

# National Board of Trustees

## Second Verification

### February 17 to March 4, 2021

### 2019 – 2023 Term

#### SPECIAL STATEMENT REGARDING THE COVID 19 PANDEMIC

As we are all acutely aware, the COVID-19 pandemic has wreaked havoc on the way society operates. Our Union is not exempt from this. As a result, the 2<sup>nd</sup> verification of the National Board of Trustees was very different than any before it.

In late Summer 2020, the National Executive Board passed a resolution to “..authorize all National meetings...be held by virtual platforms until June 2021.” When the National Board of Trustees objected to this resolution, it was told that this was now the way in which the National Office was operating due to safety concerns and orders from Regional health units and medical officers.

On November 10, 2020, the National Board of Trustees met via telephone and the Zoom platform to discuss this issue. While there were mixed feelings and differing opinions as to the ability of a verification to be performed remotely, the National Board of Trustees notified the National Executive Board that it was unanimous in requesting a delay in our 2<sup>nd</sup> verification until such time as it could be deemed safe for us to work in Ottawa. This request was denied with the reason being that we could not be sure of any time in the near or distant future when the new protocols would or could be changed.

The National Board of Trustees once again met remotely on November 16, 2020, to discuss whether we would proceed with a virtual verification. The options that we had were to postpone the verification until the following year and do a 2-year verification, to postpone until later in 2021 with the hopes that the pandemic would relent, to have 2 or 3 Trustees attend to National Office with the remainder working remotely, or to proceed with a virtual verification. The National Board of Trustees feels that none of the other options besides working remotely were seriously considered. It was agreed that we would proceed, but that this statement would accompany our report.

As a result of the decision to proceed, one elected Trustee felt that they could not do a proper verification remotely, and thus withdrew from the National Board of Trustees for the 2<sup>nd</sup> verification. While they were missed, this Board does respect their decision.

One of the conditions of proceeding was for the National Board of Trustees to be given three extra days to complete their verification. This was indeed needed as we were seven Trustees instead of eight, with one of us being an alternate and needing to be shown how to perform a verification. The National Executive Board granted this request.

The National Board of Trustees have concluded their report, but would like to point out that we feel that there was something missing in doing so remotely. The opportunity to dig deeper into individual expense files was lost, (there is only so much information you can continually request to be sent to you), and the ability to interact with the Specialists and Union Representatives at the National Office was sorely missed as we often glean information from more than just looking at documents.

Having said that, it must be noted that the National Board of Trustees was denied no request for information and the National Board of Trustees is confident that our report shows an accurate picture of the Union’s financial state and activity.

The National Board of Trustees does recognize that we have all had to adapt and learn new ways of doing things. We would like to point out that there were successes and failures all around, with one of the more serious failings being that of the National Executive Board and National Directors failing to instruct and ensure that all Locals continued to meet and hold regularly scheduled General Membership Meetings, as those meetings are the pillar of our democracy.

On a final note, it is important to note that the COVID-19 pandemic has had one positive, and that is the reduction that we have seen in the spending of the Union. While in-person meetings are far more intimate and offer experiences and opportunities that just cannot be duplicated or attained via virtual meetings, virtual meetings are far more productive in terms of reduced costs and the ability for even more individuals to be able to take part in activities that were formerly only available to a certain number of members, such as educationals. Going forward, the National Board of Trustees can see virtual meetings used more frequently than before the

pandemic, but would caution against the temptation to eliminate in-person gatherings on a large scale.

While the National Executive Board was more than happy to extol its improved financial situation due to these reduced costs, the National Board of Trustees will be watching over the coming years to ensure that this windfall is used wisely for the benefit of its members and that spending is kept in check.

The National Board of Trustees wishes all of the Officers and members of CUPW, as well as support staff, and their families, a safe 2021.

#### 1. INTRODUCTION

The National Board of Trustees met virtually from February 17 to March 4, 2021 to do the work of the Union, namely the 2nd verification of the National Board of Trustees.

As provided for in the National Constitution under sections 4.96, 4.98, 4.99, and 4.100, the National Board of Trustees has attempted to complete a virtual examination of the financial transactions of the Union for the period of July 1, 2019 to June 30, 2020.

The work of the National Board of Trustees consisted of examining the financial documents, financial statements, expense reports and accounts of all National and Regional Officers and Union Representatives, minutes of meetings, as well as any other documents deemed useful and necessary to complete its examination.

#### 2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

The National Board of Trustees is composed of the following members:

<b>Ontario Region</b> Brother John Lawrence	Chairperson
<b>Metro-Toronto Region</b> Sister Angela Jones	Secretary
<b>Atlantic Region</b> Brother Scott Gaudet	Member
<b>Quebec Region</b> Brother Marc Désilets	Member
<b>Metro-Montreal Region</b>	
<b>Central Region</b> Brother Naveed Khan	Alternate
<b>Prairie Region</b> Sister Cathy Furtak	Member
<b>Pacific Region</b> Sister Norma Kimball	Member

Two elected Trustees, Metro-Montreal Region and the Central Region, did not attend the 2<sup>nd</sup> verification of the 2019-2023 mandate of the National Board of Trustees. There was no available alternate for the Metro-Montreal Region.

The Board would like to thank Brother Naveed Khan, Central Region, for his participation in this verification.

#### 3. ANNUAL VERIFICATIONS

The National Board of Trustees conducted a full year’s verification for the fiscal year July 1, 2019 to June 30, 2020.

This year’s verification saw the National Board of Trustee comprised of six members and one alternate trustee.

Due to challenges brought on by the Covid-19 pandemic, our verification period was extended from the scheduled February 22 to March 4, 2021 by three days, to include February 17 to February 19, 2021.

The National Board of Trustees is scheduled to reconvene from February 21 to March 3, 2022.

#### 4. RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees verified all records of proceedings of the National Executive Board and National Executive Committee meetings for the period of July 1, 2019 to June 30, 2020, for the purpose of verifying financial resolutions, as per sections 4.99 and 4.100 of the National Constitution.

The National Board of Trustees noted that there were several sets of NEB meeting minutes that had still not been adopted almost a year after the meetings had taken place. The National Board of Trustees also noted that there were instances where Officers were noted as being absent for being on annual leave, yet that leave was not recorded on the attendance section of the Officer’s expense statement.

Therefore, the National Board of Trustees recommends:

- *That all individuals who are required to fill out expense reports be diligent in assuring that all leave is recorded on those reports; and*

*CUPW representatives and staff members are reminded yearly to submit their monthly expense reports and record all leave taken.*

- *That the National Board of Trustees be given a mechanism to ensure that all leave taken is being recorded in a judicious manner.*

*There is no official language contained in the National Constitution to ensure all leave is taken and recorded on monthly expense reports. The current practice is based on the honour system.*

#### 5. 2019 NATIONAL CONVENTION

The National Board of Trustees reviewed the associated expenses of the 2019 National Convention which took place in Toronto from May 13 to May 17, 2019.

The majority of expenses were reported in the National Board of Trustees’ 1<sup>st</sup> Verification of this mandate.

The following is a breakdown of expenses in accordance to the National Constitution that were incurred from July 1, 2019 to June 30, 2020:

Travel	\$(592.45)
Simultaneous Interpretation	\$1,133.73
Per Diem	\$(881.72)
Lost Wages	\$(474.01)
Others	\$1,010.55
Computer Supplies	\$1,025.16
Printing and Supplies	\$51,286.85
Registration Fees (from Observers)	\$(50.00)
<b>Total Cost</b>	<b>\$52,458.11</b>

*Note: The negative amounts are refunds claimed on advances that the Union has sent to members registered at the convention.*

#### Chart – National Convention Costs

Convention Year	National Convention Costs	Increase Over Previous Conventions
2008	\$3,241,353	\$ 83,306
2011	\$3,474,518	\$233,165
2015	\$3,741,317	\$266,799
2019	\$3,988,143	\$246,826

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

#### 6. FINANCIAL REPORTS

All National Board of Trustee members received copies of the 2019-2020 audited financial statements before beginning their 2<sup>nd</sup> verification of this mandate.

The National Board of Trustees reviewed the 2019-2020 budget and discovered that the National Executive Board had once again passed a budget providing for a deficit.

The National Board of Trustees would like to remind the National Executive Board of Article 7.04 of the National Constitution which clearly states:

*“The National Executive Board shall not approve budget estimates providing for a deficit.”*

Therefore, the National Board of Trustees recommends:

- *That all elected Officers responsible for budgets be provided updated training in budget preparation and spending, such that they are able to carry out their responsibilities in an accountable and transparent manner, with a focus on budgets that do not provide for a deficit; and*

Officers responsible for budgets are provided direction and support by the National Secretary-Treasurer and the Director of Finance and Administration, to carry-out their responsibilities. They understand how budgets are developed and abide by them.

- That the National Executive Board respect section 7.04 of the National Constitution.

The National Executive Board adhered to section 7.04 of the National Constitution by adopting a balanced budget for the 2021-2022 fiscal year.

7. UNION FUNDS

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

Regarding the funds provided for in section 7.13 of the National Constitution, the following chart shows the amount in each fund to June 30, 2020, in comparison with June 30, 2019.

Chart – Union Funds

	June 30, 2020	June 30, 2019
General Fund	(\$5,532,409)	(\$3,664,109)
Defence Fund	\$33,514,606	\$28,797,996
Reserve Fund	\$20,665,200	\$17,734,189

The National Board of Trustees found, for this verification period, that the National Executive Board adopted a resolution to transfer an amount of \$2,603,142 from the General Fund to the Reserve Fund (in June 2019: an amount of \$3,557,729 was transferred from the Defense Fund to the General Fund).

This amount is shown as an interfund transfer in the statement of changes in fund balances.

8. CUPW BUILDING SOCIETY

CUPW Building Society was incorporated under the Business Corporations Act of Ontario. The Society is the owner of three buildings, two condominium offices and thirteen residential condominium apartments.

