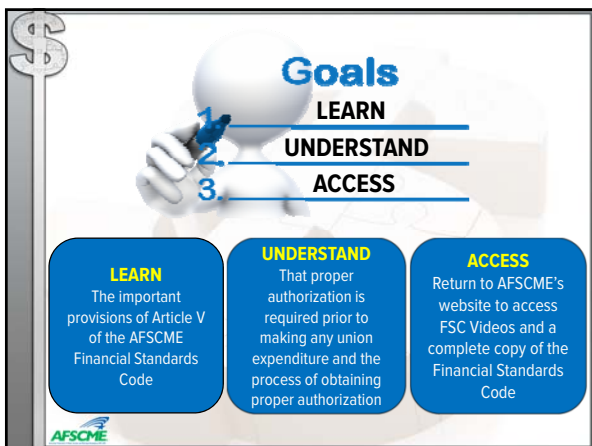




A graphic featuring a large 3D dollar sign composed of puzzle pieces. The AFSCME logo is in the bottom left corner. The text reads: **AFSCME'S FINANCIAL STANDARDS CODE** and **ARTICLE V**.



A graphic with a background of puzzle pieces. It includes a portrait of William Del Pino, AFSCME Field Auditor. The text reads: **AFSCME'S FINANCIAL STANDARDS CODE** and **Article V Expenditures Authorization**.



A graphic showing a hand holding a blue pen writing on a whiteboard. The word **Goals** is at the top. Below it are three numbered items: **1. LEARN**, **2. UNDERSTAND**, and **3. ACCESS**. Each item has a corresponding blue box with text below it.

LEARN	UNDERSTAND	ACCESS
The important provisions of Article V of the AFSCME Financial Standards Code	That proper authorization is required prior to making any union expenditure and the process of obtaining proper authorization	Return to AFSCME's website to access FSC Videos and a complete copy of the Financial Standards Code

Expenditures - Authorization

- Union Money can only be spent with Proper Authorization
- Authorization Prior to Incurring the Expenditure
- Only for Legitimate Union Business Purposes
- Executive Board has Responsibility

Expenditures - Authorization

There Are Four Types of Authorization:

- Law
- Constitution
- Contract
- Vote



Required By Law

The law states that you **Must** make this **Payment**

Examples include:

Payroll Tax Deposits and Related Payments (FICA, Unemployment Taxes, etc.)	Possible Fines imposed by IRS or late filing of Form 990 or 990-EZ
--	--

Payments required by law need no **Further Authorization**

\$ Required by Union Constitution

- AFSCME International Constitution
- Council Constitution
- Local Union Constitution



CONSTITUTION

\$ Required by Union Constitution

- International and Council **Per Capital Taxes**
- **Local Union** rebates
- Payment of **Surety Bond Premium** to **International**

These payments also require no **Further Authorization**

\$ Required by Contract

Payments to meet **Contractual Obligations**

Prior Authorization Required

- Equipment Rental
- Meeting Hall Rental




Attach Copy of **Approved Contract** to **Minutes**

\$

Authorized By Vote

- Membership
- Executive Board
- Delegate Assembly



\$

Expenditures - Authorization

- Most Union's Expenditures are Authorized by Vote of Board or Membership
- Minutes should detail the Approval and the Union Purpose of the Payment
- Approval for recurring Expenditures may be handled through the Annual Operating Budget



\$

Expenditures - Authorization


- A Budget or Approval for a Recurring Expenditure is valid only for the Current Year
- Reauthorization must be Made at the Beginning of Each Year
- Approved Budget should be Attached to the Meeting Minutes



\$

Key Points

- No **Payments** and **No Costs Incurred** without proper **Authorization**
- **Minutes** should **Document Approval** of the **Expenditure**
- **Minutes Must be Retained** for a **Minimum** of **Seven (7) Years**



