

# THE ESSENTIALS FOR Union Administration





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### **AFT PSRP**

### **AFT Higher Education**

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# 1

## Welcome



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# YOUR GUIDE TO THE ESSENTIALS FOR UNION ADMINISTRATION

This guide for new locals gives affiliate leaders—presidents, treasurers and secretary-treasurers, in particular—important information about conducting the business of an effective union. It serves as a comprehensive resource for all aspects of administering your local. This includes information on:

- Record keeping;
- Dues and dues collection;
- Membership records and reporting;
- Budgeting;
- Insurance; and
- Conducting union meetings.

The loose-leaf binder format allows you to keep the information current; updated and new pages will be sent to you as changes occur.

Your leadership and involvement keeps the AFT a vital and active union, and we hope you and your fellow officers will find this guide a useful and practical resource.

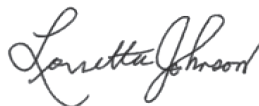
In unity



Randi Weingarten  
President



Antonia Cortese  
Secretary-Treasurer



Dr. Lorretta Johnson  
Executive Vice President

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## THIS BOOK BELONGS TO:

**Local Name:**

**Local Number:**

**Charter Date:**



# Important Information for New Locals — a Synopsis

## AFT Affiliation

Your official charter affiliates your organization with the American Federation of Teachers, AFL-CIO. Per capita taxes are the monthly dues payments made by an affiliate to the AFT for each member. Per capita taxes of \$16.55 per month (\$-17.10 per month effective Sept. 1, 2011) for full-dues members include AFL-CIO affiliation at the national level. In addition, 27 cents of each member's per capita are set aside for the AFT Innovation Fund and a joint AFT Militancy/Defense Fund.

membership other than full-dues members. For instance, under the AFT constitution, locals may pay one-half per capita for those members who earn less than the beginning teacher's salary or less than \$18,000, whichever is higher. Also, locals may pay one-quarter per capita on members whose salaries are less than \$14,000 per year. Please remember that these rates apply to AFT per capita; your state federation may or may not have similar membership categories. For more information on national membership or dues structure, please refer

dismemberment), then full insurance premiums must be paid for all members for all 12 months, along with your per capita payment. In addition, your local must remain in good standing to receive all insurance benefits (see AFT Constitution and Bylaws, Article III, Sections 1-12 and, Article X for good standing requirements for locals).

Per capita monies pay for the broad AFT program of organizing, lobbying, collective bargaining assistance, professional issues, meetings and conferences and communications. It represents an overall commitment to the union movement rather than a simple dollar-for-dollar payment for services.

### Your state federation is:

Your AFT State Federation  
XXXX XXXX, President  
1234 Your Street  
City, XX xxxxx

## State Federation Affiliation

Locals in most states have organized state federations. The AFT constitution requires that your local join and maintain affiliation with the appropriate state federation. Only by working actively at every level—local, state and national—can we create the power necessary to accomplish our goals.

Per capita is normally paid on a 12-month basis. However, if your local pays per capita on a 10-month basis, we can accommodate this payment schedule if we are so notified.

Locals may have classes of

to the AFT Constitution and Bylaws, Article III, Sections 1-12.

If your local is enrolled in one or both of the two optional AFT blanket insurance programs (occupational liability or accidental death and

The benefits of belonging to the AFT include access to various insurance programs. The AFT+ member benefits department stands ready to assist you. 800/238-1133, ext. 8643.

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### AFL-CIO Local and State Affiliations

Unions band together on a local and statewide basis to work together for common goals. Teachers, plumbers, autoworkers, healthcare workers, airline pilots, the unions in your community and state, all join the central labor council (CLC). The AFT constitution mandates that your local affiliate with these important labor bodies. State AFL-CIO per capita payments are paid to the AFT along with your regular per capita payment. Your local central labor council dues should be paid to them directly. You will need the combined help of these labor bodies to accomplish your program and they, in turn, need the skills and abilities that your union can offer.

### AFT Insurance Programs/ AFT+ Benefits

The benefits of belonging to the AFT include access to various insurance programs. Among the programs available to members only is the AFT + occupational liability plan, which covers all AFT members in participating locals for claims brought

against them as a result of their work. The liability plan combines occupational liability insurance with legal expense reimbursement from the AFT Legal Action Trust. Please check with the AFT + member benefits department for current rates, per month at **800/238-1133, ext. 8643**. Additionally, your local can purchase the AFT + accidental death and dismemberment plan for your members at a nominal cost.

To find out more information about these and other insurance programs, as well as other member benefits, you will find a guide tucked in this resource binder. AFT + programs include such things as auto/home insurance, movie tickets, book discounts and more. The AFT + member benefits department stands ready to assist you. You may call **800/238-1133, ext. 8643**; visit online at **[www.aft.org/members](http://www.aft.org/members)**; or send an e-mail to **[aftplus@aft.org](mailto:aftplus@aft.org)**. Member benefits information can also be found on LeaderNet. Register for LeaderNet now by going to **<http://leadernet.aft.org/register>**.

### Fidelity Bond

The AFT requires each local and state affiliate to purchase a minimum \$50,000 Fidelity Insurance Bond that covers officers, staff and members who are responsible for handling your affiliate's money. The cost to receive this insurance for one year is \$50. Increased coverage for up to a maximum of \$500,000 is available.

The AFT generally recommends a minimum of \$50,000 for bond coverage. However, if the local's annual income exceeds \$500,000, more coverage to equal 10 percent of the local's annual revenue is recommended. In addition, bonding of local union officers is strongly

advised. By purchasing this insurance, your local would be protected in the event an officer, a staff person, or member who is responsible for handling your local's funds commits a "dishonest act," including but not limited to monetary theft, embezzlement of funds or fraud involving union funds.

#### Your state central labor body is:

Your State AFL-CIO  
XXXX XXXXX, President  
1234 Your Street  
City, XX xxxxx

#### Your local central labor councils are:

Your Greater Metro Area Labor Council, AFL-CIO

## Nonprofit Status with U.S. Internal Revenue Service

The AFT has been granted nonprofit status by the Internal Revenue Service, Department of the Treasury, in a letter dated Feb. 5, 1945, under 501(c)(5) provision of the code. The Group Exemption Number 0787 includes all AFT affiliates.

If your local's average income is between \$25,000 and \$99,999, you must complete the Internal Revenue Form 990-EZ each year within four and one-half months after the close of your fiscal year (usually June 30). Locals with total income of \$100,000 and above for the year shall complete Form 990. If you do not file the form, you are subject to penalty and payment of taxes on your income.

The nonprofit status entitles you to apply for a post office permit for bulk mailing at a reduced rate.

## Local Constitution

The orderly functioning of your local requires a local constitution. If you have not already done so, you should set up a constitution committee

to write a constitution to submit to your members, for their feedback and general membership approval. Copies of model constitutions are available on Leadernet to aid your committee. Upon completion of your constitution, submit one digital copy of the constitution and bylaws, by electronic means to the AFT secretary-treasurer (sectreas@aft.org) within three months of receiving your charter. Affiliates shall similarly submit all subsequently amended constitutions and bylaws to the AFT secretary-treasurer's Office.

## Publications

The AFT produces the following publications: *The American Teacher*, *Public Employee Advocate*, *AFT On Campus*, *PSRP Reporter* and *Healthwire*. Each member receives a publication as part of his/

her AFT membership. The AFT also publishes a quarterly magazine, the *American Educator*. Local leaders are encouraged to sign up for "Inside AFT," the weekly electronic newsletter from the AFT, or a variety of other e-newsletters sent from various AFT departments.

## Record Keeping

Maintaining and submitting to the AFT **current** information on membership, elected officers and executive board members are constitutionally required activities on the part of your local. Current membership information is used to calculate the monthly per capita invoice, as well as for mailing of AFT publications, and as proof of insurance coverage. In addition, any changes in membership, elected officers and executive board are also

Current membership information is used to calculate the monthly per capita invoice, as well as for mailing of AFT publications, and as proof of insurance coverage.





The AFT by-laws calls for a set-aside of 27cents per month of per capita for the defense and militancy fund.

constitutionally required to be reported to the AFT.

### **Membership, officers and executive board reporting**

Your local may submit current membership and officer information electronically, may use AFT online systems or may send paper reports. Whichever method your local chooses, you will receive all necessary support (and training, where applicable) from the AFT membership department.

The Affiliate Maintenance System (AMS) is a tool that allows AFT affiliates to access and update their local and officer information. Information entered into the Affiliate Officer directory will be replicated to the AFT database and will be considered the official record of officers, executive board members, and their most up-to-date contact information. Any changes made using the AMS system will be instantaneously recorded in user's databases.

Please contact AFT Membership to discuss the various reporting options

available to your local. This is important because there is specific membership, officer and executive board information required by the AFT Constitution. Contact AFT Membership at **membership@aft.org** or call **800/238-1133, ext. 3421**.

For written descriptions of the technology tools and services provided by the AFT—including tools for membership data tracking and reporting—see the section on technology tools in this guide.

### **Affiliate Staff Reporting**

Affiliates are encouraged to report their staff information with their regular monthly membership updates to the AFT. Information such as first and last name, staff title, and e-mail address are required information. Staff reported to AFT is eligible to access and enjoy the benefits provided through AFT+ benefits trust and AFT Advantage programs online by accessing [aft.org/members](http://aft.org/members) website. AFT membership cards will also be issued to staff on file.

### **Per Capita Invoice and Membership Information**

For clarification or to ask questions regarding how your per capita invoice is calculated based on your reported membership information, call the AFT accounting department at **800/8PERCAP (800/873-7227)** or e-mail **billinginquiry@aft.org**.

### **AFT Defense/ Militancy Fund**

The AFT sets aside an amount from each per capita payment into a combined Militancy/ Defense fund. This fund has two purposes: to defray the legal costs of protecting the rights of AFT members and to help locals when they find it necessary to strike. Twenty-seven (27) cents of each member's monthly per capita is deposited into this fund.

Eligible cases for fund coverage include, but are not limited to, unjust dismissal and reductions in force. Should a possible case exist in your local, inform AFT's legal department immediately. Grants for strike-related expenses are administered

by three trustees selected by the AFT executive council. Financial assistance during strikes from this fund includes payment of interest on loans to striking teachers, sharing legal costs caused by the strike, and one-half payment of applicable fines levied. Payment of regular strike expenses such as meeting halls, picket signs, fliers, etc., are not paid by the fund.



# 2

## Duties of Officers



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# Duties of Officers

## Your local should have elected officers to oversee the union's day-to-day activities and to establish long-term goals.

Most locals include the positions of president, vice president, secretary and treasurer. Many locals include several vice president positions carrying specific responsibilities or representing specific constituencies within the local.

The financial duties of the union **TREASURER** are the mainstay of the *Essentials of Union Administration*. However, this section describes the duties of union president, secretary and executive council, as well as that of the treasurer.

## President's duties

Most constitutions designate the president as the chief executive and charge him or her with carrying out the policies established by the membership. The president may delegate authority but not the responsibility of the office. The president's responsibilities include

overseeing the following:

- A broad agenda of issues that are identified through the input of members (through surveys, worksite meetings, etc.).
- A program for helping bargaining unit members strengthen their professional knowledge and practices, mentor and support their less experienced colleagues, and enhance the overall quality of services they provide.
- Negotiation and enforcement of the collectively bargained contract.
- Accurate membership recordkeeping.
- An effective structure of worksite representatives or stewards who are the linchpin of your local's membership recruitment and involvement program.
- An effective internal and external communications program.
- An effective political action program.
- A new employee outreach program that welcomes employees very soon after they enter the bargaining unit, provides them with a worksite

representative or "union buddy," introduces them to the union in ways that are relevant to them, instills a culture of activism, and helps to provide them with positive union involvement experiences.

- An organizational structure that allows the union to mobilize members quickly and deliver services in an efficient, responsible and timely manner.

Specific responsibilities of the president include presiding at membership meetings, delegate assemblies and special meetings (most unions designate the first vice president to conduct the meeting in the president's absence); purchasing insurance for members and the local; establishing effective office procedures to track grievances and contract timetables, correspondence, membership records and other information and records; monitoring the decision-making bodies of employing institutions; supervising staff; and participating actively in the local AFL-CIO council.

In meeting these responsibilities, the

The president is in charge of carrying out the policies established by the membership.

president must always act within the confines of the constitution and the policies established by the membership/representative assembly and the executive board (which may have authority to act for the membership between meetings). If it is not possible to call a meeting, the president may be able to poll the executive board. If that is not possible, the president may act on his or her own and report these actions as soon as possible to the executive board and/or general membership/representative assembly. Procedures for such action should be a part of your constitution or bylaws.

The president also is responsible for ensuring that the union vigorously defends any member whose civil or job rights are threatened. If the union incurs legal expenses while defending a member's rights, or if the union is forced to strike, it may be eligible for financial assistance from the AFT's Defense/Militancy Fund.

**Purchasing insurance for members and the local.** If your local

purchases professional occupational liability or accidental death and dismemberment insurance through the AFT, make sure that the membership list you have on file at the AFT is accurate and that your per capita payments are up to date. Otherwise your members may not be covered! If your local's membership is a constituency other than teachers, check the coverage carefully to ensure that it meets the needs of your members.

Also, the AFT provides liability insurance for affiliate officers. This policy covers negligence, slander and libel, as well as "duty-of-fair-representation" lawsuits. If the local owns or rents an office and/or owns or rents office equipment, it should have fire, casualty and theft insurance coverage.

#### **Overseeing the treasury and budget.**

Although the union will have an office of treasurer, the president still is ultimately responsible for ensuring that the union has sufficient resources to

carry out its mission; that union funds are handled in an honest and efficient way (the president should act as a co-signer, with the treasurer, on all financial instruments); that dues are properly collected; that the union's budget is properly prepared; and that proper accounting procedures and internal financial controls are used. (*See Section 5 for more information about insurances for members and officials.*)

Make sure that any person who handles union funds is bonded. For information about purchasing a bond through the AFT, contact the AFT accounting department or send an e-mail to [billinginquiry@aft.org](mailto:billinginquiry@aft.org). If you represent private sector employees, your bond must conform to Labor Department specifications. (*Fidelity bond information can be found in Section 5 of this guide.*)

#### **Monitoring the decision-making bodies of employing institutions.**

The president should monitor all decision-

making bodies related to the institution(s) in which members are employed. This includes school boards, boards of trustees, state agencies, city and county councils, commissions and, of course, the state legislature.

When these bodies meet, there is no substitute for the president's personal attendance, since no other union officer commands the same authority. Through regular attendance, the president makes the union presence felt and has the opportunity to participate in the policymaking decisions of management. At these meetings, always speak with civility and decorum, but don't hesitate to disagree if necessary. Also be helpful and supportive when appropriate.

#### **Supervising staff.**

At some point you may determine that you need to hire staff. You have many options, including:

- **Release time.** Some union contracts allow members to be "released" from their regular duties to

work part- or full-time for the union. The union then reimburses the member at his or her regular rate of pay. An officer might go on release time status, for example, to handle membership grievances.

- **Temporary stipend for an officer.** Ask a particularly competent executive board member or the chair of a major committee to work for the union on a temporary, as-needed basis. The membership chairman could be hired for a short time to plan and execute a membership campaign, for example, or the treasurer could be hired temporarily to prepare the budget and financial records for a major membership meeting.

- **Expenses for regular activists.** Some larger locals pay their building reps a monthly stipend, contingent on their attendance at monthly building rep meetings and/or their performance of defined duties. This may tug at the volunteer ethic, but it often works. You may want to pay the members of your negotiating team and your area coordinators a small stipend to defray their expenses and to

compensate for the long hours spent preparing for and participating in negotiations.

- **Part-time jobs.** Many unions will hire one or more members on a part-time basis to monitor phone calls and act as problem solvers. These part-time staff often work afternoons, after their normal work hours. The AFT's organization and field services department offers a formal Membership Service Specialist assistance program. It has been highly successful, particularly with PSRP locals. Other possibilities for part-time jobs might include grievance chair, professional development coordinator or editor of the local union's newsletter.

- **Full-time staff.** At some point, you may need to hire full-time staff. If your local can only afford one staff person, it is probably wise to hire the president. In some cases, however, a local may prefer to hire an executive director, an organizer or a grievance handler as its single staff person. You may also want to consider hiring an office manager to assist

with keeping up on the reporting and paperwork.

As you consider your options, keep in mind that the strength of your local is in the commitment and involvement of your members. Don't dampen the volunteer ethic in your union. Staff should supplement volunteer efforts, not replace them, and any money paid to volunteers should be regarded as a stipend or expenses, not as wages.

Also, making a staff structure work requires that the president (or someone else with this designated authority) supervise them well and provide them with the training and education they need to perform effectively.

If you pay stipends to officers, staff or membership volunteers in the amount of \$600.00 or more, you must pay payroll taxes, deduct the appropriate withholdings and report this information at the end of the year to the Internal Revenue Service. Salaries paid to officers or staff must also be reported

Make sure that any person who handles union funds is bonded.

