

According to the UAW Constitution

ARTICLE 40

Financial Secretary

Section 4. It shall be the duty of the Financial Secretary to receive all dues, initiation fees, readmission fees, and all other income of the Local Union for any fund from any source and to give official receipts for same, as provided in this Constitution. Financial Secretaries of Local Unions having a check-off arrangement shall issue one (1) receipt for the check received from the company, and otherwise use the procedure outlined above for any other income. No receipt shall be issued to individual members unless the company does not show on the check stub or pay envelope the amount of the deduction and the reason therefore.

Section 5. The Financial Secretary shall write all checks drawn on the Local Union funds and report in writing every month at a regular meeting of the Local Union giving the amount of monies received and paid out during the previous calendar month, divided as between the various income and expenditure classifications, and the remaining balances in the fund accounts of the Local Union.

Section 6. The Financial Secretary shall deposit all collections either with the Treasurer, taking a receipt therefor, or in such banks as Local Union Trustees may direct, with advice to the Treasurer as to the amount so deposited.

Section 7. The Financial Secretary shall by the 20th of each month, send a report to the International Secretary-Treasurer on blanks furnished by the International Union, together with the correct amount of money due the International Union for the preceding month which begins on the first and ends with the last day of the month. S/He shall receive applications for membership and notify the candidates of their election or rejection. S/He shall assist the International Union in seeing that all members receive the official publication regularly when eligible, provide each member with an official receipt for all monies paid and make available to each member a copy of the International Constitution and bylaws of the Local Union. Union membership cards and/or dues buttons may be issued at the option of the Local Union.

Section 8. The Financial Secretary shall furnish the International Secretary-Treasurer with the names and addresses of all the officers of the Local Union. S/He shall keep a record of all members initiated, suspended, expelled or deceased, transfers in and out and reinstatements, during her/his term of office and notify the International Secretary-Treasurer of same, and perform such other duties as the bylaws prescribe or the Local Union may direct. There shall be maintained by the Financial Secretary a complete record of all active members of the Local Union. This record shall have the date of initiation, the date and cause of suspension or expulsion, the date of reinstatement, together with the date of death, home address and such other matters as may be deemed necessary to keep a record of the continuous membership of a member of the Local Union.

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The Financial Secretary shall not make said record of all active members (membership list) available to anyone except pursuant to the provisions of Article 37, Section 9 of this Constitution.

Section 9. The Financial Secretary shall keep an inventory of all records and property of the Local Union, the same to contain, when possible, date of purchase and amount paid for each article. S/He shall notify all members in arrears of the amount of their indebtedness and turn over her/his books to the Trustees for audit and approval when called to do so. S/He shall, on the demand of the International Secretary-Treasurer, produce her/his books for examination and audit and shall comply with the provisions of this Constitution.

Section 10. Should it be proven that any Local Union Financial Secretary has willfully and intentionally failed to report monthly the full membership of her/his Local Union to the International Secretary-Treasurer; or should it be proven that any Local Union President, Treasurer and/or Financial Secretary willfully and intentionally refuses to sign a check to send in the full amount of per capita tax on the same number of members who have paid dues to the Local Union, the Local Union may be suspended from all privileges and benefits until the deficiency is made good and the officer or officers responsible for such failure shall not be allowed to again hold office in the organization for a period of two (2) years.

According to the Local By-Laws

ARTICLE IX

Duties of Officers

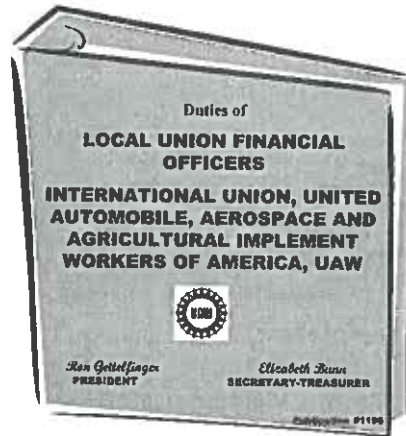
The duties of the Local Union officers shall be as provided for in Article 40 of the Constitution of the International Union, provided, that the Recording Secretary shall maintain a binder in the office of the Local Union, containing a true copy of the minutes of the previous meetings and this binder shall be available to the inspection of any member of the Local Union at his or her request.

FINANCIAL SECRETARY/TREASURER

A successful financial officer takes time to get familiar with the policies and procedures of their office.

As a financial officer of the UAW you can be proud to be part of an organization that places ethics and self-governing above the legal requirements set by the government.

Whether you are elected to a newly chartered unit or an established local, it is imperative that you start off on the right track by using the materials and training aids provided by the Auditing Department. See list on Page 96.



