employee. A near-cash item is one that functions as cash, such as a gift certificate or gift card, or an item that can be easily converted to cash, such as gold nuggets, securities, or stocks.

Recipients of cash and near-cash gifts and awards should be made aware of the tax consequences. A letter that can be distributed to recipients has been provided in Appendix B – Sample Forms & Other Documentation.

It should also be noted that the CRA considers the NSTU as the employer, not the individual Local, RRC, or Professional Association, in the employer/employee relationship. Therefore, if a member is participating on more than one of the above committees, they must be aware that the policy for gifts and awards applies to them as an NSTU employee regardless of role. This means that the total gifts and awards received in a tax year, from any NSTU position 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 and/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

Honoraria is considered employment income and as such is a taxable benefit regardless of the amount. From the Government of Canada's website employment income is defined as:

Employment income can consist of amounts you receive as salary, wages, commissions, bonuses, tips, gratuities, and honoraria.

ALL honoraria payments **MUST** be paid out of the NSTU Central Office. Honoraria are paid out on request. The following information must be remitted to Central Office in order for the payments to be made:

- a) name of the recipient,
- b) amount and type of payment,
- c) mailing address of the recipient, and
- d) social insurance number of the recipient.

This information is required in order for Central Office to complete the T4 for the recipient. Cheques will be prepared for each individual for which a payment is to be made and sent out as instructed by the Treasurer. The cost of the honoraria will be billed to the Association. It should be noted that Employment Insurance Deductions must be remitted on each dollar of honoraria paid and that the employer's portion will be charged back to the Association. Honoraria payments will automatically be T4'd at year end. A copy of the *Honoraria Payment Form* can be found in Appendix B – Sample Forms & Other Documentation.

SCHOLARSHIPS, BURSARIES, AND FELLOWSHIPS

Scholarships, Bursaries, and Fellowships may be considered taxable as income, in whole or in part, depending on an individual's circumstances. This is true regardless if the recipient is an NSTU Member or a family member of the NSTU Member. For full details, individuals should refer to the Canada Revenue Agency website and search for *Scholarships, fellowships, bursaries, study grants, and artists' project grants* or search the *General Income Tax and Benefit Guide*.

As the income may be taxable, the NSTU **MUST** issue a T4A slip in the recipient's name.

T4A slips must be issued for any scholarships, bursaries, or fellowships given to members (or family of members) even if it will not be claimed as income. The following information must be remitted to Central Office in order to create the T4A slip:

- a) name of the recipient,
- b) amount and type of payment,
- c) mailing address of the recipient, and
- d) social insurance number of the recipient.

This information **MUST** be received by NSTU Central Office no later than early January for the prior taxation year.

In cases where funds are remitted to an institution (i.e., regional high school, college, or university) and the institution is responsible for awarding the scholarship, fellowship, or bursary, then it is the responsibility of the institution presenting the award to issue and report the T4A, not the NSTU. To be clear, this means if an Association gives a lump sum of money to an institution such as a regional high school for that institution to award scholarships and/or bursaries, it is the regional high school that is required to issue the T4A slip.

OTHER TAXABLE BENEFITS

It is the responsibility of the NSTU Central Office to issue T4 and T4A slips to individual recipients of taxable benefits from the NSTU regardless if the source of these funds is a Local, RRC, or Professional Association. The following is a list of benefits deemed to be taxable:

- a) Family/Pet Care
- b) Child Care Only (under 40 kms. each way)
- c) Honoraria (see above)
- d) Grants, Scholarships, Fellowships, and Bursaries (see above)
- e) Cash or Near-Cash Gifts (see above)
- f) Spousal Business Travel
- g) Non-Accountable Grants
- h) Other/Misc.

Grant Thornton has prepared a *Taxable Benefits Review* that can be found in Appendix B – Sample Forms & Other Documents. The review gives descriptions of taxable benefits and applicable tax reporting requirements.

In order to prepare T4 and T4A slips the NSTU Central Office requires all pertinent information no later than early January. The following information must be remitted to Central Office in order for the creation of all slips:

- a) name of the recipient,
- b) amount and type of payment,
- c) mailing address of the recipient, and
- d) social insurance number of the recipient.

