

REGULATION PERTAINING TO
FINANCIAL MANAGEMENT

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MANAGEMENT



ASSOCIATION DES CADRES
DES COLLÈGES DU QUÉBEC



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REGULATION PERTAINING TO FINANCIAL MANAGEMENT

Association des cadres des collèges du Québec
(Quebec college senior management association)

Constituted under the Professional Syndicates Act on July 24, 1974

REGULATION PERTAINING TO FINANCIAL MANAGEMENT

Adopted by the general assembly of November 7, 2018

FOR APPROVAL

Table of contents

1. Generalities.....	1
2. Revenues	2
3. Expenses	2
4. General Administration Fund	2
5. Professional Defense Fund	3
6. Professional Development Fund	3
7. Investments	4
8. Managing surpluses and deficits of certain funds.....	4
9. Financial management of local sections	4
10. General provisions.....	5

1. Generalities

1.01. Guiding principles

With this Regulation, the *Association des cadres des collèges du Québec* is establishing rules designed to ensure best practices in terms of financial management. The Regulation aims, in particular, to

- a) Respect members' ability to pay.
- b) Ensure a rigorous management of funds.
- c) Maintain the availability of reasonable resources to defend the collective and individual rights of Association members.
- d) Promote members' professional development.
- e) Ensure an efficient rendering of accounts.

1.02. Definition of terms

In this Regulation pertaining to financial management, unless the context justifies a different interpretation, the following terms are defined as follows:

- a) **Salary**: The regular salary, including any lump sum payment or bonus paid pursuant with a regulatory agreement. The payment of a lump sum as part of a termination of employment agreement is excluded from the concept of salary.
- b) **Fully funded zone**: The fully funded zone of a fund is more or less 25% of its target.
- c) **Undercapitalization zone**: A fund is undercapitalized when its balance does not reach 75% of its target.
- d) **Overcapitalization zone**: This surplus capitalization zone is reached when the balance of the fund exceeds 125% of its target.

1.03. Interpretation rules

Terms used in the singular include the plural and vice-versa and those applying to natural persons are also applicable to legal persons, especially companies and all other nonincorporated bodies.

Should the English and French versions of this Regulation differ, the French version shall prevail.

1.04. Fiscal year

The fiscal year of the Association is from July 1 of each year to June 30 (thirty) of the following year.

2. Revenues

2.01 Joining fee

To become a member of the Association, the applicant must pay a joining fee of one dollar (\$1). Once the applicant accepted, this amount is debited from the first regular dues payment.

2.02 Regular dues

The regular dues payment is one percent (1%) of the member's salary.

2.03 Suspension of dues

The regular dues payment is suspended for a member on parental leave, on leave without pay, or on long-term sick leave for the entire duration of the leave.

3. Expenses

3.01 Budget

The board of governors proposes a balanced budget to the general assembly.

3.02 Responsibility of the board of governors

The board of governors ensures that expenses are compliant with the budget adopted and that financial obligations are respected.

4. General Administration Fund

4.01 Purpose of the fund

The purpose of the General Administration Fund (referred to as a net asset not allocated in financial statements) is to provide the Association with the necessary funds to maintain its current operations.

4.02 The capitalization target

The capitalization target of this fund is calculated at the end of the fiscal year in the following manner:

$$\text{General Administration Fund} = \text{member contributions} \times 25\%$$

5. Professional Defense Fund

5.01 Purpose of the fund

The purpose of the Professional Defense Fund is to enable the accumulation of sums that can be used to defend the interests of the Association or its members.

5.02 Use of the fund

In the case of defense against a labour-relations complaint or an action before a civil or administrative court, the expense is charged to the Fund when expenses exceed five thousand dollars (\$5,000) or if the budget allocated for professional defense expenses is depleted for the current year, according to whichever of these two eventualities occurs first.

5.03 Capitalization target

The capitalization target of this fund is calculated at the end of the fiscal year in the following manner:

$$\text{Professional Defense Fund} = \text{member contributions} \times 50\%$$

6. Professional Development Fund

6.01 Purpose of the fund

The purpose of the Professional Development Fund is to enable the offering of training and professional development activities to members at a lower cost or free of charge. For example, the fund can finance

- Content creation.
- The reduction of registration fees for Association activities.
- Activities offered outside of urban centres.

6.02 Fund capitalization

The initial capitalization of the Professional Development Fund is four hundred thousand dollars (\$400,000). Revenue generated by investments drawn from this fund are reinjected in its capitalization. Every year, the board of governors can use up to five percent (5%) of the fund. The board of governors reports on the use of this fund in its annual report.

7. Investments

The board of governors adopts the investment policy.

The executive committee is responsible for the application of the investment policy and reports on its management to the board of governors.

8. Managing surpluses and deficits of certain funds

8.01 Interdependence

The General Administration Fund and the Professional Defense Fund are interdependent. At the end of the fiscal year, the capitalization of these two funds is consolidated.

8.02 Surplus

When the General Administration Fund and the Professional Defense Fund, once consolidated, are in the overcapitalization zone, the surplus is redistributed to members in good standing on June 30 of the year when this overcapitalization is recorded. The board of governors agrees on how the redistribution is to be carried out. However, any overcapitalization of less than twenty-five thousand dollars (\$25,000) is not redistributed.

8.03 Deficit

When the General Administration Fund and the Professional Defense Fund, once consolidated, are in the undercapitalization zone, the general assembly must decide how the deficit is to be eliminated so that the funds can return to their respective target amounts by the next annual general assembly.

9. Financial management of local sections

9.01 Local professional dues

The members of a local section can decide in a general assembly to levy a local professional dues contribution not exceeding the regular payment stipulated in section 2.02. Where appropriate, members may be required to make this dues payment in order to maintain the status of member in good standing.

The local professional dues payment receives the same tax treatment as the regular dues payment.

The local section must provide the Association with annual financial statements (unaudited). It must also provide, on demand, all supporting documentation required by the Association.

Eligible expenses pertain to

- a) Training or professional development activities.

- b) Defending members.
- c) Networking activities. However, expenses related to these activities cannot exceed one hundred dollars (\$100) annually per local section member.
- d) Any other activity previously authorized by the Association in writing.

10. General provisions

10.01 Amendments to the *Regulation pertaining to financial management*

This Regulation pertaining to financial management can be amended, revoked, or replaced by a resolution of the general assembly of the Association.

All amendments are submitted to the general assembly of the Association by way of a resolution and require a simple majority of votes to be accepted.

Changes to the regular dues payment cannot enter into force before the end of the fiscal year of their adoption.

All special dues payments enter into force at the moment chosen by the general assembly.