- CUPW National Office at 377 Bank Street in Ottawa, Ontario;
- CUPW Regional Office at 344 Sovereign Road in London, Ontario;
- CUPW Pacific Regional Office at 999 Carnarvon Street in New Westminster, British Columbia;
- CUPW Quebec Regional Office at 5000 des Gradins Blvd, Suite 340, in Quebec City, Quebec;
- CUPW Metro-Montreal Regional Office at 565 Cremazie East, Suite 4400 in Montreal, Quebec;
- Three residential condominiums (The Currents) located at 1227 Wellington Street in Ottawa, Ontario;
- Ten residential condominiums (SOHO) located at 300 Lisgar Street in Ottawa, Ontario;
- One additional parking spot located at 300 Lisgar Street (SOHO) in Ottawa, Ontario.

Chart- Collective Agreement Funds- Urban Operations and Suburban Mail - Carriers July 1, 2019 to June 30, 2020

	Child Care Fund	International Postal Fund	Education Fund
Revenues	\$1,768,338.98	\$71,290.72	\$2,757,054.62
Expenses	\$1,835,696.60	\$62,430.36	\$1,640,560.93
(Deficit)/Surplus	(\$67,357.62)	\$8,860.36	\$1,116,493.69
Balance as of June 30, 2020	\$3,766,570.22	\$137,569.64	\$3,363,958.03

During this verification, two residential condominium units (The Currents) were sold for a total of \$746,226.33 and two residential condominium units (SOHO) were purchased for a total of \$855,925.12 resulting in an expenditure of \$109,698.79.

Funding for the purchase of the properties and share capital was obtained through investments of the Defense Fund which are non-interest bearing and have no defined terms of repayment. Based on the audited financial statements as of June 30, 2020, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) for the Wellington Street condominium apartments is \$639,770. The balance on the commercial mortgage loan for the Lisgar Street condominium apartments is \$1,673,497.

The net value of the assets listed above is \$10,602,547 as reported in the audited financial statements for the CUPW Building Society.

Therefore, the National Board of Trustees recommends:

- That the Union secures its mortgages with a Credit Union or Consumer Co-operatives.

Inquiries were made regarding establishing mortgages and lines of credit with a Credit Union, but the interest rates were higher than those of commercial financial institutions, and the amounts of the lines of credit required by the Union were not attainable.

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.

There are six Private Sector Bargaining units that have negotiated an Education Fund.

Chart- Collective Agreement Funds- Private Sector Bargaining Units Education Funds

RMS Pope	\$3,000.00
Nova Scotia Medical Communications	\$24,524.13
Easy Express – Atlantic	\$1,000.00
Pro Ex Transportation	\$3,600.00
Bee Clean – Hamilton	\$5,700.00
T-Force – Red River	\$15,057.45

10. NEGOTIATIONS

CUPW was concluding negotiations with Canada Post for the Urban and RSMC units during the 2019-2020 fiscal year, as well as several new private sector bargaining units.

The following is a chart of monies spent:

Chart- Negotiation Expenses

	Urban and RSMC Bargaining Units	Private Sector Bargaining Units
2018 – 2019	\$3,001,926	\$125,427
2019 – 2020	\$1,218,914	\$67,777

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

11. STRIKE PAY

The National Board of Trustees has reviewed the strike pay advances and expenses. There were no strike activities to report for this verification. All regional outstanding amounts owing have been paid and accounts reconciled. No Regions are reported to have incurred any strike pay advances or expenses.

The only transactions for the Strike Pay account for July 1, 2019 – June 30, 2020 were found in the Strike Pay Expense column, and the Amount Returned to National Office Column.

Upon reviewing this year’s costs for Strike Pay, the National Board of Trustees noticed that an error had been made on this file on our 1<sup>st</sup> verification and report, for which we apologize.

The corrected chart, which contains data for both the 1<sup>st</sup> and 2<sup>nd</sup> verifications, can be found below.

12. NATIONAL ACTIVITIES

The National Board of Trustees reviewed the expenses for the National Activities for the period of July 1, 2019 to June 30, 2020.

Chart – National Activity Expenses

Appeal Board	\$20,900
Delivery Systems Re-architecture Appendix “AA”(DSRA) Project	\$13,188
Groups 3 & 4 Review Committee	\$22,029
RSMC Work Content and Workload Committee	\$25,472
National Board of Trustees	\$68,165
National Health and Safety Committee	\$5,082
National Human Rights Committee	\$136,128
National Work Measurement Committee (NMMC)	\$8,317
National Women’s Committee	\$27,325
National and Regional Disciplinary Committees	\$140,357
Total	\$466,963

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

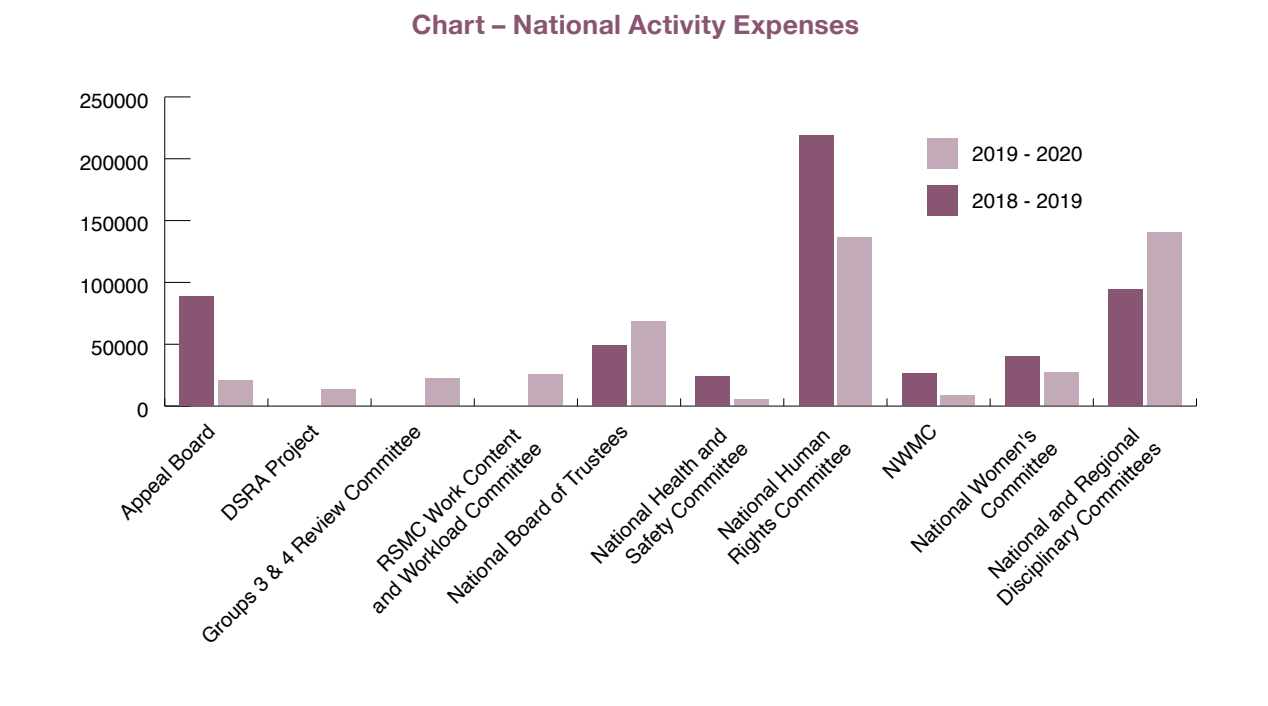
Chart – Strike Pay Advances Summary

	Total Strike Pay Advance Set		Strike Pay Expenses		Other Expenses		Amount Returned to National Office		Amount Outstanding	
	2018 /19	2019 /20	2018 /19	2019 /20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Atlantic	\$72,400.00	\$0.00	\$71,100.00	\$0.00	\$2,191.53	\$0.00	(\$891.53)	\$0.00	\$0.00	\$0.00
Quebec	\$0.00	\$0.00	\$0.00	\$0.00	\$1,455.64	\$0.00	(\$1,455.64)	\$0.00	\$0.00	\$0.00
Metro-Montreal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Central	\$ 18,000.00	\$0.00	\$16,600.00	\$0.00	\$1,945.49	\$0.00	(\$545.49)	\$0.00	\$0.00	\$0.00
Metro-Toronto	\$200,000.00	\$0.00	\$170,400.00	\$800.00	\$0.00	\$0.00	\$27,400.00	\$1,400.00	\$ 2,200.00	\$0.00
Ontario	\$7,800.00	\$0.00	\$8,000.00	\$0.00	\$1,968.02	\$0.00	(\$2,168.02)	\$0.00	\$0.00	\$0.00
Prairie	\$ 75,000.00	\$0.00	\$70,800.00	\$0.00	\$2,442.35	\$0.00	\$3,934.50	(\$2,176.85)	(\$2,176.85)	\$0.00
Pacific	\$0.00	\$0.00	\$0.00	\$0.00	\$1,650.09	\$0.00	(\$1,650.09)	\$0.00	\$0.00	\$0.00
Total	\$373,200.00	\$0.00	\$336,900.00	\$800.00	\$11,653.12	\$0.00	\$24,623.73	(\$776.85)	(\$23.15)	\$0.00



	Appeals Board	Appendix “AA”	Groups 3 & 4 Review Committee	RSMC Work Content and Workload Committee	National Board of Trustees	National Health and Safety Committee	National Human Rights Committee	National Work Measurement Committee	National Women’s Committee	National and Regional Disciplinary Committees
2018 - 2019	\$88,464				\$48,993	\$23,830	\$218,844	\$26,541	\$39,886	\$94,282
2019 - 2020	\$20,900	\$13,188	\$22,029	\$25,472	\$68,165	\$5,082	\$136,128	\$8,317	\$27,325	\$140,357

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



The National Board of Trustees noticed that there is a significant decrease in the amounts for Appeals, but that there is a significant increase in the National and Regional Disciplinary Committees.

While there are significant lower amounts for the following: National Health and Safety Committee, National Human Rights Committee and the National Work Measurement Committee, these numbers can be attributed to the cancellation of these activities due to the COVID-19 pandemic.

The National Board of Trustees also noticed that there are three additional activities added to this second verification: DSRA Project, Groups 3 & 4 Review Committee and RSMC Work Content and Workload Committee.