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

5. MISCELLANEOUS

ATTENDANCE AT ANNUAL COUNCIL

As stipulated in NSTU By-Laws, each Professional Association is entitled to one Voting Delegate at Annual Council. The expenses of Voting Delegates to Council are borne by the NSTU.

BONDING

The Bonding Policy covers the signing authorizers for Associations 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 intent of this policy is protection from dishonesty of volunteers and staff.

INVENTORY

Inventory is any property that is owned by the Association. Inventory may include but is not necessarily limited to electronic devices, computers, printers, cellphones, NSTU/Association swag (t-shirts, sweatshirts, hoodies, mugs), etc. If the Association owns inventory, then these items should be recorded and tracked. Knowing where items are is important and can save the need for replacing lost items needlessly. In the event that an inventory item is no longer useful it should be disposed of properly. If an item is being sold it should be done so at its fair market value.

Operational Procedure 29 – Computer Equipment Guidelines outlines the appropriate practices for the purchase and disposal of Computer Equipment (see Appendix A). Similar guidelines can be followed for similar inventory owned by an Association.

TRAVEL ACCIDENT INSURANCE

The NSTU has negotiated a Travel Accident Policy on behalf of all Locals, RRCs, and Professional Associations. This policy allows for group savings on Travel Accident Insurance, rates lower than could be realized by individual Locals, RRCs, or Professional Associations.

Each year Locals, RRCs, and Professional Associations will need to fill out an information sheet to identify the actual number of Committee members and number of meetings per year. Locals, RRCs, and Professional Associations will be billed the annual premium each year from Central Office.

RELEASE TIME

If a Professional Association wishes to obtain release time from the employer for a member to address a Professional Association task, the President of the Professional Association must request such time in writing from the employer and the Association must pay costs incurred. The employing education entity may grant the request but is not required to do so. Further, NSTU days agreed to in the Teachers Provincial Agreement (Article 31.02) cannot be accessed by Professional Associations for release time.

Any bills for Substitute Teacher days can be forwarded to NSTU Central Office for approval.

APPENDIX A

RELEVANT BY-LAWS AND OPERATIONAL PROCEDURES

By-Law Article VI – Professional Association Governance, 4 – Finances

4. FINANCES

- (a) A Professional Association shall submit to Central Office, by December 1st of each year, a budget for the current school year.
- (b) A Professional Association shall submit to Central Office, by December 1st of each year, the information required for its internal review, which will be conducted out of Central Office.
- (c) A Professional Association may not permit the use of any part of its funds for the purpose of conducting a campaign in respect to any election whether within the Union or outside of the Union.

Operational Procedure 9 – Expense Guidelines

9. EXPENSE GUIDELINES

A. EXPENSE REIMBURSEMENT

- I. NSTU members are eligible to claim expenses for accommodations, meals, travel, and other appropriate expenses while attending or en route to or from NSTU approved provincial NSTU meetings, conferences, or events according to rates established from time-to-time by the Provincial Executive.
- II. The Union will reimburse the approved expenses for members if they are participants at:
 - a. Annual Council;
 - b. Committee meetings of the NSTU;
 - c. Provincial Executive meetings;
 - d. Local Presidents' Conferences;
 - e. Provincially-Organized Conferences;
 - f. negotiating sessions; and,
 - g. other authorized Union events.
- III. Locals, Regional Representative Councils, and Professional Associations are to use these guidelines and rates when reimbursing their members for attending meetings and events at the Local, Regional, and Association level.
- IV. 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.

B. GUIDELINES AND RATES FOR TRAVEL EXPENSE REIMBURSEMENT

Barring unforeseen circumstances, weather or road conditions, all NSTU members travelling on NSTU business shall abide by the following guidelines and be reimbursed at the following rates as recommended by the Finance and Property Committee:

I. Release Time for Purpose of Travel

When travel time during the working day is required by a member due to distance greater than two hundred and fifty (250) kilometres, the member shall utilize no more than one-half (1/2) day release time for the purposes of travel to and no more than one-half (1/2) day release time for the purposes of travel from NSTU events. Release time must be requested from and approved by the employer; the employer is generally under no obligation to grant release time for the purposes of travel.