The treasurer holds the position of greatest trust within the union.

to the IRS and payroll tax reports filed as required. Get advice from a qualified accountant regarding your recordkeeping and reporting responsibilities.

Finally, when the union acts as employer, it must abide by all laws regulating employment practices and maintain a work environment that is free of discrimination or bias. Seek out training and counsel in the myriad considerations in personnel management, including those related to hiring, evaluation and discipline.

## Treasurer's duties

**The treasurer has direct fiduciary responsibility for collecting and expending the members' dues honestly and competently.** This is probably the position of greatest trust within the union, requiring a person with integrity and honesty who is willing to take on

this serious task.

Members entrust the union with their money; it is the treasurer's job to ensure that this trust is not violated.

The treasurer is, of course, responsible for keeping accurate records of the local's finances and filing the requisite forms with the government. New financial secretaries can get help from their state or the national office in making sure they are following proper procedures and records.

Guarding the funds of a local is fundamental to good trade unionism. The financial officer and local's trustees are key.

The contents of this guide describe the financial duties and responsibilities of an AFT affiliate's treasurer or those that will fall to the president in the absence of a treasurer.

*(Also see the description for the local treasurer in the section "Conducting Local Union Business.")*

## Secretary's duties

**A key duty of the secretary or recording secretary is to take careful minutes that accurately record all actions of membership/rep meetings and at executive board meetings.** All meeting minutes should be dated.

At meetings, the secretary should distribute the minutes from the previous meeting and report on any official correspondence the union has received. The date the minutes were adopted should be recorded and filed.

Official minutes recorded by the secretary should also include any corrections made to the minutes, a re-statement of any motions made and the roll call.

When the union adopts a budget, that, too, should be recorded and the budget attached to the minutes.

Major expenditures that are voted on by your union's executive board or other body should also be recorded in the minutes.

**Banking.** When your union opens a bank account, the bank usually requires a resolution from your union’s board saying that the account shall be opened; the resolution also names the signatories. It is the responsibility of the secretary to submit this resolution to the bank.

*(More information about the secretary’s responsibilities during union meetings can be found in the section “Conducting Local Union Business.”)*

## The executive board/committee/council

**The constitution outlines the composition and responsibilities of the executive board (sometimes known as an executive council or executive committee).** The executive board usually includes the president,

secretary, treasurer (in some locals the latter two positions are combined) and a number of vice presidents or at-large members. The vice presidents may be elected by the membership at large; by each constituency group (i.e., paraprofessionals, high school teachers, a certain state agency); or by region. Sometimes vice presidents have mandated responsibilities; the first vice president may be responsible for membership, for example, and the second vice president for political action.

In most locals, the executive board meets more frequently (usually once or twice a month) and is empowered to act on behalf of members between the regular membership or delegate meetings. Some constitutions allow the executive board to act on anything except constitutional amendments. Other constitutions may reserve certain matters for the membership.

Most often, the executive board will conduct the most substantive discussions of union policies and plans. Following these

discussions, the executive board will normally make policy, program and budget recommendations to the membership. Being able to work well within your executive board is key to running an effective, productive local.

**Responsibilities of the executive board.** No matter how the executive board is composed and its responsibilities defined, don’t place too much emphasis on the “executive” part of being a member of this body. A member of the executive board is more a super member than executive. It is important for executive board members to be team players who collectively adopt a “can-do” attitude and are willing to pitch in to get the union’s work done.

Individual executive board members should pledge to:

Participate actively in meetings and board activities and serve willingly on committees when appointed.

Keep informed on issues affecting the membership and the work they perform.

Recognize that they “wear two hats”—one hat is raising issues that concern their worksites or constituencies, and the other is focusing on the bigger picture by supporting the union’s efforts to address overarching issues.

Consider the role as that of a “trustee” to ensure the union’s long-term growth, success, security and fiscal integrity.

Recognize that the designated officers should direct the day-to-day operation of the union—such as directing staff and overseeing finances—subject to the direction and approval of the board when it is meeting in a legally called session.

Look for ways to build consensus, respect and support the majority decisions of the board.

Declare when conflicts of interest occur and abstain from voting in those circumstances.

Refrain from criticizing fellow board members, discussing confidential proceedings outside of board meetings or interfering in the duties of the officers.





# 3

## Finances / Per Capita



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# A Message from AFT Secretary-Treasurer Antonia Cortese

An annual  
independent  
audit or  
financial  
review must  
be performed  
by each AFT  
local and  
distributed  
both to the  
affiliate  
membership  
and the AFT.

I would like to take this opportunity to welcome your new local, (*individual local name*), to the American Federation of Teachers, AFL-CIO. I am thrilled to have your members join the ever-growing ranks of the AFT.

Following this letter is some essential information regarding the fiduciary responsibilities you have as officers of your local. As AFT secretary-treasurer, I cannot overstate the importance of these materials.

The **Good-Standing and Per Capita Agreement** identifies six requirements each local must meet in order to be in compliance with the AFT constitution. Please carefully review this transmittal agreement, sign, date and return it to me in the enclosed envelope within 14 days of receipt of this agreement.

As you read over the **Good-Standing and Per Capita Agreement**, you will see in Section 1 the following:

(a) *Payment of per capita to AFT on all members, not to exceed two months in arrears—monthly per capita invoices will be mailed to your treasurer, unless AFT has been notified otherwise. Per capita payments must also be made to your state federation and be current. If you have any billing questions, you may contact AFT via e-mail: [billinginquiry@aft.org](mailto:billinginquiry@aft.org) or call 888/873-7227 (888-8PERCAP).*

(b) *Current submission of your affiliate's annual audit or financial review—Please refer to the AFT Constitution, Article IX, Section 1 & 2 for specific requirements for local audits. For more details about audits and/or financial reviews, call 202/393-6357.*

(c) *Current in submission of names and addresses for the principal executive and financial officers—names and addresses of local officers must be updated and provided to AFT after each election or when changes occur. For information on how to update your local officers' information, contact [membership@aft.org](mailto:membership@aft.org) or call 800/238-1133, ext. 3421.*

(d) *Current in submission of names and addresses of current members of the affiliate's executive board—names and addresses of your local's executive board members must be updated and provided to the AFT after each election. For information on how to update your local's executive board, contact AFT membership at, [membership@aft.org](mailto:membership@aft.org) or call 800/238-1133 ext 3421.*

(e) *Current in the submission of a membership roster—names, addresses, dues category and other member information must be updated and provided to AFT on a monthly basis. For information on free membership tracking software available to affiliates, please contact the AFT SAS Desk at [sasdesk@aft.org](mailto:sasdesk@aft.org) or call 202/879-4504. This software will allow you to update electronically your membership roster, officers and executive board members' information.*

(f) *Current in submission of a copy of the affiliate's up-to-date constitution—a copy of your local's constitution must be on file within three months of your effective*

*charter date. Electronic copies of your constitution and any subsequent amendments may be e-mailed to [sectreas@aft.org](mailto:sectreas@aft.org). If you have questions about providing AFT with a copy of your constitution, please contact [sectreas@aft.org](mailto:sectreas@aft.org) or call 202/879-4415.*

We have enclosed in this guide the current AFT constitution and bylaws. Please reference Article VIII, Section 1(a), of the AFT bylaws that specifies the various dues rates of membership., I urge you to read this document to become familiar with AFT's governance.

After fully processing your new charter information, AFT membership cards will be mailed to your founding members at their home address within four weeks. Subsequent new members will automatically receive AFT membership cards within three weeks of AFT receiving their names and addresses. Members may use their unique ID number on the membership card to access AFT + Member Benefits at [www.aft.org/members](http://www.aft.org/members). Questions about membership cards may be sent to [membership@aft.org](mailto:membership@aft.org) or you may call 800/238-1133 ext 3421.

I hope this information will be useful in your role as officers in your local. Thank you for joining the AFT. Our staff is here to assist you in any way we can. Please don't hesitate to contact us if we can be of service.





# Good-Standing and Per Capita Agreement

This agreement entered into between AFT, AFL-CIO (hereinafter referred to as the “local”), and the American Federation of Teachers, AFL-CIO (hereinafter “AFT”), to fulfill the requirements of the local to both pay and transmit full per capita dues to the AFT, and to its respective state federation, as well as to satisfy the reporting obligations for good standing as set forth in the AFT Constitution and Bylaws.

Pursuant to the provisions of Article IX, Sections 4 of the AFT Constitution, the local agrees to update, at least monthly, the membership list that it sends to the AFT with a report of all active and retired members and the categories of membership those members fall under.

The applicable language in Article IX, Section 4, regarding updating of the list provides:

Effective September 1, 1990, the treasurer of each affiliated local shall fill out and forward to the national office, on or before the 15th day of each month, the report of active members in good standing and retiree members who have retired since the last reporting period. Members in good standing of chartered retiree organizations shall be reported to the national office on or before the 15th day of each month together with mailing addresses, on the first day of that month, together with all taxes and assessments due the American Federation of Teachers. Locals that have once submitted names and addresses of the members shall revise and correct the membership list with each per capita payment. The report shall be subject to an audit by the secretary-treasurer’s office.

Similarly, Article IX, Section 6, sets forth the requirement that the local Treasurer certify as correct the updated list provided at least monthly to AFT:

The treasurer of each affiliated local shall report monthly to the national office on forms furnished by the latter for that purpose and shall certify that the report is for the full number of members in good standing in the local.

Based on the current certified membership list described above, the local agrees to pay AFT per capita tax on each member at the rate set forth in Article VIII, Section 1(a), of the Bylaws.

The local further agrees that it will abide by the Good Standing provisions set forth in Article X, Section 1, of the Bylaws.

Article X, Section states:

Section 1. To be in good standing in the AFT, affiliates must meet the following requirements:

- a. Payment of per capita to the AFT on all members, with arrears not to exceed two months, and to the applicable state federation consistent with its constitution;
- b. Current in submission of the affiliate’s annual audit or financial review in keeping with Sections 1 and 2 or Article IX of the AFT bylaws;
- c. Current in submission to the AFT of names and addresses for the principal executive and financial officers;
- d. Current in submission to the AFT of the names and addresses of current members of the affiliate’s executive board;

- e. Current in submission of a membership roster; and
- f. Current in submission of a copy of the affiliate's up-to-date constitution.

In consideration of the payments of the proper per capita to the state and national affiliates, the submission of current information on membership, officers and executive board members, as well as the other requirements of Article X, Section 1, of the Bylaws, the local shall continue to be eligible to participate in the AFT convention, various programs, including the Occupational Liability Program and the Militancy/Defense Fund, assistance grants, and other benefits of affiliation as provided by the AFT Constitution and Bylaws and policy.

In consideration of the above mutual obligations of the parties, the local agrees that its duties to pay per capita and report the information set forth in Article X, Section 1, of the Bylaws is continuing and legally binding. Withdrawal or suspension of the local from the AFT shall have no effect on the obligation to pay per capita already incurred. This agreement is binding and shall be enforceable in any court of law.

<b>DATE:</b>	<b>DATE:</b>
<b>LOCAL:</b> _____	<u>American Federation of Teachers, AFL-CIO</u>
_____	_____
PRESIDENT	PRESIDENT
<b>ATTEST:</b> _____	_____
SECRETARY-TREASURER	SECRETARY-TREASURER
<b>SEAL:</b>	<b>SEAL:</b>

# Implementation Timeline for Accountability Procedures\*

AFT regional directors will be available to answer any questions you may have regarding compliance or procedures.

- Affiliates will be billed for September per capita (and any outstanding arrearage) in an invoice mailed on or about October 15, with a request for payment within 30 days.
- Affiliates that have not remitted September per capita by December 14 will be considered to be two (2) months in arrears for purposes of these procedures. The AFT will send a letter to the affiliate's president and secretary-treasurer, with a copy to the state federation, between December 15 and December 22, notifying them of the arrearage and requesting immediate payment.
- Affiliates that have not remitted September per capita by the following January 14 will be recorded as being three (3) months in arrears and placed in bad standing. The AFT will send a letter to the affiliate's executive board, with copies to the state federation, between January 15 and January 30, stating that the affiliate has been placed in bad standing and demanding full payment immediately.
- Failure to have paid September per capita by the following February 15 will precipitate a letter from the AFT to all the affiliate's members, informing them of the arrearage and possible consequences for the affiliates and its individual members.
- AFT regional directors will be available to answer any questions you may have regarding compliance or procedures and to help work through any unusual or unforeseen circumstances that may arise from time to time.

\* *The reference to September as a starting point is for Illustration purposes only.*

# Per Capita and Membership

## New per capita payment method

Information about AFT's membership systems are offered in this guide. You may contact [membership@aft.org](mailto:membership@aft.org) with questions regarding your local's membership or contact [billinginquiry@aft.org](mailto:billinginquiry@aft.org) with any questions regarding per capita.

Per Capita Invoice Glossary of Terms	
<b>Local Name &amp; Number</b>	Name of the local and its assigned number
<b>Billing Period</b>	Date billing period ends, e.g., the 15th of each month
<b>PIN#</b>	Code to access website containing the frozen membership report and other AFT systems or programs.
<b>Web Address</b>	Address of website containing the frozen membership report, which is <a href="https://hqsecure.aft.org/frozenmembershiproster/login">hqsecure.aft.org/frozenmembershiproster/login</a>
<b>Division(s)</b>	Divisions represented by the local, e.g., PSRP, PreK-12, etc.
<b>Local ID</b>	Five-digit identification number issued at the time you local was chartered.
<b>Name of Local Officer, Local Name and Address</b>	Represents the name and address of the officer of the local, and the local's name and mailing address.
<b>National Per Capita</b>	Total national per capita dues for the local Dues rated as set forth by the AFT constitution and bylaws, Article VIII, Section 1
<b>State Affiliation Fee AFL-CIO</b>	Total members times the state AFL-CIO rate
<b>Accident Insurance</b>	Accidental death and dismemberment (AD&D) insurance coverage
<b>Liability Insurance</b>	Occupational liability insurance coverage
<b>State Per Capita</b>	State dues collected by the AFT on behalf of these states: California, Connecticut, Delaware, Georgia, Iowa, Massachusetts, Maryland, New Jersey, North Carolina, Ohio, Tennessee and Wisconsin
<b>Adjustments</b>	Fixed or changeable amounts charged or deducted each month based on prior arrangements with the local

# Frequently Asked Questions

## Per Capita

### What is the per capita invoice?

The per capita invoice calculates the amount of monthly per capita dues payable to the AFT based on detailed membership data sent to the AFT by your local. (See Article IX, Section 4, of the AFT constitution). The per capita billing system draws from the membership records to produce monthly per capita invoices. Therefore it is of the utmost importance to keep your membership updated on a monthly basis with special attention to the cutoff date of the 15th of the month.

### Do I pay on the billed amount in the per capita invoice?

You should pay the billed amount on the per capita invoice if it is correct. We realize there may be timing differences and delays in your ability to have the correct information in our membership system when the bills are produced. You may correct the invoice if you also go into the membership system and correct the members data. Locals who are not on one

of the AFT membership systems can upload their current files to the AFT or remit changes on paper if you are not automated. If you have questions about AFT membership systems, please contact us by e-mail at [SASDesk@aft.org](mailto:SASDesk@aft.org) or by phone 800/238-1133, ext. 4504, for assistance.

### What is the billing period of a per capita invoice?

The April -2010 per capita invoice will be based on the membership data on file with AFT for your local as of April 15, -2010. Similarly, the May -2010 per capita invoice will be based on the membership data on file as of May 15, 2010, and so on.

### How often is the per capita invoice generated and mailed out?

The per capita invoice is generated after the 15th of each month and mailed to the local. Locals who are not on a computerized membership system will also receive a printed report of their membership called the “Frozen Membership” report. The

information on the Frozen Membership report reflects your per capita invoice for the month billed. For more information on the frozen membership report, see the section titled “Frozen Membership” report.

### What local information is on a per capita invoice?

Your local’s name, number and PIN, which is located at the top right-hand corner of the per capita invoice. Additionally, the names of the divisions and chapters represented by your local are also listed.

### What kind of billing information is in a per capita invoice?

- National per capita—counts of different types of dues categories
- State affiliation fee AFL-CIO
- Insurance
- Adjustments (if any)
- State per capita—counts of different types of state dues categories for Calif., Conn., Del., Ga., Iowa, Mass., Md., N.J., N.C., Ohio, Tenn., and Wis.

Special Notice: Per capita invoices for the month of November each year will reflect an additional charge for fidelity bond insurance.

### What is in the “national per capita” section?

This section contains all applicable AFT dues categories. Only dues categories with member counts reported by the local are listed in this section (note: all chapter totals are rolled up to the local level). The number of members for each dues category is multiplied by the appropriate extension rate to determine the total per capita amount due. Insurance calculations, if any, are not included in this section. Please note: Agency-fee payers are billed the full rate and locals are subsequently reimbursed a percentage of the rate by AFT.

