



CONVENTION - CONGRÈS

MAY 1-5 MAI 2023

TORONTO, ONTARIO

National Executive Board Responses to the 4th verification report of the National Board of Trustees



NATIONAL BOARD OF TRUSTEES

Fourth Verification
February 15 to March 3, 2023

2019 – 2023 Term

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1. Introduction

The National Board of Trustees is mandated by article 4 of our National Constitution. Section 4.94 provides for the election of 1 trustee and 2 alternates for each of the Union's 8 Regions. At the beginning of each mandate, the 8 National Trustees will select 1 trustee to serve as the Board Chair and 1 to serve as Secretary. Both positions are fixed for the length of the term, which is currently 4 years.

It must be noted that the function of the National Board of Trustees is not to audit the National Union, but to look at the finances of the Union as a whole and to ensure that spending is done in accordance with the National Constitution and/or motions of the National Executive Board. It is also tasked with commenting on the finances of the Union at all 3 levels to make recommendations that it feels are necessary to ensure that there is proper use of the members' funds, and transparency in its financial dealings.

2. Composition of the National Board of Trustees

For the fourth verification of the 2019 – 2023 mandate of the National Board of Trustees, its composition was as follows:

Ontario Region	Brother John Lawrence	Chairperson
Metro-Toronto Region	Sister Angela Jones	Secretary
Atlantic Region	Brother Scott Gaudet	Member
Quebec Region	Brother Marc Désilets	Member
Metro-Montreal Region	Brother Stéphane Surprenant	Member
Central Region	Brother Naveed Khan	Member
Prairie Region	Sister Maria Tan	Member
Pacific Region	Sister Norma Kimball	Member

A retirement by the former Prairie Region trustee allowed the National Board of Trustees to welcome Sister Maria Tan as the Trustee for that Region.

3. Annual Verifications

The National Board of Trustees conducted the fourth and final verification for their 2019 – 2023 mandate. The National Board of Trustees sat in Ottawa at National Office from February 15 to March 3, 2023, when they presented their verification to the National Executive Board.

The National Board of Trustees was allotted an additional 2 days for this verification to assist us in preparing the report to Convention. The National Board of Trustees had asked the National Executive Board for an extra week (as is noted in our third verification report) as it was still coping with new additions to the National Board of Trustees, as well as trying to transition from online work to in-person work.

It must be strongly noted that throughout our term, the National Executive Board failed to abide by section 4.101 of the National Constitution in that the reports of the National Board of Trustees that were presented to the National Executive Board were not distributed to each Local within 30 days following the presentation of those reports. While there were disruptions and changes to work methods due to the pandemic, the delays in the National Board of Trustees' reports being distributed decreased the value of those reports in that the information being shared was older and therefore less relevant.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board adhere to section 4.101 of the National Constitution and ensure that the National Board of Trustees' reports are adopted and distributed to each Local of the Union within 30 days each of the reports being presented to the National Executive Board.

It is impossible to adopt the National Board of Trustees' verification report as outlined in section 4.101 of the National Constitution, as section 4.14 stipulates that the National Executive Board must meet at least once every two months.

4. Resolutions and Records of Proceedings

The National Board of Trustees examined the minutes of all National Executive Board and National Executive Committee meetings for the 2021 – 2022 period to ensure that all expenditures were approved and constitutional as per section 4.100 of the National Constitution.

The National Board of Trustees was disappointed to see that minutes were being adopted many months after meetings were held. In one instance, there was a 21-month time span from the date of a meeting to the time that the minutes for that meeting were adopted. This causes an unacceptable delay in getting these minutes to the membership via the Locals. This impacts the credibility of the National Union and is not in the spirit of transparency.

Therefore, the National Board of Trustees recommends:

- That minutes for the National Executive Committee and National Executive Board meetings be adopted at the next meeting; and

The Board endeavored to prioritize and adopt minutes at every meeting. However, the National Executive Board deals with matters addressing the working conditions and the rights of the membership which can result in the minutes not being adopted. Due to ongoing staffing issues in the Translation department, adoption of minutes was delayed.

- That those minutes be distributed to all Locals immediately upon being adopted, preferably within 15 days of each meeting as prescribed by section 4.14 of the National Constitution.

The National Executive Board minutes are distributed as soon as possible after their adoption following the distribution process in place.

5. CUPW 2019 National Convention

The National Board of Trustees reviewed the costs for the 2019 National Convention. During the 2021 – 2022 fiscal year, there are no reports to convey to the members as there were no additional expenses incurred. All the expenses and adjustments have been reported in previous verifications.

Chart – National Convention Costs

Convention Year	National Convention Cost	Increase Over Previous Conventions
2008	\$3,241,353	\$ 83,306
2011	\$3,474,518	\$233,165
2015	\$3,741,317	\$266,799
2019	\$3,988,180	\$246,863

Note: All amounts have been rounded to the nearest dollar.

6. National Financial Reports

The National Board of Trustees reviewed the audited financial statements for the fourth verification. As noted in the third verification, the budget for 2021 – 2022 was tabled during the previous fiscal year and was a balanced budget.

7. Union Funds

The National Board of Trustees reviewed the annual financial statements prepared by the accounting firm Marcil Lavallée. These statements provided data relating to the General Fund, Defence Fund and Reserve Fund.

Regarding the funds provided for in section 7.13 of our National Constitution, the following chart shows the amounts in each fund as of June 30 of each fiscal year in our mandate.

Chart – Union Funds

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
General Fund	\$15,083,957	\$20,526,135	\$22,477,398	\$19,424,694
Defense Fund	\$28,767,996	\$33,514,606	\$43,269,121	\$44,645,867
Reserve Fund	\$17,734,189	\$20,665,200	\$28,473,676	\$29,623,066
Total	\$61,586,142	\$74,705,941	\$94,220,195	\$93,693,627

Note: All amounts have been rounded to the nearest dollar.

The National Board of Trustees found for this verification period that the National Executive Board adopted a resolution to transfer an amount of \$2,226,198 from the General Fund to the Reserve Fund, as there was an excess of revenues over expenses in the General Fund.

As per section 7.18 of the National Constitution, any surplus left in the General Fund may be transferred to the Reserve Fund. The National Executive Board passed the resolution in January 2022 with the reasoning that this amount would be held in abeyance in the Reserve Fund to assist with costs associated with the National Convention in 2023.

8. CUPW Building Society

The Canadian Union of Postal Workers holds its real estate holdings inside the CUPW Building Society which is incorporated under the Business Corporations Act of Ontario.

At present, the CUPW Building Society owns 19 distinct properties.

The properties belonging to the CUPW Building Society, along with their characteristics and uses, are as follows:

1. 377 Bank Street, Ottawa, Ontario: this five-storey building serves as National Office and also contains our print shop;
2. 344 Sovereign Road, London, Ontario: a one-storey commercial building which serves as the Ontario Regional Office;
3. 34 Colonnade Road, Suite 100, Ottawa, Ontario: a one-storey commercial building which serves as the Central Regional Office and which will also house our future CUPW archives centre and the offices of the National Organization of Retired Postal Workers (NORPW);
4. 999 Carnarvon Street, New Westminster, British Columbia: a commercial condominium which serves as the Pacific Regional Office;
5. 565 Crémazie Boulevard East, Suite 4400, Montreal, Quebec: a commercial unit condominium which serves as the Metro-Montreal Regional Office;
6. 5000, des Gradins Boulevard, Suite 340, Quebec, Quebec: a commercial unit condominium which serves as the Quebec Regional Office;
7. 300 Lisgar Street, Ottawa, Ontario: this is the SOHO condominium building in downtown Ottawa. The CUPW Building Society currently owns 11 residential units in this building, as well as 7 parking spaces.
8. 1227 Wellington Street, Ottawa, Ontario: 2 residential condominiums and 2 parking spaces.

During our current verification, the CUPW Building Society purchased 1 building, that being the commercial building at 34 Colonnade Road in Ottawa, Ontario. No property was sold.

While the Union is not in the business of real estate per se, it may make sound economic sense to own properties in areas where there is a constant need for it. In Ottawa, given the use of Alternate Union Representatives at times, as well as having Negotiators spend months in town, and the numerous Boards and Committees that must be given accommodation while doing their work at National Office, these properties facilitate their stay.

The purchase at 34 Colonnade Road in Ottawa eliminates the need for the Union to rent space for the Central Regional Office and it also gives the Union more office space, which is sorely needed.

The National Board of Trustees would caution the Union, however, on the real estate holdings of the CUPW Building Society. The Union must remain vigilant in this endeavour to ensure that the membership of the Union receives the best return on these investments and that holding them remains beneficial.

It is also prudent that in the future, the National Executive Board prepares a document for the National Board of Trustees that gives a fiscal snapshot of the CUPW Building Society that includes the real market value of each property, as well as the costs associated with property management fees, condominium fees, cleaning staff, ongoing maintenance costs, property taxes, purchasing, legal fees, utilities and any and all other relevant costs that are material. It is only with this information that the National Board of Trustees can ascertain whether owning real estate is an asset or a liability to the members.

This information is requested as the annual financial statement prepared by the accounting firm Marcil Lavallée do not compile all of these costs.

Lastly, the National Board of Trustees would find it invaluable to see a policy regarding the use of the residential condominiums as well as a register of how often the condominiums were occupied and for what purpose.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board, with the help of the Chief Financial Officer, conduct a review of all holdings of the CUPW Building Society every two years to ascertain whether or not the Society's current holdings are still of a material benefit; and

The National Secretary-Treasurer with the assistance of CUPW's Chief Financial Officer, will continue to do an analysis of the Union's financial obligations, real estate holdings, and operational requirements. This information is shared with the National Executive Board prior to recommending the purchase or sale of any properties owned by the Union.

