

RECORDKEEPING

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RECEIPTS/DISBURSEMENTS JOURNAL

**CONSTITUTION OF THE AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL EMPLOYEES,
AFL-CIO**

ARTICLE VI, SECTION 12

The International Secretary-Treasurer is authorized, with the approval of the International Executive Board, to improve the bookkeeping system of the Federation and to prescribe minimum standards for the maintenance of financial records for subordinate bodies, including financial records concerning any health and welfare, pension, insurance or other benefit programs covering members of such subordinate bodies. Whenever any such minimum standards have been adopted and approved, subordinate bodies shall be obliged to meet such standards. The International Secretary-Treasurer shall require an annual report from each subordinate body, on forms to be supplied by the International Secretary-Treasurer's office. Such report shall be in sufficient detail as to indicate whether or not the prescribed minimum standards are being met.

AFSCME FINANCIAL STANDARDS CODE

ARTICLE I, SECTIONS 1 AND 2

Every affiliate of the American Federation of State, County and Municipal Employees, whether chartered or not, is required to meet the standards established by and set forth in this Code, including the standards established by and set forth in the appendices to this Code. The purpose of this Code is to establish minimum standards to be met by affiliates in the handling of their funds and other assets and in the maintenance of their financial records...It is not the intent of this Code nor shall not be interpreted in such a manner that relieves an affiliate of any duty or responsibility which is placed on it by the constitution of the International Union or of the affiliate.

MAINTAINING RECORDS

Article III, Section 1 of the Financial Standards Code states that the following records must be maintained by the Secretary-Treasurer or other financial officer:

- A. Computerized accounting system printouts (if applicable):**
 - 1. Balance Sheets**
 - 2. Income Statements**
 - 3. Reconciliation reports of all accounts**
 - 4. Detailed transactions by bank account**
 - 5. Detailed general ledgers**
 - 6. Detailed accounts payable vendor transaction histories**
 - 7. Detailed accounts receivable customer transaction histories**
 - 8. Payroll transaction reports**
 - 9. Any other basic system reports necessary to provide a comprehensive audit trail**

Maintain back-up files, electronic or flash drives.

- B. Check Book and/or Receipts/Disbursements Journal.**
- C. Bank receipts for all deposits.**
- D. All documentation for receipts including remittance advice, dues deductions rosters or dues rebate transmittals.**
- E. All bank statements and canceled checks.**
- F. Bank reconciliations.**
- G. All check stubs and voided checks.**
- H. All paid bills or invoices.**
- I. Copies of International Union/Council per capita tax reports (if applicable).**
- J. All expense reports and all detailed receipts for expenses reimbursed.**

- K. All records of expenditures from any petty cash fund.**
- L. All payroll records, including copies of IRS Form 941s, 940s and W-2s**
- M. All financial reports prepared for the membership or Executive Board; all federal reports filed with the IRS or Department of Labor; all financial reports filed with the International Union.**
- N. Surety Bond Certificate of Coverage.**
- O. All mortgages, loan agreements, lease agreements and all other contracts of any nature which involve financial obligations on the part of the affiliate.**
- P. All documents constituting evidence of ownership by the affiliate.**
- Q. Signed and dated copies of the Local Union Annual Financial Report (LUAFR) filed with the International Union.**
- R. Signed and dated copies of annual Surety Bond Report filed with the International Union.**
- S. Copies of any statements or transaction advice for any investment accounts maintained for the affiliate.**
- T. Signed and dated copies of all affiliate officer or employee collective bargaining agreements, fringe benefits policies as well as any other employee related policies.**
- U. Back-up of all data files if using a computerized accounting system.**
- V. Copies of the meeting minutes at which any financial decisions were made, approved or rejected.**
- W. Correspondence from government agencies.**

RECEIPT PROCEDURES

Article IV of the Financial Standards Code provides that when receiving money, the local union treasurer should:

