

NUFA Reserve Policy

Implementation date: September 17, 2021

Revision date: September 2023

INTRODUCTION

The Reserve Account will have the following uses, in order of priority:

- (1) an Arbitration Fund;
- (2) a Strike Fund; and
- (3) a Special Projects Fund.

The Reserve Account will remain under the control of the NUFA Executive and will not be turned over the university for any special project. The Executive will review association reserves on an annual basis. Any transfers of funds out of the Reserve Account must be approved by at least two-thirds of the Executive.

POLICY

The Reserve Account is comprised of three funds: (1) an Arbitration Fund, (2) a Strike Fund, and (3) a Special Projects Fund. This policy defines these three funds and establishes regulations and procedures for the Reserve Account.

The target value of the Reserve Account is \$570,000 as outlined below. The monetary target amounts for each fund will be reviewed by Executive on an annual basis.

Reserve Account: Arbitration Fund

1. The Arbitration Fund will cover legal and other expenses of the Association in connection with arbitrations that exceed the annual budgeted amount in the Operations Account.
2. The Arbitration Fund can be used to pay the supplementary costs of staff overtime during preparation for and during the arbitration.
3. The Arbitration Fund can be used to pay for travel, accommodations and other relevant expenses incurred in defending the rights of Members of the Association.
4. The target value of the Arbitration Fund is \$100,000 based on the following rationale:
 - a) a single arbitration can cost in excess of \$30,000;
 - b) the need for arbitration is unpredictable. We therefore need a healthy fund in order to be ready to defend our Members' rights to the best of our ability.



Reserve Account: Strike Fund

1. The Strike Fund will help provide benefits to Members in the event of a strike or lockout, including, but not limited to, strike pay, covering benefits cost, interest free loans, supplemental top ups, and other related costs during periods of labour disruption affecting members.
2. The Strike Fund can be used to pay the supplementary costs of office relocation, staff overtime during periods of labour disruption, rental of additional equipment/services, purchase of strike-related supplies, and other relevant expenses.
3. The Strike Fund can be used to cover Association expenses directly related to bargaining and job action preparation that are not otherwise budgeted for in the Operating Account of the Association.
4. The target value of the Strike Fund is \$450,000.00, or approximately \$1000 per Member, based on the following rationale:
 - a) Daily strike pay based on the current daily rate established by the CAUT Defense Fund and any additional supplementary pay as determined by the Executive.
 - b) The strike fund will be able to support a strike of up to 25 days.
 - c) The coverage of benefits for members for 25 days of strike.
 - d) \$10,000 of Interest Free Loans for Members.

Reserve Account: Special Projects Fund

2. The Special Projects Fund will provide a source of funds for special projects or other such purposes deemed appropriate by the Executive.
3. The target value of the Special Projects Fund is \$20,000.

Investments Committee

- a) The Committee will be composed of three Members including the Treasurer who will serve as Chair.
- b) The Committee will be responsible for monitoring and reviewing association Reserve Account investments, and providing updates and recommendations to the Executive at the very least on an annual basis.
- c) The Committee will make recommendations with a view to the guiding principle of showing preference for responsible investments consistent with Environmental, Social and Governance (ESG) principles.
- d) The Committee will make recommendations with a view to ensuring stability by preferring investment in low volatility, moderate-to low-risk funds.



Reserve Account Regulations and Procedures

1. At the end of the fiscal year, the NUFA Executive will allot funds and transfer them to the Reserve Account. The allotment will be based on the guiding principle that normally between 6% to 10% of total revenues will go to the Reserve Account. This amount shall be calculated on the current year's budgeted estimate of dues receipts and specified as a disbursement in the current year's disbursements.
2. Expenditures from the Reserve Account require a specific motion by the Executive, passed by a two-thirds majority of those voting. A "Notice of Motion" to authorize such expenditures shall be circulated, in writing, to the Executive a minimum of five days in advance of the scheduled meeting.
3. Transfers between the Reserve Account and the Operations Account require a specific motion by the Executive, passed by a two-thirds majority of those voting. A "Notice of Motion" to authorize such transfers shall be circulated, in writing, to the Executive a minimum of five days in advance of the scheduled meeting.
4. The Treasurer in concert with the Reserve Committee will provide reports and recommendations at least once per year on the status and investments of the Reserve Account to the Executive. All recommendations will be made with a view to ensuring stability by preferring investment in low volatility, moderate- to low-risk funds.
5. In accordance with By-Law 13.2, the financial report given to the Membership at the AGM will include a statement concerning the status of the Reserve Account and its funds during that year.
6. The funds in the Reserve Account can accrue beyond the cap (maximum) for all combined funds in order to incorporate the accumulated interest and capital appreciation for the Reserve Account.
7. If the Reserve Account remains greater than 110% of the funding target for 12 consecutive months, the Executive will examine options to manage the surplus, which may include such changes to investment strategies, a mil rate reduction, or other strategies
8. Amendments to this policy require a specific motion by the Executive, passed by a two-thirds majority of those voting. A "Notice of Motion" to authorize such amendments shall be circulated, in writing, to the Executive a minimum of five days in advance of the scheduled meeting.