- That the National Executive Board, with the help of the Chief Financial Officer, conduct a review of all holdings of the CUPW Building Society every two years to ascertain whether or not the purchase of additional real estate or the sale of any of its current holdings is advisable or warranted; and

Currently, the recommendation of the National Board of Trustees is being addressed. The current practice of the National Executive Board is to discuss the advantages and disadvantages of the ownership of the Union's current real estate holding prior to purchasing and/or selling any real estate.

- That the National Executive Board provides the National Board of Trustees each year, when they convene, with the pertinent information requested above; and

A report detailing the information requested above will be produced by the National Secretary-Treasurer and shared with the National Board of Trustees for their verification.

- That the National Secretary-Treasurer keep a calendar for each residential condominium in that a record of when it was vacant and/or occupied can be ascertained and that the reason for the unit being occupied is noted, i.e., Alternate Union Representative, Negotiator, Trustee, etc. and that this calendar be shared with the National Board of Trustees.

The Secretariat department has been maintaining a calendar detailing the information listed above for each condominium unit owned by the CUPW Building Society since 2016.

9. Collective Agreement Funds

The National Board of Trustees reviewed the various Collective Agreement Funds negotiated for members. The funds negotiated for Urban Operations members are:

- Appendix “L” Child Care Fund;
- Appendix “R” International Postal Fund;
- Appendix “U” Education Fund.

The funds negotiated for Rural Suburban Mail Carriers are:

- Appendix “D” Education Fund;
- Appendix “J” Childcare Fund.

Chart- Collective Agreement Funds-Urban Operations and Rural Suburban Mail Carriers

July 1, 2021 to June 30, 2022			
	Child Care Fund	International Postal Fund	Education Fund
Revenues	\$1,572,088	\$ 22,907	\$2,613,410
Expenses	\$2,006,762	\$ 22,907	\$ 642,043
(Deficit)/Surplus	\$(- 434,674)	\$ 0	\$1,971,367
Balance as of June 30, 2022	\$3,297,692	\$200,000	\$8,493,076

Note: All amounts have been rounded to the nearest dollar.

Private Sector Bargaining Units – Education Funds

CUPW has negotiated Education Funds for Private Sector Bargaining Units. The table below shows balances of those funds as of June 30, 2022.

Chart – Private Sector Bargaining Units – Education Funds

RMS Pope	\$ 3,000.00
Nova Scotia Medical Communications	\$28,524.13
Easy Express – Atlantic	\$ 1,000.00
Easy Express – Sault Ste. Marie*	\$ 300.00
Pro Ex Transportation	\$ 4,800.00
Bee Clean – Hamilton	\$ 5,700.00
T-Force – Red River	<u>\$21,896.03</u>
Total	<u>\$65,220.16</u>

*The National Board of Trustees was delighted to see a new Private Sector Bargaining Unit added to the list of Education Funds.

Therefore, the National Board of Trustees recommends:

- That the CUPW Negotiating Committees representing Private Sector Bargaining Units be encouraged through the leadership of the National Executive Board, to continue to include an employer funded Education Fund in all future negotiating to ensure education funds are instilled into all Private Sector Bargaining Units Collective Agreements; and

It is the current practice of those negotiating collective agreements for Private Sector Bargaining Units to negotiate a paid Education Fund.

- That the 2nd National Vice-President encourage and assist Private Sector Bargaining Units to utilize these Education Funds for their intended purpose, to educate its members in all aspects of trade unionism.

In 2023, the 2nd National Vice-President will be tasked with sending a letter to all Private Sector Bargaining Units encouraging those with Education Funds to use their funding to educate their members by sending them to CUPW Regional and National Education Seminars, or by holding Local Education Seminars.

10. Negotiations

The National Board of Trustees reviewed the expenses for negotiations during the 2021 – 2022 fiscal year. The negotiation costs for both the RSMC and Urban Operations bargaining units were low due to the extension of both collective agreements. The RSMC collective agreement has been extended until December 31, 2023, and the Urban Operations collective agreement has been extended until January 31, 2024. Both collective agreements were signed with Canada Post Corporation.

Expenses for the 2021 – 2022 fiscal year for Private Sector Bargaining Units were significantly higher from previous years, as the Bee Clean and T-Force bargaining units underwent negotiations.

Chart – Negotiation Expenses

	RSMC and Urban Operations Bargaining Units	Private Sector Bargaining Units
2018 – 2019	\$3,001,926	\$125,427
2019 – 2020	\$1,218,914	\$ 67,777
2020 – 2021	\$ 387,786	\$ 71,725
2021 – 2022	\$ 162,203	\$153,073

Note: All amounts have been rounded to the nearest dollar.

11. Strike Pay

The National Board of Trustees has no information to convey to the members regarding strike pay for the fourth verification. There were no strike activities during the July 1, 2021 to June 30, 2022 fiscal year and all outstanding strike funds held by Locals had been returned to the National Office by the end of our second verification.

12. National Activities

The National Board of Trustees reviewed the expenses for National Activities for the period of July 1, 2021 to June 30, 2022.

National Activities (mandated)

Appendix “AA” Committee	\$ 33,174
RSMC Work Content and Workload Committee	\$ 74,500
National Board of Trustees	\$ 53,128
National Health and Safety Committee	\$ 11,291
National Human Rights Committee	\$ 127,280
National Work Measurement Committee	\$ 8,249
National Women’s Committee	\$ 22,949
National and Regional Disciplinary Committees	\$ 12,688
Biennial Women’s Conference	\$ 16,674
Constitutional Conference	\$ 58,258
National Journal (Perspective)	\$ 16,730
National Presidents Meeting	\$ 40,046
National and Regional Conferences	\$ 138,450
Pre-negotiation Conference	\$ 5,574
Referendum Vote	\$ 953,356
Social Stewards	\$ 18,252
Total	<u>\$1,590,599</u>

Note: All amounts have been rounded to the nearest dollar.

The National Board of Trustees noticed that there were no expenses used for the Appeal Board or the Groups 3 & 4 Review Committee, however, there were amounts used during this verification for a Biennial Women’s Conference and the National Journal.

The National Board of Trustees has also noted a decrease in video/virtual meeting costs. This can be attributed to having our in-house staff doing the work and the lifting of Covid-19 restrictions that were legislated by the Government.

Other National Activities (non-mandated)

Education Seminars	\$165,204
Environment Committee	\$ 8,898
RSMC Hourly Rate Committee	\$ 42,405
Urban Operations and RSMC Negotiating Committees	\$162,203
Other	\$ 51,926
Total	<u>\$430,636</u>

Note: All amounts have been rounded to the nearest dollar.

13. Review of Statements of Expenses

The National Board of Trustees examined the individual statements of expense for each of the National and Regional Officers, Union Representatives, Alternate Union Representatives as well as those working on Appendices and Specialists under contract to CUPW for the period of July 1, 2021 to June 30, 2022. Expenses are reported for activities in which per diem, travel, mileage, car rental and leave are used.

As the Covid-19 pandemic restrictions lifted during this year's verification, the National Board of Trustees noted an increase in expenses as education, floor visits, arbitrations and other in-person activities resumed. We are hopeful that in-person activities continue.

Expense Forms

The National Board of Trustees examined the Statements of Expense for approximately 131 individuals.

The National Board of Trustees recognizes that the National Secretary-Treasurer is sending out outstanding Statement of Expense letters, reminding those neglecting to submit their expense forms to do so as soon as possible. Non-compliance of submission of expenses continues, as well as Statements of Expense being submitted months late.

The National Board of Trustees notes numerous expense forms from the previous fiscal year were submitted during this year's verification, expense forms were approved without receipts as well as receipts submitted with no expense explanation. Many receipts were faded, and it was difficult for the National Board of Trustees to verify these expenses.

The National Board of Trustees appreciates that the National Secretary-Treasurer continues to send out a letter to each incoming member that is required to submit an expense form instructing them how to report their expenses and, as per our recommendation, that a second officer has signed the expense reports prior to being submitted to National Office.

The National Board of Trustees examined the use of Union vehicles and is concerned that Union vehicles continue to be used for personal use. While the National Board of Trustees understands the element of trust within the systems of our Union, controls need to be put in place at the National and Regional levels to ensure that Union vehicles are used solely for Union business. Section 7.43 of the National Constitution states that *"These automobiles must be used strictly for Union business and shall not, under any circumstances, be used for personal reasons"*.

While it is appreciated that new expense forms now include “***Description required for activity 000***”, individuals are still not specifying these expenses and code 000 continues to challenge the National Board of Trustees in deciphering what the expenses are for. The National Board of Trustees has found different versions of the Monthly Statement of Expense forms are still being used. As per previous recommendations, use of code 000 must include an explanation of the expenses.

Therefore, the National Board of Trustees recommends:

- That Monthly Statements of Expense forms must be submitted monthly and in a timely manner; and

In January and June of each year, a memo is sent to all concerned reminding them of the dates for submitting their “Monthly Statement of Expenses”. In addition, if an Officer or Union Representative is behind in submitting their monthly expenses, they are reminded by means of a letter of their obligation to submit monthly expense reports. A copy of this letter is placed in the individual’s monthly expense report file.

- That reimbursement of expenses be withheld until receipts are received to verify expenses; and

As per current accounting practices, expenses are not paid until a receipt has been authorized by the individual’s Officer. Withholding the payment of expenses where most expenses claimed are charged to Union credit cards would only incur additional costs, such as interest charges to the Union.