II. Accommodations

- a. Accommodation for the previous night may not be claimed for meetings that begin at 2:00 p.m. or later. Accommodation for the night of the meeting may not be claimed for meetings that conclude at 1:00 p.m. or earlier.
- b. NSTU members may claim hotel accommodations while en route to an NSTU event providing that the distance from the member's home to the event venue is in excess of four hundred and fifty (450) kilometres. Reimbursement shall be the cost of the en route accommodation or the amount negotiated at the NSTU contract hotel, whichever is the lesser.
- c. Without a receipt for hotel accommodations, the NSTU will accept a claim for twenty dollars (\$20.00) per overnight stay where accommodations other than the member's personal residence is required.

III. Meal Allowance

NSTU members may claim a meal allowance while at or en route to an NSTU event providing that travel and attendance occurs during the normal meal hour and the meal is not supplied by the Union. The NSTU meal allowance is fifty-seven dollars per day (\$57.00/day), including tax and gratuities as follows:

- a. twelve dollars (\$12.00) for breakfast;
- b. fifteen dollars (\$15.00) for lunch; and,
- c. thirty dollars (\$30.00) for dinner.

IV. Metrage Rate

NSTU members may claim metrage while travelling on approved NSTU business at a metrage rate of fifty cents per kilometre (50¢/km).

V. Incidental Charges

When staying overnight on approved NSTU business, an amount of eight dollars (\$8.00) per overnight stay is claimable.

VI. Family Care

NSTU members may claim family care expenses while travelling on approved NSTU business. The reimbursement of family care expenses shall be the minimum hourly wage rate set by the Province of Nova Scotia up to a maximum of eight hours per day (8 hrs/day) for children under the age of fourteen (14) years, or ten hours per day (10 hrs/day) maximum if overnight is required if the child is eighteen (18) years of age or younger. These rates will apply to special needs dependents and elder care with the approval of the Finance & Property Committee. A receipt must be provided from the person/agency providing the family care.

VII. Pet Care

NSTU members may claim pet care expenses while travelling on approved NSTU business. The reimbursement of pet care expenses shall be a maximum of twenty dollars per day (\$20/day) including taxes. A receipt must be provided from the person/agency providing the pet care.

VIII. Parking

If not staying at any hotel, parking fees up to a maximum of twenty-five dollars per day (\$25/day) with official parkade receipts will be reimbursed.

IX. Taxi

The cost of taxi travel to and from the hotel to the Union building will only be reimbursed with receipt and approval.

C. EXPENSE DIFFERENTIAL

- I. NSTU members who attend either coincidentally held meetings, or closely scheduled meetings, for NSTU business and an outside agency or group, shall be entitled to collect an expense reimbursement from the outside agency or group, plus the appropriate differential for NSTU committee-related expenses, should NSTU expense guidelines differ or exceed those of the outside agency or group.
- II. NSTU members who are entitled to expenses paid by any organization or group other than the NSTU shall be subject to the expense guidelines and conditions of that organization or group, and shall not be entitled to expense reimbursement from the NSTU.

D. CANADIAN TEACHERS' FEDERATION TRAVEL

NSTU members attending CTF meetings and/or Conferences will be reimbursed expenses following CTF expense guidelines.

E. OUT OF PROVINCE TRAVEL

NSTU members approved to represent the Union outside the province of Nova Scotia shall be entitled to claim reimbursement for expenses not paid by other groups or organizations, in accordance with the following:

- I. Hotel Accommodation – Single room rate (receipt required)
- II. Meals – (NSTU rates)

III. Travel Expenses

- a. Within Maritime Provinces, either:
 - return economy air/bus/train fare (receipt required),OR
 - return metrage (NSTU rates).
- b. All other provinces, either:
 - return economy air/bus/train fare (receipt required),OR
 - return metrage (NSTU rates), to a maximum of the return economy airfare.

IV. Other Expenses

- a. Family care (NSTU rates)
- b. Pet care (NSTU rates)
- c. Taxi fare/car rental (receipt required)
- d. Conference fees (receipt required)
- e. Airport parking (receipt required)
- f. Overnight incidentals (NSTU rates)

F. EDUCATION INTERNATIONAL

The NSTU shall be represented at the Education International General Assembly by the President who is in office on July 31st of the year of the General Assembly, and by the Executive Director.