### What is in the “state affiliation fee AFL-CIO” section?

This section contains the total count from all dues categories except for the retiree dues category.

## What is in the “insurance” section?

Occupational liability (referred to as “liability”) and accidental death and dismemberment (AD&D) insurance coverage will be included on your per capita invoice, if applicable to your local. Each member counted from

the national per capita section, multiplied by the liability insurance rate per member, will provide the total amount due for liability insurance. The liability rate is fixed at \$0.35 per member effective 7/1/09.

The AD&D insurance has a changing rate of \$0.04/u where “/u” means per

each member. Note: Our membership database requires insurance information at the member level.

## What is the “adjustments” section?

Fixed or changeable amounts charged or

deducted each month based on prior agreements with the local.

## What is the “state per capita” section?

State dues collected by the AFT on behalf of the following states—California, Connecticut, Delaware, Georgia, Iowa,

### PER CAPITA INVOICE

**Local Name :** SAMPLE F of T  
**Local Number :** 1234  
**Billing Period :** March, 2003  
**Division(s) :** PREK-12, PRSP  
**PIN # :** \_\_\_\_\_  
**Frozen Report online:**  
[hqsecure.aft.org/frozenmembershipreport](http://hqsecure.aft.org/frozenmembershipreport)

00001000  
 JOHN SMITH  
 TREASURER  
 SAMPLE F OF T  
 1234 MAIN ST  
 CHICAGO, IL 60600

**National Per Capita**


Type	Count	Rate	Extension	Total
Member Full	167	\$11.95	\$1,995.65	
Member Half	6	\$5.98	35.88	
Member Quarter	1	\$2.99	2.99	
Agency Fee Full	50	\$11.95	597.50	
Agency Fee Half	12	\$5.98	71.76	
On-leave/Laid off	15	\$1.00	15.00	
Retired	10	\$0.00	0.00	
				\$2,738.78

**State Affiliation AFL-CIO**

**Insurance**

Accident Insurance				
4 unit(s) x 261	\$0.04/u	\$41.76		
Liability Insurance (Non-student)	230	\$1.00	\$230.00	
Liability Insurance (Student)	31	\$ 0.00.....	\$ 0.00	
				\$271.76

### FROZEN MEMBERSHIP REPORT



**MEMBERSHIP REPORT**  
 (for per capita use only)

Frozen Date: \_\_\_\_\_  
 Today's Date: \_\_\_\_\_  
 Source: \_\_\_\_\_  
 Last Update: \_\_\_\_\_

**Questions?**

Call 1-888-8PERCAP (1-888-873-7227) or email us at [billinginquiry@aft.org](mailto:billinginquiry@aft.org)

**Local Name**  
SAMPLE F OF T

**Local Number**  
1234

**GRAND TOTAL TO APPEAR ON PER CAPITA BILL FOR SAMPLE F OF T**

**National Dues**

Full	167
Half	6
Quarter	1
Agency Fee Full	50
Agency Fee Half	12
On-leave/Laid off	15
Retired	10
	261

**AD&D** 261

**LIAB (Non-Student)** 230  
**LIAB (Student)** 31

Massachusetts, Maryland, New Jersey, North Carolina, Ohio, Tennessee and Wisconsin.

### How can I make changes to the per capita invoice?

In order to have changes reflected on your per capita invoice, your membership records must be updated.

### What is the PIN and Web address for?

The PIN is a 5-digit pass code unique to each local for the specific use by local officers and authorized staff in creating their own personal login access to AFT systems. Access to the local's Frozen Membership report may also be accessed here—once an account has been set up by an officer. Log on to **<http://hqsecure.aft.org>** to establish your personal login and gain access to your Frozen Membership report and other AFT systems

## Contact Information

### I have questions about the per capita invoice, whom do I contact in the AFT?

E-mail **[billinginquiry@aft.org](mailto:billinginquiry@aft.org)** or call us at 888/8PERCAP (888/873-7227).



# Frozen Membership Report

## Glossary of Terms

<b>Frozen Date as of</b>	“Frozen date as of” indicates the static date on which membership counts of per capita invoices are based. This is always the 15th of the prior month.
<b>Today’s Date</b>	This is the date the report is accessed. This date will change on subsequent viewing.
<b>Source</b>	The source is where the information on the Frozen Membership report is derived. The source could be one of the following: Membership Suite, Paper Suite, NYSUT, affiliate transfer files or transition.
<b>Last Update</b>	Date membership records were last updated.
<b>Local Name &amp; Number</b>	This is the name of a local and its associated local number.
<b>Chapter Name &amp; Number</b>	The name of a chapter within a local and the associated chapter number. The chapter’s name may or may not be the same as that of the local. Membership Suite users: The chapter and/or chapters within a local are listed in increasing numerical order. For example, if the local number is 1234, then the first chapter listed will be 1234A, followed by chapter 1234B and so on.
<b>Name of Member</b>	The members are listed in ascending (a-z) alphabetical order by last names and then by first names.
<b>Address</b>	For privacy reasons, only the first line of the member’s mailing address is listed.
<b>National Dues</b>	The number of members for the local are listed by national dues categories.
<b>AD&amp;D</b>	The number of members receiving accidental death and dismemberment (AD&D) insurance coverage. The member record must show either a “Y” for yes or “N” for no. Only yeses are counted on the per capita invoice as participating.
<b>LIAB</b>	The number of members receiving liability (LIAB) insurance coverage. The member record must show either a “Y” for yes or “N” for no. Only yeses are counted on the per capita invoice as participating.
<b>State Dues (only applies to CA, CT, DE, GA, IA, MD, MA, NJ, NC, OH, TN, WI)</b>	The number of members per state dues category, if applicable.
<b>Summary</b>	A summary report is listed for each chapter within a local.
<b>Grand Total</b>	A final summary report incorporating the summaries of all the chapters within a local.

# Frequently Asked Questions

## Frozen Membership Report

### What is a frozen membership report?

The frozen membership report summarizes information on all members as of the 15th of the month, both at the chapter level and at the local level. The information provided includes members' national dues, state dues (if applicable), accidental death and dismemberment (AD&D) and liability insurance coverage. This report is read-only and, therefore, cannot be modified.

### How is the frozen membership report used?

This report provides a snapshot of your local's membership data, both in summary and detail, as of the 15th of each month and is used to calculate your per capita invoice for the month.

### What is a per capita invoice?

The per capita invoice is a calculation of the amount of monthly per capita dues (national and state, where applicable) and insurances payable to the AFT. The

membership records on the frozen report provide the data to produce the invoice. Therefore, it is of the utmost importance to keep your member records updated on a monthly basis with special attention to the 15th of the month cutoff date.

### How often is the frozen membership report updated?

The frozen membership report is updated on the 15th of every month. Any changes made after the 15th of the month in the membership system will be reflected in the following month's invoice and accompanying membership report.

### What if information on the frozen membership report is incorrect?

Send an e-mail to [membership@aft.org](mailto:membership@aft.org) or call 800/238-1133, ext. 3421.

### Whom should I contact if I have a general question about billing?

You can send an e-mail to [billinginquiry@aft.org](mailto:billinginquiry@aft.org) or call 888/8PERCAP (888/873-7227).

### Whom should I contact if I have a general question about membership?

You may send an e-mail to [membership@aft.org](mailto:membership@aft.org) or call 800/238-1133, ext. 3421.

### Can I make changes to the frozen membership report?

No. The frozen report is a read-only document. Changes for the next report can be made by updating your membership data using your membership reporting process. Newly updated information will be reflected on your next monthly frozen report.

### How important is updating my membership information?

It is extremely important because the information you submit to the AFT

through your membership reporting process will be used to compute your per capita bill. Deleting members and adding members are important to the billing process and keeping your membership files accurate. In addition, the AFT constitution requires the updating of membership records for a local to be in good standing.

### Will I receive the frozen membership report even if I don't have chapters?

Only if your local does not report electronically to AFT or use one of our available membership systems. However, all frozen roster reports may be accessed through your login to AFT systems. See "Can I view these reports online?" question below. If you have no chapters, the section for chapter information will be empty.

### What is a summary report?

It contains all the summaries for each chapter within a local, as well as a summary for the whole local, titled "grand

total.” Larger locals will receive summary reports to reduce the amount of paper you receive with your monthly invoices.

### What is a detailed report?

This report contains detailed information on each member within each chapter associated with a local. Detailed information on each member/agency-fee payer will include the name, street address, type of national and state dues paid, and insurance coverage information (occupational liability, accidental death and dismemberment).

### What are the codes in the dues category?

#### Dues category:

- 1 Full
- 2 Half
- 3 Quarter
- 4 Student member
- 5 Laid off/unpaid leave
- 6 Retired
- 7 Eighth
- 8 Two-thirds (Conn. only)
- 9 Eighth Agency-Fee Nonmember

### Can I view these reports online?

Yes. Please visit <http://hqsecure.aft.org>. You will need your personal identification number (PIN) to access your data. Select “Frozen Membership Report” from the available links to access the report. Both current and previous month’s reports may be accessed using the link above.

### Can I print the reports?

Yes. You can print the reports and/or save them as read-only HTML files.

### Can I export the reports?

No. They can only be viewed on the screen or printed.

### Can I get fields added to the reports?

Not at this time. Any questions and/or comments regarding the roster should be directed to [SASDesk@aft.org](mailto:SASDesk@aft.org) or call 800/238-1133, ext. 4504.

### If a staff person or former officer who previously had access to our frozen membership report leaves our union or is no longer authorized to access this data, how do we remove this level of access for the person?

To have access removed for a staff member or former officer, e-mail your request to [SASDesk@aft.org](mailto:SASDesk@aft.org) or call 800/238-1133, ext 4504.

### Is accessing my membership data via the Web secure?

Yes. Your data is viewed via a secure Internet connection.

### Do I have to use an AFT membership system to view the information in the frozen membership report?

No. Your frozen membership report is accessible online. Officers or authorized staff may access this report by logging on to: <http://hqsecure.aft.org>.

# 4

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# KEEPING THE RECORDS STRAIGHT

## Introduction

The following sections on financial records management, financial review and keeping financial records on the computer were prepared to assist local union officers who are responsible for the financial records of their local unions.

The purpose of this information is to provide guidelines for keeping the records straight but not to dictate an exact procedure, except where a requirement from the AFT constitution or the IRS is indicated. These instructions should help to simplify the procedures for signing up new members, balancing the books, completing the various forms required by the federal government and, in general, fulfilling your responsibilities as treasurer or financial secretary of your local. This is not highly technical work but, rather, an attempt to explain in layman's language the basics of recordkeeping.

This manual is specifically geared to medium-sized or small unions. Treasurers of larger unions, of course, would need more elaborate accounting systems.

The AFT strongly recommends that the local treasurer contact a professional accountant or attorney for answers to any technical or complex questions that may arise in maintaining the records. You may also call the AFT financial services department at 800/238-1133, ext. 4493. Expert advice, at times, can save a good deal of money, as well as prevent needless frustration.

These instructions should simplify your responsibilities as treasurer or financial secretary of your local.



# Employer Identification Number And Other IRS Forms

## Applying for an Employer Identification Number

**If your local does not have an employer identification number (EIN), you should apply for one immediately**, even if you

do not have employees. The EIN is a unique nine-digit number issued by the Internal Revenue Service that will be used to identify your local on a number of reports required by the federal government.

Banks, too, ask for the organization's EIN for their records. The personal Social Security number of officers should never be used in place of the EIN as this could lead to unpleasant tax consequences for the officer involved.

To find the instructions for Form SS-4/Application for Employer Identification Number, as well as the actual downloadable form, log on to the AFT LeaderNet at <http://leadernet.aft.org>. Once you're registered as a user, go to the link "Local Toolkit" and then click

on "Local Finances" and then "IRS Forms and Instructions." The AFT financial services department has a list of local affiliate EINs. You may also call to see if your organization already has an EIN on file with the AFT.

Please note, when completing the Form SS-4, under 8a, your organization is considered an "Other nonprofit organization, Labor Union," and you should enter the GEN number of 0787.

## Return of Organization That is Exempt from Income Tax

### IRS Forms 990, 990-EZ, 990-N and Instructions

Small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less may be required to electronically submit Form 990-N, also known as the e-Postcard.

If your organization's annual gross receipts don't allow you to file a Form 990-N, you must file either IRS Form 990 or IRS Form 990-EZ annually. These forms are used by

nonprofit organizations, including labor unions, to provide the IRS with information required under federal law. Please note that the information on these forms is a matter of public record and must be complete, accurate and up to date. The IRS permits electronic filing of these forms. If your organization's gross receipts during the year are less than \$200,000 and your total assets at the end of the year are less than \$500,000, you may choose to file Form 990-EZ instead of Form 990.

File Form 990, or Form 990-EZ, by the 15th day of the fifth month after your organization's accounting period ends. If the return is not filed by the due date (including any extension granted), attach a statement giving the reasons for not filing on time. Send the return to the:

Internal Revenue Service  
Center, Ogden, UT 84201-0027.

Use Form 8868 to request an automatic three-month extension of time to file. Use Form 8868 also to apply for an additional (not automatic) three-month

For downloadable IRS forms and instructions, go to AFT LeaderNet



**Form 990**  
Return of Organization Exempt from Income Tax  
Under section 501(c)(3), 501(c)(29), or the Internal Revenue Code (except states and territories)  
OMB No. 1545-0047  
2010  
Open to public inspection

**Form 8868**  
Application for Extension of Time To File an Exempt Organization Return  
OMB No. 1545-0048  
2011

box labeled “exempt under section 501(c)” and insert the number “5” in the parentheses.

**IMPORTANT:** There is a penalty for late filing or failure to file Form 990. The maximum penalty is \$10 per day for every day that the report is late, to a maximum of \$5,000.

- Instructions for Forms 990 and 990-EZ: <http://www.irs.gov/instructions/i990-ez/index.html>.
- Form 990 - Filed when revenues are \$200,000 or greater: <http://www.irs.gov/pub/irs-pdf/f990.pdf>.
- Form 990-EZ - Filed when revenues are less than \$200,000 but greater than \$50,000 and total assets are less than \$500,000: <http://www.irs.gov/pub/irs-pdf/f990ez.pdf>.
- Form 990 N - Filed when revenues are normally \$50,000 or less: See AFT LeaderNet for instructions. Go to “Leading Your Local/Managing and Reporting Local Finances.”
- Extension Form 8868 and General Instructions: <http://www.irs.gov/pub/irs-pdf/f8868.pdf>.

## LM-2 & T-1 Requirements

The Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) requires forms be filed with the U.S. Department of Labor by certain labor unions and union officers and employees. The LMRDA applies to labor organizations that represent private sector employees. If your local only represents public sector employees, your local does not have to file under the LMRDA. Required organizations must file annual financial reports within 90 days of the end of the local’s fiscal year:

- LM-2 - filed by those locals with \$250,000 or more in annual receipts and those unions under trusteeship.
- LM-3 - for use by locals with less than \$250,000 in annual receipts.
- LM-4 - for use only by locals with less than \$10,000 in annual receipts. **Note:** Labor unions with total annual receipts of \$250,000 or more will be required to file Form T-1 if any one of the following

extension if the original three months was not enough time. To obtain this additional extension of time to file, you must show reasonable cause for the additional time requested. Send the completed form to the above address.

### On Form 990:

Item “G”—exempt under Section 501(c)(5).

Item “H”—is this a separate report filed by a group affiliate? Yes.

Item “I”—Group exemption number 0787.

### On Form 990-EZ:

Item “H”—Group exemption number 0787

Item “I”—Type of organization? Mark the first

conditions are met:

- The labor union, by itself or in conjunction with other labor unions, appoints or selects a majority of the individuals represented on the trust's governing board; or
- Contributions made to the trust, either by the labor union alone or in conjunction with another labor union, represent more than 50 percent of the trust's receipts. (Note that collectively bargained employer contributions are deemed to be contributions by the labor union.)

### When Do Labor Unions Have to File Form T-1?

The DOL has set the final rule effective on Jan. 1, 2009, and Form T-1 is required for all fiscal years beginning on or after Jan. 1, 2009.

### For electronic access to the information you need concerning LM-2 and T-1 Forms and requirements:

- Revised Form LM-2 Requirements <http://>



[www.dol.gov/esa/regs/compliance/olms/lm2rev.htm](http://www.dol.gov/esa/regs/compliance/olms/lm2rev.htm).

- New LM-2 & T-1 Instructions <http://www.dol.gov/esa/regs/compliance/olms/LM2ppt.htm>.
- Revised Form LM-2 Frequently Asked Questions <http://www.dol.gov/esa/regs/compliance/olms/>

# When a New Member Joins

## Membership Application

A person wishing to join the AFT should complete a membership application card (Fig. 1)—this card is available free from the AFT national office—in order to provide basic personal information for the local's records. All of the blanks should be completed, printing the name and address clearly. Incorrect addresses cause delays in communications with the member and cost the local and national offices additional, unnecessary postage.



