



ANNUAL BUDGET, BACKGROUND

Council 43

Updated May 31, 2022

As our members review Council 43's annual budgets, it is important to refer to the various AFA-CWA resources made available for a balanced, ethical and sound budget that best serves the membership.

BUDGET BACKGROUND

The Council 43 Leadership bases our annual budget after careful understanding the expectations set forth in the various AFA-CWA guides and provisions:

- 1) [AFA-CWA Constitution & Bylaws](#) (a.k.a. "C & B") and
- 2) AFA-CWA Keeping the Record Straight [2019 edition]

In our Budget Background, we will refer to the specific sections of our resources that provide the basis for each annual budget. Separately, the annual narrative will discuss projected budget line items. The following are direct citations from the aforementioned resources (notated in italics) combined with the Council 43 basis.

RESOURCE: AFA-CWA CONSTITUTION & BYLAWS

LOCAL EXECUTIVE COUNCIL'S JURISDICTION

Section III. Local Councils and Local Executive Councils

This portion of the C & B speaks to the jurisdiction of Local Executive Councils (LECs). Council 43 upholds our leadership's jurisdiction with the highest regard as it pertains to our duty as officers and task to manage LEC money and business. Transparency with any/all expenses is expected from our membership and deserves the utmost care and consideration.

E. Local Executive Councils

1. Jurisdiction and Duties of Local Executive Council

The Local Executive Council is charged with and responsible for the proper management of the affairs and business of the Local Council of which it is a part. All Local Executive Council business shall be conducted in duly called, regularly convened meetings. Said Council may adopt such rules of procedure for the management of its affairs as it may deem proper, and which are consistent with the Constitution and Bylaws.

Section IV. Accounting and Finance

A. Allowable Expenses

Our Constitution & Bylaws articulate what is allowable for Local Executive Councils and Master Executive Councils. Allowable expenses include the most economical transportation for any/all Union business including rental cars, taxi fares, automobile expenses (current maximum IRS rate per mile defined each year), and the like.

This expense category also speaks to hotel and lodging with preferred stays at union hotels. Reasonable expenses also include tipping, child care, telephone and communication expenses as well as meal allowances.

Our Council leadership adheres to the 2014 breakfast (\$10.00), lunch (\$15.00) and dinner (\$25.00) allowances for all locations. Per C & B, the rate changes each year moving up or down depending on the meal and is articulated by the AFA-CWA when published. This is also the case for automobile expenses (mileage).

[cont.]



Each leader and volunteer can submit approved expenses for a minimum of four or eight hours for each Union work day. Meals are expected to be expensed for time appropriate work. For example, if a volunteer works from 800 am – 1200 pm, s/he can expense breakfast (\$10.00) for the day. If a volunteer works from 1200 – 400 pm, s/he can expense lunch (\$15.00) for the day. And, if the volunteer works 800 am – 400 pm, s/he can expense both breakfast (\$10.00) and lunch (\$15.00) for that day (totaling \$25.00).

All leadership and volunteer expenses must be pre-approved by any of the Council 43 officers.

49th Annual Board of Directors, Agenda Item, updated May 13, 2022

The primary intent of this agenda item is to provide a modest increase to the maximum amounts of allowable meal expenses. Additional intents are to simplify the constitutional language and to align it with existing practice. Finally, this will update the IRS mileage rate to the 2022 amount. The allowable meal expense amount has not increased since 2008.

Currently, maximum meal expenses include Breakfast (\$10.00), Lunch (\$15.00), Dinner (\$23.00), and a tip not to exceed 20%. These provisions (Sections IV.A.1.b & f) result in a maximum of \$57.60. (The updated equivalents could be \$12.00(B) + \$17.00(L) + \$25.17(D) + \$10.83(T) = \$65.00.) This agenda item proposes to increase this total from \$57.60 to \$65.00. Additionally, this agenda item simplifies by converting from the three separate meals and a tip to a single daily maximum amount.

This agenda item also aligns this provision with current practices. For example, while some individuals enter four amounts for meals on a given day (B/L/D/tip), many others currently claim a single amount up to the \$57.60 maximum. Also, many LEC's and MEC's choose to provide reimbursements at amounts less than the allowable maximums, so this agenda item specifies this option as well.

This agenda item will help those LEC's and MEC's that face higher costs, and would still allow others to use lower limits if so desired.

Additionally, this change will narrow the gap between the AFA rates and the higher IRS allowable rates. It was also advised that care should be used in explaining the change. Although the change results in a net increase, there is both an increase and a decrease involved.

In the past, our leadership and volunteers were capped at a maximum expense of \$25.00 each day. However, for the current budget year, we have approved both mileage and food allowances necessary to carry out the members' business so long as the minimum hour requirements for Union business is met.

B. Master Executive Council Expenses

This section is specific to the Master Executive Council budget. Once the budget is constructed, the Master Executive Council should approve said budget following the annual AFA-CWA Board of Directors each Spring per C & B.