#### Other (non-mandated) National Activities

The National Board of Trustees was made aware of the following National Activities:

Arbitration Course from July 7 to 12, 2019	\$56,847.22
Arbitration Course from November 17 to 22, 2019	\$61,549.05
“Cours de Plaidieurs” from July 15 to 19, 2019	\$7,306.37
Conflict Resolution Training Course	\$11,845.25
Production of Digital Videos – CINE-METU (RSMC)	\$ 85,738.43
Regional Education Seminar – Cancelled due to Covid-19	\$20,627.42
5-day Facilitator Training Level 1 & 2 from March 15 to 20, 2020	\$19,269.75
Black History Ottawa, W.E.P. – Support	\$2,400.00
Others	\$7,382.52
<b>Total</b>	<b>\$272,966.01</b>

### 13. REVIEW OF STATEMENTS OF EXPENSE

The National Board of Trustees once again examined the statement of expense forms 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 July 1, 2019 to June 30, 2020.

It is to be noted that many expenses dropped in the period as the ongoing pandemic stifled travel globally. Many scheduled educational offerings and other events were cancelled to minimize the risk to our members and officers, as well as to our office staff and the general populace. Many activities also continued, albeit by way of virtual platforms such as Zoom, Google Rooms, and Microsoft Teams. Therefore, the costs reflected in the categories below are a fraction of what they may have been.

#### Expense Forms

The National Board of Trustees noted that the problem of expense forms not being submitted in a timely manner was still a concern, particularly in one case where six months of expense forms were submitted at one time. Submitting expense forms after several months makes corroborating one’s expenses and attendance much more difficult, if not impossible.

It was also noted that some expense reports contain costing to a “general” account.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer and National Director of each Region continue to express to those with untimely reporting, the importance and expectation that monthly expense reports are to be filed in a timely manner; and

A memo is sent in January of each year to individuals that provides the due dates for “Monthly Statement of Expense” reports. Should an individual be delinquent in submitting their monthly expense reports, a letter is sent reminding them of their obligation to fill out their monthly report. This letter is placed in the individuals’ monthly expense report file and a carbon copy (cc) is sent to the individual’s Officer or National Director.

- That some explanation of what is being expensed under a general code be added to the expense report.

A memo will be issued advising individuals that if an amount is expensed to a general code, a written explanation must be provided. The monthly expense report will be modified for the 2021-2022 fiscal year to have a space for the explanation.

#### Per Diems

Per diem costs dropped in this verification period because of reduced in-person interactions and travel due to the Covid-19 pandemic.

Total for 2018 – 2019:	\$464,414.00
Total for 2019 – 2020:	\$233,295.77

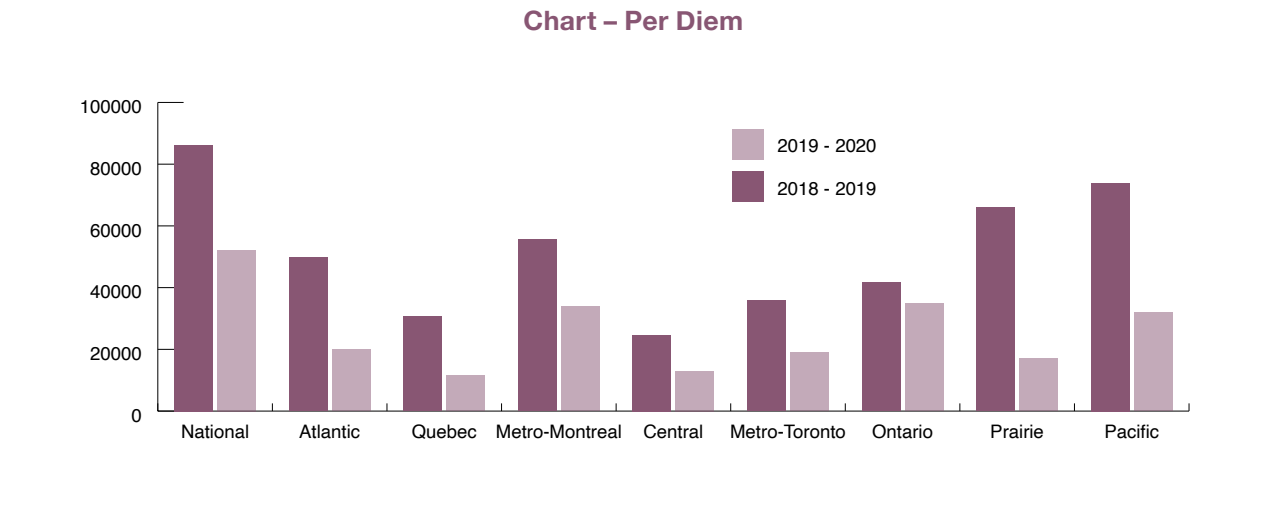
#### Travel

The use of travel authorizations for all travel has improved over the past several verification periods, but there were still instances where there was travel that was expensed without a travel authorization on file. Without a travel authorization on file with the expense reports, it is difficult for the National Board of Trustees to ascertain whether or not the travel was authorized, especially if done so via motions or verbally.

Therefore, the National Board of Trustees recommends:

- That a written travel authorization form be placed in each applicable expense folder when travel is authorized either verbally or via motion, to facilitate the National Board of Trustees’ ability to verify that authorization.

The intention behind the recommendation of the National Board of Trustees is understood. It should be noted that not all individuals have access to their expense file. This recommendation requires reconsideration by the National Board of Trustees, as it would add additional work to our Finance Department, would not provide consistency, and would remove the current requirement for an Officer to approve, by means of their signature, the travel authorization form even though it is not a National Constitutional requirement.



	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$86,188.31	\$49,747.50	\$30,687.48	\$55,657.80	\$24,659.92	\$35,880.63	\$41,750.74	\$65,916.68	\$73,924.94
2019 - 2020	\$52,200.35	\$19,938.55	\$11,564.27	\$33,959.98	\$13,005.98	\$18,923.27	\$34,740.79	\$17,103.65	\$31,858.93

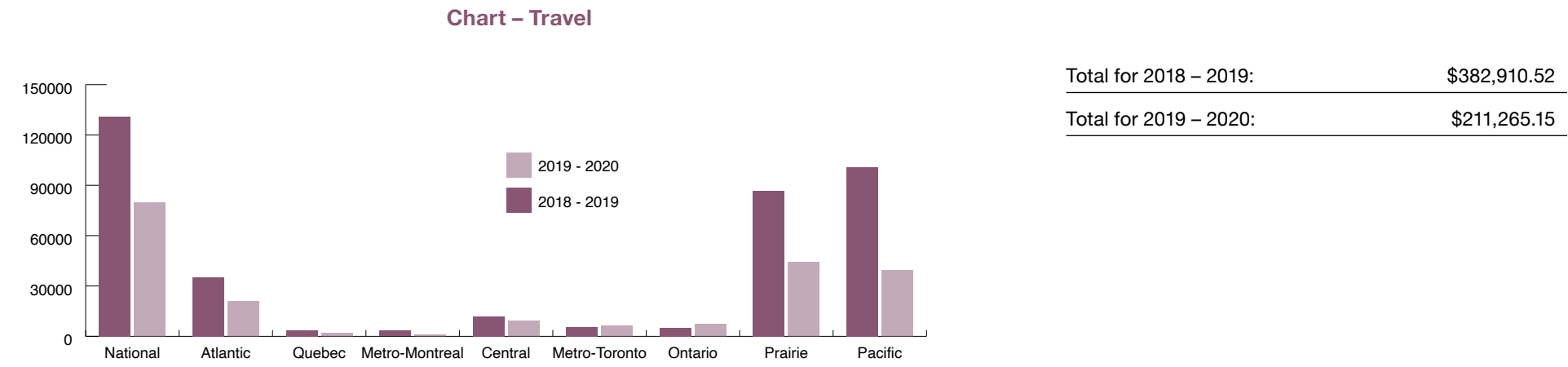


Chart – Travel

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$131,000.03	\$35,060.72	\$3,729.40	\$3,363.25	\$11,914.09	\$5,448.65	\$4,988.97	\$86,761.97	\$100,643.44
2019 - 2020	\$80,007.82	\$20,936.39	\$2,142.77	\$1,266.63	\$9,274.92	\$6,444.27	\$7,390.88	\$44,370.61	\$39,430.86

Mileage

Mileage costs are those costs submitted on expense statements for travel using personal vehicles while on Union business. The current rate of compensation is 37¢/km. These costs are to be expected and fluctuate by Region because of many factors, such as how expansive or concentrated each Region is.

Total for 2018 – 2019:	\$42,874.80
Total for 2019 – 2020:	\$33,395.01

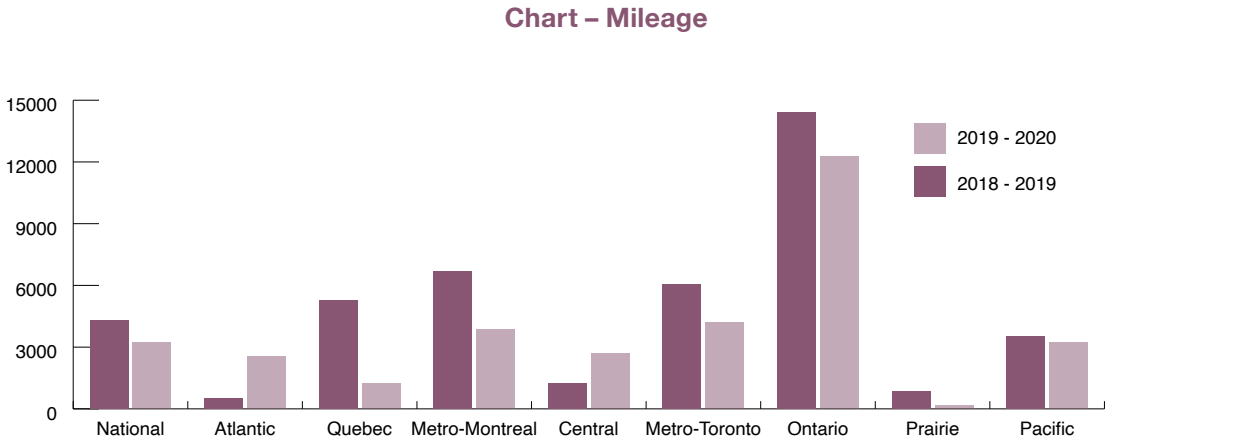


Chart – Mileage

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$4,288.28	\$508.32	\$5,282.65	\$6,666.89	\$1,245.67	\$6,059.16	\$14,412.88	\$868.45	\$3,542.50
2019 - 2020	\$3,215.50	\$2,545.23	\$1,216.19	\$3,856.63	\$2,704.67	\$4,209.02	\$12,282.44	\$155.74	\$3,209.59

Car Rentals

As is the case with mileage costs, car rental costs are somewhat determined by the geography of a Region. While the Ontario Region successfully lowered its car rental charges by purchasing Union vehicles, some Regions are spread out and must incorporate air travel more often; in which case it is cheaper and more practical to rent a vehicle.

