

5. YUFA Funds Policy

At the Annual General Meeting the Treasurer shall propose a budget and fee structure that provides for an amount of at least 10% of the current year annual operating budget to be accumulated in (or transferred into) the three funds of the Association (Operating, Arbitration and Defense) for any fiscal year in which such an amount or more would be required to meet the Fund target levels specified in the table below. Where the amount required to achieve all three Fund targets is less than 10%, then a transfer or accumulation of this lesser amount shall be proposed in the budget. For any fiscal year in which the amount reserved for accumulation or transfer is not sufficient to meet the target for all three funds then the Operating Fund target shall have priority, followed by the targets for the Arbitration Fund and Defense Fund respectively. The year-end Fund balance targets enumerated in the table below shall be calculated as a percentage of the Association's average operating budget over the previous three years.

	Target (as percentage of avg. budget over previous three years)
Operating Fund	37.5%
Arbitration Fund	7.5%
Defense Fund	155%

It is understood that any proposed measures to augment YUFA's Fund levels under this by-law shall be subject to the applicable provisions in the YUFA Constitution for final approval of YUFA's fee structure and budget.

6. YUFA Defence Fund

- YUFA shall maintain a Defense the Fund that will provide strike defence for YUFA members in the event of a strike or other dispute.
- The interest earned on the YUFA Defence Fund's resources in any one year may be transferred, wholly or in part, into the operating fund of the Association so long as the YUFA Defence Fund's resources maintain a balance of \$800,000 or more at or above the target outlined in by-law 5 above.
- The Executive Committee may empower, at its discretion, the Treasurer to borrow a sum not greater than the total membership fees for the most recently completed fiscal year, if such funds be required to meet YUFA's obligations in strike defence either to its own members or to CAUT. In addition, the Executive Committee may empower, at its discretion, the Treasurer to borrow a sum not greater than the total membership fees for the previous three months to meet YUFA's obligations in strike defence of another union at York University. Any such loan to another union must be deemed by the Executive Committee to be in the best interests of the Association and of collective bargaining at York University. Notice of such loan will be given to the membership, and if within two weeks of such notice fifty or more members of the Association submit to the Executive Committee request for a vote at a Special General Meeting to approve such a loan, such a meeting shall be held within one week. Further the Treasurer may pledge, assign or hypothecate any and all assets of YUFA for the purpose of providing security for such borrowing.
- The Executive Committee may enter into any agreement with any financial institution to provide for the CAUT Defence Fund a stand-by credit up to an amount equal to \$100 for each Regular or Senior member of YUFA.
- The Treasurer may invest the resources of the Fund in short or long term commercial paper or similar investments, at his/her discretion. Such investments, for convenience,

may be merged with those of other YUFA funds. The term of any such commercial paper or investments shall not exceed three years.

- The Executive Committee, at its discretion, may empower the Treasurer to assign or pledge future transfers to the YUFA Defence Fund to any lending institution which has advanced resources for strike defence purposes.
- The Executive Committee may empower, at its discretion, the Treasurer to assign, pledge or hypothecate the investments or other resources of the YUFA Defence Fund as security for any borrowing required to meet YUFA 's obligations in strike defence.
- In the event that the Executive Committee wishes to use the resources of the YUFA Defence Fund for any purpose other than strike defence, the Executive shall give notice to the membership and seek its approval at a General Meeting.

7. Arbitration Fund

- The Association shall maintain an Arbitration fund to ensure readily available resources that may be needed for an amount equal to the estimated cost to YUFA of thirty days of arbitration and similar matters shall be transferred from the general surplus to an Arbitration Fund. This Fund will be maintained at that level, except that annual adjustments reflecting current legal costs, shall be made by a charge against the current operations of YUFA.
- As the purpose of the Fund is to guarantee to the members of YUFA that financial resources are available to provide arbitration and similar support under any circumstance, even the most adverse, the Treasurer is to maintain the Fund in a liquid condition by investing its resources prudently in short term commercial paper or similar investments. Such investments, for convenience, may be merged with those of other YUFA Funds.
- The interest earned on the Fund's resources shall be retained within the Fund and used solely for arbitration purposes. If the total balance in the Fund exceeds \$120,000, the target level in by-law 5 above then the interest earned on the Fund's resources in any one year may be transferred, wholly or in part, to the operating fund of the Association.
- The normal cost of arbitration and similar services should be charged against current operations. In the event that in any fiscal year the cost of arbitration and similar services exceeds the average actual cost of such activities over the preceding three years, then the Treasurer may pay such excess of the fees for arbitration from the Arbitration Fund, in that year.
- The transfers referred to in (a) above, will be the lesser of the amount required in (a) and an amount which will reduce the general account surplus to nil at the end of the fiscal year.
- The Executive Committee may empower, at its discretion, the Treasurer to assign, pledge or hypothecate the investments or other resources of the Arbitration Fund as security for any borrowing required to meet YUFA's obligations in strike defence.
- In the event that the Executive Committee wishes to use the resources of the Arbitration Fund for any purpose other than set out in (b) above, the Executive shall seek the approval of Stewards' Council.