

AFSCME Local 3866 Expenditure Policy

Expenditures - Authorization

The local's money can only be spent with proper authorization. Authorization should be given only for expenditures that serve a legitimate union purpose. It is the duty of the Executive Board to exercise adequate monitoring of all authorizations to ensure that funds are spent only for legitimate union purposes. Officers have a fiduciary responsibility to ensure that the union's assets are managed prudently, and all expenditures are for the exclusive benefit of the affiliate and its members. Proper authorization is accomplished by the following methods:

SECTION 1.

Payments required by law need no further authorization. Examples include taxes on property owned by the union, payroll taxes withheld from salaries and allowances of union officers and employees, fines and/or penalties assessed against the affiliate or other payments required by government or regulatory agencies.

SECTION 2.

Payments required by constitution (International, Council or Local Union) to which the affiliate is subject need no further authorization by either the Executive Board or membership. Examples include International Union and Council per capita taxes, and payment of fees for bonding of officers and employees as required by the International Constitution. (This may also be a requirement of federal law.)

SECTION 3.

Payments to meet contractual obligations, provided proper advance authorization of the original contract or policy was obtained from the membership (or delegate assembly) or the Executive Board, may be made without further authorization. Examples include payments made pursuant to leases on office or meeting space, automobiles, and equipment; salaries for employees covered by a collective bargaining agreement or other contract; payment of fringe benefits or employee salary deferrals into a retirement fund covered by terms of a contract; and payments being made on a time-payment contract for property of any nature.

SECTION 4.

Payments may be authorized by vote of the membership, Executive Board, a committee of the Executive Board, or other delegate assembly as outlined in the local's constitution. Examples include:

A. By motion properly made and carried authorizing the expenditure of a specific amount (or “not to exceed” a specific amount) for a specific purpose. The motion in its entirety should be entered in the minutes.

B. By motion properly made, carried, and entered in the minutes, authorizing regular payment of recurring obligations. Having been made, such authorization will stand unless canceled by motion made, carried, and entered in the minutes at a subsequent meeting. Recurring obligations must be authorized at the beginning of each fiscal year.

C. By motion properly made, carried, and entered in the minutes, authorizing the officers to enter a purchase or service contract. Once signed, the contract becomes a recurring obligation, and required payments may be deemed authorized. A copy of the contract must be attached to the minutes of the meeting at which it was approved and must also be made a part of the financial officer’s records years.

Expenditures - Procedures

SECTION 1.

All authorized expenditures must be made by check, electronic funds transfer (EFT), Automated Clearing House (ACH), or Debit Card. See Section 9 of this article for further information regarding electronic payments. Cash withdrawals from affiliate bank accounts are strictly prohibited.

SECTION 2.

All checks drawn on any of the local’s accounts must be signed by two officers (President and Secretary-Treasurer), as authorized by the constitution. The local’s Vice President may also be a signatory providing the designation of the substitute officer has been approved in advance by the Executive Board and documented in the minutes.

SECTION 3.

Under no circumstances may any officer or authorized substitute sign any check before the date, the name of the payee, and the amount have been entered on the check. No check may be pre-signed.

SECTION 4.

Rubber stamps shall not be used for check- signing purposes.

SECTION 5.

At the time a check is issued, the date, amount, payee, and purpose of the check must be entered on the check stub and in the check register. The same information must be entered in

the electronic accounting system. Before signing checks, officers should verify that adequate documentation exists, and that the expenditure has proper authorization and a proper union purpose.

SECTION 6.

Checks may not be made out to “cash.” Checks must be made payable to either an individual, who is responsible for providing a complete and proper accounting as to how those funds were spent, or to a vendor, who must submit receipts, invoices, or other appropriate documentation.

SECTION 7.

All payments made should have adequate supporting documentation such as expense reports with receipts, vendor invoices, or a payroll register. In paying any bill, the check number, the date, and the amount of the check should be written on the face of the bill, which must then be filed and retained in the affiliate’s records. This will safeguard against double payments.

SECTION 8.

Electronic transactions, including vendor, payroll, as well as routine transfers within the same institution, must be authorized by a document signed by the authorized signatories of the accounts involved. Additionally, all electronic transactions must be properly recorded in the check register and the appropriate electronic accounting system.

SECTION 9.

Local-owned debit cards may be used to pay for legitimate union business expenses and must be closely monitored. All expenses paid with the card account must be authorized in advance by a document signed by at least two signatories of the affiliates’ bank accounts. Copies of the written authorization must be maintained in the affiliate’s records.

SECTION 10.

Cash transfer applications (e.g., PayPal, Venmo, Zelle, etc.) are not acceptable methods to disburse union funds due to excessive transaction fees and the lack of effective audit trails.

Expenditures – Documentation

SECTION 1.

Receipts, invoices and/or other documentation, including a written description of the union’s purpose, must be maintained to support all disbursements.

Disbursements for food and/or beverages purchased on behalf of individuals or groups must also include a listing of attendees. A sign-in sheet may be used to provide the listing of attendees at large meetings.

SECTION 2.

Expense reports must be used to document all reimbursements to officers and members. Each item to be reimbursed must be documented to indicate its date, amount, and specific union purpose. Supporting receipts must be attached. All expense reports should be filed in a timely manner.

Officer or member expense reports must be approved by local's president or vice president.

Expense reports must account for all expenses reimbursed as well as those incurred costs that are to be paid directly by the affiliate (e.g., direct hotel billings, charges incurred on the affiliate's debit card).

Expense reports for any meal or entertainment item must list the name(s), title, and union relationship of the person(s) entertained and provide an explanation of the subject of the specific union business discussed. The itemized receipt of food and beverage consumed should also be provided.

SECTION 3.

All charges must be supported by itemized receipts and a full explanation of specific union purpose.

Any individual authorized to use the debit card must provide an itemized expense report accounting for every charge, as well as provide an explanation of the specific union purpose of each charge. The debit card receipt and the itemized sales slip must be attached to the expense report.

Personal charges on the debit card are strictly prohibited. If an officer or member uses their personal credit card for a valid union expenditure, reimbursement should be made directly to that individual. Under no circumstances should the local make a payment directly to an individual's personal credit card account.

SECTION 4.

The local should ensure that it follows all appropriate governmental requirements for documentation and reporting, including:

- A. Expense reports — See Section 2 above.
- B. Debit Cards — See Section 3 above.

C. Payroll Taxes — taxable per diem, lost time, auto allowances, officer allowances, stipends, nonaccountable expense advances, etc., must be treated as wages subject to withholding and require payment of payroll taxes and preparation of IRS Form W-2s and other applicable tax returns.