- That the National Secretary-Treasurer instruct all who are required to submit monthly expense forms to switch to the newest version; and

A memo was sent on June 16, 2022, to everyone at CUPW that is required to submit a monthly expense report instructing them to use the new “Monthly Statement of Expense” form. The memo explained that should expense reports be received at National Office on the old form, they will not be processed and will be returned to the individual for resubmission on the new monthly expense form.

- That those who sign off on the old Statement of Expense forms to return them to the sender, enclosing the new version for resubmission; and

The recommendation of the National Board of Trustees was outlined in the memo sent to everyone at CUPW, as referenced above.

- That when it is necessary to use activity code 000 miscellaneous, a description for the expenses be included; and

The new “Monthly Statement of Expense” form provides a space for “Explanation required below for activity 000”.

- That all receipts of expenses be photocopied; and

This recommendation of the National Board of Trustees is unfeasible by the two staff members in the Finance department due to time constraints. However, a memo will be sent to all who submit monthly expense reports asking them to make a photocopy of all receipts, and that these be submitted with their monthly expense report.

- That activity codes are applied to per diems; and

The staff in the Finance department responsible for the reimbursement of expenses ensure that activity codes are applied to all per diem expensed by individuals.

- That the National Secretary-Treasurer put in place a procedure of accountability to ensure that vehicles are being used for Union business, not personal only; and

National Directors in Regional Offices that have Union-owned vehicles are responsible for the vehicle’s use where the honour system is used to ensure that individuals do not use the Union-owned vehicles for personal use.

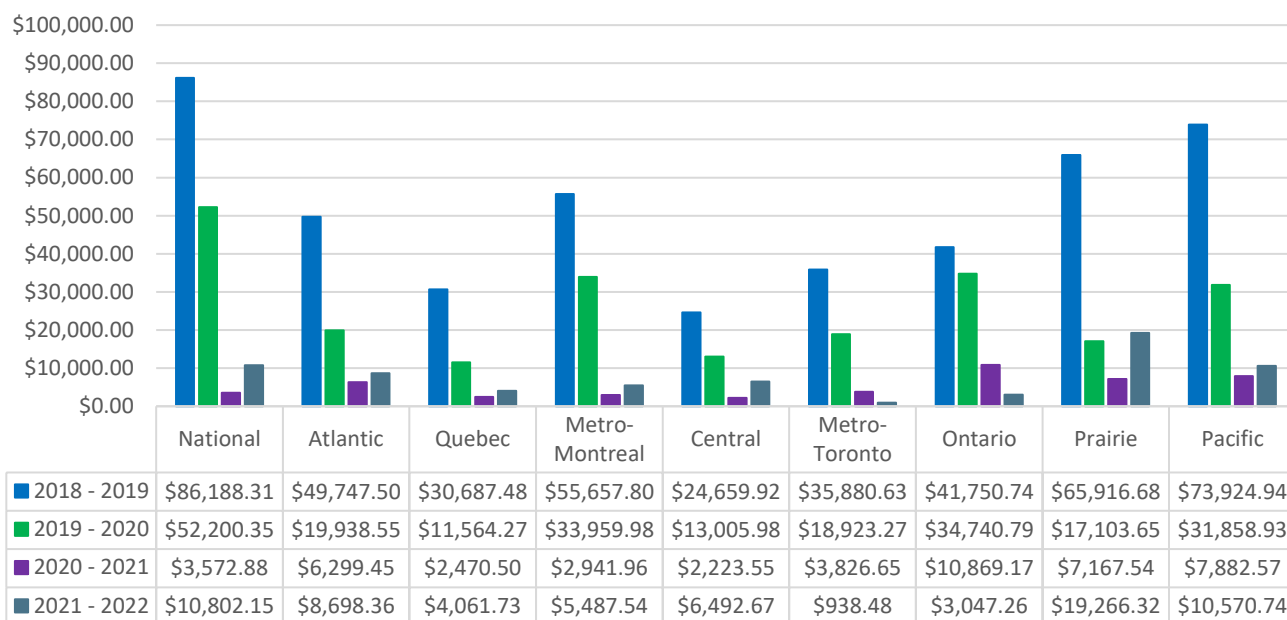
- That the National Board of Trustees be provided with a copy of a logbook for each Union owned vehicle at the beginning of each verification.

A copy of all logbooks received at National Office for the use of Regional vehicles is placed in the front of the file of each Region’s Local Financial Statement files.

Per Diem

Per Diem covers breakfast, lunch, dinner and accommodation allowance.

Chart – Per Diem

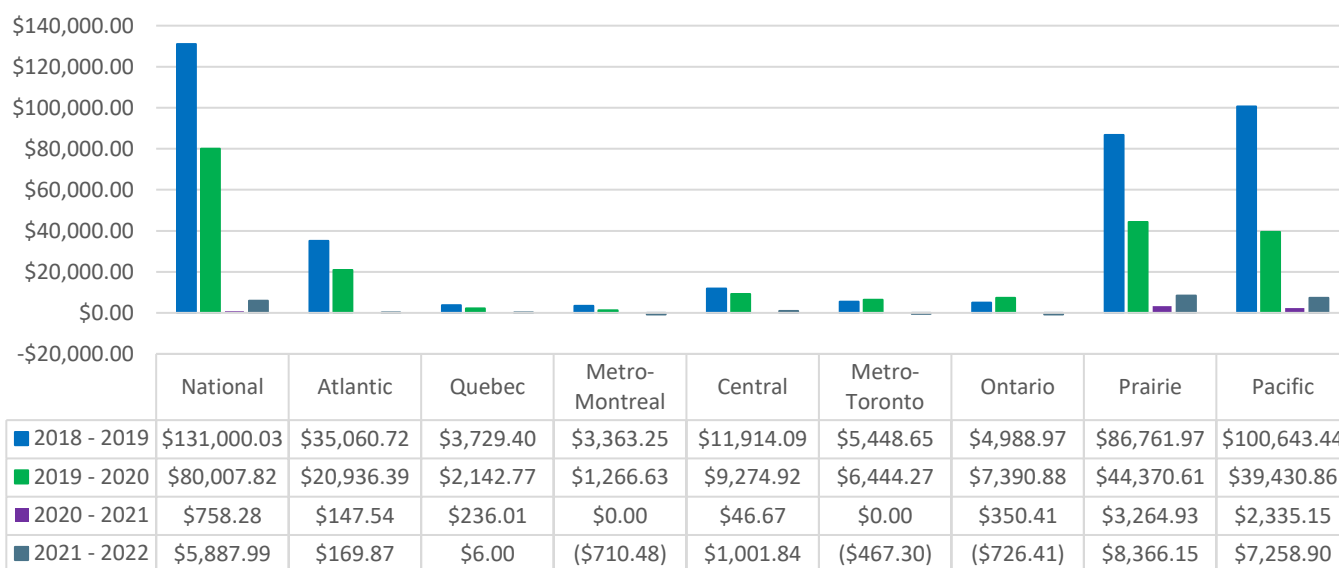


Total for 2018 – 2019 :	\$464,414.00
Total for 2019 – 2020 :	\$233,295.77
Total for 2020 – 2021 :	\$ 47,254.27
Total for 2021 – 2022 :	\$ 69,365.25

Travel

The National Board of Trustees examined the travel expenses for air, train, parking and taxi. Receipts were provided for travel purposes along with travel authorization forms.

Chart – Travel



Total for 2018 – 2019 :	\$382,910.52
Total for 2019 – 2020 :	\$211,265.15
Total for 2020 – 2021 :	\$ 7,138.99
Total for 2021- 2022 :	\$ 20,786.56

Mileage

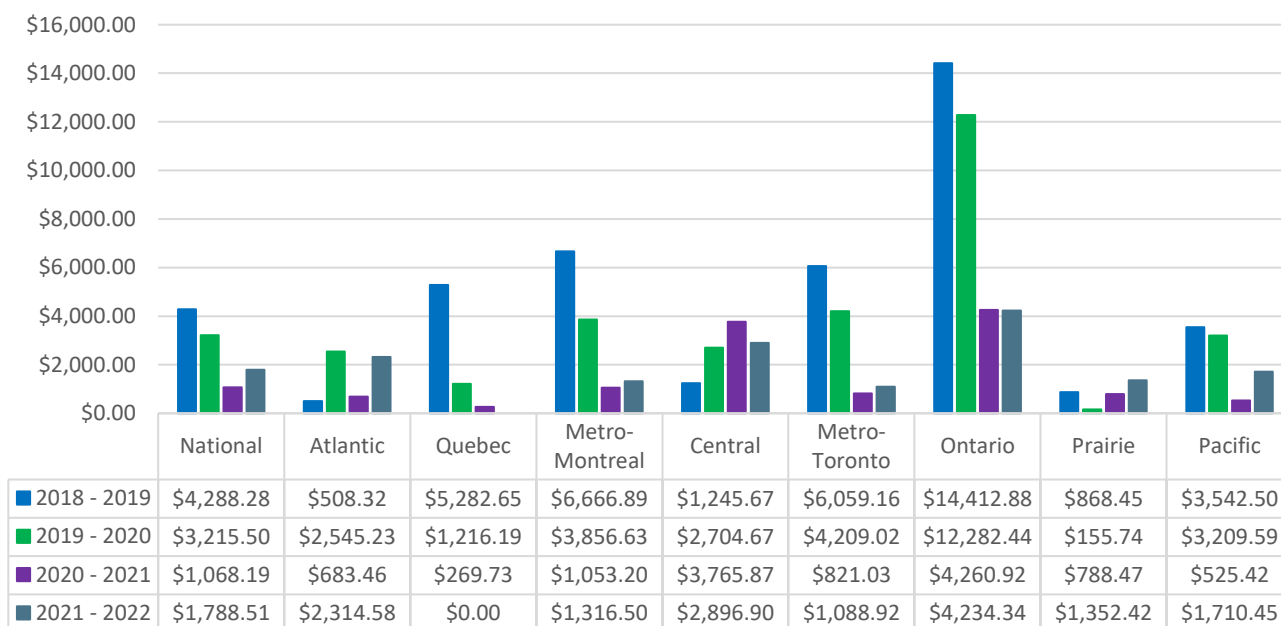
The National Board of Trustees verified the mileage expenses submitted. While most mileage forms were provided when mileage was used, there were times when payment was issued for mileage without a travel expense form being submitted. In one instance, a total amount was submitted for the whole month showing the kilometers used, instead of daily, making it impossible for the National Board of Trustees to verify what mileage expenses were for and when they were used.