**AFT Membership Application**

I hereby apply for membership in the American Federation of Teachers, AFL-CIO, and for all the membership rights, benefits and services provided by the organization. With this application, I also authorize the AFT to act on my behalf in fulfilling its organizational mission, as duly established through the democratic processes of the union.

PLEASE PRINT

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City: \_\_\_\_\_

Work site: \_\_\_\_\_

State: \_\_\_\_\_

Occupation: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Phone: \_\_\_\_\_

Zip code: \_\_\_\_\_

Work phone: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Applicant: \_\_\_\_\_

I understand that my dues will include the many services of the local, state and national AFT bodies, as well as subscriptions to AFT publications. I also understand that union dues may not be deductible for federal income tax purposes but, under limited circumstances, may qualify as a business expense.

**For Local Union Use Only**

Membership #: \_\_\_\_\_

Date Entered: \_\_\_\_\_

(Fig. 1)



**LOCAL EMPLOYER AUTHORIZATION MEMBERSHIP DUES WITHHOLDING**

**AFT** A Union of Professionals

Commencing \_\_\_\_\_, 20\_\_\_\_, I hereby authorize the local employer to withhold from my salary a sum equal to the constitutional dues of the local union. I further authorize the local employer to withhold in 12 monthly installments and pay in 12 monthly installments my dues to the local union. This authorization shall remain in effect until further notice to the local employer and the local union.

Date \_\_\_\_\_ Signature \_\_\_\_\_

Print Name \_\_\_\_\_ Position \_\_\_\_\_

Home Address \_\_\_\_\_ Payroll I.D. \_\_\_\_\_

Place of Employment \_\_\_\_\_

AFT Membership Number \_\_\_\_\_

Union dues are not deductible as charitable contributions for federal income tax purposes. Dues paid, however, may qualify as business expenses, and may be deductible in limited circumstances, subject to various restrictions imposed by the Internal Revenue Code.

(Fig. 2)

## Payroll Deduction

If your local has payroll deduction (this is strongly recommended), the new member must also fill out a dues-deduction authorization card, which locals often create on their own. For an example of how that card might look, see Fig. 2. The completed card is verified by the local treasurer and transmitted to the employer so that dues deductions may begin promptly. The sample card is prepared so that any additional dues increases will not necessitate each member re-signing a dues-deduction authorization. Ideally, dues are a percentage of salary, so that when a local negotiates a salary increase, the dues will automatically increase.

# Dues and Dues Collection

## Dues Structure

The AFT constitution requires that locals adopt a “pass-through” dues system. With the pass-through, increases in affiliation fees (per capita taxes and insurance fees paid to the AFT, state federation, state AFL-CIO and the local central labor body) are automatically incorporated into the local dues.

As noted earlier, the ideal dues structure is stated as a percentage of salary rather than a fixed amount. In some cases, it would be difficult to obtain the information necessary to establish dues as a percentage of actual salary; therefore, it may be necessary to select another salary amount on which to base the dues. Some of the options might be the beginning salary, the average salary or a particular step on the salary schedule.

There are two methods of accomplishing the dues pass-through. Examples of these two methods are:

1. “The dues of this federation shall be .0085 (.85%) of the average member’s salary for the previous year plus the

per capita taxes and insurance fees required to those affiliates described in Article \_\_ of this constitution,” or

2. “The dues of this federation shall be .01 (1%) of the average member’s salary for the previous year plus increases in per capita taxes and insurance fees required to those affiliates in Article \_\_ of this constitution.”

In establishing the pass-through, you will have to experiment to find the percentage and salary that will set your dues at what you want them to be for the next year. After that, the local portion of the dues will increase each year as salaries increase, and increases in affiliation fees will automatically become a part of the dues.

## Dues Collection

The most inefficient and undependable system of collecting dues is, of course, collecting by cash or check directly from the member. Delays in collection and financial havoc usually result from this method.

If your local is denied payroll deduction by

law, by contract or by an uncooperative employer, there are alternative methods of collection that provide regular collection from the member and prompt transmittal to the union.

## New IRS Requirement

The IRS now requires that the following statement be printed on all solicitations for membership dues:

“Dues paid to [name of union] may not be deductible for federal income tax purposes; however, under limited circumstances, dues may qualify as a business expense.”

## Pre-authorized Check Plan

To establish a pre-authorized check plan (PACP), you should first obtain from your bank a copy of the specifications it requires for the layout of the checks, then find a supply company that will print pre-authorized checks for each member participating in the program. A minimum of 12 checks are needed for each member.

The member will need to sign a two-part authorization card to have the bank automatically deduct the checks from his or her account. You will need to discuss the format of this card with all of the participating banks as some banks have specific wording that they require on the card, others require that the card be a certain size, etc. The goal is to design a single authorization card that will meet the requirements of all of the banks involved. It may take several months to complete the negotiations and mechanics of a PACP.

After the program has been established, the local deposits one check from each member per

month to its account and the pre-authorized checks are processed through the member's bank just like any other check. The advantage, obviously, is that the local does not have to wait for the member to write and mail the check.

## Pre-authorized Dues Payments

This plan will enable your local to debit your member's personal checking or savings account at the bank of his or her choice.

This service will be offered by banks in your area through the use of the Automated Clearing House (ACH). The ACH acts as a central facility for processing electronic payments and receipts. Given the national scope and function of the ACH system, your members' dues payments can be debited from virtually any account at any bank, savings and loan, credit union or other participating financial institution, regardless of geographic location in the United States.

## Here's how a Pre-authorized Dues Payments Service should work:

- 1. Obtain Member Consent** — It is required that participants grant you permission to automatically debit their accounts. A written copy of this authorization must remain on file at your local.
- 2. Transmissions of Data to Your Local Bank** — Rather than receiving checks, member payout information will be sent to your bank via direct transmission. Magnetic tape or diskette input is usually available at your bank upon request. As an alternative, your local may elect to have your payment processor transmit directly to your bank.
- 3. Settlement** — Members' accounts will automatically be debited on the agreed-upon date. Your bank will simultaneously credit your designated local account for the total amount of the payments and forward you an advisory as to whose accounts were debited. This settlement procedure allows you to more accurately forecast cash inflows.



## Credit Union Deduction System

This plan is one in which the member authorizes a local credit union to pay the monthly dues payments and, at the same time, authorizes the credit union to receive monthly payments from the employer through payroll deduction if the credit union does not already have it.

- The member authorizes a monthly salary deduction to be forwarded to the credit union.
- The credit union receives the money and credits the member's account.
- The member authorizes a monthly payment by the credit union to the local union.
- The credit union deducts the authorized sum from the member's account and forwards it to the local union, usually in one lump sum for all of the members participating in the plan.

It is a good idea to ask the members to authorize a deduction to the credit union in excess of the dues deduction for the union. The excess is a savings plan

for the member but it also provides a cushion against future increases in union dues without a repeated re-signing of the deduction-authorization card.

# COPE & COPE Accounting

## Accounting for COPE Funds

**One of the most important activities in which the AFT advances the issues of importance to our members is through political action.** To that end, almost all AFT locals and state federations have established COPE committees. COPE is an acronym for Committee on Political Education.

The same strict accounting standards that are applied to the union's treasury should be used for accounting for COPE funds. These include:

- Two signatures required for each check.
- Reconciliation of the accounts upon receipt of the statements.
- Maintenance of cash receipts and disbursements journals.
- Regular reports to the COPE committee and union officers.

Because of the nature of COPE activity, there are some additional requirements for the administration and accounting for COPE

funds. Since COPE must be an entity separate from the union, COPE funds are not treated like union funds.

*Officers of your local's COPE committee may or may not be the same as the officers of the union. If you are not the treasurer of your local's COPE committee, please pass this information along to the COPE treasurer.*

## TREASURY AND VOLUNTARY FUNDS

Two types of money are used for political action: general treasury funds (a.k.a. "nonfederal money" or "soft money") and voluntary contributions (a.k.a. "federal money" or "hard money").

### Treasury Funds

Union treasury funds (a.k.a. "nonfederal money," or "soft money") can be used to raise funds for COPE, to communicate political endorsements and other information to members, and for direct contributions to candidates for local and state offices when permitted by state law. There are, however, a number of states that have enacted laws governing

political contributions to candidates that limit expenditures and require reporting to the state. For example, if you live in Alaska, Arizona, Iowa, Michigan, New Hampshire, North Carolina, North Dakota, Pennsylvania, South Carolina, South Dakota, Texas or Wyoming, you must use voluntary funds for state and local elections as well as federal elections.

It should be noted that when state law permits the use of union dues for campaign contributions, a whole other set of regulations from the Internal Revenue Service applies to such use.

This is because unions are considered not-for-profit organizations and, therefore, do not pay taxes on income from interest earned. The IRS does not consider money used for candidate contributions exempt in the same way and taxes that income at a very high rate. If the general fund is involved in campaign contributions, the income of the entire fund could be liable for taxes.

The law permits unions to use general treasury funds/dues money to

pay political staff, to publish articles in union newspapers or newsletters and to purchase materials that will be used to collect COPE funds. This can be considered seed money. It is extremely important that your COPE committee be in compliance with the laws of your state.

**Please remember that no direct contributions to a candidate should be made from the local's general treasury fund. (Please note: Buying tickets to a candidate's reception or dinner is considered a contribution).** Also, the local may consider adopting a constitutional resolution that states specifically how much money may be used from the union treasury for political action.

If your local votes to use a portion of its dues for **state and local elections**, the following procedures must be followed (state law permitting):

1. A representative committee of the membership must approve the amount allocated (an agency-fee payer must have the right to ask for a rebate of this contribution).

2. A segregated state and local (S/L) COPE political checking account (noninterest-bearing) must be established.

3. Dues checks must be separated immediately. Your bank may permit the use of two deposit slips, one for the general fund and a second one for the state and local political fund. If that is not possible, you can open a holding account; deposit dues checks received from your employer into the holding account and then write a check to the general fund and to the state and local COPE accounts.

4. You should also check state and local election laws to be sure that your S/L COPE account is in compliance with the law. Your state AFL-CIO should be able to provide assistance on this matter.

## Voluntary Funds

For elections on the federal level (U.S. House of Representatives, U.S. Senate and President), and in some state elections (see list above), only voluntary

contributions may be used for political action. Voluntary contributions to COPE should not be kept in an interest-bearing account. If you keep COPE funds in an interest-bearing account, the IRS requires that you file IRS Form 1120-POL and pay taxes on the interest earned at a rate of 46 percent – 48 percent. Only the national AFT/COPE can contribute individual voluntary money to federal candidates, i.e., president, vice president, U.S. Senate, U.S. House of Representatives and federal political committees.

### **Voluntary political check-off funds must never be co-mingled with general treasury funds.**

*In addition, under the Federal Election Campaign Act (FECA), the national AFT and all of its affiliates are considered one entity for purposes of contributing to federal campaigns. The FECA allows contributions to federal candidates only from federally qualified Political Action Committees (PAC) that report all receipts and expenditures to the Federal Election Commission.*



Only the national AFT/COPE can contribute individual voluntary money to federal candidates.



The AFT's PAC is directed out of the national AFT office. The national's AFT/COPE is the AFT's federally qualified PAC and does all of the required reporting to the FEC and the IRS for itself and all of the AFT's affiliates.

## **PARTNERS IN POLITICAL EDUCATION (PIPE)**

As previously stated, AFT/COPE is the AFT's only federally qualified PAC. Since it is essential that the AFT raise voluntary money in order to support candidates at the federal level who will advance the issues of importance to our members, the AFT has instituted an important program with AFT local unions and state federations: Partners in Political Education (PIPE). Under PIPE, AFT/COPE will remit one dollar to a state federation/local union for every dollar of voluntary political funds that is sent by the state federation/local union to the national AFT/COPE.<sup>1</sup>

<sup>1</sup> By unanimous vote of AFT's Executive Council in January 1984, a resolution was passed setting aside up to \$2 per member per year in a separate, segregated, non-interest bearing "S/L Fund" designated for the AFT's political action program.

The treasury money remitted to the state federations/local unions out of the AFT/COPE's separate, segregated, non-interest-bearing state and local account may be used for any needed union activities, including voter registration, get-out-the-vote, and state/local PACs, to the extent allowable under your own state campaign finance law.

Under the AFT Partners in Political Education program, we have a "win-win" proposition. The national AFT will have the voluntary funds it needs for federal elections, and the state federation/local unions will have the funds they need for state and local activities.

For more detailed information regarding this program, please contact AFT/COPE at **800/238-1133 ext. 4436**.

## **Handling of Voluntary COPE (Check-off) Funds**

1. Voluntary COPE check-off funds must be segregated from union treasury funds.
2. Establish a COPE transmittal account. *Money in the COPE transmittal account must be forwarded to AFT/COPE by check within 30 days. Only voluntary political check-off funds should be placed into the transmittal account. No checks should be written from this account except to transfer money to AFT/COPE.*

- **If your employer provides you with two checks** (e.g., one for dues money and one for voluntary COPE check-off), the check for the dues money should be directly deposited into the general treasury fund. The check for the voluntary COPE check-off money should be deposited in the COPE transmittal account.

- **If the employer provides you with one check** (containing both dues money and voluntary check-off funds), you should deposit the check from the employer into the general treasury fund.

## Required Language for Voluntary COPE Check-off Solicitations

Recent rules from the Internal Revenue Service require that the following statements be printed on all solicitations for voluntary contributions to COPE:

“Contributions for COPE to (local name) are not deductible as charitable contributions for federal income tax purposes.”

“This authorization is signed freely and voluntarily and not out of any fear of reprisal and I will not be favored or disadvantaged because I exercise this right. I understand this money will be used to make political contributions by AFT/COPE.”

“This voluntary authorization may be revoked at any time by notifying the (local name) in writing of the desire to do so.”

Also, if an amount or amounts are listed on the card, the member must be given the option of writing in a different amount.

For your information and guidance for correctly implementing voluntary check-off, please see the sample “COPE Card” below.

Once again, for more information about voluntary COPE fundraising or for information about setting up a local COPE committee, please contact AFT/COPE at **800/238-1133 ext. 4436**. Also, see the AFT publication, *How To Run a Political Check-off Fundraising Drive*.

<b>* AFT LOCAL COPE DEDUCTION</b>	I hereby authorize the _____ to deduct from my salary the sum of	
	<small>EMPLOYER NAME</small>	
	<input type="checkbox"/> \$1.50, <input type="checkbox"/> \$2, <input type="checkbox"/> \$2.50, <input type="checkbox"/> \$5, <input type="checkbox"/> Other amount: \$_____ per pay period and forward that amount to AFT Local _____ COPE.	
	This authorization is signed freely and voluntarily and not out of any fear of reprisal, and I will not be favored or disadvantaged because I exercise this right. I understand this money will be used to make political contributions by AFT Local _____ COPE and AFT COPE. AFT COPE may engage in joint fundraising efforts with the AFL-CIO.	
	This voluntary authorization may be revoked at any time by notifying AFT Local _____ COPE in writing of the desire to do so.	
	NAME: _____	PAYROLL I.D.#: _____
	HOME ADDRESS: _____	
	CITY/STATE: _____ ZIP: _____ E-MAIL ADDRESS: _____	
	HOME PHONE: _____ MOBILE PHONE: _____	
	WORK SITE: _____ OCCUPATION: _____	
SIGNATURE: _____ DATE: _____		
<b>Contributions or gifts to AFT COPE are not deductible as charitable contributions for federal income tax purposes.</b>		
<small>*An affiliate of the American Federation of Teachers, AFL-CIO</small>		

### SAMPLE COPE DEDUCTION CARD

# Membership Records and Reporting

Once a prospective member has been accepted into the union and their name and contact data accurately recorded, each will receive an AFT national membership card

(Fig. 3) containing the member's name, your local's name and unique membership I.D. number. The AFT national office will send membership cards to all full, half, quarter, eighth retired and on-leave AFT members except those noted in the next column. The AFT does not collect or keep members' Social Security numbers.

An affiliate or member with questions about the national membership card or its distribution may contact the AFT national office at 800/238-1133 ext. 3421 or e-mail [membership@aft.org](mailto:membership@aft.org).

It is imperative that affiliates regularly update their membership data so that card mailings are accurate.

With the AFT membership card and the unique I.D. number on each card, members have access

to exclusive benefits, programs and activities. Once members receive their cards, they can validate their new card at [www.aft.org/members](http://www.aft.org/members) and establish a password. The membership I.D. number is the key to benefits offered exclusively to AFT members online.

The card also enables members to review and update their personal profile and contact information for more efficient communications within the union.

Note: For members in Florida, Minnesota, Montana and New York, membership cards are available through your state federation with membership I.D. numbers that are recognized by the national union. Also members of OSEA Local 6732 and WVSPA Local 6500 cards are recognized by the National Union.