- 1. Enter the amount in the check book or receipts journal, using a different page for each month's receipts. If using a computerized accounting system, it is not necessary to also maintain manual journals.**
- 2. Retain a copy of all checks received.**
- 3. Fill out a deposit slip and deposit the money into the appropriate affiliate account.**
- 4. Any check received must be deposited in full. Cash should never be withdrawn when depositing a check.**
- 5. Retain a copy of the deposit slip.**
- 6. Obtain a receipt for the deposit from the bank. Attach this to the copy of the deposit slip.**
- 7. Record the deposit on the check stub (if using a manual system).**
- 8. Record the deposit in the check book and/or receipts journal.**
- 9. Retain monthly statements received from the bank.**

NOTE: Dues checks received directly from employers or containing amounts payable to other affiliates and/or other entities must be deposited in a separate "Dues Trust" account.

AFSCME Local No. _____
 Receipts Journal
 For the Month of February YYYY

Date MM/DD/YY	Received From	Total Amount Received	DUES RECEIVED			Interest Income	Other Income	Explanation
			Dues for Month of	Units	Amount			
02/15/yyyy	Council 100	2,000.00	January	500	2,000.00			January Dues Rebate
02/15/yyyy	Unionville Bank	20.00				20.00		January Interest
02/20/yyyy	Fundraiser	350.00					350.00	Convention Fundraiser
February	Total	\$ 2,370.00			\$ 2,000.00	\$ 20.00	\$ 350.00	
January	Total	\$ 2,020.00			\$ 2,000.00	\$ 20.00	\$ -	
YTD	Total	\$ 4,390.00			\$ 4,000.00	\$ 40.00	\$ 350.00	

DISBURSEMENT AUTHORIZATION

Article V of the Financial Standards Code indicates the following are acceptable forms of authorization for expenditures:

1. Payments required by law.

**Examples: A. Payroll Tax Deposits and related payments.
(FICA, Unemployment Taxes, etc.)**

**B. Possible fines and/or penalties imposed by the
IRS for late filing of IRS Form 990.**

**2. Payments required by Local, Council and/or International
Constitution.**

Examples: A. International and Council Per Capita Tax

B. Surety Bond Premiums

**3. Payments to meet contractual obligations, provided proper
advance authorization was obtained from the membership or
executive board.**

**Examples: A. Lease on office, meeting hall, office
equipment, etc.**

B. Salaried employees under union contract

**4. Payments authorized by vote of the membership, Executive Board
or delegate assembly approving specific items, contracts, or the
affiliate's budget (See Financial Standards Code for details).**

DISBURSEMENT AUTHORIZATION EXAMPLES

Minutes of the Meeting of October 1, YYYY

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New Business

Jane Smith moved that \$50.00 be spent every month for rental of a conference room at ABC Hotel. The room would be utilized for Executive Board meetings. The motion was seconded and carried.

John Johnson moved that \$100.00 be used to purchase a two drawer file cabinet from XYZ Office Supply. The motion was seconded and carried.

Jane Smith moved that the local buy a photocopier and recommended four choices and finance options. After discussion, the board approved purchase of a \$6,000.00 copier. Payments will be \$800.00 per month until paid in full. This resolution approves the purchase of the copier and all subsequent monthly payments. The motion was seconded and carried.

DISBURSEMENT PROCEDURES

Article VI of the Financial Standards Code establishes the following as the correct procedure for making disbursements:

- 1. All payments must be made by check or electronic funds transfer.**
- 2. Checks must be signed by two authorized officers.**
- 3. Checks should NEVER be signed before the date, name of payee, and amount have been entered on the check. NO CHECK MAY BE PRE-SIGNED.**
- 4. Rubber stamps shall not be used for check-signing purposes.**
- 5. Use of a check-signing machine is permitted (for large affiliates only), provided the signature plates are adequately secured.**
- 6. At the time a check is issued, the date, amount, payee and purpose of the check must be entered on the check stub, the check register, the disbursements journal and/or computerized accounting system.**
- 7. CHECKS MAY NEVER BE MADE OUT TO “CASH.”**
- 8. The check number, date and amount of check should be written on the face of any bill, invoice or expense report paid.**
- 9. Electronic transactions must be authorized by a document signed by both officers who normally sign checks.**
- 10. Bank Debit Cards, Check Cards and/or Automated Teller Machine (ATM) Cards may not be used for expenditures or withdrawals under any circumstances.**
- 11. AFSCME strongly recommends against the use of union-owned credit cards as they circumvent the requirement that two officers sign all disbursement checks.**