Therefore, the National Board of Trustees recommends:

- That mileage forms be written daily indicating the originating location and destination of mileage expenses.

The current mileage expense form requests the daily “to and from” information and includes a space for the mileage trip. A memo reminding those that request reimbursement for mileage will be issued mentioning that the mileage reimbursement must show each day of use on the form not a monthly total.

Chart – Mileage

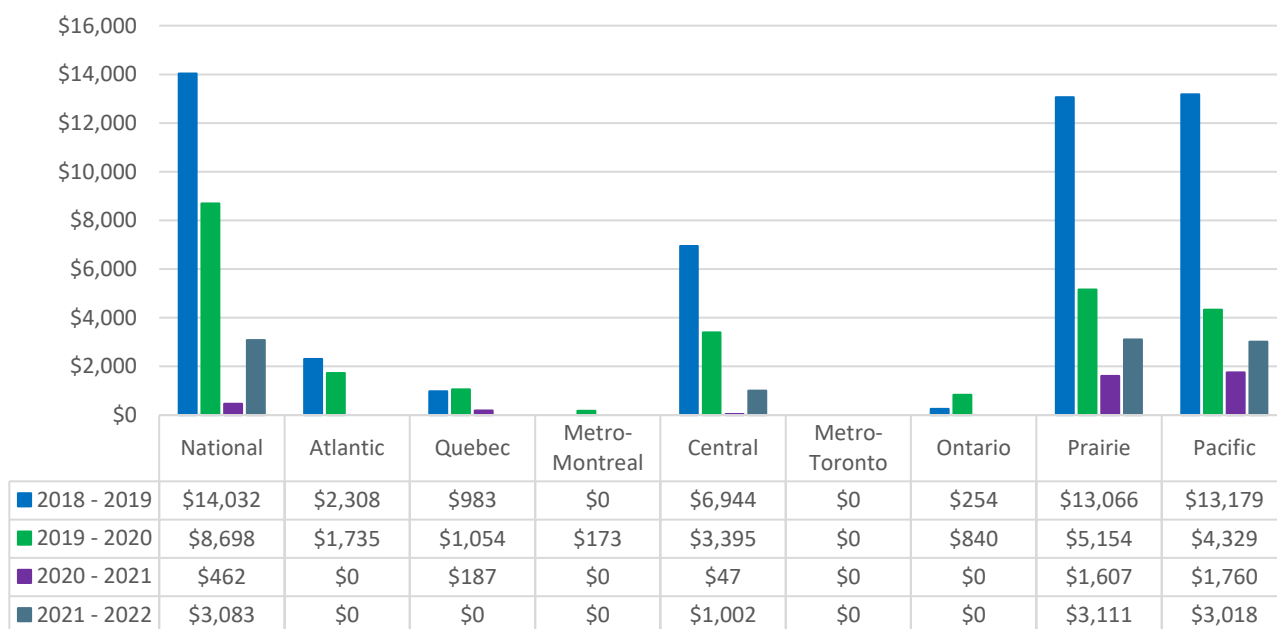


Total for 2018 – 2019 :	\$42,874.80
Total for 2019 – 2020 :	\$33,395.01
Total for 2020 – 2021 :	\$13,236.29
Total for 2021 – 2022 :	\$16,702.62

Car Rental

The National Board of Trustees found no issues regarding in car rentals during this verification.

Chart – Car Rental



Note: The 2021 – 2022 year amounts for car rental have been rounded up and down.

Total for 2018 – 2019 :	\$50,766
Total for 2019 – 2020 :	\$25,378
Total for 2020 – 2021 :	\$ 4,063
Total for 2021 – 2022 :	\$10,214

14. Attendance

The National Board of Trustees reviewed annual leave, personal leave and pre-retirement leave taken by National and Regional Officers and Union Representatives. It was noted that a number of Officers and Representatives of the Union are not taking their allotted annual leave. While the Union recognizes the importance of its members taking leave to which it has been negotiated for, it must also take the same opinion for its Officers and Representatives. Taking leave is of the utmost importance to mental wellness, work-life balance and fulfilling family responsibilities. We must take care of each other and ensure our Officers are taking their allotted leave to recharge their minds and bodies. Policy A-30 is a good reminder of our priorities with the health and safety of our membership.

Attendance records are based on the honor system, where elected Officers and Union Representatives are responsible for reporting their attendance on their monthly statements of expense. With the new personal days allotments given under the Canadian Labour Code, it is very important that the newest version created by the National Secretary-Treasurer be used in order to ensure that staff, Officers and Specialists are using these new personal days, which are shown separately on the new form.

It was reported that the National Secretary-Treasurer paid out any unused personal days for this period of verification leaving no more than 12 personal days remaining for Union Officers and Representatives.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board abide by section 7.37 of the National Constitution and shall establish a schedule of annual leave periods, ensuring that the services to the membership are maintained; and

Annual leave schedules as outlined in section 7.37 of the National Constitution is not practicable for those elected individuals working in various departments at a National or Regional level, as individual leave schedules change very frequently when ensuring services required by the membership are maintained. As per the current practice, each department at National and Regional Offices are responsible for determining their own leave schedules and ensuring there are always individuals in the department to complete the work of the Union.

- That the National Executive Board abide by section 7.38 of the National Constitution and review reasons that are preventing Officers and Union Representatives from taking their annual leave and if reasons are founded, the unused annual leave credits remaining after the 2014 policy be paid out; and

Currently the National Executive Board does not require an Officer or a Union Representative at a Regional or National level, to provide a written report as to why the individual has not taken all their annual leave as outlined in section 7.38 of the National Constitution. As per the resolution adopted by the National Executive Board in 2015, each year, once an individual submits their June monthly expense report, annual leave is reconciled and any remaining leave as per the National Executive Board resolution is paid out.

- That the National Secretary-Treasurer inform all elected Officers, Union Representatives, Specialists and staff who are required to submit monthly expense forms that they must all switch to the newest version of the expense form and destroy/delete any and all older versions of the expense form; and

A memo was sent to those concerned on January 13, 2023 explaining that monthly expenses could only be submitted on the new monthly expense form. A paper copy of the new form as well as the electronic version was provided to everyone. Regional offices were provided a supply of the paper version of the new monthly expense report and were advised to destroy all old versions.

- That any Officer required to sign off on any monthly expense form to not accept any old forms and remind those that the newest version must be used.

The recommendation of the National Board of Trustees was conveyed to those responsible for signing off individual monthly expense reports.

15. Expenses for Regional Activities

The National Board of Trustees found that there were no Regional activities by any of the 8 Regions between our verification date of July 1, 2021 to June 30, 2022. The National Board of Trustees verified that there were activities held after our fourth verification.

16. Inventory Lists for National and Regional Offices

The National Board of Trustees reviewed the inventory lists of the National Office and Regional Offices. In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union under section 4.56 of the National Constitution, inventory lists are required. The lists should include all items purchased with the Union funds. All inventory lists are for insurance purposes in case of loss.

During our fourth verification, the National Secretary-Treasurer mailed a memo to National and Regional Offices dated June 15, 2022 requesting updated inventory lists.

The National Board of Trustees was provided inventory lists from all 8 Regions. 51 National Officers/staff, including the print shop, submitted an inventory list. We have seen an improvement on return of reports compared to previous verifications.

Chart- National and Regional Inventory Expenses

2018 – 2019	2019 – 2020	2020 – 2021	2021 – 2022
\$16,000	\$27,249	\$126,976	\$64,744

The National Board of Trustees included the furniture and equipment inventory purchases for the condominiums owned by the National Building Society in our fourth verification, amounting to \$18,976. A list of this inventory was available to the National Board of Trustees for these expenses.

17. Computer Hardware and Software

The National Board of Trustees reviewed the expenses for the 2021 – 2022 fiscal year. During our fourth verification, we learned that the National Office was using and maintaining the following software: Oracle, Sage and Janus. iMIS was discontinued. The Oracle software will be kept for record-keeping purposes only. In addition, Oracle will not incur any additional costs to the Union. The National Office has in-house IT support that is responsible for building and maintaining the Janus system.

It was appreciated that the recommendations from the National Board of Trustees from previous verifications were adopted by the National Secretary-Treasurer regarding computerized costs.

Chart – Computerized Costs

	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
Hardware	\$ 0	\$ 0	\$ 56,176	\$ 0
Software	\$383,282	\$700,351	\$157,302	\$138,942
Repairs and Maintenance	\$ 19,274	\$ 69,337	\$ 24,523	\$ 33,743
Supplies	\$ 26,695	\$ 59,023	\$ 5,619	\$ 77,285
Professional Fees	\$ 7,389	\$ 32,820	\$ 20,425	\$ 78,271
Training IT	\$ 0	\$ 3,280	\$ 6,355	\$ 3,384
Totals	\$436,640	\$864,811	\$270,400	\$331,625

Note: All amounts have been rounded to the nearest dollar.