## COMPUTERIZED MEMBERSHIP RECORDS

It is extremely important that your local has up-to-date records of its members and that this information is transmitted



(Fig. 3)

to the AFT and the state federation on a timely basis. Obviously, the more automated your local's membership records are, the easier they will be to maintain. If you are looking for a way to automate your membership records, the AFT has various other ways a local may report their membership data electronically. You may get more information about these programs and learn whether or not it is suitable for your local's computer system by contacting the AFT information technology department at 800/238-1133, ext. 4504.

# Frequently Asked Questions

## AFT Membership Card

AFT members can enjoy the benefits of membership by using their membership card information to create a personal account that gives them access to AFT + benefits, AFT Advantage retail discounts, online registration for AFT meetings and conferences, and various other online resources at [www.aft.org/members](http://www.aft.org/members).

local who are in the following dues categories:

- Full
- Half
- Quarter
- Eighth
- Retired
- Two-Thirds (Connecticut only)

receive a card and have access to AFT + benefits and resources online.

**Q-2:** When are cards processed for new members?

**A-2:** The AFT scans its membership database once monthly around the 15th of each month for the purpose of issuing cards to new members. New member records that have been added to our database since the previous month's production run are automatically selected for processing and cards are mailed directly to members' home addresses.

**Q-3:** What does my local need to do to get membership cards to new members?

**A-3:** All your local has to do is update your monthly membership data with the AFT prior to the 15th of each month using your usual method of reporting. New members' names added since the previous card production run will be selected automatically for card production and mailing. Cards should arrive within

approximately three weeks of the production run date.

**Q-4:** There is no visible expiration date on the card. What is the process for invalidating the card of a person who is no longer a member?

**A-4:** When a member or staff person's status changes from "active" to "inactive" (no longer a member or local staff person), this information should be updated immediately through your local's usual membership reporting mechanism used to report your data to the AFT. This will ensure that only eligible members get the benefits, AFT publications and access to information intended for AFT members. However, those who retire while still members of the union are eligible to retain their active membership status and card for life.

**Q-5:** A member of my local has not received a card. How can my local help?

**A-5:** AFT Affiliates may request and track the status of members' cards by



Your AFT membership card is valid as long as you are a member of your local union. Visit [www.aft.org/members](http://www.aft.org/members) to see what new doors your membership card will open for you.

**AFT** A Union of Professionals  
American Federation of Teachers, AFL-CIO  
555 New Jersey Ave. N.W. • Washington, DC 20001  
[membership@aft.org](mailto:membership@aft.org)  
888/AFT-JOIN (888/238-5646)



This card contains recycled plastics.

Union bug

**Q-1:** Who gets the AFT membership card, bearing the name of your local?

**A-1:** Membership cards are mailed to all active-status members in your

Additionally, local staff are entitled to AFT benefits and are mailed cards if their names are reported by the local to the AFT. There are no dues, fees or charges for staff to

accessing the AFT Toolkit Workspace at [www.toolkit.aft.org](http://www.toolkit.aft.org). Officers and authorized staff may access this site with the proper credentials. Members' ID numbers are also available through the Workspace, along with other useful programs and information. For assistance with accessing the site, please contact [Membership@aft.org](mailto:Membership@aft.org) or call 880/238-1133.

**Q-6:** If a member does not have access to a computer or the Internet, how can he or she request a card?

**A-6:** Members without computer access or who do not wish to use the Internet may contact their local directly or the AFT membership department by phone at 800/238-1133, ext. 3421, to request a membership card. Upon validation of membership, a card will be mailed to the member's home address within three weeks of the date of the request. Also, see Q-5 above for additional information.

**Q-7:** What if a member needs proof of membership immediately?

**A-7:** Members who have already created their accounts at [www.aft.org/members](http://www.aft.org/members) may log on and print a temporary proof-of-membership card directly from their accounts. Under "Your AFT Account Information," select the link "Print Temporary Membership Card." Adobe Reader is required for printing.

**Q-8:** Can a member request a replacement card from his or her personal online account?

**A-8:** Yes. By selecting the link "Request Replacement Membership Card" under "Your AFT Account Information," a replacement card may be requested. Mailing and e-mail addresses are displayed and should be reviewed for accuracy. At the bottom of the form, click "Yes" and then "Submit" to request a new card. A card will be mailed to the member's home address within three weeks of the request. NOTE: When appropriate, local affiliates may provide a member with his or her unique ID number for creating a personal account and requesting a card.

**Q-9:** How can my local help members find their AFT membership ID numbers?

**A-9:** Locals may access AFT Toolkit Workspace at [www.toolkit.aft.org](http://www.toolkit.aft.org) for access to member numbers.

As of Jan. 12, 2009, AFT + member benefits will be accessible ONLY at the password-protected Web site: [www.aft.org/members](http://www.aft.org/members)

**Q-10:** My local uses AFT membership software to update our membership data. Can I access membership IDs from this software?

**A-10:** Access to members' ID numbers may be accessed via the AFT Toolkit Workspace. Log on to [www.toolkit.aft.org](http://www.toolkit.aft.org). If you have not created your account access, you will need your local number and PIN to do so.

**Q-11:** How do members validate their new membership cards?

**A-11:** There are two ways to validate the card: (1) Go to [www.aft.org/members](http://www.aft.org/members) using the unique membership ID number on the card to create a personal account and get access to AFT benefits; or (2) Call 888/238-5646 and select option 1.

**Q-12:** Why should members validate their AFT membership cards?

**A-12:** All locals are urged to encourage members to validate their cards. Validating the membership card grants members access to AFT benefits and

other resources. Members can also update their personal profile and e-mail information, which will be immediately incorporated into members' records as updates in the AFT's membership database. Updated membership lists and information can be shared with respective locals upon request, giving locals current contact and e-mail information for communicating with their members.

**Q-13:** In addition to getting access to benefits, what else can members do on the members-only website?

**A-13:** Members can accomplish the following (through a secure server):

- Update their profiles, which also updates their member record on file with the AFT;
- Register for an AFT meeting or conference;
- Print a temporary proof-of-membership card;
- Request a new membership card;
- Access various retail discounts and services; and
- Access other resources and information.

**Q-14:** How do we report our staff information to the AFT?

**A-14:** Staff information may be reported to the AFT using your normal membership reporting tool. Affiliates may also report and update staff information using the new AFT Toolkit Workspace. For more information contact the AFT SASDesk at 800/238-1133, ext. 4504, or e-mail [SASDesk@aft.org](mailto:SASDesk@aft.org) for more information.

**Q-15:** What information is required in order to update affiliate staff in the AFT database?

**A-15:** The information required for updating staff records in our database is first and last name, staff title, and e-mail address. Home address for staff is not necessary, since the affiliate's address is used for communications and mailing of their membership cards.

**Q-16:** Once affiliate staff is reported in the AFT database, is there anything else we need to do to maintain these records?

**A-16:** No, not unless there is a change in staff or in the staff information previously reported. It is the responsibility of each affiliate to keep staff information current.

**Q-17:** Is there anything an affiliate needs to do to request membership cards for staff?

**A-17:** No. Once you have added new staff to our database, membership cards will be mailed to the local office address on file with the AFT.

**Q-18:** How can affiliate staff access and participate in AFT + member benefits programs?

**A-18:** Using the unique AFT membership ID number found on their membership cards, staff may log on to the AFT members-only website to participate in or view available benefits.



**Q-19:** What benefits come with the card?

**A-19:** All AFT members and affiliate staff have exclusive online access to AFT + member benefits programs, which include voluntary insurance plans, credit card programs and mortgage services, as well as hotel, car rental and entertainment offerings. Members and affiliate staff can participate in the AFT Advantage, a program that gives members online discounts and privileges at a wide variety of retailers, restaurants and local merchants.

**Q-20:** If a member's name is spelled incorrectly on the membership card, what should he or she do to correct this information?

**A-20:** For security purposes, a member is not permitted to make changes or corrections to his or her name online. The member should be directed to contact the local with the name correction, and the local should report this information immediately to the AFT. A member who would like a corrected membership card should be instructed

to log on to the members-only website and, using the "Get Help" tab, send an e-mail to the AFT membership department. The member must fill in all required information and then select "Other" from the drop-down box. In the comments field, the member should include both the incorrect spelling as listed on the card and the corrected information. Current mailing and e-mail addresses should be provided. A corrected card will be mailed directly to the member's home address in approximately three weeks from the date of the request.

**Q-21:** How does a member report an address change?

**A-21:** A member may report an address change by logging in to his or her personal account at [www.aft.org/members](http://www.aft.org/members). Once logged in, select "My Account" to update address information. **This information will automatically update the AFT membership database.**

**Q-22:** If a member changes his or her address, will this trigger a new membership card being sent?

**A-22:** No, a change in address will not trigger a new card being sent. New or updated membership records added to the AFT membership database will.

**Q-23:** If a member is reinstated and his or her membership status is changed from inactive to active, does this automatically trigger a membership card being mailed?

**A-23:** Members reinstated after January 2010 will receive a membership card only if they did not previously receive one when the new AFT membership cards (i.e., cards without visible expiration dates) were issued beginning in January 2010. A new card may be requested if needed. For example: In the case where a member was issued a membership card after January 2010, subsequently left the union, then returned to active status, a membership card will not

be automatically reissued. The returning member's membership ID number will remain the same as when he or she was a member previously. The local would simply access the member's previous record and then change their status from "inactive" to "active."





# Budgeting

## Responsibility for Budget

It would be safe to say that, if each of us were to look at our local constitution, many would find reference to an annual budget for the local. Most constitutions set forth the fiscal year of the local, who is responsible for preparing the budget, and whose body (the executive board or the membership) has the authority to adopt the budget.

## Fiscal Year

The fiscal year is the accounting year for the local. If the fiscal year is not defined in the constitution you may choose any 12-month period that you wish, unless you have previously filed Form 990 with the Internal Revenue Service, in which case you must continue to use the fiscal year under which you filed Form 990 until you receive written permission from the IRS to change your fiscal year. Permission to change the fiscal year is applied for by using IRS Form 1128.

If you have not changed your fiscal year within the last 10 years, approval for the change is automatic and you do not need to

complete Form 1128. Contact the AFT financial services department for details. The AFT recommends a fiscal year ending June 30, which coincides with the AFT's year end.

## Who Prepares the Budget?

Most constitutions assign the duty of preparing the budget to the treasurer or to a budget committee. If the treasurer is solely responsible for the budget, it may still be valuable to appoint a budget committee to work with him or her. First of all, doing so may bring some fresh ideas to the budgeting process for your local. Secondly, this will involve more people in the activity of the local. People who are involved tend to be more enthusiastic about the union.

## Who Adopts the Budget?

The constitution usually specifies whether the budget is to be approved by the executive board or the membership. If your local constitution is silent on the approval of the budget, your local will have to decide which of the two bodies has that power. While the size of the local is a factor, executive

board approval generally provides for a more streamlined operation.

No matter who approves the budget, it should be understood that the local officers have the authority to spend money within the parameters of that budget. It should not be necessary for the officers to bring every expenditure to the approving body for authorization. Expenditures that cannot be made within the budget, however, must be approved by the body that adopts the budget.

## Amending the Budget

The treasurer should prepare comparative financial statements each time that he or she is required to make a report. These reports should show the budgeted amount for each category, the amount received or spent to date in each category, and the budget balance in each category. Throughout the year, based upon these reports, the body that approves the budget initially has the authority to make changes in the budget as needed.

The AFT recommends a fiscal year ending June 30, which coincides with the AFT's year end.

## Preparing the Budget

Having a budget merely to satisfy a constitutional requirement is of no benefit. In preparing the budget, you should strive toward assembling useful, accurate information. If this is your first attempt at preparing a budget, you may find that some of your underlying assumptions were invalid and that you will be revising frequently the budget throughout the year. As you gain experience in budgeting and have prior years' records to guide you, your expectations will be more on target.

As you begin to work on the budget, you should start a budget worksheet (see examples on the following pages). A computer spreadsheet program, such as Microsoft Excel, will facilitate the preparation of the budget worksheet. On this worksheet, you should include all of your calculations showing how you arrived at your budget figures. The worksheet, as well as those during the year, will also be useful when preparing next year's budget.

## Predicting Income

The bulk of our income is derived from membership dues and, thus, may be difficult to predict. Some of us are in periods of fast growth, some locals are fairly stable, and others are faced with declining membership. In the interest of conservatism, it usually makes sense to assume the "worst possible" scenario in making membership predictions. If events turn out better than those conservative predictions, you can revise the budget later to accommodate the increased revenues. That's an easier, more pleasant task than having to make cuts in expenditures because revenues are lower than projected.

Include other income from all sources that can be identified: fundraising activities, interest on savings and investments, newspaper advertising, etc. Do not include income that cannot be predicted accurately and **do not include unrealistic income for the sole purpose of balancing the budget.**

**Note:** The AFT + member benefits department provides reimbursement (revenue) to your local



when you advertise AFT benefits to your members. It is a great way to offset newsletter printing costs. For more information, contact the member benefits department.

## Planning Expenditures

The most accurate way to plan expenditures is to first decide which services and activities you want to provide to your members and then determine how much each of those will cost. Do this, initially, without regard to how much income is available to support your activities.

In costing out your activities, don't just decide, "We will publish a newsletter each month and each issue will cost about \$50." Instead, you should actually determine how much your cost is for a ream of paper, how many reams it will take to publish one

issue, the cost of the ink or printing, postage, etc. You might also get an estimate from a union printer as to how much it would cost to have the job professionally done. In doing that, be sure to get some alternatives, such as number of pages, one color and two colors of ink, size of pages, and so on. You also may want to put your newsletter online as your membership becomes more able to access the Web and you are able to contact your members online via e-mail. This will save printing costs and postage, although you may experience costs for online services such as AOL.

In general, you will encounter four different types of expenditures:

1. Those that are required by law, such as taxes.
2. Those that are required by national and local constitutions, such as affiliation fees (i.e., national, state federation and central labor council). *Note: The AFT pays AFL-CIO national per capita on every member, not on a full-time equivalent (FTE) basis. This is not a passthrough back to affiliates.*
3. Those that are required by contracts, such as leases, equipment rentals, employment contracts, etc.
4. Those that are determined by the local.

In essence, all of these expenditures are, at some point, determined by the local. Some of them, though, are fixed. There is little that we can do to control these costs, although it does make it easier to budget for them.

After determining the cost of each individual program, you should list all of them together and come up with a total cost for the year. You should also include a “contingency line” in the budget,

because it is impossible to predict with certainty all events that occur in a coming budget year. At the AFT, we include a line called “special projects” to allow for items and issues that were not foreseeable at the time that the budget was prepared. There is no formula for such a contingency fund, but as you gain experience as treasurer, you will develop a sense of what your local’s needs will be each year. This amount is then compared to your total income.

At this point, you will have one of three possible outcomes: a surplus of income over expenditures, a balanced budget or a deficit. If you have a surplus, you can decide to bank it for future use or to expand your local’s programs. If you have a deficit, you must decide which activities must be reduced or eliminated in order to stay within your income or decide where the additional funds will come from to support your programs. Because we engaged in detailed calculations earlier, we are prepared to make informed decisions about where to make our budget cuts.

For instance, because we know the cost of each

newsletter, in each of its formats, we can decide to reduce the size of each issue, reduce the number of issues or eliminate it entirely, or advertise AFT programs to gain revenue, depending upon the amount of money that we need to eliminate from the budget.

As you can see, preparing a budget involves a great deal of work, another reason for having a budget committee to share the workload. The experience that you gain in preparing your budget will make each budget easier than the one before it. The work that you put into planning a budget and using it can also eliminate later problems that might not have been anticipated without a detailed budget.