AFSCME Local No. _____
 Disbursements Journal
 For the Month of February, YYYY

Date	Payee	Check #	Amount	Rent	Utilities	Mileage	Postage	Newsletter	Per Diem	Explanation
02/02/yyyy	ABC Realty	801	400.00	400.00						February Office Rent
02/05/yyyy	Union Bell	802	80.00		80.00					January Office Telephone
02/05/yyyy	VOID	803	-							Void Check
02/10/yyyy	Bob Jones	804	231.00			117.00			114.00	ST Workshop expenses - Pres.
02/10/yyyy	Alice Snow	805	231.00			117.00			114.00	ST Workshop expenses - S-T
02/10/yyyy	Sandra Black	806	231.00			117.00			114.00	ST Workshop expenses - VP
02/10/yyyy	Dave Green	807	231.00			117.00			114.00	ST Workshop expenses - Rec. Sec.
02/15/yyyy	US Postmaster	808	235.00				235.00			Postage - Newsletter mailing
02/15/yyyy	Copies, Inc.	809	200.00					200.00		Newsletter printing
02/15/yyyy	Zap Electric Co.	810	100.00		100.00					January Office Electricity
February	Total		\$ 1,939.00	\$ 400.00	\$ 180.00	\$ 468.00	\$ 235.00	\$ 200.00	\$ 456.00	
January	Total		\$ 689.00	\$ 400.00	\$ 180.00	\$ 109.00	\$ -	\$ -	\$ -	
YTD	Total		\$ 2,628.00	\$ 800.00	\$ 360.00	\$ 577.00	\$ 235.00	\$ 200.00	\$ 456.00	

NOTE: Column headings will change to reflect expense categories of individual locals.

EXPENSE REPORT PROCEDURES

Article VII of the Financial Standards Code states the following:

- 1. Expense reports are required to document all reimbursements to officers, members, and employees.**
- 2. Each item to be reimbursed must be documented to indicate the date, amount, and specific union purpose. Original receipts must be attached. All expense reports should be filed timely.**
- 3. Employee expense reports must be approved by the employee's supervisor.**
- 4. Officer expense reports must be approved by the Executive Board or designated officers selected for that purpose.**
- 5. Expense reports must account for all reimbursed expenses as well as those incurred costs that are paid directly by the affiliate.**

NOTE: Officer and employee reimbursement policies should clearly identify the types of union activities for which expenditures will be reimbursed and who may incur these types of costs.

AFSCME LOCAL 9876 EXPENSE REPORT SOLUTION

Name: Treasurer Alice Snow **Signature:** Alice Snow, Treasurer

Address: 1234 Union Road **Date:** 2/06/yyyy

Washington, DC 20036

City State Zip

(202) 123-4567

Area Code Telephone No. **Approval:** Executive Board

Date	Place and Purpose	Mileage *		Per Diem	Lodging (Attach Receipt)	Other Explain & Attach Receipts	Other Amount
		Miles	Cost				
1/23/yyyy	Travel to Uniontown for S-T Workshop	100	\$ 58.50	\$ 76.00	\$ 100.00		
1/24/yyyy	Travel home from S-T Workshop	100	\$ 58.50	38.00			
TOTALS			\$ 117.00	\$ 114.00	\$ 100.00		\$ -

Explanation/Comments:

Mileage reimbursed at 2022 federal rate of 58.5 cents per mile.

Lodging paid in advance by Local in January.