Total for 2018 – 2019:	\$50,766.00
Total for 2019 – 2020:	\$25,377.30

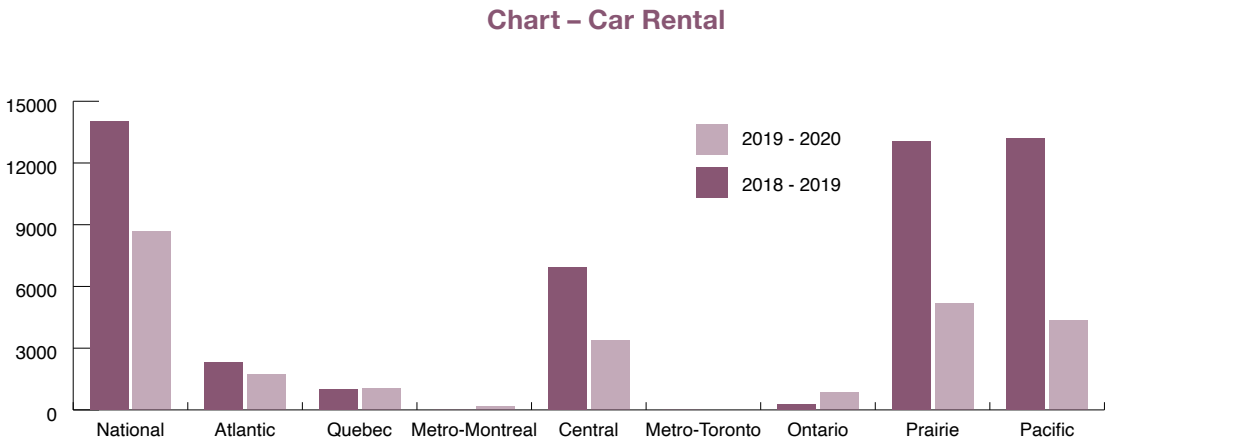


Chart – Car Rental

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$14,032.00	\$2,308.00	\$983.00	\$0.00	\$6,944.00	\$0.00	\$254.00	\$13,066.00	\$13,179.00
2019 - 2020	\$8,698.29	\$1,734.95	\$1,053.88	\$173.12	\$3,394.67	\$0.00	\$839.53	\$5,153.83	\$4,329.03

14. ATTENDANCE

The National Board of Trustees reviewed annual leave, pre-retirement and personal day taken by National and Regional Officers and Union Representatives.

There was a significant increase to the pay out of annual leave taken during the 2019-2020 fiscal year. This may be due to the 2019 National Convention resulting in the pay out of annual leave for Officers who were no longer in Office, but the National Board of Trustees is hopeful that the leave used is due to Officers using their annual leave.

This was the first year that the National Board of Trustees were provided the leave breakdown of National and Regional Officers and Union Representatives. This information allows the National Board of Trustees to do a more thorough verification of leave days used / paid out.

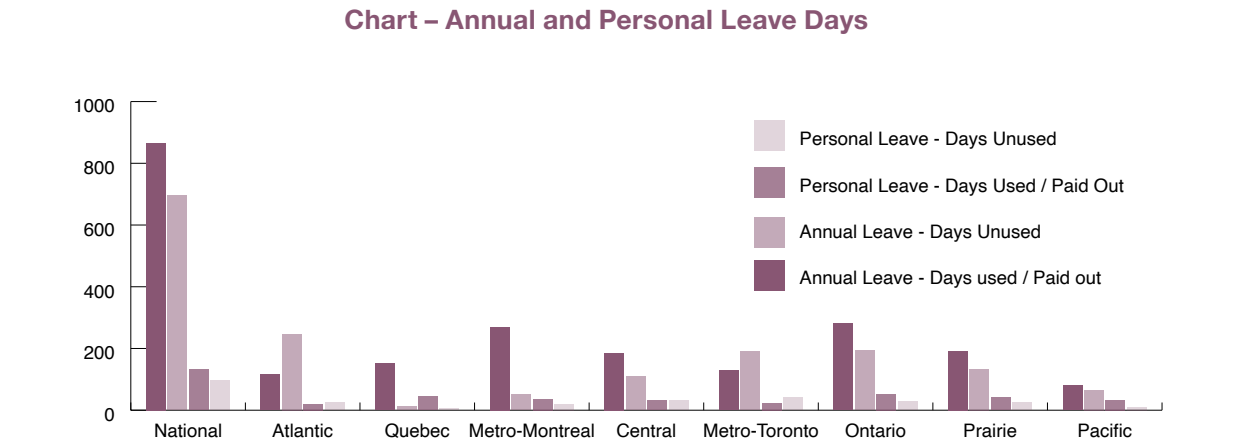


Chart – Annual and Personal Leave Days

	Annual Leave - Days used / Paid out	Annual Leave - Days Unused	Personal Leave - Days Used / Paid Out	Personal Leave - Days Unused
National	865.09	695.88	132.83	96.72
Atlantic	115.5	246.7	20.25	24.5
Quebec	151	12.32	44.25	4.84
Metro-Montreal	269	51.73	36	19.83
Central	185.33	108.43	31	31.33
Metro-Toronto	128.66	190.59	23.16	41.16
Ontario	281.32	193.39	52.66	27.91
Prairie	191.8	133.52	41.98	25.59
Pacific	79.5	65.22	32.5	9.92

Chart – Total Annual Leave

	2018 2019	2019 2020
Annual Leave – Days Used / Paid Out	241.52	2,267.20
Annual Leave – Days Unused	2,378.24	1,697.78
Personal Leave – Days Used / Paid Out	97.67	414.63
Personal Leave – Days Unused	229.08	281.80

*Note: The National Board of Trustees was unable to provide the number of days of banked pre 2014 annual leave entitlement, which represents a liability.*

Accumulation of unused annual and personal leave continues to be a liability totalling compensation of approximately \$586,000 (5.4 years).

The National Board of Trustees notes discrepancy between leave being documented on expense forms and leave entered in the leave breakdown that was provided for our verification. As attendance records are based on the honour system, where individual Officers and Union Representatives are responsible for reporting their attendance on their monthly expense report, accuracy in entry of this leave is crucial.

Therefore, the National Board of Trustees recommends:

- That the leave reported on expense forms be accurately transferred to the Leave Breakdowns that are provided to us for our verifications. This will alleviate concerns as to whether leave is being used and accurately recorded; and

*An administrative process for COPE 225 and CUPE 1979 staff and for elected Union Representatives is in place to ensure that leave recorded on monthly expense reports is transferred to the individual's official leave breakdown form.*

- That the National Executive Board follow the provisions of Articles 7.37 and 7.38 of the National Constitution; and

*At the end of each fiscal year, the process previously adopted by the National Executive Board in 2014 ensuring compliance with 7.38 of the National Constitution was implemented. A similar process had been negotiated into the CUPE 1979 collective agreement in 2017. Under the terms of the COPE 225 collective agreement, annual leave is not carried over from one year to the next, unless approval by CUPW's Human Resources Committee and provides for a pay-out of unused annual leave.*

- That the leave breakdown documents be provided to the National Board of Trustees yearly verification going forward.

*The documents provided during the National Board of Trustees' 2019-2020 verification showing all leave balances for different leave types for elected Union Representatives and staff members was provided in error. This is considered confidential information as it contains personal information that the National Board of Trustees is not entitled to review under the National Constitution. The National Board of Trustees, as per past practice, will be provided documentation outlining the amount of unused annual leave for all elected Union Representatives and staff members employed by CUPW.*

15. EXPENSES FOR REGIONAL ACTIVITIES AND OFFICES

The National Board of Trustees examined the expense accounts with respect to Union activities for which the National Directors have received an advance of funds. During this verification, 21 activities were held throughout the eight Regions.

All Regions have submitted their expense reports as required under section 5.13 of the National Constitution. The vouchers were clear and easy to check.

Some Regions had outstanding balances due to the National Office as of June 30, 2020. Outstanding balances are to be expected and are of little concern as long as they are reconciled in a timely manner, which was the case in 2019 - 2020.

The National Board of Trustees continues to appreciate the efforts of the Regions to reconcile their accounts.

The National Board of Trustees has examined the Regional Office expenses for the period of July 1, 2019 to June 30, 2020.

Most expenses for Regional Offices are paid at National Office.

16. INVENTORY LISTS FOR NATIONAL & REGIONAL OFFICES

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.56 of the National Constitution, it requires an inventory list from National Office, eight Regional Offices as well as the condominiums. These lists should include all items purchased with Union funds such as filing cabinets, computers, office furniture, appliances, etc... essentially all items excluding office supplies. All inventory lists are for insurance purposes in case of loss.

The National Board of Trustees appreciates that the National Secretary-Treasurer followed our recommendation to remind National and Regional Officers and Union Representatives of the importance of keeping an updated inventory list and to have these lists available to us for our 2<sup>nd</sup> verification.

All Regional Offices, National and Regional Officers and Union Representatives were requested by mail to provide their inventory lists prior to the National Board of Trustees' second verification.