Any Local AFT  
Proposed Budget  
July 1, 201\_  
Through  
June 30, 201\_

ACCT. #	DESCRIPTION	PROPOSED NEW BUDGET
<b>REVENUES</b>		
4000	Dues	241,767.50
4010	Other Revenue	<u>15,000.00</u>
<b>TOTAL REVENUES</b>		256,767.50
<b>EXPENDITURES</b>		
<b>Office Expenses</b>		
5000	Rent	6,104.98
5005	Telephone	4,000.00
5010	Equipment Lease & Maint.	600.00
5015	Security	350.00
5020	Postage	700.00
5025	Office Insurance	500.00
5030	Supplies	1,750.00
5035	Printing	1,500.00
5040	Furniture	500.00
5045	Utilities	2,250.00
5220	Accounting & Audit	<u>300.00</u>
<b>TOTAL OFFICE EXPENSES</b>		18,554.98
<b>Salaries</b>		
5100	Part-time Secretary	10,000.00
5102	P/T Grievance Chair	2,400.00
5103	Treas/Membership Services	2,400.00
5135	FICA Tax	1,315.80
5140	FUTA Tax	113.60
5145	State Unemployment (SUI)	194.56
5450	President's Stipend	<u>2,400.00</u>
<b>TOTAL SALARIES</b>		18,823.96
<b>Membership &amp; Growth</b>		
5200	Literature	400.00
5205	Newspapers	250.00
5210	Org. Activities	4,600.00
5212	President's Expenses (Mileage)	1,000.00
5213	Membership & Committee Mtgs	3,000.00
5215	Org. Expenses & Promo Items	2,200.00
5216	Good & Welfare	1,000.00
5220	Legal & Arbitrations	6,000.00
5225	New Member Orientation	200.00
5226	Conferences/Meetings	1,000.00
5227	Conventions & PSRP Conf.	1,500.00
5228	Professional Issues Conference	1,000.00
5229	Local Conference & Organizing	1,500.00
5230	Area Coordinators	1,000.00

5231	Membership Drives	1,000.00
5232	Leadership Training/ULI South	3,500.00
5235	Educational Journals	100.00
5240	School Meetings	<u>300.00</u>
<b>TOTAL MEMBERSHIP GROWTH &amp; SERVICES</b>		29,800.00
<b>Per Capita</b>		
5300	AFT Per Capita	81,207.60
5301	Liability Insurance	5,328.00
5302	Accident Insurance	1,293.60
5303	State AFL-CIO	3,945.48
5305	State Federation of Teachers	95,702.40
5315	Central Labor Council	<u>711.48</u>
<b>TOTAL PER CAPITA</b>		188,188.56
<b>Other</b>		
5400	Dues Reimbursement	350.00
5410	Misc.	300.00
5421	Bank Charges	250.00
5425	Moving Expenses	0.00
5435	Accounting Fees	500.00
<b>TOTAL OTHER</b>		1,400.00
<b>TOTAL EXPENSES</b>		<u>256,767.50</u>
<b>EXCESS/(DEFICIT) REVENUES</b>		0.00

**Any Local, AFT  
Proposed Budget  
Worksheet  
July 1, 201\_ Through  
June 30, 201\_**

ACCT#	Description	Last Year Budget	Actual Results Last Year	Proposed New Budget	Remarks & Assumptions
<b>REVENUES</b>					
4000	Dues	23,0000.00	23,7651.00	24,1767.00	See Schedule A
4010	Other Revenue	12,000.00	14,500.00	15,000.00	Based on last year actual revenues
<b>TOTAL REVENUES</b>		242,000.00	25,2151.00	25,6767.50	
<b>EXPENDITURES</b>					
<b>Office Expenses</b>					
5000	Rent	7,913.90	7,858.00	6,104.98	Actual Lease
5005	Telephone	3,000.00	4,001.68	4,000.00	Based on last year actual expenses
5010	Equip. Lease & Maint.	500.00	646.07	600.00	Based on last year actual expenses
5015	Security	350.00	360.75	350.00	Based on last year actual expenses
5020	Postage	1,200.00	558.51	700.00	Based on last year actual expenses
5025	Office Insurance	500.00	525.00	500.00	Based on last year actual expenses
5030	Supplies	1,500.00	1,641.88	1,750.00	Based on last year actual expenses
5035	Printing	1,500.00	1,459.93	1,500.00	Based on last year actual expenses
5040	Furniture	1,500.00	769.35	500.00	Based on last year actual expenses
5045	Utilities	2,500.00	2,261.09	2,250.00	Based on last year actual expenses
5220	Accounting & Audit	300.00	350.00	300.00	Based on last year actual expenses
<b>TOTAL OFFICE EXPENSES</b>		20,763.90	2,0432.26	18,554.98	
<b>Salaries</b>					
5100	Part Time Secretary	9,000.00	9,000.00	10,000.00	See Schedule B
5102	P/T Grievance Chair	2,400.00	2,400.00	2,400.00	See Schedule B
5103	Treas/Membership Services	2,400.00	2,400.00	2,400.00	See Schedule B
5135	FICA Tax	1,331.10	1,331.10	1,315.80	See Schedule B
5140	FUTA Tax	56.00	56.00	113.60	See Schedule B
5145	State Unemploy,	50.00	175.46	194.56	See Schedule B
5450	President's Stipend	3,600.00	2,400.00	2,400.00	See Schedule B
<b>TOTAL SALARIES</b>		18,837.10	17,762.56	18,823.96	
<b>Membership &amp; Growth</b>					
5200	Literature	200.00	356.00	400.0	Estimates made by officers
5205	Newspapers	500.00	138.60	250.00	Estimates made by officers
5210	Org. Activities	4,500.00	4,876.43	4,600.00	Estimates made by officers
5212	President's Expenses (Mileage)	1,000.00	977.00	1,000.00	Estimates made by officers
5213	Membership & Com- mittee Mtgs	3,000.00	2,877.47	3,000.00	Estimates made by officers

5215	Org. Expenses & Promo Items	2,000.00	1,907.10	2,200.00	Estimates made by officers
5216	Good & Welfare	500.00	405.00	1,000.00	Estimates made by officers
5220	Legal & Arbitrations	5,400.00	5,614.06	6,000.00	Based on actual & anticipated expenses
5225	New Member Orientation	500.00	300.00	200.00	Estimates made by officers
5226	Conferences/Meetings	500.00	421.00	1,000.00	Estimates made by officers
5227	Conventions & PSRP Conf.	1,000.00	1,041.76	1,500.00	Estimates made by officers
5228	Professional Issues Conference	1,000.00	927.60	1,000.00	Estimates made by officers
5229	Local Conference & Organizing	1,000.00	753.32	1,500.00	Estimates made by officers
5230	Area Coordinators	750.00	750.00	1,000.00	Estimates made by officers
5231	Membership Drives	1,000.00	997.21	1,000.00	Estimates made by officers
5232	Leadership Training/ ULI South	3,500.00	3,324.99	3,500.00	Estimates made by officers
5233	Lessons for Life Campaign	250.00	250.00	250.00	Estimates made by officers
5235	Educational Journals	250.00	27.97	100.00	Estimates made by officers
5240	School Meetings	300.00	260.00	300.00	Estimates made by officers
<b>TOTAL MEMBER-SHIP GROWTH &amp; SERVICES</b>		27,150.00	26,205.51	29,800.00	
<b>Per Capita</b>					
5300	AFT Per Capita	62,000.00	63,551.00	81,207.60	See Schedule C
5301	Liability Insurance	5,031.00	5,143.00	5,328.00	See Schedule C
5302	Accident Insurance	1,290.00	1,293.60	1,293.60	See Schedule C
5303	State AFL-CIO	3,000.00	3,145.00	3,945.48	See Schedule C
5305	State Federation of Teachers	100,500.00	100,957.00	95,702.40	See Schedule C
5315	Central Labor Council	528.00	529.00	711.48	See Schedule C
<b>TOTAL PER CAPITA</b>		172,349.00	174,618.60	188,188.56	
<b>Other</b>					
5421	Bank Charges	200.00	179.66	250.00	Based on last year actual expenses
5400	Dues Reimbursement	300.00	346.00	350.00	Based on last year actual expenses
5410	Misc.	900.00		860.33	300.00
5425	Moving Expenses	1,000.00	1,111.43	0.00	Based on last year actual expenses
5435	Accounting Fees	500.00	497.30	500.00	Based on last year actual expenses
<b>TOTAL OTHER</b>		2,900.00	2,994.72	1,400.00	
<b>TOTAL EXPENSES</b>		242,000.00	242,013.65	256,767.50	
<b>EXCESS/(DEFICIT) REVENUES</b>			10,137.35	0.00	

Any Local, AFT  
Proposed Budget  
Estimated Membership  
Dues Revenue  
July 1, 201\_  
Through  
June 30, 201\_

**“Schedule A”**

Period Date	*Members				Dues Revenues
	Full	Dues	Half	Dues	
Jul	349	45.00	190	22.50	19,980.00
Aug	349	45.00	190	22.50	19,980.00
Sep	349	45.45	190	22.73	20,180.75
Oct	349	45.45	190	22.73	20,180.75
Nov	349	45.45	190	22.73	20,180.75
Dec	349	45.45	190	22.73	20,180.75
Jan	349	45.45	190	22.73	20,180.75
Feb	349	45.45	190	22.73	20,180.75
Mar	349	45.45	190	22.73	20,180.75
Apr	349	45.45	190	22.73	20,180.75
May	349	45.45	190	22.73	20,180.75
Jun	349	45.45	190	22.73	20,180.75
					241,767.5
*Membership figures based on May, 201_					



Any Local, AFT  
Proposed Budget  
Estimated Salary Expenses  
July 1, 201\_  
Through  
June 30, 201\_

### Schedule B

Employee	Salary	Employer's FICA/MED	FUTA	SUTA/Worker's Comp.	Total
President Stipend	2,400.00	183.60	19.20	30.72	2,633.52
P/T Grievance Chair	2,400.00	183.60	19.20	30.72	2,633.52
Treasurer/Member- ship Services	2,400.00	183.60	19.20	30.72	2,633.52
Part Time Secretary	10,000.00	765.00	56.00	102.40	10,923.40
	17,200.00	1,315.80	113.60	194.56	18,823.96

**Proposed Budget  
Estimated Per Capita  
Expenses  
July 1, 201\_ Through  
June 30, 201\_**

**“Schedule C”**

<b>AFT &amp; State AFL-CIO Per Capita</b>								
<b>Period Date</b>	<b>*Membership</b>		<b>Per Capita Rate</b>	<b>Per Capita Owed</b>	<b>Liability Insurance</b>	<b>Accident Insurance</b>	<b>AFL-CIO Per Capita</b>	<b>Total Owed</b>
	<b>Full</b>	<b>Half</b>						
Jul	349	190	14.70	6,526.80	444	107.80	328.79	7,407.39
Aug	349	190	14.70	6,526.80	444	107.80	328.79	7,407.39
Sep	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Oct	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Nov	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Dec	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Jan	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Feb	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Mar	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Apr	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
May	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
Jun	349	190	15.35	6,815.40	444	107.80	328.79	7,695.99
				81,207.60	5328	1,293.60	3,945.48	91,774.68

<b>State Federation and Central Labor Council Per Capita</b>						
<b>Period Date</b>	<b>Membership</b>		<b>Per Capita Rate</b>		<b>Per Capita Owed</b>	<b>CLC 0.11</b>
	<b>Full</b>	<b>Half</b>	<b>Full</b>	<b>Half</b>		
July	349	190	17.50	9.83	7,975.20	59.29
Aug.	349	190	17.50	9.83	7,975.20	59.29
Sept.	349	190	17.50	9.83	7,975.20	59.29
Oct.	349	190	17.50	9.83	7,975.20	59.29
Nov.	349	190	17.50	9.83	7,975.20	59.29
Dec.	349	190	17.50	9.83	7,975.20	59.29
Jan.	349	190	17.50	9.83	7,975.20	59.29
Feb.	349	190	17.50	9.83	7,975.20	59.29
Mar.	349	190	17.50	9.83	7,975.20	59.29
Apr.	349	190	17.50	9.83	7,975.20	59.29
May	349	190	17.50	9.83	7,975.20	59.29
June	349	190	17.50	9.83	7,975.20	59.29
					95,702.40	711.48

\*Membership figures based on May, 201\_

# GUIDELINES FOR FINANCIAL REVIEW COMMITTEES

The “Guidelines for Financial Review Committees” were prepared by the AFT financial services department; [finsvcs@aft.org](mailto:finsvcs@aft.org); 202/879-4493.

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Also available online at:  
[http://leadernet.aft.org/local\\_toolkit/local\\_finances/](http://leadernet.aft.org/local_toolkit/local_finances/)



# A Message to Your Local's Financial Review Committee

This document  
provides  
guidelines for  
conducting  
the financial  
review  
mandated  
by Article IX.

To the Financial Review Committee:

An audit of the union's financial records is a valuable tool in safeguarding the union's funds. In an ideal world, each local or state federation would contract with an outside accounting firm to perform an audit on an annual basis and issue a report of the findings. Unfortunately, such audits are expensive and beyond the means of many affiliates.

Reaffirming the importance of financial accountability while acknowledging the practical limitations for some affiliates, the AFT bylaws require outside audits of affiliates with more than 1,000 members and either an outside audit or a financial review for affiliates with fewer than 1,000 members.

## **Article IX, Section 1, 2, 3 and 4**

**Section 1.** AFT affiliates with 2,500 or more members, excluding retirees, are required to submit to the AFT annually, and within six months of the close of the affiliate's fiscal year, an audit of its financial statements—in accordance with generally accepted auditing standards—by an independent CPA whose firm does not have responsibility for the affiliate's regular bookkeeping or for preparation of its routine financial statements. The audit must be prepared in accordance with generally accepted accounting principles. Appended to the audit submission must be a letter signed by the affiliate's principal officer and the auditor certifying that the audit has been presented at a specified regular or special meeting of the affiliate's governing body and published and made available to the members.

**Section 2** AFT affiliates with 1,000 but fewer than 2,500 members, excluding retirees, are required to submit to the AFT annually, and within six months of the close of the affiliate's fiscal year, an audit or a review of its financial statements – in accordance with generally accepted auditing standards – by an independent CPA whose firm does not have responsibility for the affiliate's regular bookkeeping or for preparation of its routine financial statements. The audit or the review must be prepared in accordance with generally accepted accounting principles. Appended to the audit or the review submission must be a letter signed by the affiliate's principal officer and the CPA certifying that the audit or the review has been presented at a specified regular or special meeting of the affiliate's governing body and published and made available to the members. If financial irregularity or financial misfeasance is indicated, the three full-time AFT officers may require an affiliate to submit an audit, rather than a review. If an affiliate is notified that it must submit an audit, the requirement to do so shall remain in place until the three full-time AFT officers inform the affiliate that it is no longer required.

**Section 3.** AFT affiliates with fewer than 1,000 members, excluding retirees, are required to submit to the AFT annually, and within six months of the close of the affiliate's fiscal year, an audit of its financial statements by an independent CPA in accordance with generally accepted auditing standards or a financial review of the affiliate's financial statements conducted by an internal audit committee in accordance with AFT guidelines for audit committees. Appended to the audit or financial review must be a signed certification by

the affiliate's principal officer that the current audit or financial review has been presented at a specified regular or special meeting of the affiliate's governing body and published and made available to the members.

**Section 4.** Where a required audit, independent CPA review, or financial review has not been performed and received by the AFT within six months of the close of an affiliate's fiscal year, the AFT president is authorized to have the applicable audit, independent CPA review or financial review, pursuant to Section 1 or 2 of this Article, conducted at the affiliate's expense. Such an analysis review will include an examination of the financial records and a reporting of the results to the membership of the affiliate and to the AFT executive council.

Members of the financial review committee have an important role in the union. The officers of your union will be relying on the committee to attest to the fact that they are, indeed, handling the union's funds properly, and the membership will be relying on the committee to ensure that their dues are being used properly and their funds are safe. This document provides the financial review committee with the guidelines for conducting the financial review mandated by Article IX, Sections 1, 2, 3 and 4. These guidelines were adopted by the AFT executive council at its meeting in July 2004.

Given the varying sizes of AFT locals, it is difficult to answer all of the questions that may arise during the course of a financial review. If you have questions, please contact the AFT financial services department at 202/879 4493.



# Introduction

These guidelines assume that in lieu of an audit by an outside accounting firm, your local or state federation has appointed a financial review committee of three to five members to review the union's finances. The financial review committee should be established under the provisions of your local or state federation's constitution dealing with committees. Because the committee will be reviewing the treasurer's work, the treasurer cannot be a member of the financial review committee, although the treasurer will have to work with the committee to provide documents and answer questions.

A financial review ensures that the union's financial statements are accurate by verifying how they are produced and that the union's funds are being handled properly. The committee works to determine if, in general, the local or state federation's funds are being properly accounted for.

This document outlines a step-by-step process for review; there will be variations from local to local in the manner in which books are kept, however. In performing the review, the committee should complete all steps,

although it may not be able to perform all activities within each step. These guidelines assume that the financial review committee will examine every receipt and disbursement and the documents supporting them. If a local or state federation has a large volume of transactions (more than 200 per year), the committee can consider testing a statistical sample of the transactions. A statistical sample might consist of every fifth transaction, for example. The sample should change every year so as not to establish an identifiable pattern.

Exceptions to the proper procedures that are described in these guidelines should be discussed with the treasurer and, if significant, noted in the financial review committee's report as described later in this document.

Most locals operate on a fiscal year that is different from the calendar year. The local's fiscal year will determine when the committee performs its review. The review should be performed as soon as possible after the close of the fiscal year and submitted to the AFT within six months of the end of the fiscal year (Jan. 1 for a fiscal year ending June 30).



For those who are not familiar with accounting terminology, we have supplied a glossary at the end of this section defining some commonly used terms.

Reviewing a computerized accounting system will be almost identical to reviewing a manual accounting system. The documentation and reports in a computerized system will probably be more complete or more sophisticated. It is also possible that, through error or design, not all transactions will be included in the financial statements; therefore, it will be important to print out all entries in a computerized system.

In conjunction with this review, you may also wish to read the section in

this resource guide titled "Keeping the Records Straight." Also, for more information, you may wish to read the publication listed at the end of the glossary.

