



# GUIDE TO FINANCIAL DECISION MAKING

At each Annual Meeting of Council, you will be asked to participate in making key decisions about the finances of the Saskatchewan Teachers' Federation. This includes approving a budget for the year to come, considering the need to maintain the Contingency Fund levy and setting the membership fee for teachers that is needed to support the Federation's programs and services. You may also be asked to approve policies guiding the Federation with respect to specific financial issues.

## HOW FEDERATION FINANCES WORK

The **STF Executive** has fiduciary responsibility for the Federation as constituted in *The Teachers' Federation Act, 2006*. The Executive receives quarterly reports on the financial position of the General Fund, which is the fund supporting the general programs and operations of the Federation. The Executive also receives periodic reports on the status of other funds and develops and approves policies for the maintenance of all Federation funds. The Executive makes financial recommendations to Council.

The **Executive Director** and the **Managing Director of Business Services** oversee the financial management of the organization in accordance with legislation, regulations, bylaws and policies. At the Annual Meeting of Council, the Executive Director or designate provides the business update that includes: fund updates on the pension and benefit plans; a report on the previous year's audited financial statements; and an introduction to the proposed budget, membership fee and contingency fund levy as recommended by the Executive and voted upon by councillors.

**Council**, in accordance with *The Teachers' Federation Act, 2006*, sets the fiscal year which runs from July 1 to June 30. Council does not have the power to make financial decisions for the Federation unless those decisions have first been recommended by the

## CONTINGENCY FUND

The Contingency Fund is a reserve fund established for specific purposes where the timing of certain events or decisions are uncertain. The establishment of such a fund supports a stable financial position and ensures the long-term viability of the organization. The use of monies within the Contingency (reserve) Fund are restricted by STF Policy 4.5 (Contingency Fund) to include responding to an education crisis, collective bargaining and contract of employment disputes, a public relations program and emergent circumstances. Within the guidelines of the broader Council policy, the Executive sets out operating and reporting guidelines and authorizes the use of the funds. The Contingency Fund is funded by an annual resolution to Council based on a percentage of each member's salary as recommended by the Executive.

## MAKE IT MEANINGFUL

**Be familiar with the Federation's finances, annual budget and the fiduciary roles and responsibilities of the various parts of the governance structure of the Federation.** Prior to the Annual Meeting of Council, two separate booklets are made available to councillors; one includes the General Fund budget proposals for the next year, and the other includes the audited financial statements for the previous year. Councillors are expected to become familiar with these documents to better inform decision making regarding the business matters of the Federation.

Executive. Those recommendations come in the form of notices of motion submitted to the Annual Meeting of Council.

## THE BUDGET PROCESS

### Drafting

Administration prepares an initial budget based on the mandate of the Federation and strategic direction identified by the STF Executive.

### Review and Recommendation

Budget, Finance and Audit Committee provides advice to administration regarding budget development and recommends to the Executive the proposed budget, including the annual membership fee and Contingency Fund levy.

### Decision Making

STF Executive places the final proposed budget, annual membership fee and Contingency Fund levy before councillors via notices of motion submitted to the Annual Meeting of Council. Councillors debate and make decisions on the proposed budget, annual membership fee and Contingency Fund levy through the small group and plenary session voting processes.

## RELATED RESOURCES

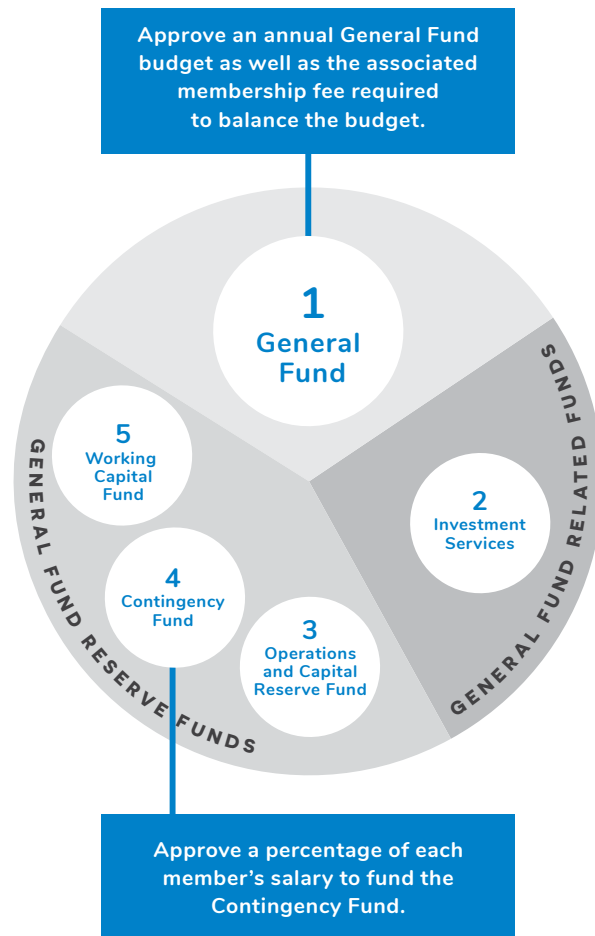
### Governance Handbook

- STF Policy 4.4 (General Financial Matters)
- STF Policy 4.5 (Contingency Fund)
- STF Policy 4.6 (Ethical Investment Policy)

### Booklets/Publications

- General Fund Budget Proposals booklet
- Audited Financial Statements booklet

## RESPONSIBILITIES OF COUNCIL



## FINANCIAL PRINCIPLES

- Shared responsibility and accountability
- Transparency and informed decision making
- Flexibility and sustainability
- Generational equity
- Consistency and fairness



SASKATCHEWAN  
TEACHERS'  
FEDERATION