18. Termination of Employment and Moving

The National Board of Trustees reviewed the amounts paid to National and Regional Officers and Union Representatives who took or left office between July 1, 2021, and June 30, 2022.

Moving and relocation	\$58,615.15
Unused annual leave	\$23,582.42
Section 7.41	\$12,026.62
Unused personal days	\$3,217.48
Total	\$97,441.67

These costs are associated to 5 individuals.

19. Campaigns

The National Board of Trustees verified the costs of campaigns for the 2021 – 2022 fiscal year. There were two campaigns active during this verification: Delivering Community Power and Building Power to Win.

Building Power to Win

The Building Power to Win campaign was developed to engage rank and file members in building work floor power, action and mobilization leading up to negotiations.

Chart – Building Power to Win

Expenses	2020 – 2021	2021 – 2022
Library	*	\$ 99.52
Professional Fees	*	\$14,480.00
Translators / Interpretation	*	\$14,341.96
Transportation / Meal Allowance	*	\$ 20.76
Total	*	\$28,942.24

**Following numerous inquiries to various members at National Officer, the National Board of Trustees was unable to obtain expenses for this campaign.*

Delivering Community Power

The Delivering Community Power campaign was organized in 2016. During the 2021 – 2022 fiscal year, 9 coordinators worked on the campaign.

Chart – Delivering Community Power

Expenses	2020 – 2021	2021 – 2022
Accommodation	\$ 0.00	\$ 3,560.30
Advertising	\$ 37,295.64	\$ 79,389.36
Car Rental / Mileage	\$ 45.14	\$ 6,594.23
Furniture / Equipment Expenses	\$ 1,109.30	\$ 376.99
Laptops / Desktops	\$ 20,475.58	\$ 0.00
Library	\$ 0.00	\$ 2,483.41
Lost Wages	\$294,952.33	\$ 467,623.09
Meeting Room	\$ 6,761.50	\$ 22,878.45
Miscellaneous*	\$ 1,330.61	\$ 1,486.37
Per Diem	\$ 38.27	\$ 7,413.70
Postage	\$ 8,521.56	\$ 2,388.80
Printing	\$ 668.44	\$ 65,807.56
Professional Fees	\$110,956.92	\$ 86,471.15
Registration	\$ 1,587.50	\$ 17,296.13
Salaries	\$101,410.89	\$ 181,376.85
Software / Support	\$ 271.24	\$ 22,464.75
Telephone	\$ 2,470.00	\$ 4,400.80
Translator	\$ 11,958.23	\$ 25,264.77
Transportation	\$ 0.00	\$ 5,880.35
Video Conferencing	\$ 947.02	\$ 1,359.89
Web Hosting	\$ 30,639.28	\$ 25,777.92
Total	\$631,439.45	\$1,030,294.87

*Miscellaneous includes but is not limited to food/beverages, IT supplies, maintenance/multi-function unit and network communication.

Legal Fees

Legal fees in internal organizing for the 2021 – 2022 fiscal year were \$118,864.30.

Chart – Campaign Total

	2020 – 2021	2021 – 2022
Building Power to Win	\$ 0.00	\$ 28,942.24
Delivering Community Power	\$631,439.45	\$1,030,294.87
Legal Fees	\$ 0.00	\$ 118,864.30
Total	\$631,439.45	\$1,178,101.41

These amounts were expensed from the General Fund.

20. Arbitration

In each of our verifications for this mandate, the National Board of Trustees has reported on the costs associated with arbitrations. These costs are broken down into various categories which can be seen in the charts further down in this section.

In this, our fourth verification, the National Board of Trustees noted another increase in costs for arbitration over our previous report. The increase was slightly more than 14.5%.

It was also noted that legal fees increased by approximately 25%, while Worker Advocate costs decreased. This would suggest, looking solely at the numbers, that Worker Advocates were utilized less than they were the previous year and that lawyers were used more. This would go against the previous recommendations of the National Board of Trustees throughout our mandate that the Union train and utilize Worker Advocates to reduce the costs associated with legal fees and to give our members the knowledge and skills necessary to argue their own cases, wherever possible.

The total cost for arbitration expenses at the National level more than doubled from the previous verification period, but this is due in part to the various battles that were necessitated by the Covid-19 pandemic and the increase in National grievances that were filed due to vaccination mandates and other National issues. Many files that were put in abeyance during the MacPherson arbitration were filed afterward, thus increasing national arbitration costs in 2021 – 2022.

Therefore, the National Board of Trustees recommends:

- That the Union at all levels, train and utilize worker advocates whom are capable of working on files for arbitration; and

On a regular basis this term, Worker Advocates have been trained and utilized by Regional offices. We have trained over 20 Worker Advocates for arbitration over this term. Some were elected representatives from National and Regional Offices, along with representatives from Locals who argue their own files.

- That the Union minimizes the use of paid legal services whenever it is possible to do so.

The use of paid legal services is reviewed and authorized by the National Grievance department. This applies to all legal services. To reduce costs, we ensure that the work that can be done by our elected representatives, such as preparation of the file or doing a jurisprudence research. This normally happens before engaging with legal council but also as the file progresses through the hearing process. Our elected representatives follow the evolution of the file and participate throughout the whole process. This has value as a training resource as well as reducing costs.

	Arbitrators and Cancellation Fees	Arbitrators Fees			Cancellation Fees		
	2018-2019	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
National	\$49,187.88	\$39,068.50	\$27,439.41	\$86,351.72	\$2,273.00	\$4,976.83	\$16,138.29
Atlantic	\$319,887.05	\$277,276.43	\$163,787.75	\$125,530.90	\$13,937.99	\$18,344.48	\$26,726.00
Québec	\$96,904.22	\$4,001.14	\$52,311.41	\$17,341.44	\$58,354.99	\$62,995.20	\$50,862.05
Metro-Montréal	\$109,677.99	\$43,479.47	\$16,109.56	\$72,317.08	\$81,928.37	\$102,693.16	\$75,535.67
Central	\$74,807.21	\$50,149.34	\$26,724.50	\$41,569.33	\$15,882.94	\$23,475.75	\$12,924.38
Metro-Toronto	\$110,963.47	\$102,272.12	\$134,395.01	\$178,847.60	\$48,561.75	\$61,909.88	\$61,748.34
Ontario	\$246,604.58	\$99,663.32	\$146,150.54	\$197,257.87	\$53,279.50	\$61,196.31	\$76,228.10
Prairie	\$213,405.97	\$163,986.83	\$140,434.14	\$172,030.66	\$54,216.43	\$76,847.07	\$85,199.61
Pacific	\$189,031.08	\$131,914.49	\$117,548.63	\$17,409.28	\$65,812.72	\$102,860.33	\$100,076.16
Total	\$1,410,469.45	\$911,811.64	\$824,900.95	\$908,655.98	\$394,247.69	\$515,299.01	\$505,438.60

For our first verification which was for the 2018 – 2019 fiscal year, the National Board of Trustees was provided with figures which combined arbitrator costs and cancellation fees. For verifications two through four, these costs were separated. The National Board of Trustees decided to adjust our reporting of these costs and to keep them separate for greater clarity.

	Legal Fees				Workers Advocates			
	2018-2019	2019-2020	2020-2021	2021-2022	2018-2019	2019-2020	2020-2021	2021-2022
National	\$87,100.70	\$24,413.76	\$216,091.92	\$353,725.20	\$0.00	\$0.00	\$0.00	\$0.00
Atlantic	\$121,014.22	\$26,553.53	\$3,189.34	\$650.12	\$2,338.24	\$2,172.67	\$0.00	\$1,005.90
Québec	\$74,381.00	\$63,198.44	\$96,926.04	\$41,695.47	\$ 0.00	\$0.00	\$0.00	\$0.00
Metro-Montréal	\$59,065.68	\$128,555.99	\$201,188.19	\$127,187.55	\$ 0.00	\$0.00	\$699.44	\$0.00
Central	\$69,951.87	\$23,583.95	\$10,378.15	\$53,904.91	\$ 2,707.56	\$0.00	\$0.00	\$0.00
Metro-Toronto	\$152,907.90	\$122,432.61	\$117,287.00	\$179,572.04	\$ 0.00	\$499.20	\$0.00	\$0.00
Ontario	\$186,302.00	\$84,760.81	\$291,217.94	\$316,832.56	\$ 0.00	\$0.00	\$3,849.73	\$2,337.94
Prairie	\$971.25	\$0.00	\$1,631.00	\$0.00	\$8,875.01	\$5,231.29	\$782.44	\$971.60
Pacific	\$128,188.24	\$55,087.39	\$78,787.17	\$188,619.07	\$7,327.05	\$16,771.56	\$9,302.86	\$7,623.26
Total	\$879,882.86	\$528,586.48	\$1,016,696.75	\$1,262,186.92	\$21,247.86	\$24,674.72	\$14,634.47	\$11,938.70