The National Board of Trustees was provided inventory lists from six of the eight Regions, with the exception of Quebec and Metro-Toronto, and 41 individuals from National Office. The inventory lists of three Regions were not dated, thus we could not verify that the lists were up to date.

Chart - National and Regional Inventory Expense

	2018 2019	2019 2020
Expenses	\$16,000	\$27,249

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

The lack of activities and Education seminars during the Covid-19 pandemic gave Regions and National the budget to upgrade their inventory.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continue to send out letters of reminder to all Regional Offices

*and National and Regional Officers and Union Representatives to submit annually an updated inventory list prior to the Board of Trustees' annual verification; and*

*Personal and Regional inventory lists were requested by letter dated January 31, 2020, to provide updated inventory lists. A reminder was sent out on June 30, 2020 and again on September 4, 2020. An updated inventory list of all items contained in CUPW owned condominiums was completed for all unoccupied units in February 2021.*

- That inventory lists are dated.

*The inventory list form has been amended to contain a date the inventory was taken.*

17. COMPUTER HARDWARE AND SOFTWARE

The National Board of Trustees' first verification reviewed the expenses related to the computer system for the Union. In the 2018 – 2019 verification, the National Board of Trustees found out that the IMIS and SAGE systems would be replacing Oracle, thus preventing any further costs attached to the Oracle system. The iMIS system was to be implemented in June 2020 for the Grievance, Membership and Rebate modules.

	2018 – 2019	2019 2020
Oracle	\$79,012.12	\$0.00
iMIS	\$380,346.36	\$437,089.86
Sage	\$26,145.30	\$3,983.64
Total	\$485,503.78	\$441,073.50

During this verification, the National Board of Trustees became aware that due to the development of new technologies, the Union has decided to proceed with a strategic realignment regarding software development. In order to ensure better control over the outcome, the Union wishes to use its resources to develop this software. Consequently, an impairment loss on an intangible asset in the amount of \$437,090 was recorded in the expenses of the General Fund.

Chart – Computerization Costs

	2018 - 2019	2019 2020
Software	\$383,282	\$700,351
Repairs and Maintenance	\$19,274	\$69,337
Supplies	\$26,695	\$59,023
Professional Fees	\$7,389	\$32,820
Training IT	\$0	\$3,280
Totals	\$436,639	\$864,811

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, 2019, and June 30, 2020.

According to the information we were given, the following amounts have been paid out to 12 members for moving expenses or termination of employment:

Moving and relocation expenses paid to 8 members	\$73,289.49
Unused annual leave	(\$4,377.55)
Section 7.41	\$24,947.41
Unused personal days	(\$2,006.16)
Total	\$91,853.19

Negative amounts are a result of unused annual and personal leave due to members who have left office. These amounts have been deducted from the amounts owed by the Union in accordance with section 7.41 of the National Constitution.

This year's fees are lower than last year's, which was a convention year, with changes in Officers totalling \$128,746.55. Of this amount, \$54,972.09 was attributable to unused annual and personal leave.



19. CAMPAIGNS

The National Board of Trustees verified the cost of the “Save Canada Post” campaign for the 2019-2020 fiscal year. These amounts include expenditures such as, but not limited to, lost wages, advertising, meeting room rental, Web hosting and per diems.

Chart – “Save Canada Post”

	Amount Spent	From General Fund	From Reserve Fund
2017 – 2018	\$697,261.01	\$0.00	\$697,261.01
2018 – 2019	\$681,957.95	\$681,957.95	\$0.00
2019 – 2020	\$ 34,984.40	\$34,984.40	\$0.00

Since its inception in 2013, the “Save Canada Post” campaign has cost \$6,389,405.18

The National Board of Trustees has verified the costs of the “Delivering Community Power” campaign for the 2019-2020 fiscal year. No expenses were incurred for this verification. The campaign was placed on hold until January 2021. Since its inception in 2017, the “Delivering Community Power” campaign has cost \$110,424.02.

20. ARBITRATION

The National Board of Trustees notes an overall decrease in Arbitration costs during the 2019-2020 verification.

Total Arbitration Costs by Region

	2018 2019	2019 2020
National	\$169,083.72	\$83,302.79
Atlantic	\$465,287.22	\$335,949.86
Québec	\$175,401.68	\$126,122.90
Metro-Montréal	\$172,318.49	\$255,677.52
Central	\$148,265.11	\$93,302.20
Metro-Toronto	\$269,885.49	\$283,774.54
Ontario	\$445,859.32	\$248,233.64
Prairie	\$268,864.84	\$258,738.70
Pacific	\$347,561.37	\$289,527.35
Total	\$2,462,527.24	\$1,974,629.50

As per previous verifications reported to the National Executive Board, National and Regional Offices should use the Union Officers and Union Representatives and trained worker advocates to alleviate the costs of legal fees, as per section 10.08(i) of the National Constitution.

The National Board of Trustees is hopeful that, during our next verification, we will be able to report on the number of arbitrations that were filed and heard.

Therefore, the National Board of Trustees recommends:

- Training and using Worker Advocates for the arbitration process; and

Training of worker advocates was impossible due to the restrictions placed on travel and meeting sizes based on COVID-19.

- That the Arbitration Department provide the National Board of Trustees the number of arbitrations filed and heard during each fiscal year.

The National Grievance department for the period of July 1, 2020 to June 30, 2021, reported that 644 arbitration dates were scheduled. There were 136 dates cancelled, and an additional 166 off/calendar/continuation dates. The National Grievance Officer stated he would be willing to meet with the National Board of Trustees to discuss arbitration issues and its associated costs.

21. LEGAL FEES

The National Board of Trustees had included legal fees for the first time in its first verification for the 2019 – 2023 term as they represent a significant expenditure. The National Board of Trustees feels that it is important to report these expenditures.

The National Board of Trustees has reviewed the legal fees for the 2019-2020 fiscal year and while these fees have decreased, the annual expense is still substantial.

The increase for Judicial Advice was due in part to back-to-work legislation.

Chart – Summary of Cost

	Arbitrators and Cancellation Fees	Arbitrators Fees	Cancellation Fees	Legal Fees		Workers Advocates	
	2018 2019	2019 2020	2019 2020	2018 2019	2019 2020	2018 2019	2019 2020
National	\$49,187.88	\$39,068.50	\$2,273.00	\$87,100.70	\$24,413.76	\$0.00	\$0.00
Atlantic	\$319,887.05	\$277,276.43	\$13,937.99	\$121,014.22	\$26,553.53	\$2,338.24	\$2,172.67
Québec	\$96,904.22	\$4,001.14	\$58,354.99	\$74,381.00	\$63,198.44	\$ 0.00	\$0.00
Metro-Montréal	\$109,677.99	\$43,479.47	\$81,928.37	\$59,065.68	\$128,555.99	\$ 0.00	\$0.00
Central	\$74,807.21	\$50,149.34	\$15,882.94	\$69,951.87	\$23,583.95	\$ 2,707.56	\$0.00
Metro-Toronto	\$110,963.47	\$102,272.12	\$48,561.75	\$152,907.90	\$122,432.61	\$ 0.00	\$499.20
Ontario	\$246,604.58	\$99,663.32	\$53,279.50	\$186,302.00	\$84,760.81	\$ 0.00	\$0.00
Prairie	\$213,405.97	\$163,986.83	\$54,216.43	\$971.25	\$0.00	\$8,875.01	\$5,231.29
Pacific	\$189,031.08	\$131,914.49	\$65,812.72	\$128,188.24	\$55,087.39	\$7,327.05	\$16,771.56
Total	\$1,410,469.45	\$911,811.64	\$394,247.69	\$879,882.86	\$528,586.48	\$21,247.86	\$24,674.72

Please note that during our 1<sup>st</sup> verification, July 1, 2018 – June 30, 2019, arbitrator costs and cancellation fees were combined. For this verification, the amounts have been reported to us individually. To accurately compare the difference between arbitrator and cancellation costs from one year to the next, one must add the total of both arbitrator and cancellation costs together for 2019 – 2020.

	Professional Fees		Witness		Medical Review RSMC		Other	
	2018 2019	2019 2020	2018 2019	2019 2020	2018 2019	2019 2020	2018 2019	2019 2020
National	\$0.00	\$0.00	\$8,260.18	\$0.00	\$0.00	\$0.00	\$24,534.96	\$17,547.53
Atlantic	\$0.00	\$0.00	\$2,432.68	\$2,739.37	\$0.00	\$0.00	\$19,615.03	\$13,269.87
Québec	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$ 0.00	\$4,116.46	\$568.33
Metro -Montréal	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$ 0.00	\$3,574.82	\$1,713.69
Central	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$ 0.00	\$798.47	\$3,685.97
Metro-Toronto	\$85.00	\$0.00	\$0.00	\$551.80	\$0.00	\$2,099.05	\$5,929.12	\$7,358.01
Ontario	\$0.00	\$0.00	\$150.00	\$0.00	\$612.25	\$0.00	\$12,190.49	\$10,053.01
Prairie	\$13,806.99	\$0.00	\$44.32	\$145.89	\$0.00	\$5,500.00	\$31,761.30	\$29,658.26
Pacific	\$0.00	\$0.00	\$94.52	\$1,020.28	\$0.00	\$0.00	\$22,920.48	\$18,920.91
Total	\$13,891.99	\$0.00	\$10,981.70	\$4,457.34	\$612.25	\$7,599.05	\$125,441.13	\$103,252.58

Chart – Summary of Costs

	Legal Fees General		Legal Fees Civil		Court Actions		Canadian Industrial Relations Board		Judicial Advice		Judicial Review		Workers Compensation Board	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
National	\$265,216	\$271,132	\$135,154	\$8,285	\$9,285	\$0	\$0	\$2,615	\$25,755	\$104,930	\$82,802	\$96,128	\$0	\$0
Atlantic	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$722	\$0	\$0
Quebec	\$9,162	\$5,208	\$0	\$0	\$0	\$0	\$3,916	\$13,470	\$0	\$8,128	\$0	\$0	\$52,288	\$10,780
Metro-Montreal	\$312	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,734	\$0	\$0	\$0	\$7,054	\$16,927
Central	\$0	\$912	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,933	\$0		\$5,712	\$6,475
Metro-Toronto	\$3,924	\$8,099	\$0	\$0	\$0	\$0	\$2,944	\$6,074	\$0	\$0	\$0	\$0	\$0	\$0
Ontario	\$0	\$0	\$13,208	\$0	\$0	\$0	\$0	\$3,472	\$0	\$0	\$845	\$0	\$11,725	\$21,574
Prairie	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pacific	\$51,513	\$3,658	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,866)	(\$300)	\$0	\$88,245	\$30,015	\$8,977
Total	\$330,127	\$289,009	\$148,362	\$8,285	\$9,285	\$0	\$6,860	\$25,631	\$28,623	\$117,691	\$83,647	\$185,095	\$106,794	\$64,733

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

Total for 2018 – 2019 :	\$713,698
Total for 2019 – 2020 :	\$690,444

22. APPENDIX “AA”

The National Board of Trustees verified the expenses of the Appendix “AA” Committee for the period of July 1, 2019 to June 30, 2020.

