

2025-05-25

# FIC REPORT & RECOMMENDATIONS

## 1. PURPOSE

To establish clear procedures for the disbursement of honoraria and ensure proper governance and financial integrity within the union. It is designed to prevent misappropriation of funds and promote accountability, transparency, and fairness.

## 2. SCOPE

This policy applies to all executive members, committee chairpersons, and volunteers eligible for compensation or other financial benefits during their active term of service.

## 3. ELIGIBILITY CRITERIA

Stipend eligibility is contingent upon the following:

- Active participation in union activities within the designated term.
- Completion of assigned responsibilities as per role descriptions.
- Attending a minimum of 75% of executive or committee meetings, unless exceptions are approved.
- Abide by the constitution, code of conduct, and bylaws.
- Executives who do not meet these criteria may be subject to further disciplinary action, up to and including removal from office through a Constitutional Trial Committee.

## 4. DISBURSEMENT PROCEDURES

- The Stipend budget must be approved as part of the annual budget at the AGM.
- All Stipends must be approved by at least two executive officers (e.g., Treasurer, Vice-President, or President) before issuance.
- No Stipend shall be issued after an individual's term has ended unless a prior written agreement exists and was approved by the Executive Board.
- Monthly Stipends should be distributed at the end of each month, after a full month has been served.
- Any amount budgeted, not spent in the previous fiscal year, will roll over into the next fiscal year.

- The Stipend budget cannot be exceeded, and in the event it has been used within the fiscal year, all work for the remainder of the year cannot be compensated.
- The Stipend fund must be independent from the Employee salary budget.

## 5. FINANCIAL CONTROLS

- **Dual Authorization:** All financial transactions, including honoraria, must be authorized by two current executive members.
- **Access Removal:** Access to bank accounts and digital platforms shall be removed within 5 business days after the end of the term. The incoming Treasurer is responsible for changing the banking passwords and access upon their first business day in office. In the event a bank appointment is not possible within those 5 days, this time period shall be extended to the first date the bank can proceed with removal.
- **Financial Handover:** A formal handover of financial records shall occur at the end of each term, with signatures from both incoming and outgoing treasurers.
- **Annual Audit:** An external audit shall be conducted at the end of every 1 academic year. An internal audit shall be conducted Bi-Annually or sooner as needed.

## 6. TRANSPARENCY

- A quarterly financial summary shall be shared with the membership if requested, using non-employer-affiliated emails.
- A conflict-of-interest declaration must be signed by each executive member at the start of their term, and renewed annually for any 2 year positions.
- A code of conduct agreement must be signed by each executive member within a week of their election. Failure to comply with this agreement may result in disciplinary actions.
- A confidential whistleblower process will be available for reporting suspected financial misconduct.
- An Annual Financial Report must be published every fiscal year, presented at the AGM, and kept for TAUMUN records.

## 7. ACCOUNTABILITY

In the event of confirmed misappropriation of union funds, including honorariums, the following disciplinary measures may apply depending on severity:

a. Minor Infractions (e.g., lack of documentation, honest error):

- 1) Mandatory training on financial protocols with the treasurer, with an additional Executive member present for witness purposes.
- 2) Written warning filed in internal records
- 3) Reimbursement of the amount in question in 5 business days

b. Major Infractions (e.g., deliberate misuse, embezzlement – no matter the amount of money):

- 1) Referral to legal authorities if criminal activity is suspected
- 2) Convening of a Trial Committee to address the accused's actions.
- 3) Mandatory repayment of misused funds within 5 business days, or through a viable repayment plan agreed by the board when the debt is unable to be repaid within 5 business days.
- 4) Notification of relevant university bodies (e.g., Graduate Student Union, Graduate Studies School, etc.)

## 8. ADDITIONAL POLICY RECOMMENDATIONS

- A. All Financial Documents, including Annual Fiscal Reports, Bank Statement records, and Benefit fund records, must be kept and archived for a clear record of finances.
- B. Benefit funds should be separated from general membership funds. Any additional Funds outside of general use should also be given their own separate account.
- C. Any expenses that exceed their budget allocated amount must be voted on by the board and ought to be transferred from a non-earmarked budget item.
- D. Stipends and compensation of executives can never exceed the membership-approved budget. Any increases to the budget must be approved by the membership. In the event of financial hardship for the union, executives must forfeit Stipend compensation until hardship has passed.
- E. Any budgets created outside of AGM's must be approved by the Executive Board, and only be made if there are funds available outside of existing budgets.
- F. The TAUMUN constitution ought to be amended so that disbursement of any funds from the collective agreement administration fund, or any other union monies, is done through Executive vote, excluding compensation for executives. Any allocation of Union Money for Executive compensation must be transferred to the authority of the general membership.
- G. TAUMUN should task its Constitutional Review Committee with expanding the discipline section, and simplifying the process to discipline offending members.

- H. TAUMUN should review and adopt any appropriate by-laws, policies, and constitutional amendments of local MUN Unions to improve existing procedures and policies.
- I. TAUMUN ought to appoint a Financial Watchdog, either from the Stewards Committee or another TAUMUN Committee, who will meet with the treasurer no less than every 4 months, to assure that fiscal responsibility is being practiced. This watchdog may request bank statements, board meeting minutes, and any other related documents at any given time. The treasurer should be given no more than 2 weeks to collect this information and distribute it to the watchdog. If any breaches are found, the watchdog should take appropriate action; if unethical conduct or mismanagement is suspected, Constitutional complaints should be filed. If minor infractions or errors in procedure occur, the watchdog can give recommendations to address the issue and take further action if needed.

This document shall be reviewed annually by the Executive Board.

Amendments must be approved by a majority vote of the Executive Board or Annual General Meeting.