	Professional Fees				Witness			
	2018-2019	2019-2020	2020-2021	2021-2022	2018-2019	2019-2020	2020-2021	2021-2022
National	\$0.00	\$0.00	\$0.00	\$0.00	\$8,260.18	\$0.00	\$750.00	\$24,165.05
Atlantic	\$0.00	\$0.00	\$0.00	\$0.00	\$2,432.68	\$2,739.37	\$0.00	\$1,062.11
Québec	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Metro-Montréal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Central	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Metro-Toronto	\$85.00	\$0.00	\$0.00	\$0.00	\$0.00	\$551.80	\$0.00	\$0.00
Ontario	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00	\$0.00	\$0.00	\$0.00
Prairie	\$13,806.99	\$0.00	\$3,159.00	\$75.00	\$44.32	\$145.89	\$186.96	\$0.00
Pacific	\$0.00	\$0.00	\$0.00	\$0.00	\$94.52	\$1,020.28	\$0.00	\$0.00
Total	\$13,891.99	\$0.00	\$3,159.00	\$75.00	\$10,981.70	\$4,457.34	\$936.96	\$25,227.16

	Medical Review RSMC				Other			
	2018-2019	2019-2020	2020-2021	2021-2022	2018-2019	2019-2020	2020-2021	2021-2022
National	\$0.00	\$0.00	\$0.00	\$0.00	\$24,534.96	\$17,547.53	\$4,879.53	\$34,757.66
Atlantic	\$0.00	\$0.00	\$0.00	\$0.00	\$19,615.03	\$13,269.87	\$2,814.56	\$1,215.02
Québec	\$ 0.00	\$ 0.00	\$0.00	\$ 0.00	\$4,116.46	\$568.33	\$1,579.46	\$613.39
Metro-Montréal	\$ 0.00	\$ 0.00	\$2,874.38	\$ 0.00	\$3,574.82	\$1,713.69	\$6,005.76	\$835.46
Central	\$ 0.00	\$ 0.00	\$0.00	\$ 0.00	\$798.47	\$3,685.97	\$0.00	\$118.08
Metro-Toronto	\$0.00	\$2,099.05	\$0.00	\$0.00	\$5,929.12	\$7,358.01	\$899.09	\$153.94
Ontario	\$612.25	\$0.00	\$412.86	\$0.00	\$12,190.49	\$10,530.01	\$2,830.34	\$4,935.50
Prairie	\$0.00	\$5,500.00	\$2,880.00	\$5,200.00	\$31,761.30	\$29,658.26	\$27,990.88	\$27,216.64
Pacific	\$0.00	\$0.00	\$0.00	\$0.00	\$22,920.48	\$18,920.91	\$4,733.03	\$55.02
Total	\$612.25	\$7,599.05	\$6,167.24	\$5,200.00	\$125,441.13	\$103,252.58	\$51,732.65	\$69,900.71

	Total Arbitration Costs by Region			
	2018-2019	2019-2020	2020-2021	2021-2022
National	\$169,083.72	\$83,302.79	\$254,137.69	\$515,137.92
Atlantic	\$465,287.22	\$335,949.86	\$188,136.13	\$156,190.05
Québec	\$175,401.68	\$126,122.90	\$213,812.11	\$110,512.45
Metro-Montréal	\$172,318.49	\$255,677.52	\$329,570.49	\$275,875.76
Central	\$148,265.11	\$93,302.20	\$60,578.40	\$108,516.70
Metro-Toronto	\$269,885.49	\$283,774.54	\$314,490.98	\$420,321.92
Ontario	\$445,859.32	\$248,233.64	\$505,657.72	\$597,591.97
Prairie	\$268,864.84	\$258,738.70	\$253,911.49	\$290,693.51
Pacific	\$347,561.37	\$289,527.35	\$313,232.02	\$313,782.79
Total	\$2,462,527.24	\$1,974,629.50	\$2,433,527.03	\$2,788,623.07

21. Legal Fees

Chart – Summary of Costs of Legal Fees by Category

	Legal Fees General			Legal Fees Civil			Court Actions			Canadian Industrial Relations Board		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
National	\$271,132	\$442,712	\$291,705	\$8,285	\$0	\$0	\$0	\$18,684	\$0	\$2,615	\$0	\$3,839
Atlantic	\$0	\$0	\$16,395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Quebec	\$5,208	\$0	\$1,767	\$0	\$0	\$0	\$0	\$0	\$0	\$13,470	\$11,359	\$10,373
Metro-Montreal	\$0	\$2,552	\$230	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,311	\$0
Central	\$912	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Metro-Toronto	\$8,099	\$9,158	\$1,035	\$0	\$0	\$0	\$0	\$0	\$0	\$6,074	\$0	\$0
Ontario	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,472	\$0	\$8,361
Prairie	\$0	\$0	\$8,579	\$0	\$0	\$0	\$0	\$13,632	\$37,379	\$0	\$884	\$0
Pacific	\$3,658	\$28,041	\$414	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$289,009	\$482,463	\$320,126	\$8,285	\$0	\$0	\$0	\$32,316	\$37,379	\$25,631	\$21,554	\$22,573

Note: All amounts have been rounded to the nearest dollar.

	Judicial Advice			Judicial Review			Workers Compensation Board		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
National	\$104,930	\$61,793	\$340,152	\$96,128	\$1,940	\$1,856	\$0	\$0	\$0
Atlantic	\$0	\$0	\$0	\$722	\$0	\$0	\$0	\$0	\$0
Quebec	\$8,128	\$6,457	\$2,581	\$0	\$0	\$0	\$10,780	\$0	\$7,367
Metro-Montreal	\$0	\$10,317	\$1,115	\$0	\$0	\$0	\$16,927	\$67,043	\$81,515
Central	\$4,933	\$37,581	\$0		\$0	\$0	\$6,475	\$4,510	\$1,401
Metro-Toronto	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,048	\$0
Ontario	\$0	\$0	\$0	\$0	\$0	\$0	\$21,574	\$0	\$8,094
Prairie	\$0	\$0	\$0	\$0	\$0	\$5,136	\$0	\$0	\$0
Pacific	(\$300)	\$1,581	\$0	\$88,245	\$112	\$0	\$8,977	\$2,183	\$134
Total	\$117,691	\$117,729	\$343,848	\$185,095	\$2,052	\$6,992	\$64,733	\$94,784	\$98,511

Note: All amounts have been rounded to the nearest dollar.

Chart – Summary of Total Costs by Region

	2018 – 2019	2019 – 2020	2020 – 2021	2021 - 2022
National	\$518,212	\$483,090	\$525,129	\$637,552
Atlantic	\$ 0	\$ 722	\$ 0	\$ 16,395
Quebec	\$ 65,366	\$ 37,586	\$ 17,816	\$ 22,088
Metro-Montreal	\$ 12,100	\$ 16,927	\$ 89,223	\$ 82,860
Central	\$ 5,712	\$ 12,320	\$ 42,091	\$ 1,401
Metro-Toronto	\$ 6,868	\$ 14,173	\$ 30,206	\$ 9,396
Ontario	\$ 25,778	\$ 25,046	\$ 0	\$ 8,094
Prairie	\$ 0	\$ 0	\$ 14,516	\$ 51,094
Pacific	\$ 79,662	\$100,580	\$ 31,917	\$ 548
Total	\$713,698	\$690,444	\$ 750,898	\$829,428

Note: All amounts have been rounded to the nearest dollar.

22. Appendix “AA”

The National Board of Trustees verified the expenses of the Appendix “AA” Committee for the period of July 1, 2021 to June 30, 2022.

For the period under review, CUPW has paid \$30,025.83 as our share of the costs, which is 5% of the total cost. Canada Post paid \$607,475.67 which is 95% of the total costs of the Committee.

Efforts to sign a memorandum of agreement to clearly define the cost sharing percentages associated with the Appendix “AA” Committee projects with Canada Post were successful for this period, with a lump sum given to CUPW and an agreement between the two parties on the cost sharing of the projects.

Therefore, the National Board of Trustees recommends:

- That for any new pilot projects being created between the two parties that fall under Appendix “AA”, a memorandum of agreement be negotiated prior to the commencement of any such project that clearly outlines the costs associated with any such project and which party is responsible for such costs.

Currently, when the Union agrees to a pilot project under Appendix “AA”, the parties sign a Memorandum of Agreement that contains language addressing the financial responsibilities of each party.

23. Article 8

For the year under review, from July 1, 2021, to June 30, 2022, we do not know how many files have been opened or closed, as the administrative assistant in charge of Article 8 is on leave. However, the active files went from 62 on June 30, 2021, to 65 on June 30, 2022. There are also 15 active files for the Appeal Board, for a total of 80 active files.

Expenses incurred by the National and Regional Disciplinary Committees for the reporting period were \$12,687, a decrease of \$4,499 from the previous year.

Actual spending for 2021-22 was \$17,300, but a credit of \$4,613 from cancelled tickets for transportation in the Prairie Region, in a previous period, reduces the amount to \$12,687.

Chart – Cost Distribution: National and Regional Offices

Cost of Disciplinary Committees				
Region	2018 – 2019	2019 – 2020	2020 – 2021	2021 – 2022
National	\$14,324	\$6,990	\$668	\$3,197
Atlantic	\$0	\$3,817	\$0	\$1,612
Quebec	\$3,144	\$6	\$4,250	\$2,774
Metro-Montreal	\$0	\$0	\$0	\$0
Central	\$8,884	\$4,192	\$714	\$0
Metro-Toronto	\$23,825	\$42,211	\$8,858	\$8,679
Ontario	\$5,202	\$1,926	\$1,142	\$1,017
Prairie	\$21,103	\$72,646	\$923	(\$4,613)
Pacific	\$17,800	\$8,569	\$904	\$21
Total	\$94,282	\$140,357	\$17,186	\$12,687

Note: All amounts have been rounded to the nearest dollar.