For Treasurer's Use Only

Date Paid: 2/10/yyyy

Check Number: 805

Treasurer's Initials: _____

Total Expense:	\$ 331.00
Less Advance:	-
Less Amount Pd by Local:	(100.00)
Reimbursement:	\$ 231.00

CREDIT CARD PROCEDURES

Per Article VII of the Financial Standards Code, procedures for credit card usage are as follows:

- 1. Any individual authorized to use a union credit card must provide an itemized expense report to the union, accounting for each and every charge, as well as provide an explanation of the specific union business purpose of each charge.**
- 2. The actual credit card receipt and the itemized sales slip must be attached to the expense report.**
- 3. Expense reports for direct billed items should be submitted and approved prior to payment of any bills.**
- 4. Personal charges are strictly prohibited. Any items charged that are not approved by the appropriate officer(s) or supervisor must be paid back to the union immediately.**
- 5. Under no circumstances should the union make a payment to a credit card company for an individual's personal credit card.**

NOTE: Written credit card policies or procedures manuals must clearly identify the union positions that qualify for use of a union-owned card and define the types of authorized expenditures.

CREDIT CARD EXAMPLE

Minutes of the Meeting of February 1, YYYY

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New Business

Jane Smith proposed the following credit card policy. The use of Local 9999's credit card is restricted to President John Johnson and Secretary-Treasurer Sally Brown, and each individual is limited to \$250.00 per month in charges. Allowable charges are limited to minor office supplies and food expenses directly related to union business. Unless specifically pre-approved, charges that do not fall under the approved categories are not allowed and immediate re-payment will be required from the officer. Personal charges are strictly prohibited. If an emergency situation arises causing the officer to use the card without prior approval, the officer must immediately take a telephone poll of officers. This approval must be reaffirmed at the next board meeting.

Semi-monthly expense reports must be completed to document all charges. Receipts documenting the charges including both the credit card receipt and the itemized sales receipt must be attached to the expense report. Should no receipts be submitted, re-payment by the officer is required.

Any charges made that are not properly reported or not approved must be repaid to the union immediately. All expense reports are due within ten days from the end of each semi-monthly period.

Any expenses not approved by the above general policy must be approved in advance by the Executive Board or Membership. No one other than John Johnson or Sally Brown is authorized to use the local's credit card. Any changes to the credit card policy must be clearly documented in meeting minutes.

The motion to adopt this policy statement was made by Fred Jones, seconded and carried.

MONTHLY FINANCIAL STATEMENT PROCEDURES

According to Article IX, Section 1 of the Financial Standards Code, a monthly financial statement must:

- 1. Be prepared at the end of each month, by, or under the supervision of the financial officer**
- 2. Be completed and available to the Executive Board and/or membership no later than thirty calendar days following the end of each month and include the following:**
- 3. Include the following categories of Income:**
 - A. Income from dues and/or per capita tax**
 - B. Income from initiation and/or reinstatement fees, if any**
 - C. Income from any other sources**
 - D. Total income for the month**
- 4. Include the following categories of Expenses:**
 - A. Amounts paid for per capita taxes and other affiliation fees**
 - B. Totals by category of amounts paid to individuals in the form of salary, lost time, allowances, reimbursed expenses, and/or convention expenses**
 - C. Totals by significant category of amounts paid for other operating costs of the affiliate**
 - D. Total expenditures**
- 5. Show the excess (or the deficit) of income over (or under) expenditures.**
- 6. Include a statement of cash assets as of the end of the month.**
- 7. Include a listing of unpaid bills or any contractual obligations which have not been paid. If the unpaid bills are zero, a notation indicating this should be made at the bottom of the report.**

RECEIPTS/DISBURSEMENTS JOURNAL PROCEDURES

Affiliates using a manual system of recordkeeping can use the blank receipt, disbursement and expense report forms provided separately in the Sample Forms and Reports packet. Use the procedures described previously for maintaining each transaction type in the journal. The following procedures are recommended to maintain a useful journal:

- 1. Copies should be made of these forms and inserted into a three-ring binder.**
- 2. Record each transaction in the Receipts/Disbursements Journal immediately after the transaction occurs.**
- 3. When processing an expense report, verify that all required information is present.**
- 4. The Journal should be reconciled monthly when bank statements are received.**
- 5. Use the monthly totals on the Journal when preparing the monthly financial report.**
- 6. The Journal should contain monthly as well as year-to-date totals for all categories.**
- 7. You may change the categories on the blank journals to reflect the actual receipts and disbursements of your affiliate.**