Operational Procedure 13 – Professional Associations, C – Finances and F – Travel Accident Insurance

C. FINANCES

- I. NSTU Professional Associations set membership fees and conference fees annually by adoption of a Budget at the Annual General Meeting.
- II. The guidelines set out in the Professional Association Treasurers Guide must be followed.
- III. All operational expenses (including substitute teacher costs) incurred by a Professional Association are the sole responsibilities of the Association and are not the responsibility of the NSTU.
- IV. Any expenses that appear unreasonable will be subject to review by the Finance and Property Committee.
- V. Any Professional Association may qualify for Executive Meeting expenses to be paid by the NSTU if, at the end of the previous fiscal year, the financial net assets of the Professional Association are less than thirteen thousand three hundred and fifty dollars (\$13,350). Meeting expenses will be paid for three (3) Executive Meetings for a maximum of eight (8) Executive Members. NSTU expense guidelines will be followed for reimbursement.

- VI. Any Professional Association experiencing undue financial hardship may appeal to the Finance and Property Committee for extraordinary operating funds to deal with cost over-runs. Such appeal shall include a current financial statement for the Professional Association, documentation of the cost over-run, and a rationale of the financial hardship incurred. The Finance and Property Committee shall make a recommendation to the Provincial Executive regarding granting additional funds. *April 2012*
- VII. Professional Associations may provide gifts to presenters, special guests, and conference organizers. Limited random draws of names of conference delegates for prizes of a modest value may take place. Alternatively, a draw for a single item of a value not to exceed two hundred dollars (\$200) shall be allowed. Professional Associations shall not purchase gifts, prizes, or door prizes for each delegate or attendee. This restriction does not apply to gifts that have been donated to the Professional Association by an unrelated third party.
- VIII. Honorarium may be given to keynote speakers and workshop presenters.
- IX. Should a Professional Association receive a request for financial assistance from a recognized national or international education organization, they must adhere to the following guidelines:
 - a. Counterparts or affiliates of the NSTU or NSTU Professional Associations with:
 - i. expected participation of less than one hundred and fifty (150) delegates up to five hundred dollars (\$500.00);
 - ii. expected participation of one hundred and fifty to five hundred (150 – 500) delegates up to one thousand dollars (\$1,000.00); and,
 - iii. expected participation of more than five hundred (500) delegates up to one thousand five hundred dollars (\$1,500.00).
 - b. Other recognized education organizations with:
 - i. expected participation of up to five hundred (500) delegates up to five hundred dollars (\$500.00); and,
 - ii. expected participation of over five hundred (500) delegates up to one thousand dollars (\$1,000.00).

F. TRAVEL ACCIDENT INSURANCE

- I. All members of the Executive of a Professional Association, all members of committees of a Professional Association, and all conference volunteers who are required to travel to meetings of a Professional Association shall be included in the NSTU Master Travel Accident Insurance Policy.
- II. Each Professional Association will be billed for the cost of this Travel Accident policy as the cost relates to that Association.

Operational Procedure 29 – Computer Equipment Guidelines

- A. The purchase of computers can be expensed at the time of purchase; it does not have to be set up as a depreciable asset.
- B. All purchase records including receipts, serial numbers, software licenses, registration and any guidebooks should be maintained by the Treasurer.

- C. All software used on the computer should be licensed. Updated virus protection software should be installed and the computer scanned regularly.
- D. 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.
- E. 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.
- F. Any disposal sale should be for the current fair market value. The computer may be donated to charity or educational site based initiatives needing old computers. A receipt for transfer of ownership should be maintained.

NSTU Professional Association Constitution Model Article IX – Finances

Article IX – Finances

- [1] The fiscal year shall be from August 1st to July 31st.
- [2] A minimum of three (3) signing authorizers shall be bonded for the disbursement of Professional Association funds and other banking purposes.
- [3] Only Members of the Executive may be signing authorizers, the Treasurer must be a signing authorizer, plus other Executive Members as chosen by the Executive.
- [4] The Executive may make expenditures up to five percent (5%) of the Professional Association's budget, to a maximum of three thousand dollars (\$3,000), without prior approval of the general membership.
- [5] When attending meetings on Professional Association business, individuals shall be reimbursed according to NSTU expense guidelines.
- [6] The financial records of the Professional Association shall be subjected to an annual internal review by the NSTU in accordance with guidelines provided by the Finance and Property Committee of the NSTU.
- [7] The Professional Association shall not assume any financial liability accounts (e.g., lines of credit, loans, credit cards).