All of the financial procedures required to fulfill your office are found in the above manual "Duties of Local Union Financial Officers." It is available through the UAW Purchasing Department or you may have had one left by your predecessor.

This manual classifies the duties of the Financial Secretary under four main headings:

1. Keeping the financial records.
2. Keeping the membership records.
3. Making monthly and yearly financial reports.
4. Filing all required government reports on a timely basis (U.S. locals only).

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Duties of the Treasurer are also classified under four main headings:

1. Issue a receipt for all income received from the Financial Secretary.
2. Deposit all income in the local's commercial checking account.
3. Sign all checks and any forms used to withdraw funds of the local union. Such checks and/or other withdrawal forms must be countersigned by the president.
4. Report in writing every month at a regular membership meeting the total receipts and total expenditures for the previous calendar month and the amount of money still on deposit at the end of that month.

ALL FORMS AND SUPPLIES ARE FOUND IN PUBLICATION NO. 14 "SUPPLY BOOKLET" AVAILABLE THROUGH THE UAW PURCHASE AND SUPPLY DEPARTMENT (313) 926-5221.

When you take office, ensure that your local is up-to-date on all forms and filings. Complete an inventory of union assets and remove any former officers names from your local union bank accounts.

LEARN TO DO IT RIGHT THE FIRST TIME, AND DON'T RELY ON "THE WAY IT'S ALWAYS BEEN DONE" UNLESS YOU KNOW IT IS CORRECT. CALL FOR HELP OR ASK QUESTIONS TO LEARN YOUR DUTIES

TREASURER OR FINANCIAL SECRETARY

If the local union doesn't elect a treasurer, the financial secretary/treasurer is responsible for carrying out the duties of the treasurer.

Many locals combine these responsibilities into one office. For the rest of this chapter we'll speak to the combined responsibilities.

No local union can flourish and promote the trade union movement's agenda of social justice, equality and fairness unless it is built upon a solid financial foundation. Toward that objective, your responsibilities, as defined by the UAW International Constitution, in Article 40, Sections 4-10 include:

- Maintaining accurate membership records.
- Documenting all income and expenditures.
- Preparing monthly and yearly financial reports.
- Filing all required governmental reports on a timely basis (U.S. Locals ONLY).

Your responsibilities also include:

- Performing miscellaneous duties as designated by the UAW International Constitution, local union bylaws and the past practices of your local.

(Be careful, local union bylaws may never supersede the rules and regulations noted in the International Union's Constitution.)

MAINTAINING MEMBERSHIP RECORDS

Your failure to maintain accurate membership records can result in problems to your local union. If a notice, such as the notice of nominations and elections of the local union, is mailed to an inaccurate address or not mailed at all, there is a possibility that a member will not have the opportunity to vote. Membership applications are submitted on **Official Application for Membership, Form A-144**. (You must keep a record of retirees also.) A large part of your responsibility as financial secretary includes maintaining a record of membership acceptances or rejections, delinquent membership dues, initiations, suspensions, expulsions, reinstatements, withdrawals, change of address and deaths. You will also be called upon to verify if an individual is a member in good standing if they decide to run for elected office in the local union. Not all employers collect member dues money for the local. Therefore, it is important that you keep your members aware of their status as members in good standing. And not only should you keep the members informed of their status, you should also notify the International Union of any

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changes. (**Withdrawal-Transfer Card Form A-78**). Make sure that the local's membership lists of active members are not made available to anyone except as pursuant to Article 37, Section 9 of the International Constitution.

You may maintain your membership records and your financial records manually in your ledger or you may use a computer program.

CONTACT THE SECRETARY/TREASURERS OFFICE (AUDITING DEPARTMENT) FOR UPDATED MATERIALS AND AVAILABLE TRAINING FOR LOCAL UNION FINANCIAL OFFICERS. THERE IS SOFTWARE AVAILABLE FOR PURCHASE TO ASSIST YOU IN RECORD KEEPING.

Software approved by the International Union possesses the capacity to print checks and keep track of membership dues and addresses.

Complete guidelines for keeping the membership and leadership mailing list can be found in the *Duties of Local Union Financial Officers* manual.

DOCUMENTATION OF ALL INCOME AND EXPENDITURES

You, as financial secretary, are responsible for the collection of all dues, fees and income received by the local union.

Bookkeeping procedures require that all income is receipted and all expenditures are vouched for through the voucher system.

You are responsible for overseeing the funds of local union committees and retiree chapters. In order to maintain your integrity and that of the local union, you must follow the correct policies and procedures as outlined by the International Constitution and local union bylaws. Failure to do so could result in personal embarrassment, fines and/or prosecution. To make matters even worse, the local union could have sanctions placed against it by the International Union and/or the U. S. Department of Labor.