Notes:

- The National Board of Trustees is pleased to see that the number of active cases is stable compared to last year;
- The number of active files does not tell us whether they are the same files as last year that are still not closed, nor how many new files were opened during the period.
- Expenditures for the period (before getting the credit) are roughly the same as for the 2020-2021 period.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continues to remind members to use the conflict resolution process;

When Article 8 charges are filed, the National Secretary-Treasurer sends a letter to the parties which provides information outlining the formal or informal process options to resolve the conflict. The informal process adheres to the provisions of section 8.01 of the National Constitution.

- That the National Secretary-Treasurer provide the National Board of Trustees with a document indicating the number of files that were opened or closed during the period.

The National Secretary-Treasurer will provide a report to the National Board of Trustees outlining the number of files opened and closed during the verification period.

24. Child/Elder Care Costs

There were no child/elder care costs recorded during the current verification. In person activities were put on hold on account of the Covid-19 pandemic.

25. Insurance

As provided under section 4.100(a) of the National Constitution, the National Board of Trustees verified that a national insurance policy was in place to cover reasonable risk of loss as of June 2022 to June 2023. The policy provided coverage of up to \$50,000 for employee dishonesty per occurrence, and an increase to \$5,000,000 from \$2,000,000 for reasonable risk of loss and general liability underwritten by Intact Insurance. The National Board of Trustees also noticed that there was an increase on the property deductible from \$2,500 to \$25,000.

26. CUPW Administrative Staff

All of the administrative staff at the National and Regional Offices are covered by collective agreements or contracts that are negotiated with CUPW between their respective Unions.

The following chart shows the number of administrative staff and their affiliation:

	Canadian Office and Professional Employees Union (COPE 225)	Canadian Union of Public Employees (CUPE 1979)
Number of Employees	48	25
Collective Agreement's Starting date	July 1, 2018	November 12, 2021
Collective Agreement's Expiry Date	June 30, 2022	December 3, 2024

The National Secretary-Treasurer indicated that the COPE 225 collective agreement expired at the end of our mandate, and that CUPW is waiting for COPE 225 to provide notice to bargain.

As of June 30, 2022, there were 3 administrative employees who were covered by individual contracts with CUPW. They are as follows:

	<u>Contract Expiry Date</u>
1. Chief Financial Officer	September 6, 2025
2. Director of Information Technology	December 31, 2026
3. Manager and Analyst – Business Systems	January 2026

As of June 30, 2022, the following unused leave was available to COPE 225 and CUPE 1979:

	Days of Unused Annual Leave June 30, 2021	Payout of Annual Leave June 30, 2021	Days of Unused Annual Leave June 30, 2022	Payout of Annual Leave June 30, 2022
COPE 225	580.65	\$189,101.96	417.31	\$133,344.24
CUPE 1979	489.14	\$156,439.29	141.31	\$ 40,951.83

Unused sick leave credits held by COPE 225 employees are paid out at a 20% rate upon termination of employment. The current monetary value of all unused sick leave is \$168,005.00.

27. Independent Medical Practitioner Costs

The National Board of Trustees has reviewed the independent medical practitioner costs for the 2021 – 2022 fiscal year. These costs have decreased by \$58,670.36 compared to last year.

This plan covers both Urban Operations and Rural Suburban Mail Carrier members on the work floor. Often workers and their physicians do not fill out the STDP forms in a manner that allows the insurance company to deny a claim. This can lead to additional requests for information to support a claim. This can cause an increase of medical practitioner costs.

Chart – Independent Medical Practitioner Costs by Region

Independent Medical Practitioner Costs									
	Atlantic	Quebec	Metro-Montreal	Central	Metro-Toronto	Ontario	Prairie	Pacific	Total
2018 - 2019	\$42,197.94	\$73,335.73	\$100,285.82	\$90,558.27	\$115,148.41	\$178,716.09	\$95,018.58	\$48,749.44	\$744,010.28
2019 - 2020	\$39,120.89	\$89,409.63	\$151,200.38	\$93,719.35	\$158,881.32	\$170,194.51	\$63,013.04	\$55,127.34	\$820,666.46
2020 - 2021	\$33,491.45	\$63,892.05	\$121,704.38	\$43,252.57	\$99,992.35	\$154,997.83	\$70,684.24	\$41,966.70	\$629,981.57
2021 - 2022	\$37,623.62	\$41,322.20	\$74,024.44	\$31,726.44	\$169,308.06	\$86,952.72	\$105,701.10	\$24,653.21	\$571,311.79
Total	\$152,433.90	\$267,959.61	\$447,215.02	\$259,256.63	\$543,330.14	\$590,861.15	\$334,416.96	\$170,496.69	\$2,765,970.10

28. Short-term Disability Plan for Elected Union Officers, CUPE 1979 and COPE 225 Staff

National Officers, Regional Officers, COPE 225 members and CUPE 1979 members, as well as full-time Local Officers are all covered under a self-funded short-term disability plan, as they are not able to utilize the Canada Post short-term disability plan.

This plan is funded through CUPW and specifically the General Fund. Coughlin Insurance is the independent 3rd party disability manager. Administration fees are based on the number of claims that are processed.

Chart – Summary of Costs

	Administration Fees
2018 – 2019	\$ 4,337.54
2019 – 2020	\$22,908.75
2020 – 2021	\$16,797.00
2021 – 2022	\$21,157.14

29. Joe Davidson Education Fund

The National Board of Trustees reviewed the bursaries that were awarded to CUPW members through the Joe Davidson Education Fund.

Two members who were enrolled in the Canadian Labour College of Canada received a total of \$2,575.20 from the Fund. This represents a decrease from the previous verification which showed an amount of \$4,700.

30. Local Financial Statements

The National Board of Trustees examined the Local financial statements for the 2021 – 2022 fiscal year.

Chart – Local Financial Statements

Region	Number of Locals In Region	Financial Statements not filed	Number of Locals with Statements that do not Balance	Non-Payment to Labour Council	Bank Statements not Provided	Locals Under Trusteeship
Atlantic	35	1	8	25	3	4
Quebec	32	4	7	10	5	1
Metro-Montreal	2	1	0	0	0	1
Central	34	4	1	9	4	7
Metro-Toronto	1	0	0	0	0	0
Ontario	28	6	2	10	8	0
Prairie	33	13	2	12	1	2
Pacific	36	9	3	19	3	3
Total	201	38	23	85	24	18

The Canadian Union of Postal Workers has 201 Locals that are required to submit annual financial statements at the end of each fiscal year which is June 30th. 38 Locals did not submit an annual financial statement. This is an increase of 8 from last year's verification. Of these Locals, the National Board of Trustees notes 3 Locals have not submitted their statements since 2019.

The National Board of Trustees understands that Covid-19 has been a detriment to Locals doing Union business. It is imperative that Locals adhere to article 9.29 of the National Constitution which states "a financial report shall be prepared and sent to the National Secretary-Treasurer within 60 days following the end of the fiscal year". Those Locals who do not send in their annual financial statement, shall have their per capita tax (rebate) withheld until receipt of the report, as per article 9.31.

23 Locals did not balance their annual financial statement. This number does not include those Locals who did not file, as the National Board of Trustees is unable to verify whether these Locals would have been balanced had they filed their report.

The National Board of Trustees is finding that Locals are continuing to use the old Annual Financial Statement forms when submitting their report. Reports are being submitted incomplete and at times, both signatures are missing and some are not dated. Although bank statements are not required, submitting at least the June bank statement assists the Finance Department in balancing the annual financial statements.

The National Board of Trustees is pleased to see that Locals are detailing their "other" revenue and expenses as required in the Annual Financial Statements forms.

18 Locals are under trusteeship, an increase of 3 from our last verification. Local 355 of the Metro-Montreal Region has been inactive and with no members for several years. In response to our last verification report, the National Executive Board reported that Local 355 had been removed from the list of official Locals, yet it still remains.

85 Locals did not make payment to a District Labour Council. This is a significant increase from last year's verification of 56 Locals. The National Board of Trustees recognizes that some Locals may not have a Labour Council to make per capita payment to.

Some Locals continue to use big banks instead of Credit Unions.

Therefore, the National Board of Trustees recommends:

- That Local 355 be removed from the list of official Locals; and

The National Secretary-Treasurer will ensure local 355 is removed from the National records.

- That the National Secretary-Treasurer and the Finance Department send letters to Locals that have not submitted their annual financial statement within 60 days following the end of the fiscal year reminding them of sections 9.29 and 9.31 of the National Constitution, encouraging them to reach out to the Union for assistance; and

The National Secretary-Treasurer will ensure that letters are sent to Locals in September of each year reminding them of their responsibilities under sections 9.29 and 9.31 of the National Constitution. A copy of the letter will be placed in the Local's annual financial statement file at National Office.

- That a second letter be sent in the last month of the year to those Locals still in non-compliance, informing them that failure to submit their report before the convening of the National Board of Trustees will result in withholding of per capita tax (rebate) until receipt of the report, encouraging them to reach out to the Union for assistance; and

The National Secretary-Treasurer with the National Executive Board's approval, will send a second letter in December of each year stating if Locals do not submit their annual financial statement by February 1st of the following year, that the Local's monthly rebate will be withheld until the annual financial statement is submitted to National Office.

- That annual financial statements that are incomplete be returned to the Local for missing information; and

The current practice in trying to support Local Secretary-Treasurers is to reach out and request the missing information and answering any questions they may have regarding the outstanding information.

- That Locals be informed to dispose of all old Annual Financial Statement forms; and

Each year, the National Secretary-Treasurer reminds Locals in a letter sent with the Annual Financial Statement form to dispose of all old and outdated forms.