APPENDIX B — SAMPLE FORMS & OTHER DOCUMENTS

Professional Association Expenses Defined

Revenue and expenditure category guidelines: Professional Associations

Purpose: To provide Treasurers with guidelines for categorizing their expenses for Budget and Financial Statement purposes.

CATEGORY	DESCRIPTION
REVENUE	
NSTU Grant	Amount received from NSTU for meeting reimbursements (max 3 per year if qualify)
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 earned
EXPENDITURES	
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, EI expenses on honoraria
Miscellaneous	Expenses that do not fit the description of any other line
Office equipment	Purchases that are capital in nature (will provide a lasting benefit) - examples are computers, office furniture, printers, 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 professional development 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

Professional Association Conference Expenses Defined

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.

CATEGORY	DESCRIPTION
REVENUE	
Registration fees	Amounts collected from attendees who attended conference - refunds also go in this line
Exhibitor fees	Amounts collected from exhibitors
Miscellaneous	Any other revenue that you earn
EXPENDITURES	
Catering	Costs for meals and snacks
Committee expenses	Costs incurred for conference committee - includes meeting costs, travel, substitutes 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
Office	Expenses incurred for postage, photocopying, printing, paper, envelopes, etc.
Presenters	Expenses associated with presenters including presenter fees, travel, supplies, etc.
Supplies	Includes other costs necessary to run conference - includes display booths, name tags, etc.

Professional Association Expense Form

This form must be submitted within 30 days of the meeting/conference for approval. Once the form has been approved it cannot be altered or amended.

\$_____

§

¢

\$

§

(including taxes and gratuities)

SEE REVERSE - CRA INFORMATION

- §

TOTAL \$ _____

§

TOTAL

\$

Is this a new address? Yes ☐

ALL 8 digits

REVIEWED

Aug/22

INSTRUCTIONS FOR FILLING OUT EXPENSE ACCOUNT FORM

Effective – August 2022

1. Barring unforeseen circumstances, committees 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 fifty cents (50¢) per kilometre. (Multiply miles by 1.6 to convert to kilometres).
5. Subject to the maximum per day amount \$104.00 (exclusive of taxes), accommodations at the Hotel 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 Hotel Halifax, a receipt must accompany the expense form. The Union will accept receipts up to \$104.00 per day, (exclusive of taxes.) Without a receipt, the Union will accept a claim of \$20.00 per overnight for members who require accommodation other than his/her own residence.
NOTE: Members on NSTU 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 Nova Scotia Teachers Union, 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 NSTU business an amount of \$8.00 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 \$57.00 including taxes and gratuities, which shall be apportioned: \$12.00 for Breakfast; \$15.00 for Lunch and \$30.00 for Dinner.
NOTE: Members staying overnight at the contract hotel will not be reimbursed for breakfast, as 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 NSTU 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 Union will cover the necessary family care expenses for members if they are participants at Annual Council; Committees of the NSTU; meetings of Provincial Executive; Local Presidents' Conference; negotiating sessions; and other authorized Union 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) Effective August 1, 2013, the NSTU Family Care rate be set at the minimum hourly wage rate set by the province of Nova Scotia up to a maximum of 8 hours/day for children under the age of 14 years or 10 hours 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 Finance & Property Committee.
 - (d) Before claims are paid, **receipts must be provided** from the person/agency providing such childcare.
 - (e) The Union will reimburse receipted pet care expenses to a maximum of \$20.00 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.
17. Article 31.07(i)(b) of the Provincial Agreement came into effect on August 1, 1998. In order to comply with the provisions of these articles, it will be necessary to track attendance at all committee meetings. To accommodate this requirement there is a section on the front of this form. This section **MUST** be completed before payment will be issued.

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"/> <div style="text-align: right; margin-right: 50px;"> <small>total # of kilometers</small> <u> </u> @ \$0.50/km </div>	\$
TRAVEL (attach receipts): Bus: <input type="checkbox"/> Air: <input type="checkbox"/>	\$
MEALS : <small># of meals</small> Breakfast _____ @ \$12.00 = _____ Lunch <u> </u> @ \$15.00 = _____ Dinner _____ @ \$30.00 = _____	\$
INCIDENTALS : <u> </u> @ \$8.00/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



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 – Conference

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>
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, presenter, committee gifts</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, etc.) Also include cost of fees 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.
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.