The Appendix “AA” Committee consists of two CUPW members working with Canada Post Corporation to identify, conduct and evaluate collection and delivery related projects. Members of the Committee prorate the time on which they work on the Appendix “AA” Committee with a portion paid by Canada Post and the remainder paid by CUPW.

For the period under review, CUPW has paid \$51,242.18 as our share of the Committee’s costs, which is 33% of the total cost. This is a significant decrease in comparison to the previous verification, which showed CUPW paying 66% of the costs.

Efforts to clarify and to sign a Memorandum of Agreement are still underway to clearly define the specific percentage of expenses that CUPW and Canada Post will pay.

23. ARTICLE 8

For the year under review, from July 1, 2019 to June 30, 2020, we were unable to determine the number of complaints filed under Article 8.

Expenses incurred by national and regional disciplinary committees amounted to \$140,357. This represents an increase of \$46,075 over the previous year.

Chart – Cost of Disciplinary Committees

	2018 2019	2019 2020
National	\$14,324	\$6,990
Atlantic	\$0	\$3,817
Quebec	\$3,144	\$6
Metro-Montréal	\$0	\$0
Central	\$8,884	\$4,192
Metro-Toronto	\$5,202	\$1,926
Ontario	\$23,825	\$42,211
Prairie	\$21,103	\$72,646
Pacific	\$17,800	\$8,569
Total	\$94,282	\$140,357

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

Thanks to a communication provided by the new administrative assistant assigned to Article 8 files, we learned that from January 1 to June 20, 2020, 10 files were opened and 28 were closed.

There were 69 active files as of June 30, 2020.

The National Board of Trustees would like to report on the number of files opened and closed during the verification period, as well as the number of files still active at the end of the year.

Therefore, the National Board of Trustees recommends:

- That members be reminded to use the conflict resolution process; and

When Article 8 changes are filed, the parties are offered mediation as a means to settle the dispute before accessing the formal

Article 8 process. In early 2021, the Education Department trained a number of members as regional facilitators to train regional members in mediation, in hopes of resolving conflict between members. A letter was sent to Locals on February 5, 2021 outlining the process to access mediation services and the Local’s financial responsibility when mediation is requested by members of a Local to resolve disputes.

- That the number of files processed be made available to us at the time of our next verification.

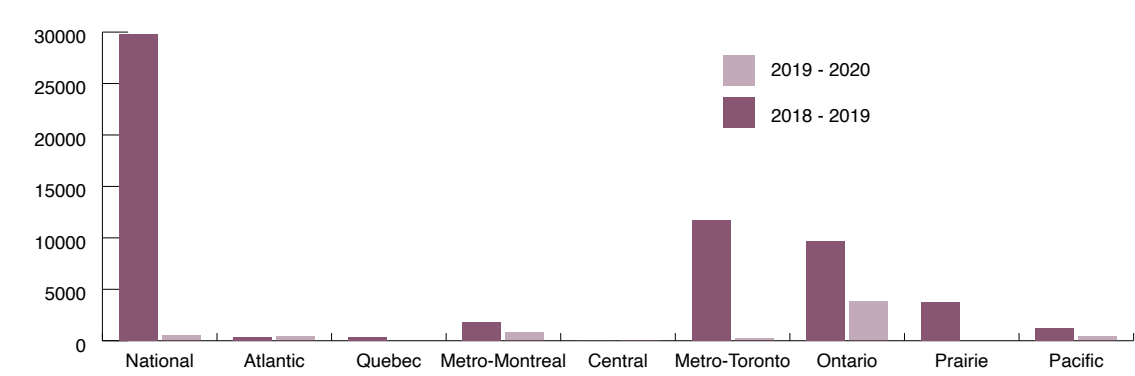
There were 21 article 8 charges filed in the 2020-2021 fiscal year, and as of October 31, 2020, there were still 69 active article 8 files.

24. CHILD/ELDER CARE COSTS

The National Board of Trustees has examined the costs associated with Child/Elder Care for the period of July 1, 2019 to June 30, 2020. The National Board of Trustees has noted that the expense form to claim Child/Elder Care costs has been improved and should address the issues of questionable claims being submitted as in previous years.

The total associated costs with Child/Elder Care for this verification period were \$6,375 compared to \$58,494 for 2018 - 2019. This significant decrease is due in part to the cancellation of many events caused by the COVID-19 pandemic.

Chart – Child/Elder Costs by Region



Total for 2018 – 2019:	\$58,494
Total for 2019 – 2020:	\$6,375

Chart – Child/Elder Costs by Region

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$29,819	\$300	\$300	\$1,790	\$0	\$11,680	\$9,695	\$3,720	\$1,190
2019 - 2020	\$500	\$400	\$0	\$825	\$80	\$275	\$3,845	\$0	\$450

Note: \$1,650 from the General Fund and \$4,725 from the Education Fund

Chart - Child/Elder Care Costs by National Activity

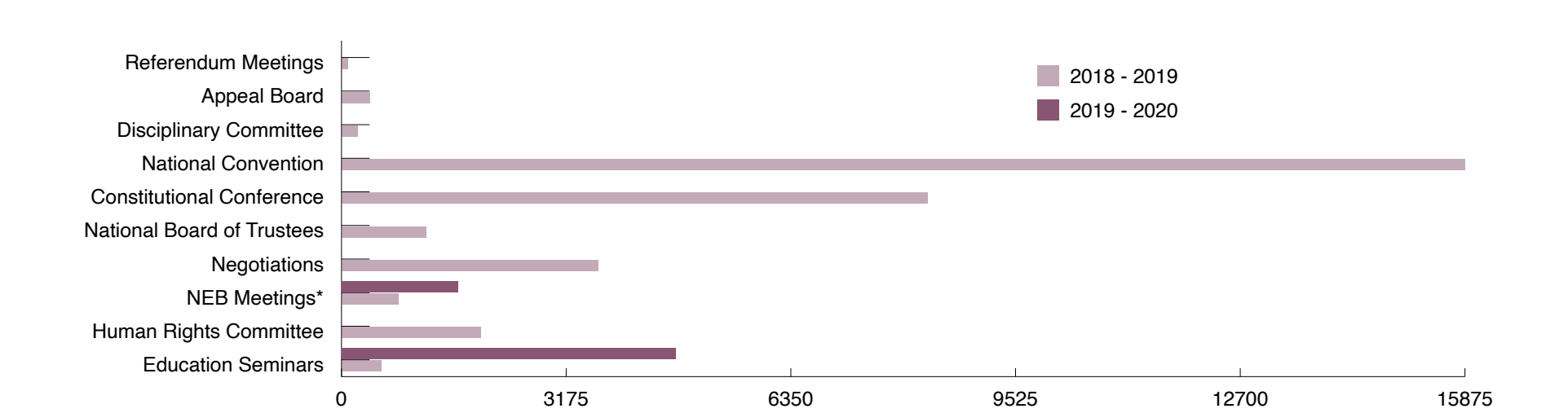


Chart - Child/Elder Care Costs by National Activity

	Referendum Meetings	Appeal Board	Disciplinary Committee	National Convention	Constitutional Conference	National Board of Trustees	Negotiations	NEB Meetings*	Human Rights Committee	Education Seminars
2019 - 2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,650	\$0	\$4,725
2018 - 2019	\$90	\$400	\$230	\$15,875	\$8,280	\$1,200	\$3,630	\$810	\$1,965	\$560

\*This amount includes childcare for the NEB, NEC, REC and Labour Movement Activities.



25. INSURANCE

As provided for under Article 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 30, 2020. The insurance policy contains dishonesty coverage up to \$50,000 per occurrence.

The policy is available in both official languages.

26. CUPW ADMINISTRATIVE STAFF

All Staff at the National and Regional Offices are covered by collective agreements negotiated between CUPW and their respective Union.

	The Canadian Office and Professional Employees Union (COPE 225)	Canadian Union of Public Employees (CUPE 1979)
Number of Employees	48	28
Collective Agreement's Starting Date	July 1, 2018	December 18, 2017
Collective Agreement's Expiry Date	June 30, 2022	December 30, 2020

It has been noted for the fiscal year ending June 30, 2020, that the potential payout for 667.48 days of unused annual leave for COPE 225 members at the National and Regional Offices is \$209,750.03. This represents an increase of 118.45 days of unused annual leave for the 2018-2019 fiscal year. The cost has increased by \$50,964.38 and will continue to rise as hourly wages increase. As per the COPE 225 collective agreement, there is no provision to carry annual leave over from one year to the next.

The sick leave payout for COPE 225 members at a rate of 20% is \$191,861.87 as per their collective agreement.

For the CUPE 1979 bargaining unit members at National Office, the potential payout for 417.73 days of unused annual leave for the fiscal year ending June 30, 2020, is \$126,765.61.

The National Board of Trustees reviewed the attendance of the COPE 225 and CUPE 1979 administrative staff. While administrative staff do report their absences on their monthly expense reports, there is no way for the National Board of Trustees to verify whether or not there is sufficient leave available for theses absences, and no way to ascertain the leave balances at the beginning or end of the fiscal year.