INCOME

Local unions receive most of their income from their members in the form of dues payments.

The preferred method of collecting dues is through dues checkoff. In this arrangement the employer periodically withholds the amount of dues from member's wages and sends the money to his/her union or its parent body. The other method is for members to pay their dues directly to the union. Generally these payments are deposited into the union's checking account.

THE LEGAL DEPARTMENT ASKS THAT FINANCIAL SECRETARIES MAKE SURE THAT REPRESENTED EMPLOYEES ARE COMPLYING WITH ANY CONTRACTUAL OBLIGATION TO PAY UNION DUES OR "AGENCY FEES." RECENT COURT DECISIONS HAVE ESTABLISHED CERTAIN IMPORTANT RULES THAT MUST BE FOLLOWED IN THIS CONTEXT. IF YOU ARE CONFRONTED WITH EMPLOYEES WHO SEEK TO AVOID PAYING DUES, YOU SHOULD CONTACT YOUR INTERNATIONAL REPRESENTATIVE. HE OR SHE CAN HELP GUIDE YOU THROUGH THE PROCESS, OR REFER YOU TO OTHERS WHO CAN HELP AVOID POTENTIAL LEGAL DIFFICULTIES.

To insure that the fiscal integrity of your local is not compromised, upon the receipt of **any** monies, immediately provide an official receipt (**Receipt Book, Form A-15**) and post the amount in your ledger, whether written or electronic. Make sure you keep receipts in numerical order and if you make a mistake, void out the receipt and attach it to the corrected duplicate. Also, maintain **all** income verification statements. (For example, **Internal Revenue Service IRS Form 1099**, which documents interest paid to the local union by financial institutions.)

Four forms are utilized to document monies received by the local union:

- ◆ **Daily Cash Received Form A-110.**
- ◆ **Monthly Summary of Cash Received Form A-132.**
- ◆ **Summary of Income Form A-42.**
- ◆ **General Ledger Form A-44.**

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Use **Form A-42** to document the proper allocation of dues and initiation fees to the local union's General Fund and to the other funds as mandated by the UAW International Constitution and local union by-laws.

Financial Secretary Record Card Form A-146 must be used to post addresses, dues and fees from official receipts and/or check off lists for each member. In amalgamated locals, income and the number of dues paying members from each unit must be broken down daily and monthly according to the units from which it is received.

EXPENDITURES

Your local union should not make any expenditure from the treasury except through membership approval, the UAW International Constitution, or your local union bylaws. Members entrust their dues money to responsible union representatives and expect that their funds will be available for authorized union activities and expenditures. Obviously the membership has the highest authority, but the president has to run the local between meetings. A motion in your minutes or your bylaws

may give standard approval for items such as paying bills.

To substantiate this, you must keep copies of all Executive Board, General Membership, Retiree Chapter and standing committee minutes. In addition, it is a good idea to keep the UAW Constitution and your local union bylaws handy for reference.

Finally, one of the most important local union expenditures is the payment of per capita taxes. The UAW International Constitution mandates that your local union's per capita taxes be paid by the 20th of each month, following collection, to the UAW International Union's Secretary-Treasurer's office. (**Monthly Report Form of Per Capita Tax Form A-3.**) Failure to pay per capita taxes on time results in lost strike fund rebates and may result in your local union's voting rights and participation in the UAW's policies and procedures being temporarily suspended and not reinstated until per capita taxes are brought up to date.

Expenditures must be paid through checks drawn on the local union's checking account and documented on **Expenditure Sheets Forms A-40 1/2**. And remember: *never* write any checks made out to "cash" or third parties; *never* sign a blank check in advance; and *never* pay any local union expenditure by cash.

For any check written on the local union treasury, a **Lost Time and Expense Voucher Form A-136** must be completed by you and signed by the president and recording secretary. If the expenditure involves lost time, the claimant must also sign **Form A-136**. All lost time should be documented on the quarterly **Payroll Ledger Form A-140**. *Under no circumstances* should automatic signature machines or rubber stamps be used for any signatures on vouchers or checks.

Our union operates on a voucher system. This means that the president and recording secretary vouch for the expenditures and the president and financial secretary/treasurer sign the checks.

LOST TIME AND IRS

IRS guidelines require that individuals who receive lost time complete **IRS Form W-4 (exemption certificate)**. At the end of every year, **IRS Form W-2** must be prepared for each individual from the payroll ledger that received compensation. In addition to federal withholding guidelines, make certain that your local union is complying with guidelines involving state and local deductions and the local union's liabilities under the Federal Unemployment Tax Act. It is also your responsibility to make the proper deductions from the payroll checks of any local union employees.