\$

Knowledge Check

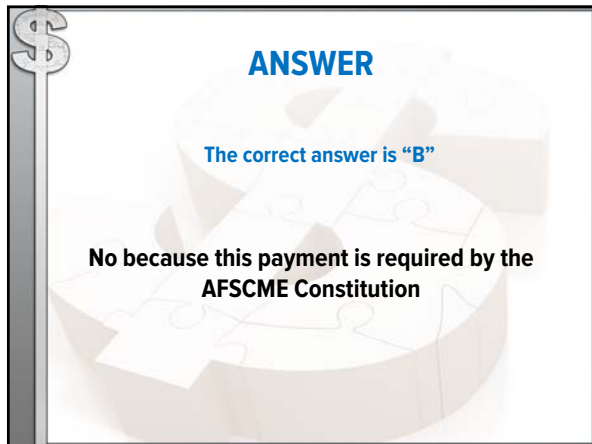
Do I need **Approval** from my **Executive Board** or **General Membership** to pay my **Annual Surety Bond Premium** to the **International**?



\$

Pick the Correct Answer

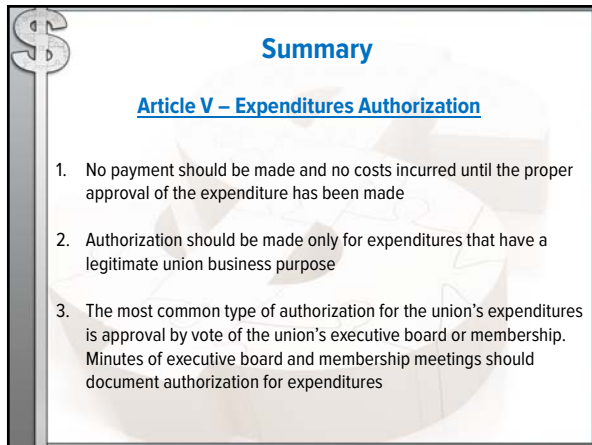
- a) **Yes** because this is a **Recurring Expenditure**
- b) **No** because this **Payment** is **Required** by the **AFSCME Constitution**
- c) **Depends** on the amount of the **Surety Bond Premium** as to whether or not **Approval** is required



ANSWER

The correct answer is "B"

No because this payment is required by the AFSCME Constitution



Summary

Article V – Expenditures Authorization

1. No payment should be made and no costs incurred until the proper approval of the expenditure has been made
2. Authorization should be made only for expenditures that have a legitimate union business purpose
3. The most common type of authorization for the union's expenditures is approval by vote of the union's executive board or membership. Minutes of executive board and membership meetings should document authorization for expenditures



Secretary-Treasurer Workshop

This Video covers only a **Small Portion** of what you will learn by attending one of our regular **Secretary-Treasurer Workshops**

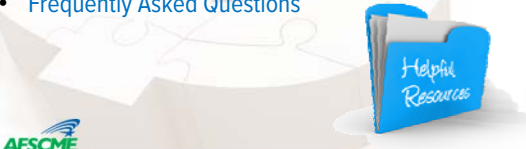
Secretary-Treasurer Training is Highly Recommended for all Union Officers and Trustees

Contact your **Council or AFSCME International Representative** to schedule a class in your area



\$ Helpful Resources...

- [AFSCME Financial Standards Code - Article V](#)
- [AFSCME Financial Standards Code – All Articles and Appendices and Trustees Audit Guide](#)
- [Frequently Asked Questions](#)



The slide features a background of interlocking puzzle pieces in shades of beige and light blue. In the bottom right corner, there is a blue folder icon with the words 'Helpful Resources' written on it in a white, cursive font. The AFSCME logo is located in the bottom left corner of the slide.

\$ Thank You

If you have any questions, please contact AFSCME's Audit Department at (202) 429-5032



The slide features a background of interlocking puzzle pieces in shades of beige and light blue. The AFSCME logo is located in the bottom left corner of the slide.