Therefore the National Board of Trustees recommends:

- That the individual charged with attendance maintenance for the COPE 225 and CUPE 1979 administrative staff place individual attendance records in the same file that contains the Statement of Expense forms and that these attendance records show all leave quotas and any unused or carried over leave; and

*The documents provided during the National Board of Trustees' verification, showing all leave balances for different leave types for COPE 225 and CUPE 1979 staff members, is considered confidential information. COPE 225 staff are not required to fill out a monthly statement of expenses. The National Board of Trustees, as per past practice, will be provided documentation outlining the amount of unused annual leave for all COPE 225 and CUPE 1979 members employed by CUPW.*

- That all unused annual leave for COPE 225 members be paid out and continue to be paid out at the end of every vacation year.

*The practice of CUPW as an employer is to authorize a request from a COPE 225 member to carry-over leave from one year to the next*

*if there was a situation that prevented the individual from using all their annual leave in the year. This is in line with the terms and conditions set out in the COPE 225 collective agreement. The National Constitution is silent when it comes to staff entitlements.*

As of June 30, 2020, there were three administrative employees who were covered by individual contracts with CUPW. They are as follows with contact expiry dates:

		Contract Expiry Date
1.	Director of Finance and Administration	September 6, 2025
2.	Director of Information Technology	February 11, 2022
3.	Manager-Business Systems and Analyst	April 7, 2022

27. INDEPENDENT MEDICAL PRACTITIONER COSTS

The National Board of Trustees has reviewed the Independent Medical Practitioner Costs for the 2019-2020 fiscal year. These costs have increased by \$76,656.18 as compared to last fiscal year. This increase is associated with the final appeal process under the Short-Term Disability Program. The table below provides the cost breakdown by Region.

This plan covers both Urban and RSMC members on the work floor. Often workers and their physicians do not fill out the STDP forms in a manner that forces the insurance company to approve a claim the first time. This can then lead to additional requests for information to support a claim. In turn this can increase the cost of Independent Medical Practitioner costs.

This is the short-term disability plan that covers our members on the work floor both Urban and RSMC. As the forms provided to members are at times confusing, they may not be completed in a manner that forces the disability provider to approve claims. This then adds to the cost of appealing these files.

28. SHORT TERM DISABILITY PLAN FOR ELECTED UNION OFFICERS, CUPE AND COPE STAFF

Effective July 1, 2018, National Officers and staff, Regional Officers and staff, and full-time Local Officers are covered under a self-funded Short-Term Disability Plan. This plan is in place to provide those who are full-time Union Officers and staff with a Short-Term disability plan, as they are not able to utilize the Canada Post Short-Term Disability Plan.

This plan is solely funded through CUPW and specifically the General Fund. Coughlin Insurance is the independent 3<sup>rd</sup>-party disability manager. There is a management fee which varies, as it is based on the number of claims that are processed.

Chart – Ongoing Claims as of June 30, 2020

CUPW	COPE	CUPE	TOTAL
2	1	1	4

Chart – Summary of Costs

	STDP Benefit		Administration Fees		Total STDP Claims Paid and Administration Fees	
	2018 – 2019	2019 2020	2018 – 2019	2019 2020	2018 – 2019	2019 2020
CUPW	\$19,588.00	\$50,589.40	\$3,320.15	\$8,574.90	\$22,908.15	\$59,164.30
COPE	\$6,002.30	\$39,164.40	\$1,017.39	\$6,638.37	\$7,019.69	\$45,802.77
CUPE	\$0.00	\$45,401.05	\$0.00	\$7,695.48	\$0.00	\$53,096.53
Total	\$25,590.30	\$135,154.85	\$4,337.54	\$22,908.75	\$29,927.84	\$158,063.60

Chart – 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

29. JOE DAVIDSON FUND

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

Nine members were enrolled in the Labour College of Canada at a cost of \$37,597.36; of which \$7,000 was appropriated for tuition fees.

Article 11.04 of the National Constitution states “...an education bursary in an amount equal to that given to the Labour College of Canada shall be given annually to the Union Education Service of the Quebec Federation of Labour.”

Therefore, the National Board of Trustees recommends:

- That an amount of \$7,000, equal to the amount paid in tuition fees to the Labour College of Canada, be given to the Union Education Service of the Quebec Federation of Labour.

*Should a labour program be initiated by the Union Education Service of the Quebec Federation of Labour, the full cost of tuition fees will be reimbursed by the Union.*

30. LOCAL FINANCIAL STATEMENTS

The National Board of Trustees examined the Local Annual Financial Statements for the 2019-2020 fiscal year.

CUPW has 203 Locals of which 32 did not submit a Local Annual Financial Statement. This is an increase of 7 locals from the 2018-2019 fiscal year. It is concerning that the continuous recommendations made by the National Board of Trustees and yearly reminder from the National Secretary-Treasurer has not encouraged Locals to file their financial report as mandated in article 9.29 of the National Constitution. Nineteen (19) Locals did not submit a June 2020 bank statement with their Local Financial Statement as per the National Secretary-Treasurer's request.

Five (5) Locals submitted audited financial statements in accordance with Article 9.29 of the National Constitution.

Eleven (11) Locals are under trusteeship.

Seventy-six (76) Locals, an increase from 68 last year, did not balance their Local Annual Financial Statements. This may be partially due to the fact that 49 Locals used outdated forms. Although the National Finance Department has been instructed, in the last two verifications to make adjustments to statements that have not balanced and to communicate the new year-end balance to Locals to carry-over to the next fiscal year, this increase would suggest that this has not happened.

Ninety-one (91) Locals did not make payment to their District Labour Council but it must be noted that some Locals do not have an Area Labour Council in their Region to make payment to. The National Board of Trustees appreciates that the National Secretary-Treasurer followed our recommendation of last year and sent Locals a listing of all Labour Councils within their respective province.



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	0	14	17	6	4
Quebec	32	0	4	15	2	0
Metro-Montreal	2	1	0	0	1	1
Central	35	11	13	16	1	3
Metro-Toronto	1	0	0	0	0	0
Ontario	29	6	9	5	2	0
Prairie	33	10	11	16	4	1
Pacific	36	4	25	22	3	2
Total	203	32 <sup>(1)</sup>	76	91	19 <sup>(2)</sup>	11

(1) As 32 Locals did not file their Annual Financial Statement, there is no way to determine whether their statements balanced or if they made payment to the Labour Council.

(2) This does not include Financial Statements not filed.

Eighty-two (82) Locals submitted Local Annual Financial Statements indicating that they bank with a Credit Union. Some Locals may not have these banking choices in their area.

There continues to be occasions where Locals do not detail Revenue “Other” and Expenses “Other money paid-out” on their Local Annual Financial Statement and occasions where the details that are being entered do not meet the provisions laid out in article 9.37 of the National Constitution. Providing details ensures that Union funds are being used appropriately.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer send out the current Local Annual Financial Statement form to Locals no later than one month prior to the end of the fiscal year, reminding them of their obligations under article 9.29 of the National Constitution and the consequences of not meeting them under article 9.31 of the National Constitution, and that the National Secretary-Treasurer follow the mandate of article 9.31; and  
  
This is currently done each year. A letter was sent on June 23, 2020, outlining the Local’s obligations under clauses 9.29 and 9.31 of the National Constitution.
- That the National Secretary-Treasurer return to any Local, a copy of their outdated Local Annual Financial Statement along with the current Local Annual Financial Statement, to be resubmitted using the current form; and  
  
On September 2, 2021, the new Annual Financial Statement was sent to all Locals, reminding them to discard all old forms and submit the new form. Any statements that were submitted on outdate forms were transferred to the new form and a copy was sent to the Local.
- That the National Secretary-Treasurer direct the National Directors to communicate with Locals who do not have a balanced year-end, to allow for a one-time adjustment so Locals can enter the new fiscal year with a balanced financial statement; and (changes to this paragraph)  
  
Nationally, when balancing submitted Local Annual Financial Statements and when time permits, the Finance Department made one-time adjustments if needed. This is then communicated to the Local, and a new balanced Local Annual Financial Statement was sent to the Local for their records.

- That the National Secretary-Treasurer remind Locals of their obligation under Article 9.42 of the National Constitution to make payment to their District Labour Council; as failure to do so may result in the National Executive Board withholding their per capita tax and to encourage those Locals who do not have a Labour Council in their area, to give payment within their Province; and  
  
Locals were reminded in the letter sent on October 8, 2020, of their obligation to pay per capita dues to their local Labour Councils or a Labour Council near them. Also the list of Labour Councils in each region was provided to Locals with their annual financial statement forms.
- That the National Secretary-Treasurer send a letter encouraging Locals and their members to do their banking with consumer co-operatives and Credit Unions, and to encourage National and Regional Officers and Union Representatives to participate in the development of Credit Unions in those areas where they do not exist as per section 1.02(g) of the National Constitution, and  
  
A letter was sent to all Locals and elected Union Representatives on December 10, 2021, outlining the aims of the Union as stipulates in section 1.02 (g) of the National Constitution.
- That the National Secretary-Treasurer remind Locals that Union funds must be used as per Article 9.37 of the National Constitution and that details be provided when “Other” Revenues and/ or “Other” Expenses are entered on the Local Annual Financial Statements and that the National Secretary-Treasurer have documentation available to the Board of Trustees if requested, showing that those Locals who are not using Union funds under the provisions listed in article 9.37 of the National Constitution have been notified, and  
  
The intention of the National Board of Trustees’ recommendation is understood, but the National Secretary-Treasurer is unable to provide the documentation regarding funds spent under section 9.37 of the National Constitution due to the fact that Nationally, we do not have access to all Local records.
- That Locals be reminded that Local funds are for the betterment of the membership and encourage Locals to use their cumulative surpluses as provided in article 9.37 of the National Constitution.

A letter was sent on March 2, 2020, reminding Locals to use their cumulative funds on activities for the betterment of their members and the Labour movement at large.

31. PAYMENT FOR UNION LEAVE (ART. 26.06 URBAN) (ART. 21.04 RSMC)

The National Board of Trustees has reviewed Union Leave billing and reports that there is a continuing decreasing trend over the past three verifications. There was a noticeable improvement in the amount of Union Leave invoices not being paid at the Local level. There is still a significant amount of money withheld from Local rebates.