Employee Benefits Review (prepared by Grant Thornton)

Locals, RRCs and Professional Associations of the Nova Scotia Teachers Union Taxable Benefits Review – March 23, 2021

Description of Benefit	Taxable/Non Taxable	Reporting Requirements	Analysis
Salary and similar type payments - Locals may make the following payments to their employees/members: <ul style="list-style-type: none"> Salaries Sick leave Vacation pay Maternity, parental and adoption leave Personal leave Leave for injury on duty Compassionate leave 	Taxable	Report on T4	All payments received by the employee/member are received as consideration or remuneration for services performed. The Income Tax Act (Canada) ("ITA") 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. 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.
Mileage allowance - 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	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: <ul style="list-style-type: none"> The allowance is based only on the number of business km's driven in a year; The rate per km is reasonable; and The employer/local/professional association did not reimburse the employee/member for expenses relating to use of the vehicle. The CRA considers the following rates reasonable for 2020: <ul style="list-style-type: none"> \$0.59 per km for the first 5,000 km's; and \$0.53 per km thereafter. 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. The current per km rate used by the employer/local/professional association is \$0.44 per km. 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. 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.

Page 1 of 6

Locals, RRCs and Professional Associations of the Nova Scotia Teachers Union Taxable Benefits Review – March 23, 2021

Description of Benefit	Taxable/Non Taxable	Reporting Requirements	Analysis
Accidental death and dismemberment premiums - Premiums for accidental death and dismemberment may be provided to employees/members.	Taxable (unless paid in respect of benefit that would be payable on a periodic basis)	Report on T4	Pursuant to subparagraph 6(1)(c.1) of the ITA, contributions to a group sickness or accident insurance plan are a taxable benefit to the employee, unless the plan is arranged such that any benefits paid under the plan are payable on a periodic basis. Examples of such plans where employer-paid premiums are taxable include accidental death and dismemberment and critical illness insurance that pay benefits on a lump-sum basis.
Private healthcare premiums - 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.
Tuition fees - 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.
Non-accountable grants/payments - 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. An exception is made in the case of non-accountable allowances provided to employees for purposes of relocation or moving costs, where that allowance does not exceed \$650 and the employee certifies in writing that they have incurred moving costs at least equal to the amount of the allowance. In the case of elected municipal officials, if the grant is provided to an elected official to perform the duties of that office, the portion in excess of one-third of the officer's salary and allowances will be considered employment income for which withholding deductions (EI and CPP if necessary) will be required.
Expense reports – travel allowances - Travel allowances may be provided to employees/members based on a reasonable amount.	Generally non-taxable	No reporting required	Travel allowances are to be included in the income of employees, who travel to perform the duties of the office or employment, unless the allowances are received by the employee for travelling away from the municipality and the metropolitan area where the employer's establishment is located and where the employee ordinarily works or reports. CRA has indicated that in certain circumstances allowances for travel expenses incurred in relation to travel within the municipal area are not a taxable benefit and can be excluded from

Page 2 of 6

Locals, RRCs and Professional Associations of the Nova Scotia Teachers Union
Taxable Benefits Review – March 23, 2021

Description of Benefit	Taxable/Non Taxable	Reporting Requirements	Analysis
			<p>the employee's income if all of the following conditions are satisfied:</p> <ul style="list-style-type: none"> - The allowance is a reasonable amount; - The allowance is received for traveling away from the office - - The employer is the primary beneficiary of the allowance; and - The allowance is not an additional form of remuneration.
<p>Expense reports – overtime meals Meal allowances may be provided to employees/members based on a per diem amount.</p>	Generally non-taxable	No reporting required	<p>CRA has indicated that the provision of overtime meals, or an allowance for overtime meals, is not a taxable benefit if all of the following conditions apply:</p> <ul style="list-style-type: none"> - The allowances, or the cost of the meal, is reasonable; - The employee works two or more hours of overtime right before or right after the scheduled hours of work; and - The overtime is not frequent and is occasional in nature (usually less than three times a week). <p>In the context of overtime meals, the CRA has commented that they generally consider a value up to \$23 to be reasonable; however, they will consider higher amounts reasonable if the relative cost of meals in the location is higher, or other significant extenuating circumstances.</p> <p>Allowances currently established by the NSTU of \$11 for breakfast, \$13 for lunch and \$30 for suppers for a total of \$54 per day, would likely be considered reasonable.</p> <p>If overtime occurs more frequently, overtime meals or allowances would be considered a taxable benefit, since they begin to take on the characteristics of additional remuneration.</p>

