

# **FINANCIAL DUTIES OF OFFICERS**



## **INTRODUCTION**

The Secretary-Treasurer of a local union performs many financial duties. Whether the individual is depositing a check, reconciling a bank statement or completing IRS forms, each duty is extremely important. The President and Executive Board also have financial responsibilities. The President, often a second signatory, verifies that payments are for approved expenses only and that supporting documentation is maintained for all payments. The Board approves expenses, adopts policies, and monitors the union's financial condition.

This manual, together with the course lecture, is designed to aid in these tasks. Through detailed explanation and examples, the union's financial officers should be able to easily understand and carry out the most necessary functions of their office. Ideally, though one profits the most from using the manual after attending an educational workshop; the manual is also geared towards self-instruction.

The International Union's Constitution and Financial Standards Code establish specific requirements that all AFSCME affiliates must follow. The duties listed in this section allow officers to accomplish these mandates. The International Union intends that this manual be used as a reference guide. The manual may also be updated as new financially oriented mailings are received from the International Union.

We hope that the Secretary-Treasurer Educational Workshop Manual makes the job easier not only for the Secretary-Treasurer, but for all the union's financial officers. Should further questions arise, please contact the International Auditing Department at (202) 429-5032.

**FINANCIAL DUTIES OF ALL OFFICERS AND MEMBERS**  
**WITH ACCESS TO FINANCIAL DATA**

- A. Article X of the Financial Standards Code requires the following procedures for the release of information:
1. Limit requests for and use of information to that required for legitimate union business purposes.
  2. Restrict access to records to those with proper authorization and legitimate union business needs.
  3. Do not disclose confidential information unless specifically authorized to do so.
  4. Do not use any confidential information for any personal gain or in any manner which would be contrary to law or detrimental to the welfare of the union.
  5. Keep all documents containing personal information of members and employees properly secured.
- B. The International Union's Constitution provides that:
1. All members have a full and clear accounting of all union funds.
  2. Periodic financial reports are issued to the membership.
- C. Federal Regulations require that:
1. IRS Form 990 be available for public review.
  2. DOL Form LM (if applicable) be available for public review.

## **FINANCIAL DUTIES OF THE SECRETARY-TREASURER**

The duties of the Secretary-Treasurer include:

1. Receive money for the union.
2. Deposit money in bank(s) selected by the Executive Board.
3. Write checks as required by constitution or authorized by the membership or Executive Board. Always have authorization, documentation, and explanation before issuing a check.
4. Prepare bank reconciliations for each account each month.
5. Sign checks with President or other authorized cosigner **only after** determining that proper documentation for expenditure is on hand and that expenditure is for appropriate and necessary union business.
6. Send monthly membership report to the International Union Secretary-Treasurer, except for Local Unions whose Council performs this function for its Locals.
7. Send per capita tax payment to International Union Secretary-Treasurer, except for Local Unions whose Council performs this function for its Locals.
8. Keep financial records.
9. Report monthly financial affairs to Executive Board and membership on a regular basis.
10. Act as custodian of union property.

11. Obtain surety bond coverage at the expense of the union through the International Union. Submit by March 1 of each year “a statement of assets handled during the previous calendar year for the purpose of computing the amount of the bond” (International Constitution, Article IX, Section 30).
12. File the Local Union Annual Financial Report with the International Union as required by the International Constitution (Article VI, Section 12).
13. See that the required governmental reports are filed on a timely basis.
14. Make records available to and assist Trustees/CPAs in completing the required audits.
15. Conduct the fiscal affairs of the affiliate in a responsible manner.

Note: For larger affiliates, some of the Secretary-Treasurer duties may be delegated to affiliate employees.

## **FINANCIAL DUTIES OF THE PRESIDENT**

The financial duties of the President include:

1. Sign checks **only after** determining that proper documentation for expenditure is on hand and that the expenditure is for appropriate and necessary union business.
2. Initiate appropriate actions to maintain financial stability of the affiliate.
3. Review financial reports to be submitted to the Executive Board and the membership.
4. Review financial reports required to be submitted to the International Union.
5. Determine that all required governmental reports are filed on a timely basis.
6. Review bank statements and canceled checks each month to determine that all checks clearing the bank are for legitimate union purpose.
7. Perform other duties as required by the affiliate constitution.

## **FINANCIAL DUTIES OF THE EXECUTIVE BOARD**

The financial duties of the Executive Board include:

1. Oversee and provide advice regarding financial transactions of the affiliate.
2. Approve only those expenditures that are for appropriate and necessary union business for the exclusive benefit of union's members.
3. See that prudent guidelines exist and are followed for any major purchase or commitment of union funds, including multiple vendor bids.
4. Ensure that financial stability of the affiliate is maintained. Expenditures should not exceed income. A short-term deficit may be acceptable if there is a plan to eliminate the deficit in a timely manner.
5. Review and approve financial reports submitted by the officers of the affiliate.
6. Determine that all required governmental and International Union reports are filed on a timely basis.
7. Perform other duties as required by the affiliate constitution.



## **FINANCIAL DUTIES OF THE TRUSTEES**

The financial duties of the Trustees include:

1. Determine that an audit of all funds of the affiliate is performed either by a CPA or by the Trustees themselves at least once each year, or more often if required by the affiliate's constitution.
2. Report audit findings to the membership and the Executive Board. If there are significant findings, follow-up with the Executive Board to ensure corrections are made.
3. Determine that all governmental and International Union reports are filed on a timely basis.