While some Union Leave costs reported as unpaid at the Local level are in fact supposed to be paid by the National Office, the amount of unpaid Union Leave would still suggest that not all Locals are vetting and paying their Canada Post invoices at the Local level as they should be.

Although there is a downward trend, four of the eight Regions have shown an increase from the previous verification. After discussion with some Local Secretary-Treasurers, it was brought to our attention that some payments sent within the time frames provided in the collective agreements are not received or cashed by Canada Post in a timely manner, and some payments were returned to Locals by Canada Post because they had already been paid by the National Office and withheld from the rebates.

During this verification, the National Board of Trustees would like to give praise to the Metro-Montreal Region for showing that \$0 can be achieved. This Region has reported a zero on their amount withheld from Local rebates.

While the National Board of Trustees commends the efforts of the National Secretary-Treasurer and the National Executive Board in this matter, it seems more training and awareness on this subject needs to be addressed with Local Secretary-Treasurers.

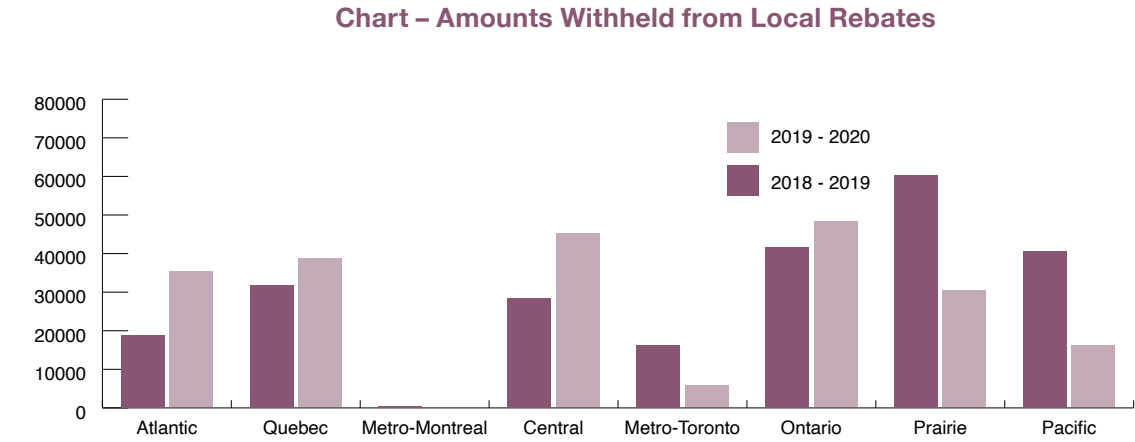


Chart – Total Amounts Withheld

2016 – 2017	\$655,204.34
2017 – 2018	\$312,270.35
2018 – 2019	\$237,943.30
2019 - 2020	\$220,311.53

Chart – Amounts Withheld from Local Rebates

	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$18,704.28	\$31,724.75	\$434.30	\$28,352.02	\$16,181.92	\$41,594.99	\$60,377.78	\$40,600.26
2019 - 2020	\$35,498.03	\$38,852.02	\$0	\$45,243.22	\$5,823.92	\$48,363.71	\$30,343.77	\$16,186.86

Therefore, The National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the Education Department, create an educational module on Union Leave and ensure all Local Secretary-Treasurers are trained with updated information.

Due to COVID-19 restrictions and virtual meetings, it was difficult to have the education module completed. The education module regarding clause 26.06 will be developed with the assistance of the Education Department in 2022.

32. EXTERNAL ORGANIZING

According to the information provided to the National Board of Trustees during this verification, the status of funds being used for external organizing are as follows:

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

For the period under review, the number of Private Sector Bargaining Unit Members was 790.

33. CHECK OFF AND MEMBERSHIP

In accordance with subsection 4.100 (e) of our National Constitution, the National Board of Trustees has analyzed membership and check-offs for the period of July 1, 2019 to June 30, 2020.

The information and statistics come from computerized statements made available to us for analysis. The reports indicate all members working either “full-time,” “part-time,” or on a “temporary” basis, as well as their status, as defined in the National Constitution and the various collective agreements. They are:

- “members in good standing”;
- “members”;
- “Rand” members.

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.
- The National Board of Trustees wishes to continue reporting on check-off and membership on a six-month basis so as to present a more detailed breakdown, even though our verification is now conducted on an annual basis.
- For the period of July 1, 2019 to June 30, 2020, there was an increase in CUPW membership of 1,641 members.
- For the Urban unit, there was an increase of 44 members.
- For the RSMC unit, we note an increase of 1,533 members.
- For the private sector units, we note an increase of 64 members.

Chart 1 – (a) Average Number of Members in Good Standing, Members and Rand Members by Bargaining Sectors - July 1 to December 31, 2019

	Urban Operations	RSMC	Private Sector	Total
Average: July 1 to December 31, 2019	44,678	10,521	694	55,893
Average: January 1 to June 30, 2019	44,165	9,728	695	54,588
Increase / (Decrease)	513	793	(1)	1,305

Chart 1 – (b) Average Number of Members in Good Standing, Members and Rand Members by Bargaining Sectors - January 1 to June 30, 2020

	Urban Operations	RSMC	Private Sector	Total
Average: January 1 to June 30, 2020	44,209	11,261	759	56,229
Average: July 1 to December 31, 2019	44,678	10,521	694	55,893
Increase / (Decrease)	(469)	740	65	336

Chart 2 – (a) Average Number of Members in Good Standing, Members and Rand Members Working Full-time, Part-time or on a Temporary Basis - July 1 to December 31, 2019

	Full time	Part time	Temporary	Total
Average: July 1 to December 31, 2019	38,456	6,152	11,285	55,893
Average: January 1 to June 30, 2019	38,301	6,167	10,120	54,588
Increase / (Decrease)	155	(15)	1,165	1,305

Chart 2 – (b) Average Number of Members in Good Standing, Members and Rand Members Working Full-time, Part-time or on a Temporary Basis - January 1 to June 30, 2020

	Full time	Part time	Temporary	Total
Average: January 1 to June 30, 2020	38,756	6,239	11,234	56,229
Average: July 1 to December 31, 2019	38,456	6,152	11,285	55,893
Increase / (Decrease)	300	87	(51)	336

Chart 3 – (a) Average Number of Members by Status - July 1 to December 31, 2019

	MIGS	Member	Rand	Total
Average: July 1 to December 31, 2019	40,859	8,938	6,684	56,481
Average: January 1 to June 30, 2019	47,075	2,272	5,822	55,169
Increase / (Decrease)	(6,486)	6,666	862	1,312

Note:

- 586 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2019.
- 578 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2019.
- In accordance with section 1.22 of the National Constitution, 429 members have received Retired Member status in CUPW but are not included in the above charts.
- All figures have been rounded off.

For this six-month period, there has been a sharp decline in the number of members in good standing and an increase in the number of members. This difference is due to the equity payment for RSMC members. Upon payment, many found themselves in arrears and lost their MIGS status.

Chart 3 – (b) Average Number of Members by Status - January 1 to June 30, 2020

	MIGS	Member	Rand	Total
Average: January 1 to June 30, 2020	46,349	4,228	6,247	56,824
Average: July 1 to December 31, 2019	40,859	8,938	6,684	56,481
Increase / (Decrease)	5,490	(4,710)	(437)	343

Note:

- 595 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2020.
- 586 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2019.
- In accordance with section 1.22 of the National Constitution, 449 members have received Retired Member status in CUPW but are not included in the above charts.
- All figures have been rounded off.



Chart 4 – (a) Average Number of Members by Region, Group and Bargaining Sectors - July 1 to December 31, 2019

Region	Urban Operations						Private Sector	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,198	1,228	29	4	41	2,500	170	1,093	3,763
Quebec	825	2,108	7	0	10	2,950	0	1,861	4,811
Montréal	2,674	2,988	146	7	14	5,829	0	341	6,170
Central	1,375	1,901	31	4	26	3,337	31	1,636	5,004
Toronto	5,388	3,499	171	7	34	9,099	3	517	9,619
Ontario	2,207	4,392	49	5	61	6,714	65	2,006	8,785
Prairie	3,096	3,939	115	15	72	7,237	348	2,106	9,691
Pacific	2941	3,928	82	10	51	7,012	77	961	8,050
Total	19,704	23,983	630	52	309	44,678	694	10,521	55,893

Chart 4 – (b) Average Number of Members by Region, Group and Bargaining Sectors - January 1 to June 30, 2020

Region	Urban Operations						Private Sector	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,182	1,205	29	4	18	2,438	199	1,140	3,777
Quebec	827	2,103	7	0	6	2,943	0	1,935	4,878
Montréal	2,773	2,979	146	7	7	5,912	0	386	6,298
Central	1,381	1,860	31	4	11	3,287	31	1,773	5,091
Toronto	5,328	3,602	176	7	18	9,131	3	597	9,731
Ontario	2,138	4,343	49	5	28	6,563	72	2,159	8,794
Prairie	3,047	3,860	114	15	35	7,071	384	2,225	9,680
Pacific	2,881	3,878	82	9	14	6,864	70	1,046	7,980
Total	19,557	23,830	634	51	137	44,209	759	11,261	56,229

Chart 5 Breakdown of Funds Received by the Union - July 1, 2019 to June 30, 2020

Local rebates	(\$12,663,681.56)
Local assessments	(\$728,100.54)
Additional Local rebates (section 7.08)	(\$735,782.00)
Federation of Labour per capita	(\$474,780.19)
Optional insurance	(\$1,346,780.23)
Basic life insurance	(\$1,099,606.58)
Dues unapplied and suspended	(\$105,768.04)
Reserve Fund	(\$1,558,606.94)
Defense Fund	(\$4,870,646.73)
General Fund	(\$28,514,955.39)
Total	\$52,098,708.20

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

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

vacant  
Member  
Metro-Montreal Region

Naveed Khan  
Alternate  
Central Region

Cathy Furtak  
Member  
Prairie Region

Norma Kimball  
Member  
Pacific Region