For additional questions about performing a financial review, please contact the AFT financial services department at 202/879-4493.

# Step 1

## Review Internal Controls

### Examine canceled checks, financial reports and executive board minutes to perform the tasks listed below.

If your bank or credit union does not return canceled checks, examine the duplicate copies of the checks.

- Determine where the checkbooks and financial records are kept. Are they in a secure location, accessible only to those who have the authority to write checks? If not, the financial review committee should recommend changes in those practices.
- Examine the front side of each check written during the period. Do two officers sign all transactions? Are signature stamps used on checks? If so, the AFT recommends that this use be discontinued. Examine the signature card for the bank or credit union that authorizes the signatories on the account. Does the signature card say that two signatures are required? If not, the financial review committee should recommend corrective action.
- Examine the

endorsement on the back of each check. Was the check endorsed by the person or firm to whom it was written? If not, further investigation should be made.

- Determine the starting and ending check numbers for checks written during the period. Look for missing check numbers. Are those checks voided or properly accounted for? Voided checks should be marked “VOID” across the front of the check and kept in the checkbook or other secure place.
- Look at the blank checks in the checkbook. Are there any blank checks that have already been signed by one officer so that another officer can use the check without having to wait for another signature? If so, the financial review committee should require that **this practice be discontinued.**
- **Checks should rarely, if ever, be made payable to “Cash.”** Even checks to reimburse petty cash should be made payable to an individual responsible for petty cash, such as “Mary Jones - Petty Cash.” While examining the front side of each check, look at

the payee to determine if checks are always made payable to an individual or company. Closely examine any checks made payable to cash and recommend corrective action, as necessary.

- Look through the executive board minutes for the year. Are financial reports made at every regularly scheduled meeting? Do the meeting minutes reflect that the financial report was moved and approved? These reports should be in writing and attached to the executive board minutes and the minutes should show they were moved and approved.
- Examine your local or state federation’s constitution. Does it have a requirement for a budget and assign the responsibility for preparing

Checks should rarely, if ever, be made payable to “cash.”



and adopting the budget? Examine the executive board minutes to see if a budget was adopted for the year. (This may have been done at the end of the previous year and may be included in the minutes for that year.) Are budgets approved within the financial means of the union? Was any action taken during the year to amend the budget?

- Examine the executive board minutes to see if executive board members authorize expenditures not included in the budget. Most expenditures will be included in the budget and will not require special approval of the executive board. **Expenditures not included in the budget**, leases, contracts, loans or new bank accounts or investments should be approved by the executive board and included in the minutes.

- Examine insurance policies to determine that the union is adequately insured. These policies should include a liability policy, hazard insurance for fire or theft, and workers' compensation insurance if there are employees. A fidelity bond insuring the union against

employee dishonesty is available through the AFT.

The fidelity bond letter, form and application can be found at AFT LeaderNet (at "Leading Your Local/Managing and Reporting Local Finances/Insurance Information" or [http://leadernet.aft.org/leading\\_your\\_local/local\\_finances/toolkit.cfm?FinancesID=6](http://leadernet.aft.org/leading_your_local/local_finances/toolkit.cfm?FinancesID=6)). Locals with members in the private sector are required to be insured against employee dishonesty in an amount equal to 10 percent of the previous year's total income. Employee dishonesty claims must be filed within 90 days of the incident.

- Is there a written accounting manual or written procedure to ensure proper internal controls? If not, the financial review committee should recommend the adoption of such procedures. The AFT financial services department can provide you with a boilerplate manual. The financial review committee should report any discrepancies to the treasurer so that he or she may take corrective action with the employer.

## STEP 2

# Review Cash Receipts (Income)

### Examine deposit tickets, cash receipts journals and bank statements to verify the following practices.

Some locals with only a few transactions each month may not have a cash receipts journal. If your local does not maintain a cash receipts journal, examine the references to deposits on the check stubs. A sample bank statement is shown in Appendix A at the end of this section, and a sample cash receipts journal is shown in Appendix B.

### Timeliness of Deposits

It is important that funds be deposited immediately after they are received to guard against misplacing checks and to ensure that the maximum amount of interest is earned on interest-bearing accounts. Verify that deposits are made promptly after funds are received. This is done by comparing the date on the documents that were received with the deposit date in the cash receipts journal and the date of the deposit on the bank statement. If deposits are

made by mail, there may be a few days' difference between the date that the funds were recorded in the cash receipts journal and date that the bank listed the deposit on the statement.

### Accuracy of Dues Deductions

Verify the receipt of members' payroll deductions from the employer to ensure that all deposits were made and are shown on the bank statements. The number of checks to be deposited will vary according to the employer's system for remitting dues.

Some employers send checks monthly, while others remit dues following each pay period. Other employers have separate payrolls for certified and classified employees. All funds received should be deposited first to the checking account. If the funds are to be saved or invested for later use, a check should then be written for the deposit to the savings account or other investment. Payroll deduction checks should not be deposited directly to the savings account or

other investment.

Also, check the accuracy of the employer's calculations. The employer will usually include a listing of all members from whom dues were deducted, and the amount deducted from each member, along with the payroll deduction check. Verify that the dues rate used by the employer was the correct dues rate for each pay period.

If the deduction amount is the same for all members, simply count the number of members on the list and multiply that number by the dues amount to make sure that the employer sent the correct total to the union. Count and verify—through computer match—the actual names on the list rather than relying on the employee totals that may be provided on the employer's list.

The AFT can become your membership check, if you access your membership list via the Web.

If the deduction amounts are different for two or more classes of employees, you will have to count the number of members at each dues rate and multiply that number for

The local must maintain records to track the dues payment status of direct dues members.

each class of employees. Then add the totals for each class of employees to verify the total dues amount. Check the dates of employer deductions and be certain that no pay period was skipped. The financial review committee should report any discrepancies to the treasurer so that he or she may take corrective action with the employer.

### Comparison with Union's Records

The union should have a copy of each dues deduction authorization submitted to the employer showing the date that it was submitted. Check the employer's payroll deductions against the union's membership records to verify that all deductions were made



for members who were enrolled for payroll deductions.

Financial review committees of state federations will verify the

per capita payments from locals, rather than dues from members. Review the per capita forms to make sure that the locals paid the correct per capita amount for each month and that the number of members in each category multiplied by the per capita rate for each category produces the correct total for each payment.

### Direct Dues

Not all members will sign an authorization for payroll deduction, and those who do not will pay their dues directly to the local. The local must maintain records to track the dues payment status of direct dues members. (Ledger cards are available free from the AFT for this purpose.) Is there a process in place for billing these members for unpaid dues? Trace all deposits of direct dues-paying members through the members' dues records, the cash receipts journal and the bank statement. This will verify that the payment status of members is correct and that all receipts were deposited. For example, see the entries for Robert Smith, Mary Jones and Carla Webster in the cash receipts journal (Appendix B). You should make sure that entries such as these in your local's records are included in the local's dues records.

### Other Income

Trace the deposit of any miscellaneous receipts through the cash receipts journal (Appendix B)

and the bank statement (Appendix A). Compare the amounts shown in the cash receipts journal or on the check stubs and make sure that all of those amounts are listed on the bank statements.

### Grants from the AFT or Others

If your local or state federation is receiving grants from the AFT or others, make sure that the grant money has been received and that funds are being used in accordance with agreements. Misuse of grants can jeopardize future requests for grants. Also ensure that financial reports or narrative reports are prepared on a timely basis as required by grant agreements.

### Non-Cash Items

Verify that all deposits shown on the bank statements are included in the cash receipts journal or in the checkbook. The primary cause for differences here will be items for which no deposit was made by the union, such as interest on the account or corrections to deposit amounts made by the bank. Because no deposit was made for these transactions, the treasurer may have overlooked them on the bank statements. For example, see the deposit correction on the bank statement (Appendix A). This amount must be transferred to the cash receipts journal (see Appendix B) in order to reconcile the account.

## STEP 3

### Review Cash Disbursements (Expenditures)

**Examine checks, check stubs, cash disbursement journals and bank statements to verify the following practices.**

Some locals with only a few transactions each month may not have a cash disbursement journal. A sample bank statement is shown in Appendix A, and a sample cash disbursement journal is shown in Appendix C.

- Are all expenditures paid by check?

- Do the appropriate union officers authorize all checks? (See Step 6 for details.)
- Are checks pre-numbered and written in numerical order? Make sure that all check numbers are accounted for.
- Review canceled checks for proper payee and endorsement. Voided checks must never be destroyed, but should be clearly marked “VOID” across the face of the check and the check should be retained.

- Verify that each check disbursed is supported by adequate documentation in the form of an original invoice, voucher or receipt. Compare paid invoices, vouchers and receipts with canceled checks. A lease or a contract, instead of a monthly invoice, may support some disbursements, such as rent.
- Verify that all disbursements are entered in the cash disbursement journal.



**Do the appropriate union officers authorize all checks?**

## STEP 4

# Balance the Checkbook

**The treasurer should have reconciled the checking account every month shortly after the statement was received from the bank.** The principle behind balancing the checkbook is that there may be deposits that were mailed or checks that were written that have not yet cleared the bank as of the date of the statement. The bank statement has to be reconciled to the union's financial records. This reconciliation can be done as of the last day of each month, no matter what date during the month the statement is received. Simply list transactions dated between the statement date and the end of the month as outstanding.

If your union's treasurer has been balancing the checkbook at the end of each month, your job will be that much easier. You will only have to review his or her work. Using the form shown on the next page will probably make your reconciliation easier. The process is the same as that which you may use to balance your personal

checkbook at home. Here are the steps involved in balancing the checkbook at the end of each period:

- Sort the canceled checks in numerical order and check them off in the check stubs, the check register or the cash disbursement journal as having cleared the bank. If your bank does not return canceled checks, use the list of checks on the bank statement to check off those items that have cleared the bank.
  - Make sure that any bank charges, interest earned or similar transactions are entered in the checkbook and appropriate journals.
  - Copy the beginning balance from the checkbook and place it on Line A of the reconciliation form.
  - Total all of the deposits for the period from the cash receipts journal (if one is maintained) or from the checkbook. List that total on Line B of the reconciliation form.
  - Add Lines A and B and put the total on Line C.
  - Add the total of all of the transactions in the cash
- disbursements journal (if one is maintained) and place that total on Line D.
- Subtract Line D from Line C and place that total on Line E. Make sure this total is the same as the ending balance in the checkbook.
  - Copy the ending bank balance from the bank statement onto Line F.
  - List all of the deposits listed in the cash receipts journal or the checkbook that do not appear on the bank statement. Place that total on Line G.
  - Add Lines F and G and place that total on Line H.
  - List all of the checks contained in the cash disbursement journal or the checkbook that have not yet cleared the bank in the section for outstanding checks. (Caution, there may also be checks from previous periods that have not yet cleared). Place that total on Line I.
  - Subtract Line I from Line H and enter that amount on Line J. This is the adjusted bank balance and should be the same as the ending checkbook balance.
  - If the adjusted bank

balance does not equal the ending checkbook balance, you will have to find the differences. Most often, those differences arise from deposit corrections or bank charges that appear on the bank statement but were not recorded in the union's books. Another common mistake is listing a check as outstanding when it has actually cleared the bank or by failing to list an outstanding check.

# Bank Reconciliation

Account name and number: \_\_\_\_\_

For the period: \_\_\_\_\_

Checkbook balance, beginning of period (A) \_\_\_\_\_

Add: Total deposits (B) \_\_\_\_\_

Subtotal (C) \_\_\_\_\_

Less: Total expenditures this period (D) \_\_\_\_\_

Checkbook balance, end of period (E) \_\_\_\_\_

Bank balance, end of period (F) \_\_\_\_\_

Add: Deposits not on statement

Date	Amount	Date	Amount
------	--------	------	--------

_____	_____	_____	_____
_____	_____	_____	_____

(G) \_\_\_\_\_

Subtotal (H) \_\_\_\_\_

Less: Total of outstanding checks (I) \_\_\_\_\_

Adjusted bank balance (J) \_\_\_\_\_

## OUTSTANDING CHECKS

Check #	Amount	Check #	Amount	Check #	Amount	Check #	Amount
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Total \_\_\_\_\_



## STEP 5

### Balance Other Accounts

**Your union may have other cash accounts in addition to the checking account, such as savings accounts or other investments.** The

procedures for reconciling those accounts will be the same as for the checking accounts, with a few exceptions.

First, there will be far fewer transactions in those accounts. Secondly, there will probably not be any checks written on those accounts, so the documents to be totaled will likely be deposits, transfers and withdrawal tickets. Using the same format shown in Step 4, follow these procedures to reconcile those other accounts.

- Place the beginning balance on Line A.
- Total all of the deposits to the account and list that total on Line B.
- Add Lines A and B and place that total on Line C.
- Total all of the withdrawals from the account and list that total on Line D. (This is the ending balance for the period.)

- Place the ending statement balance on Line F.
- Total all of the deposits not shown on the statement and place that total on Line G.
- Add Lines F and G. Place this total on Line H.
- Total all withdrawals that do not appear on the statement, if any, and place that total on Line I.
- Add Lines H and I to determine the adjusted bank balance (Line J). This should be the same as the balance in the union's checkbook (Line E).
- Use special care to trace all withdrawals and transfers to other union cash accounts.



Use special care to trace all withdrawals and transfers to other union cash accounts.



## STEP 6

# Examine Supporting Documents

### Each transaction should have a document that supports it.

This is true for receipts, disbursements and transfers between accounts. This step ensures that all transactions have such justification.

- Verify that each receipt (income item) has documentation to support it. This may be in the form of a letter that accompanied the check, a check stub, or a voucher from the firm that sent the check. If cash was received, a receipt should have been issued to the payer. Make sure that the amount in the documentation agrees with the amount deposited.
- Verify that each disbursement has documentation to support it. Usually this will be in the form of an invoice, an

expense voucher, a receipt issued by the payee, or a similar document. All invoices should be original copies so as to avoid duplicate payments. Make sure that the amount in the documentation agrees with the amount deposited.

- If a payment is a recurring payment, the documentation may be in the form of a long-term lease or contract. For example, monthly rent payments are not usually invoiced, but there should be a lease in the file to document the amount of the payments and the due dates.
- If a payment is an unusual one, it may be supported by a copy of the appropriate executive board minutes. All transactions that are not included in the budget,

all new bank accounts or investments, and all long-term leases or contracts should be approved by the executive board and reported in the minutes.

- Has an investment policy been adopted? For example, must all deposits be in banks insured by the Federal Deposit Insurance Corporation (FDIC)? Careful attention should be paid to FDIC limits (currently \$100,000) to protect the union's funds.
- Keep a list of all transactions that are not documented and discuss them with the treasurer.



If cash was received, a receipt should have been issued to the payer.

## STEP 7

# Verify the Accuracy of the Financial Statements

### **In Steps 1 through 5, you have verified the totals in the financial records and reconciled those totals to the bank statements.**

The financial statements are a summary of the financial records and, therefore, should reflect the totals that you have already verified. A sample balance sheet and a sample statement of income and expenditures are shown in Appendices D and E. The same income and expense categories should be used in the union's budget, financial records and financial statements.

- Verify that the total of each of the categories in the cash receipts records is listed as income on the statement of income and expenditures.
- Verify that the total of each of the categories in the cash disbursement records is listed correctly on the statement of income and expenditures.
- Verify that the totals of income and expenditures are correct and that the difference between the two (surplus or deficit) is correct.
- Verify that the checking account balance and the balances of all other assets and liabilities are listed correctly on the balance sheet.
- Verify that the totals of the assets and liabilities are correct.
- Verify that the beginning fund balance is the same as the ending fund balance for the previous year.
- Verify that the change in the fund balance is the same as the surplus or deficit for the current year.

## STEP 8

# Write the Financial Review Committee Report

**Now that you have verified the totals contained in the financial records, reconciled them to the bank statements and traced them through the financial reports, you are ready to write the financial review committee report.**

The report should be written on the union's letterhead and contain the following information:

- The name and local number of the organization.
- The dates encompassed by the review.
- Whether or not the books were found to be in good order.
- Any deficiencies that were uncovered.
- The original signatures of all committee members to show that all concur with the report.
- Footnote any items that are important to the union's financial position but are not clearly explained in the financial statements. Examples of footnotes are contained in the sample financial

review committee reports following step 9.

- Attach a copy of the union's balance sheet and statement of income and expenditures to the financial review committee's report.
- Attach a copy of the union's accounts payable listing as of the close of the fiscal year to the financial review committee's report.
- Appended to the written financial review must be a signed certification by the affiliate's principal officer that the current financial review has been presented at a specified regular or special meeting of the affiliate's governing body, captured in the minutes and published and made available to the members.
- A copy of the financial review committee's report and the financial statements must be sent to the AFT within six months of the local's fiscal year end (Jan. 1 for a fiscal year ending June 30).