Page 3 of 6

Locals, RRCs and Professional Associations of the Nova Scotia Teachers Union
Taxable Benefits Review – March 23, 2021

<p>Spouse's and other family members travel costs</p> <ul style="list-style-type: none"> - Locals, RRC and professional associations may reimburse employees/members for travel expenses incurred on behalf of their spouse or other family members. 	Generally taxable	Report in 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>Expense reports – family/pet care</p> <ul style="list-style-type: none"> - Locals and professional associations may reimburse committee members for child day care, family care and pet care which they incur to attend meetings. 	Taxable	Report on T4 (for employees and elected officials) or T4A if required – See analysis for details	<p>T4A slips are required to be issued if payments are made to Canadian residents that were:</p> <ul style="list-style-type: none"> - In excess of \$500 for the year; or - Tax was deducted from the payment. <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 additional 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 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 T4A to the individual.</p>

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Student work terms - 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.	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>
Study grants/scholarships - Locals and professional associations may provide study grants to students attending post secondary institutions.	Taxable	Report on T4A if required – See analysis for details	<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"> - In excess of \$500 for the year; or - Tax was deducted from the payment. <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>
Non-cash gifts - Locals and professional associations may provide non-cash gifts to their employees/members or committee members.	May be taxable or non-taxable – see analysis for details	Total gifts and awards over \$500 – Report on T4 or T4A	<p>CRA's 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 annual 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 in excess of \$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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Cash, near-cash gifts - Locals and professional associations may provide cash or near cash gifts to their employees/members or committee members.	Taxable	Report on T4 (for employees and elected officials) or T4A	<p>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>
Honorariums - Locals and professional associations may provide honorariums to guest speakers at various events.	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"> - In excess of \$500 for the year; or - Tax was deducted from the payment. <p>Therefore, if the total taxable benefits, whether paid by the provincial body or the local, 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>

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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 \$500.00 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).

Meeting Reimbursement Guidelines

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

(ii) Professional Associations (PA) may qualify for their executive meetings expenses to be paid for if, at the end of their fiscal year, their financial assets are less than \$13,350. Meeting expenses will be paid 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 hardship due to the implementation of the operational procedure may apply to the NSTU Provincial Executive for consideration of additional funding to deal with cost over-runs.

Guidelines:

- A professional association may request reimbursement of an executive meeting up to three (3) months after an executive meeting.
- A 'Meeting Reimbursement Request Form' must be submitted by the PA President with approval from the Treasurer. In the absence of the Treasurer, approval from an authorized signing authority will be accepted. The written request must include a list of all members that attended the executive meeting.
- Assuming that a Professional Association decides to host more than three (3) executive meetings in a fiscal year, the Professional Association can decide on which three (3) meetings they decide to have reimbursed.
- Only expenses approved, received and submitted at the refund request date will be reimbursed by the NSTU. Meeting expenses received after the refund request date will not be refunded.
- The NSTU will reimburse expenses prior to determination of year-end net assets. In the event, that the net assets exceed \$13,350, then the PA must reimburse the expenses for that meeting.

Meeting Reimbursement Request Form



NSTU Professional Association

Meeting Reimbursement Request Form

Professional Association: _____

Meeting Date(s): _____

Executive Members in attendance (max 8):

1. _____ 5. _____

2. _____ 6. _____

3. _____ 7. _____

4. _____ 8. _____

Refund Request Date: _____

NOTE: A professional association may request reimbursement of an executive meeting up to three (3) months after an executive meeting.

Approved by:

1. Name: _____ Signature _____
President

2. Name: _____ Signature _____
Authorizer

For Office use:

Approved by: _____ Total Amount Refunded: \$ _____

Date: _____



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