- That the National Secretary-Treasurer send letters to Locals not making payment to a District Labour Council encouraging them to give financial support to the labour movement in their area; and

The National Secretary-Treasurer will reach out to each National Director informing them of Locals in their respective Region that are not making payment to a local District Labour Council. The National Director will reach out to the Local and assist them in finding a District Labour Council in their area.

- That a list of labour allies in their area be included in the letter.

National Directors will provide a listing of Labour Councils to their Locals and to National Office.

31. Payment for Union Operations Leave (Clause 21.04 RSMC) (Clause 26.06 Urban Operations)

CUPW collective agreements allow members to remain on the corporate payroll while working on behalf of the Union. Invoices from Canada Post often contain errors in Union Leave and without thorough vetting and disputing by Local Secretary-Treasurers results in a cost to the Union.

All Canada Post invoices received at the Local level should be verified by the Local Secretary-Treasurer and any errors must be reported immediately to both Canada Post and the National Secretary –Treasurer within the contractually allotted time frame.

Chart – Total Amounts Withheld

2018 - 2019	\$237,970.30
2019 – 2020	\$220,311.53
2021 – 2021	\$193,122.26
2021 – 2022	\$181,081.88

Although dues rebates are withheld for reasons outlined in the National Constitution, for example sections 9.31 and 9.42, and occasionally when Locals order Union material from the National Print Shop, the number of rebates being withheld indicate that Locals are not paying their Canada Post invoices within the 60 (RSMC) and 45 (Urban Operations) days contractually allotted time frame.

The National Board of Trustees has noticed some improvements in 2 Regions. Other Regions still need to be reminded to submit their Union leave invoices to both RSMC and Urban Operations within the specified timeframe while they're on Union business.

In May of 2022, the National Secretary-Treasurer held virtual training sessions regarding Local administration in all Regions. At these meetings, the importance of reviewing all billing for lost wages contained in a Local's monthly Statement of Earning issued by Canada Post for accuracy was brought up at those meetings. Also discussed with the participants was the withholding of local rebate funds when a Local does not reimburse Canada Post for Union leave, and communication disputes regarding the billing within the time frame provided for in the RSMC and Urban Operations collective agreements.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Director of each Region, continue to remind Local Secretary-Treasurers of the importance of thoroughly vetting their 21.04 (RSMC) and 26.06 (Urban Operations) Canada Post invoices for accuracy and making that payment to Canada Post be done within the contractual time frame; and

The current practice is that once aware of a Local not reimbursing the statement of earning from the employer, or when a Local is not fully vetting the statement for accuracy, the Local and the National Director are informed and the Local is offered assistance and training in fulfilling their obligations.

- That the education module in development be completed and made accessible to all Local Secretary-Treasurers. Due to some urgent work in the Education Department, the module has yet to be developed.

The module is being developed under the direction of the 2nd National Vice-President.

32. External Organizing

The National Board of Trustees has been reporting on the amount of funds available to the External Organizing Fund as well as the yearly contributions to and the expenses incurred by the fund.

Section 7.17 of the National Constitution allows for an amount that is equal to half of the Reserve Fund deposits, or 2.5% of the revenue deposited in the General Fund.

The table below illustrates the revenues and expenses, as well as the opening and closing balances for each verification period of our 4-year term.

During the last mandate of the National Board of Trustees, concern was raised that the External Organizing Fund was not being utilized. The National Board of Trustees is pleased to report that this was not the case during this mandate.

Balance July 1, 2018	\$3,914,021.66
Revenue	\$ 743,722.69
Expenses	\$ 439,720.38
Balance June 30, 2019	\$4,218,023.97

Balance July 1, 2019	\$4,218,023.97
Revenue	\$ 786,496.62
Expenses	\$1,279,457.78
Balance June 30, 2020	\$3,725,062.81

Balance July 1, 2020	\$3,725,062.81
Revenue	\$ 816,199.15
Expenses	\$ 945,011.50
Balance June 30, 2021	\$3,596,250.46

Balance July 1, 2021	\$3,596,250.46
Revenue	\$ 838,284.07
Expenses	\$ 878,068.17
Balance June 30, 2022	\$3,556,466.36

Therefore, the National Board of Trustees recommends:

- That the National Executive Board continue to utilize the External Organizing Fund for its intended purpose.

Under the direction of the 3rd National Vice-President, External Organizing will continue and funding from the External Organizing Fund will be utilized to finance various external organizing campaigns, as approved by the National Executive Board.

33. Check-off and Membership

In accordance with paragraph 4.100 (e) of our National Constitution, the National Board of Trustees has verified membership and check-offs for the period of July 1, 2021 to June 30, 2022.

The information and statistics come from computerized statements made available to us for analysis.

Note:

- The terms “member in good standing” (MIGS) and “member” are defined in sections 1.04 and 1.07 of the National Constitution.
- The term “Rand” refers to the formula in section 70 of the *Canada Labour Code* for collecting union dues from employees who have not become members or who have lost membership status as per section 1.08 of the National Constitution.
- For the period of July 1, 2021, to June 30, 2022, there was an increase in CUPW membership of 819 members.
- For the urban unit, there was an increase of 984 members.
- For the RSMC unit, we note a decrease of 209 members.
- For the private sector units, we note an increase of 44 members.

Chart 1

Average number of members in good standing, members and Rand members by bargaining sectors				
	Urban Operations	RSMC	Private Sector	Total
Average: July 1, 2021, to June 30, 2022	47,620	10,957	979	59,556
Average: July 1, 2020, to June 30, 2021	46,636	11,166	935	58,737
Increase/(decrease)	984	(209)	44	819

Chart 2

Average number of members in good standing, members and Rand members working full-time, part-time or on a temporary basis				
	Full-time	Part-time	Temporary	Total
Average: July 1, 2021, to June 30, 2022	40,195	6,583	12,778	59,556
Average: July 1, 2020, to June 30, 2021	39,619	6,443	12,675	58,737
Increase/(decrease)	576	140	103	819

Chart 3

Average number of members by status				
	MIGS	Members	Rand	Total
Average: July 1, 2021, to June 30, 2022	49,146	3,573	7,449	60,168
Average: July 1, 2020, to June 30, 2021	48,446	3,354	7,538	59,338
Increase/(decrease)	700	219	(89)	830

Note: All amounts have been rounded to the nearest dollar.

612 lifetime members are included in the number of members in good standing for the period of July 1, 2021, to June 30, 2022.

601 lifetime members are included in the number of members in good standing for the period of July 1, 2020, to June 30, 2021.

In accordance with section 1.22 of the National Constitution, 519 members have received Retired Member status in CUPW but are not included in the above charts.

The National Board of Trustees notes that the number of Rand members is very high. This number still represents 12.38% of the total membership.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continue to send Locals a list of Rand members and remind them of their obligations to meet with new members and have them complete a membership form.

Chart 4

Average number of members by region, group and bargaining sectors July 1, 2021, to June 30, 2022									
Region	Urban Operations						Private Sector	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,335	1,300	30	4	0	2,672	247	1,162	4,081
Quebec	946	2,190	6	0	0	3,145	0	1,979	5,124
Metro-Montreal	3,204	3,047	152	6	0	6,410	0	330	6,740
Central	1,549	1,904	34	3	0	3,494	58	1,717	5,269
Metro-Toronto	2,552	4,514	48	5	0	7,127	92	2,016	9,235
Ontario	5,878	3,820	175	7	0	9,884	5	526	10,415
Prairie	3,505	3,979	121	15	0	7,628	507	2,221	10,356
Pacific	3,103	4,059	82	10	0	7,260	70	1,006	8,336
Total	22,072	24,813	648	50	0	47,620	979	10,957	59,556

Note: All amounts have been rounded to the nearest dollar.

Chart 5

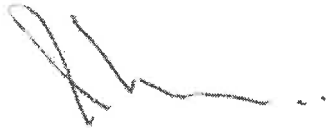
Breakdown of funds received July 1, 2021, to June 30, 2022		
Total amount of funds received by the Union	\$56,332,479.42	
Local Rebates		\$13,613,327.15
Local Assessments		\$854,373.40
Additional Local rebates (section 7.08)		\$739,506.00
Federation of Labour Per Capita		\$543,401.32
Optional Insurance		\$1,662,828.75
Basic Life Insurance		\$1,179,232.38
Dues Unapplied and Suspended		\$174,271.10
Reserve Fund		\$1,675,486.71
Defense Fund		\$5,235,895.72
General Fund		\$30,654,156.89
Total	\$56,332,479.42	\$56,332,479.42

Note: The above indicates total funds received and their distribution for the period of the verification.

Union dues collected decreased by \$2,236,964.58 this year. A total of \$56,332,479.42 had been collected as of June 30, 2022, comparatively to \$58,569,444.00 for the fiscal year 2020-2021. This year, given the changes to the isolation policies, members are back at work.

We must not forget that last year, rebates received were very high compared to the previous year since many members benefited from a precautionary cessation of work without loss of salary and they, as well as their replacements, paid union dues.

This concludes our report, which we now submit to the members of the National Executive Board.



John Lawrence
Chairperson
Ontario Region



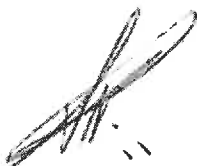
Angela Jones
Secretary
Metro-Toronto Region



Scott Gaudet
Member
Atlantic Region



Marc Désilets
Member
Quebec Region



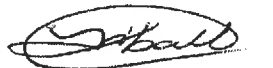
Stéphane Surprenant
Member
Metro-Montreal Region



Naveed Khan
Member
Central Region



Maria Tan
Member
Prairie Region



Norma Kimball
Member
Pacific Region