In order to facilitate maintaining accurate financial records, you should understand the correct procedures to issue a replacement check and procedures to follow in order to void or cancel an old check. You should also be aware of how to transfer funds between bank accounts and guidelines for the union's savings investments. Reconcile your bank account monthly. Notify the bank promptly if any discrepancy occurs, and keep cancelled checks with monthly bank statements and outstanding checks. Always

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make sure that checks and itemized expense statements support expenses incurred and are in accordance with your bylaws and membership action when applicable. You should always staple invoices and statements with **Form A-136**. In order to balance your books use **Forms A-43 (Cash and Fund Summary), A-42, and A-401/2**. Ledger books must be kept up to date monthly for each year (**Forms A-44, A-41**).

MAKING MONTHLY AND YEARLY FINANCIAL REPORTS

Members who are kept informed about the local union's finances are members who are more likely to feel that they have a stake in the well being of their local union. Therefore, your duties also include providing a written monthly report at the regular membership meetings detailing all income, expenditures, liabilities, net cash worth and balances in fund accounts and allocation of assets during the previous month (see sample on page 97). And remember to provide copies of monthly financial reports to your servicing representative.

Also:

- ◆ Check the UAW Constitution and local union bylaws to review any other requirements regarding financial reporting. Also contact any former officers to determine if your local is required to file reports with the IRS.
- ◆ When you take office, ensure that your local is up-to-date in filing Form LM-2, LM-3, or LM-4 annual financial reports, and that a copy of the last report is in your local's files. If you have any questions regarding this, contact the auditing department.
- ◆ In the last month of your local's fiscal year, OLMS (Office of Labor Management Standards) will mail blank reporting forms and instructions to the address on your local's most recently filed form. Notify OLMS if your local changes its address so that you will receive the forms in a timely manner.

- ◆ When completing the annual financial report, gather records well before the due date and review the instructions thoroughly to make sure that you complete the report properly.
- ◆ Remove any former officers' names from union bank accounts.
- ◆ Conduct an inventory of local assets to determine if they match prior inventory and local records of purchases and sales.

FILE REQUIRED GOVERNMENT FORMS

Reference the *"Duties of Local Financial Officers"* manual and others to familiarize yourself with local, county, state and federal laws. These books provide the guidelines for filing the appropriate forms and the regulations for withholding payroll taxes.

Remember it is a must that you completely understand the procedures for filing all forms - - ignorance or failure to comply with such guidelines may result in your local being liable and forced to pay huge sums of money in fees and penalties. As a safeguard, always

maintain copies of the completed form for yourself and the UAW International Union.

WORKING WITH TRUSTEES

Another important reason to maintain accurate and up to date financial records is that these records are a must when the local union trustees perform their semiannual audits and when auditors from the UAW International Union examine your books. Without adequate records, both will find it difficult or nearly impossible to reconcile the financial records. You should work closely with the trustees during the semiannual audit. The trustee also documents the local union's property through an inventory and records the results of the audit on **Trustees' Semi-Annual Audit Report Form A-20**. Remember, inaccurate records could result in the union being charged with the misappropriation of funds. You should keep a copy of all audits on file.

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WHEN THE FINANCIAL SECRETARY/TREASURER MUST BE TEMPORARILY REPLACED

There is no constitutional provision for temporarily replacing the treasurer, which means that in case of the absence or incapacity of the treasurer your local union decides who will perform his/her duties.

The general practice is for the president to name the trustee chairperson as acting treasurer. Under no circumstances may the president, vice-president, or recording secretary act in this capacity, for to do so would defeat the voucher procedure.

MISCELLANEOUS DUTIES AND RESPONSIBILITIES

Your knowledge of local union finances can serve as a valuable resource to your local union. Because you pay the local's bills and are familiar with the local's financial situation, you can make responsible recommendations on spending to your Executive Board and the membership. Through your commitment to the

fiscal well being of your local union, you can help build a solid foundation for the future.

As a financial officer, you are responsible for looking after the Union's property. But there are other sorts of property than bank accounts and real estate. The most important of these is the UAW's name and its logos.

When people—not only the membership, but employers and the general public—see our name or marks, they automatically assume the UAW is *officially* involved. The name and marks function like a flag, directing attention to your Union, its activities, and everything which, over years of hard work, it has come to stand for. These are powerful tools of communication and, for that reason, the right to use them is valuable. This is recognized in the UAW Constitution, Article 13 Section 16.