

ROLE OF THE BUDGET & FINANCE COMMITTEE

- *The Budget & Finance Committee works with union staff in developing the union's annual budget for review and adoption by the Executive Board.*
- *The committee has ongoing responsibility to review and monitor the local's financial reports, budget, and spending in order to assure overall financial stability for the union.*
- *The committee establishes appropriate fiscal policies that are adopted by the Executive Board.*
- *The committee shall review all proposed member benefit programs and submit a report to the Executive Board.*
- *The committee shall meet at least once a month or as often as necessary to carry out their duties.*
- *The Treasurer shall chair the committee.*

EXPENDITURE REVIEW/APPROVAL/REPORTING PROCEDURES

Non-routine expenditures up to \$10,000 may be authorized by the Lead Director and/or the Head of Operations/Labor Relations. All non-routine expenditures over \$1,000 shall be reported to the BFC at its regularly scheduled meetings.

The Treasurer or the President may authorize a non-routine expenditure up to \$1,000. All such expenditures shall be reported to the Executive Board and the BFC at its regularly scheduled meetings.

Sizable expenditures and allocations of resources are often connected to ongoing contract campaigns or specific issues or organizational campaigns undertaken on behalf of the membership. Such issues and/or campaigns are hard to specifically define during the annual budget process, thereby leading to lack of clarity of what should be considered a non-routine expense.

Campaign expenditures anticipated to exceed a cumulative total of \$10,000: The Lead Director and Head of Operations/Labor Relations will request approval for a resource plan to fund campaigns that are anticipated to exceed a cumulative total of \$10,000. The resource plan should, at a minimum, specify the campaign goals and the specific areas of expenditures needed to help reach the goals (e.g., as lost time, temporary staff, contract staff, consultants, research, media, polling, printing, postage, travel, lodging, etc.).

Campaign expenditures between \$10,000 and \$50,000: Either the BFC or executive board may approve campaigns anticipated to have a cumulative cost between \$10,000 and \$50,000. Plans anticipated to cost more than \$50,000 must be approved by the executive board.

Contracts for services: All contracts for consultant services shall be reviewed and signed by the Head of Operations/Labor Relations in consultation with the Local President and Lead Director.

All consultant contracts shall be reported to the BFC. Consultant contracts over \$10,000 are to be approved by either the BFC or executive board. Consultant contracts over \$50,000 must be approved by the executive board.

Vendors: Some vendors conduct ongoing business with the local (e.g., the local's printer, mailing house, etc.) without formal contracts. Vendor expenditures over \$2,500 require the approval of the Lead Director or Head of Operations/Labor Relations in consultation with the Local President. Such expenditures shall be reported to the BFC. The Head of Operations/Labor Relations signs or may delegate in writing the signing of vendor contracts. Operational non-program expenses, such as utilities, mortgage or phone bills, are not included under the terms of the *Vendors* section of this policy.

Staff: The local's largest budget expenditures are connected to the staffing line items. Although money is budgeted for a specific staffing model and resources are set aside for temporary staff needs and lost timers, the Head of Operations/Labor Relations shall report expenditures on the temporary employee and lost time budget lines to the BFC at its regularly scheduled meetings

Legal expenses: For legal costs not covered by the monthly retainer agreement with the local's law firm (e.g., lawsuits against the local, staff separation settlements, worker's comp settlements and cases, freedom of information cases, grievance settlements), the Head of Operations/Labor Relations, the Local President, Local Treasurer and Lead Director, shall have authority to approve up to \$35,000 in legal/settlement expenditures. Any expenditure over \$2,500 shall be reported to the BFC. All settlements shall be reported to the Executive Board.

Purple merchandise expenditures: Until the Policy Review Committee creates an overall policy on the use of the current supply of purple merchandise and a policy on new purchases, the following interim policy shall guide this area of expenditure. Any staff or member leader requesting purple items shall first review the current inventory and make every attempt to find something that meets the campaign need from the existing items. Requests for purple items in inventory need to be submitted to your OS staff at least a week before the item is needed. The request must include the following: item requested, quantity needed, and the purpose for the item. For staff, the appropriate supervisor's approval is required. For member leaders, approval from the vice president assigned to your area is required. Requests for purchase of purple items not in inventory may be considered as part of overall campaign plans submitted in accordance with the expenditure requirements outlined in this policy concerning campaign expenditures. The Lead Director, President, Treasurer or Head of Operations/Labor Relations may authorize purchases of purple items that are not part of an overall campaign plan or for campaigns under \$10,000. All new purple expenditures shall go through the assigned OS staff and be reported to the BFC. Member leaders and staff are directed to minimize the requests and expenditures on any new purple items and to make every effort to use the current stock of items.

IT expenditures: Information technology expenditures are to be processed through the IT department.

Given the additional BFC oversight, the BFC shall, in addition to their regular monthly meeting, arrange a monthly conference call to deal with any expenditure approvals that cannot wait until the regular BFC or board meeting. If approval of a non-routine expenditure over \$50,000 is needed prior to a scheduled board meeting, the President shall either arrange for a poll or conference call with the board.

The BFC will review this policy on a regular basis to ensure the policy does not unnecessarily interfere with the day to day business needs of running the organization, while at the same time maintaining oversight and transparency.

In the event the Head of Operations and Labor Relations is not available to sign a contract, the President and/or Treasurer may sign on behalf of the local. However anyone who signs on behalf of the local obligating the local to an expenditure of funds must adhere to the approval and oversight policy as designated by the Budget and Finance Committee and/or the Executive Board.

NOTE: Existing policies on expenditures (e.g., adopted for industries and the Social and Economic Justice Committee) have additional requirements that must be followed.

SEIU Local 1021 BYLAWS SECTION 13.4: Budget and Finance Committee: *The purpose of the Budget and Finance Committee is to develop recommendations related to the budget, including but not limited to, investments, expenditures, financial policy, and other fiduciary matters of the Union. The Budget and Finance Committee shall then submit the aforementioned recommendations to the Executive Board for their approval. Upon approval of said recommendations by the Executive Board, the Budget and Finance Committee will then be responsible for providing the ongoing budgetary management into said expenditures, investments, financial policies and other fiduciary matters of the Union, in order to ensure that the approved recommendations are carried out. The Budget and Finance Committee shall be chaired by the Treasurer of the Union and comprised of one (1) elected committee member from each of the eleven (11) regions of SEIU Local 1021 in addition to the officers of the Union. Members of the Budget and Finance Committee shall also be members of the Executive Board.*