C. Local Executive Council Expenses

1. Effective June 1, 2013, each Local Council will be allowed a regular monthly allowance based on twenty percent (20%) of the total monthly dues including service charge monies of the Council affected. However, in no event shall the monthly allowance be less than \$2,500.00 or an amount equal to twenty percent (20%) of a total of 100 members' and service charge payers' dues. Fifty percent (50%) of any funds remaining at the end of the fiscal year are to be carried over into the succeeding year's local budget. All remaining funds are to be returned to the Airline Master Executive Council Administration fund.



a. All allowances are issued on a monthly basis; any unused portion will be carried over into succeeding months unless deemed necessary for use by the Master Executive Council with the approval of the Local Council President involved.

b. Council Officers and their appointed representatives will be reimbursed for reasonable incurred expenses while on local Union business for the Local Council. The expenses are never to exceed the allowable amounts set forth in the Policy Manual.

c. During an AFA-CWA work stoppage on any carrier, fifty percent (50%) of the monthly allotment for each Local Council budget shall be allowed for the first ninety (90) days and twenty-five percent (25%) thereafter.

d. During a non-AFA-CWA work stoppage on any carrier, twenty-five percent (25%) of the monthly allotment for each Master Executive Council and Local Council budget shall be allowed for the duration of the work stoppage.

This current budget was constructed after reviewing the past year's actual expenditures. We then use the AFA-CWA Board of Directors' approved budget and use the numbers projected within said budget. The LEC leadership will forecast expenditures based on fixed costs. After plotting out expected expenses, we discuss planned and short-notice meetings, trainings, conferences and conventions. Forecasted Flight Pay Loss for the LEC Committees/Teams is also factored in with any associated costs to best serve the membership.

AFA-CWA's C & B, Section IV also outlines:

1. other allowances, Special or otherwise;
2. the Reimbursement and Recording Procedures for all LECs;
3. Time Limits for the Submission of Expenses and Flight Pay Loss (Union days);
4. Arbitration of Expense Disputes;
5. Expenses for the Board of Directors Meeting;
6. AFA-CWA Equipment; and
7. and other items that pertain to the Accounting and Finance of the AFA-CWA.

G. Budget

1. The AFA-CWA budget preparation process shall be considered a strategic planning process and part of the annual international program of the Union, with consideration for allocating resources to Union priorities. Budget preparation shall include (1) preparation by each Master Executive Council, for use by the Master Executive Council and LECs, of proposed Master Executive Council budget allocations and Master Executive Council action plans consistent with the international program, and (2) preparation by the International Office of proposed budget allocations and action plans consistent with the international program.

RESOURCE: KEEPING THE RECORDS STRAIGHT [2019 edition]

This resource booklet has been designed to assist [the leadership] with becoming familiar with [the AFA's] responsibilities and duties pertaining to your local budget. "Keeping your records straight" is one of the most important functions of [the] new leadership role. The booklet's purpose is to clearly spell out the Do's and Don'ts of account and budgeting practices. Included in this booklet [the leadership] will find information on allowable expenses, reporting expenses, flight pay loss, preparing [the] local budget, reviewing [said] budget, and AFA's online financial reporting system.

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WHY ARE “ETHICS” IMPORTANT? [Chapter 1 - Ethics, page 9]

We can view ethics from three different perspectives: (1) Membership expectations; (2) Union rules in the C&B and other Policy Manuals; and, (3) Federal Laws & Regulations.

- *The Members: We all know the membership demands that their dues money is used only for its intended purposes of negotiating and defending collective bargaining agreements, enhancing the flight attendant profession, and achieving the stated goals of the Union.*

- *The Rules: The Ethical Practices Code (Article XV) within our C&B forms the foundation of our rules. It demands ethical behavior of our activists and leaders.*

- *The Federal Law: The Labor-Management reporting and disclosure Act (LMRDA) is the foundation within Federal law that mandates certain behavior, especially with respect to fiduciary responsibility. Perhaps the obligation to serve the members should be the most persuasive reason of all to maintain high ethical standards. One would expect that maintaining high ethical standards would actually enhance the legitimacy of the Union with its members. This is especially true in maintaining high standards of fiduciary responsibility.*

LABOR MANAGEMENT REPORTING AND DISCLOSURE ACT (LMRDA)

The LMRDA is Public Law 86-257 (1959), as amended in 1965, 1984, 1985, and 1987. As a Public Law, the LMRDA can be found online in its entirety on the [Department of Labor website](#)

A significant portion of the stated purpose of the Act is “...to provide for reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers...”

Title V, Fiduciary Responsibility of Officers of Labor Organizations, is essential knowledge: “SEC. 501.

(a) The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party or in behalf of an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization. A general exculpatory provision in the constitution and bylaws of such a labor organization or a general exculpatory resolution of a governing body purporting to relieve any such person of liability for breach of the duties declared by this section shall be void as against public policy.

FINANCIAL RESPONSIBILITIES OF LOCAL OFFICERS [Ch. 2 – Responsibility and Structure, page 19]

Every local officer stands in a fiduciary position with respect to the union and its members. The sources of that fiduciary position are the: I. Labor-Management Reporting and Disclosure Act (LMRDA) II. AFA-CWA Constitution and Bylaws (C&B) III. MEC Policy & Procedures Manual IV. Union and Local Operating Practices IV. Members A Local officer’s fiduciary responsibilities require her/him to hold the assets of the Union in trust, to see that the Union money is spent only for a proper purpose, and to account for all expenditures of the funds.

It is important to note that all officers are held accountable, not just the Secretary-Treasurer. Local officers should familiarize themselves with the duties required of them.

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ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO

HAWAIIAN AIRLINES HONOLULU LOCAL EXECUTIVE COUNCIL 43

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1. *To hold the union's money and property solely for the benefit of the union and its members;*
2. *To manage, invest and expend the union's money in accordance with the union's constitution and bylaws and resolutions adopted pursuant to them;*
3. *To refrain from dealing with the union as an adverse party;*
4. *To refrain from acquiring any financial or personal interest in conflict with that of the union; and*
5. *To account to the union for any profit received by her/him in connection with transactions conducted by her/him on behalf of the union.*