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Purpose and Scope


- Establish minimum standards for the **Handling of Funds** and **Records Maintenance**
- Financial Standard Code **Applies to All Affiliates** – regardless of size
- Electronic recordkeeping is **Permitted** and **Encouraged**



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Purpose and Scope

- Financial Standard Code is part of the **AFSCME Constitution**
- A **Violation** of the **AFSCME Constitution** can lead to **Charges** being **Filed** and **Removal** from **Office**



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KNOWLEDGE CHECK

My **Local** is very small – Are we required to adhere to the requirements of the **Financial Standards Code**?




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Pick the Correct Answer

a) Yes

b) No

c) Only if the Local is over 100 Members




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Answer

The correct answer is “A” - Yes


All affiliates regardless of size must adhere to the AFSCME Financial Standards Code

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AFSCME'S FINANCIAL STANDARDS CODE



Article II – Custody of Funds



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Custody of Funds


- All union **Bank Accounts** must be in **Federally Insured Institutions – FDIC or NCUA**
- **In Name of Union**
- Contain **Union Funds Only**

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Bank Accounts



- **Federal Deposit Insurance Corporation (FDIC)** and **National Credit Union Administration (NCUA)** ensure total deposits in that member's bank up to \$250,000
- This is the total per bank **NOT** total per account



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Bank Accounts - Credit Unions

If using a **Credit Union**, the **Credit Union** must honor **Dual Signatories** and provide the **Front** and **Back** of **Cancelled Checks**

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Investments

- Union officers have a **Fiduciary Responsibility** to manage and invest **Union Funds Prudently** and in **Accordance** with **Union Policies**
- This means that as a **Union Officer** you are in a **Position of Trust**.

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Investments

The safest types of investments provide the lowest rates of return

The Financial Standards Code requires the safest types of investments, with an emphasis on protection of principal

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Investments

Safest Investments Available:


- Treasury Bills
- Certificates of Deposit
- Government Notes and Bonds

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Investments

Investments may be made:

- Only if **Consistent** with the **Affiliate's Constitution**
- **Signatories** should be same as **Check Signers**
- **Investment Policy-Approval** by the **Executive Board**
- Maintain **Statements** in the **Union Records**

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Petty Cash Fund



- **Petty Cash Fund** should not exceed **\$100.00**
- **Expenditures** should be **Supported** by **Original Receipts**
- **Replenish Petty Cash** by **Check** for the **Amount Expended** since the previous **Reimbursement**
- **Petty Cash Custodian** responsible for **Accounting and Balancing** of Petty Cash Received and Disbursed




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Knowledge Check


What is the maximum amount of **Federal Insurance** that the **FDIC** provides for my **Union** bank accounts?

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Pick the Correct Answer

- a) \$250,000 per **Account**
- b) \$100,000 per **Account**
- c) \$250,000 for the total of all **Accounts** in that **Bank**



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Answer

The correct answer is “C”

\$250,000 for the total of all accounts in that bank

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Summary

Article I – Purpose and Scope

1. All AFSCME Affiliates regardless of size must adhere to the AFSCME Financial Standards Code
2. The Financial Standards Code is part of the AFSCME Constitution. A violation of the AFSCME constitution can lead to charges being filed and removal from office

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Summary

Article II – Custody of Funds

1. All union bank accounts must be maintained in banks that are federally insured by the FDIC or the NCUA
2. If your affiliate maintains funds in any investment account, you must ensure that these funds are held only in very safe or insured investments, such as treasury bills, certificates of deposit or government notes and bonds

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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

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Helpful Resources...

- AFSCME Financial Standards Code - Article I and II
- AFSCME Financial Standards Code – All Articles and Appendices and Trustees Audit Guide
- Frequently Asked Questions

Helpful Resources

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Thank You

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