## STEP 9

### Send Your Report to the AFT

**When you've completed your financial review,  
send your report to:**

American Federation of Teachers, AFL-CIO  
Affiliate Audit Reports  
555 New Jersey Ave. N.W.  
Washington, DC 20001



If you have questions that arise during the course of a financial review, contact the AFT financial services department at 202/879-4493.



## Sample Reports

**Sample financial review committee reports are shown on the following pages.** The first one shows a report in which no deficiencies were found; the second shows a report in which a deficiency was noted. If, in performing your examination, you discover that the records have so many deficiencies that you are having trouble writing your report, or if you discover that not all funds are accounted for, contact the AFT financial services department for advice at 202/879-4493.

**Note:** When submitting your financial review committee report, it must be accompanied by an electronic file or printout of the membership list or a link to the listing. Electronic updates of the membership list should be provided to the AFT membership department on a regular basis. they can be reached at **[membership@aft.org](mailto:membership@aft.org)**.

# Sample Financial Review Report #1

Date

We have examined the financial records of the Sample Employees' Federation for the period July 1, 200\_\_\_\_, through June 30, 200\_\_\_\_, and found them to be in good order. This examination was performed by a committee of members of the Sample Employees' Federation and was not conducted in accordance with generally accepted accounting principles.

Based upon our examination, we consider the attached financial statements for the period July 1, 200\_\_\_\_, through June 30, 200\_\_\_\_, to be an accurate summary of transactions conducted during that period.

Sincerely,

\_\_\_\_\_  
John Smith, Chair  
SEF Financial Review Committee

\_\_\_\_\_  
Mary Jones, Member  
SEF Financial Review Committee

\_\_\_\_\_  
Sylvia Franklin, Member  
SEF Financial Review Committee

## Notes to Report Prepared by the Financial Review Committee of the Sample Employees' Federation

### Footnotes

- 1) The Sample Employees' Federation leases its offices under the terms of a five-year lease, expiring Aug. 31, 200\_\_\_\_. The lease calls for monthly payments with annual increases tied to cost of living indexes described in the lease.
- 2) The Sample Employees' Federation has a loan outstanding from the Sample National Bank. The loan is dated Nov. 1, 200\_\_\_\_, in the amount of \$30,000 and requires monthly payments of principal and interest for a period of three years. The interest is computed at 1 percent above the bank's prime lending rate.

## Sample Financial Review Report #2

Date

We have examined the financial records of the Sample Employees' Federation for the period July 1, 200\_ through June 30, 200\_, and found them to be in good order. This examination was performed by a committee of members of the Sample Employees' Federation and was not conducted in accordance with generally accepted accounting principles.

During the course of our examination we discovered that, while there was adequate documentation maintained for all expenditures, documentation was not available for all income. This was primarily due to checks that were received that were not accompanied by letters or other documentation. In the future, if a check is received without documentation, a copy of the check will be made before the check is deposited.

Based upon our examination, we consider the attached financial statements for the period July 1, 200\_ through June 30, 200\_, to be an accurate summary of transactions conducted during that period.

Sincerely,

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John Smith, Chair  
SEF Financial Review Committee

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Mary Jones, Member  
SEF Financial Review Committee

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Sylvia Franklin, Member  
SEF Financial Review Committee

### Notes to Report Prepared by the Financial Review Committee of the Sample Employees' Federation

#### Footnotes

1) The Sample Employees' Federation leases its offices under the terms of a five-year lease, expiring August 31, 200\_. The lease calls for monthly payments with annual increases tied to cost-of-living indexes described in the lease.

2) The Sample Employees' Federation has a loan outstanding from the Sample National Bank. The loan is dated Nov. 1, 200\_, in the amount of \$30,000 and requires monthly payments of principal and interest for a period of three years. The interest is computed at 1 percent above the bank's prime lending rate.



# Sample Certification by Affiliate's Principal Officer

Date

Antonia Cortese  
Secretary-Treasurer  
American Federation of Teachers  
555 New Jersey Ave. N.W.  
Washington, DC 20001

Dear Secretary-Treasurer Cortese:

Please find attached the financial review for the Sample Employees' Federation, Local # \_\_\_\_, for the fiscal year ending June 30, 20\_\_\_. The financial review was presented to the \_\_\_\_\_ (affiliate's governing body) on \_\_\_\_\_ (date). The financial review has been published and is available to our members.

Sincerely,

John J. Smith, President  
Sample Employees' Federation

# Glossary

**Following are definitions of some terms that committee members may encounter when examining the financial records.**

## **Accrual Basis Accounting**

A system of accounting in which income is recognized when it is earned and expenditures are recognized when the liability is incurred. Accrual basis accounting requires maintaining accounts receivable and accounts payable in the financial records.

## **Asset**

An item of value owned by the union. An asset may be in the form of cash, securities, equipment or real estate.

## **Balance Sheet**

That part of the financial statement that lists the assets, liabilities and net assets of the union as of a specific date. (See sample on previous page, Appendix D.)

## **Cash Basis Accounting**

That system of accounting in which income is recognized when it is received and expenditures are recognized when they are paid. Cash basis accounting ignores accounts receivable and accounts payable. However, when reporting on cash basis, the schedule should be attached.

## **Cash Receipts Journal**

A log of all monies received, listing each receipt by date, from whom it was received, the amount that was received, and for what purpose it was received. The cash receipts journal is usually maintained on a monthly basis.

## **Cash Disbursements Journal**

A log of all monies spent, listing each disbursement by date, check number, to whom the money was paid, the amount that was paid, and the purpose for which it was paid. The cash disbursement journal is usually maintained on a monthly basis.

## **Credit**

An accounting term used to describe an entry that increases an income, liability or net worth account, and decreases an expense or asset account.

## **Debit**

An accounting term used to describe an entry that increases an expense or asset account, or decreases an income, liability or net worth account.

## **Depreciation**

A non-cash transaction to account for the decrease in the value of an asset due to wear through usage or the passage of time. Depreciation, if applicable, will appear as an expense in the statement of income and expenditures. Accumulated depreciation is the total of depreciation that has been computed from one year to the next and will appear on the balance sheet.

## **Fiscal Year**

The 12-month period on which the union budgets and reports its financial activities. The fiscal year may or may not be the calendar year. The fiscal year is usually defined in the union's constitution.

## General Journal

A log of all transactions for which no deposits were made or no checks were written. Types of transactions usually included in the general journal are transactions on the bank statement, such as interest earned or bank charges, or transactions to reclassify entries from one account to another.

## Internal Controls

A set of policies and procedures used within the organization's accounting system that protects the union's funds. Examples of internal controls are: a requirement for two signatures on every check, keeping blank checks in a locked drawer or cabinet, requiring regular treasurer's reports, etc.

## Liability

A liability is debt owed by the union. It may be in the form of a loan, accounts payable, payroll taxes owed, or any amount that must be paid in the future, such as severance pay or accumulated vacation pay.

## Net Assets

The amount that would be left over if all of the union's

assets had to be sold to satisfy all of the union's liabilities. Sometimes called net worth or members' equity.

## Payroll Journal

A log of transactions that pertain solely to payroll and payroll taxes. It is sometimes maintained separately from the cash disbursement journal.

## Statement of Income and Expenditures

A part of the financial statement that summarizes all of the transactions for a specific period. The statement of income and expenditures shows what happened during the period; the balance sheet shows where the union ended up as a result of that activity. (See sample on previous page, Appendix E.)

## Trial Balance

A summary of the balances contained in the general ledger to verify that the general ledger is in balance. The balances used to prepare the trial balance must be as of the same date. Because some balances in the general

ledger are positive (+) while others are negative (-), the total of the trial balance should be zero.

## Recommended Reading

**Financial and Accounting Guide for Non-Profit Organizations**, by Malvern J. Gross Jr. and William Warshauer Jr.; John Wiley & Sons, New York.

# KEEPING LOCAL FINANCIAL RECORDS ON THE COMPUTER

Even if your records are kept on the computer, all of your local's other financial policies and procedures should remain intact.

**Since almost everyone now has access to a computer at home or work, your local's financial records should be kept on a computer.**

Once the data has been entered, the information is permanently stored (don't forget to **keep backup** copies, preferably offsite) and you can use the software to access the data and generate standard reports. If your local has employees and is involved in payroll tax reporting, some software programs will automatically accumulate the data needed for the reports.

Financial records can be maintained through either check-writing or accounting software programs. In general, check-writing programs are less sophisticated than accounting programs and don't have as many features. Our experience is that most accounting programs, regardless of cost, are too cumbersome for local treasurers who have no previous accounting background. While it would be preferable to have all

affiliates use a standard accounting software package, recommending a single package is not practical because locals' needs vary. Instead, we are providing information on four fairly inexpensive check-writing and accounting programs.

The majority of AFT locals use "PC" computers such as IBM or Dell, but we know there are Macintosh users out there, as well. There is not a lot available for Mac users. We found that only Quicken and QuickBooks offer Mac versions of their software. If you are a PC user, you may select from any of the programs listed.

Most of these programs are easy to understand and use because they are electronic replicas of the checkbook systems that we have all used over the years. Some of the screens even resemble the standard check register found in your checkbook.

The programs included on our list have the following advantages:

- Are easy to use;
- Are relatively low cost;
- Will run on most

computers in use in AFT locals; and

- Will automatically generate financial reports once transactions have been entered.

Even if your records are kept on the computer, all of your local's other financial policies and procedures should remain intact. For instance, checks should still require two signatures; access to the financial programs on the computer should be limited to those who have responsibility/authority for the local's finances, etc. A more detailed discussion of these issues can be found under "Review Internal Controls" in the "Guidelines for Financial Review Committees" section of this guide.

# General Information

**These programs offer most or all of the following features, not all of which you will use:**

- Accounts Payable (AP)
- Accounts Receivable (AR)
- General Ledger (GL)
- Invoicing (INV)
- Job Costing (JC)
- Payroll (PR)
- Purchase Orders (PO)

## Accounts Payable

The accounts payable module keeps track of amount owed to others that has not yet been paid. We assume that locals operate on a cash basis and that locals will not use this module unless the check-writing feature of the program that you select is a part of the accounts payable module.

## Accounts Receivable

The accounts receivable module keeps track of monies owed to the local by others. It is our assumption that locals operate on a cash basis and have no need to use accounts receivable.

## Cash Basis Accounting vs. the Accrual Method of Accounting

Cash basis accounting records income when it is received and expenditures when they are paid. The accrual method of accounting records income when it becomes due, rather than when it is received; and expenditures when the obligation is incurred, rather than when it is paid. This method requires knowledge of accounting principles to record the required entries. We assume that most AFT affiliates are on a cash basis.

## Financial Statements

Financial statements generally consist of two parts: a balance sheet and a statement of income and expenditures. Each of these can be generated automatically by the computer program. The balance sheet is a listing of assets and liabilities as of a specific date—usually the end of the accounting period being reported. The difference between assets and liabilities may be referred to as net assets,

net worth or fund balance.

The statement of income and expenditures is a listing of all of the income and all of the expenditures for a period of time, usually a month, a calendar quarter or a year. The difference between income and expenditures is called a surplus, net profit or excess of income over expenditures. If expenditures are greater than income, the difference is called a net loss.

## General Ledger

The general ledger is the basic operating unit of a computerized accounting system. It includes the sections where the entries for checks, deposits and other transactions are made, and those transactions are automatically recorded in the general ledger. The general ledger is a listing of every account in the chart of accounts and shows the beginning balance, each transaction in that account and the ending balance. It is a very valuable financial document in that it summarizes all of the local's financial activity. The general ledger is automatically

updated after you record deposits, checks or other transactions.

Information contained in the general ledger will be transferred automatically to the financial reports that you select.

## Payroll

Some locals have employees and are required to calculate, withhold and pay payroll taxes and other related items. The payroll module will probably be used by many locals in conjunction with the general ledger. The advantage to using the payroll module is that it will accumulate information needed for quarterly and annual tax-related reports, such as the quarterly IRS Form 941 and employee W-2 forms at the end of the year.

## Trial Balance

Whereas the balance sheet lists assets, liabilities and fund balance, and the statement of income and expenditures lists only those accounts, the trial balance lists all accounts and the balance in each account as of a certain date.

## The Software

**On the next page is a comparison of the four software packages reviewed by the AFT financial services department.**

They are listed in order of complexity, from Quicken, which is a basic check-writing program, to Peachtree, which is a full-fledged accounting package. Also included are descriptions of each of the features.

In the discussion of the features of these programs are references to qualified installers and consultants available for training and installation, as well as online support forums. The AFT information technology department does not provide support to locals for these programs and will be unable to help you if you call them.

If you have questions or comments, please call the AFT financial services department at 800/238-1133, ext. 4493.



Product	Quicken Deluxe	Peachtree Accounting for Windows	QuickBooks Pro for Windows
Modules Included	GL,AR,AP	GL, AR, AP, PR	GL, AR, AP
Price (May vary )	\$49.95	\$199.99	\$299.95 Upgrade: \$199.95
Hardware Required	32 Mb RAM Windows 98/200/Mc/XP	64 Mb RAM Windows 98(SE), NT4.0/Mc/2000/XP	96 Mb RAM Windows 98(SE), 2000, XP
MacIntosh Version Available?	Yes	No	Yes
Disk Space Required	100 Mb	110-250 Mb	400 Mb
<b>Commonly Overlooked Items</b>			
Data recovery tools in case of power failure or data corruption?	No	Yes	Yes
Qualified installers or consultants available for training and installation?	Yes	Yes	Yes
Internet or on-line technical support forums?	Yes	Yes	Yes
Passwords used?	Yes	Yes	Yes
Support for multiple companies?	No	Yes	Yes
Support for multi-user environments?	No	Yes	Yes
Can data files be exported?	Yes	Yes	Yes
<b>General Ledger</b>			
Number of characters in account number		10	7
Ability to customize the way financial statements look?	No	Yes	Yes
Are the account number ranges user defined?		Yes	N/A
Procedure for posting entries next year without closing current year?	N/A	Yes	Yes
Detailed history retained in general ledger?	N/A	Yes	Yes
Support for budgets?	Yes	Yes	Yes
<b>Accounts Payable</b>			
Automatic procedure to void checks?	Yes	Yes	Yes
Can handwritten checks be written?	Yes	Yes	Yes
Check format customizable by user?	No	Yes	Yes
Support laser-printed checks?	Yes	Yes	Yes
Cash requirements reporting?	No	Yes	Yes
<b>Accounts Receivable</b>			
Can sell miscellaneous items without setting up inventory?		No	No
Will system allow selective use of finance charges?		No	Yes
Does system support open item receivables?		Yes	Yes
Can invoice and statement layout be modified?		Yes	Yes
How long is history for paid invoices Retained in the customer file?		Varies	Varies
<b>Payroll</b>			
Federal withholding table user defined?	N/A	Yes	No
Produce information for completing form 941?	N/A	Yes	Yes
Track information such as sick time or vacation accruals?	N/A	Yes	Yes
Support for cafeteria and 401k plans?	N/A	Yes	Yes



# Description of Features

## Data recovery tools in case of power failure or data corruption?

Allows your work to be recovered in case it was not saved before the computer was turned off or lost power. This does not eliminate the need to make frequent backups of your files.

## Qualified installers or consultants available for training and installation?

It is helpful to have someone to call for assistance when you are setting up or just getting started with an unfamiliar software package. Some programs have such assistance available, usually in the form of a toll-free number. (Please remember that the AFT information technology department is not able to provide support for these programs.)

## Internet or online technical support forums?

Important considerations when purchasing software with which you're unfamiliar.

## Passwords used?

Passwords are user-created codes that restrict access to the financial records to only those who are authorized. Passwords should be changed quarterly.

## Support for multiple companies?

This feature may be useful for locals that have subentities, such as chapters, for which they wish to keep separate records. Few locals will have need for such a feature.

## Support for multi-user environments?

It is unlikely that your local has more than one person who will be working on the accounting records, but if the program does support a multi-user environment, more than one person can use the program (using a different password, of course, so that you can identify the person making the entry).

## Can data files be exported?

It is sometimes helpful to be able to export (transfer) data to another program, most often a spreadsheet

like Excel or Lotus 1-2-3. Being able to do so allows you to take the data in the format in which it is presented in the program you are using and change its appearance or to work with the actual numbers. For example, in preparing a budget, you might export the statement of income and expenditures to a spreadsheet as the beginning format of the budget, then you can actually perform mathematical functions with the data such as multiplying by 1.05 to increase last year's expenditures in a certain category by 5 percent for the coming year.

## Allows for greater number of characters in an account number?

This feature is important because more characters allow for greater detail in creating account numbers. The disadvantage to larger account numbers is that if you don't need that level of description, you may have to enter larger numbers (more keystrokes) anyway. For example, if the program allows 10 characters, you might create an account number 3401123456. In

this case, you might use 34 to designate all field staff employees, 01 to designate employee benefits, 12 to designate health insurance, and 3456 to designate an employee identification number. Later, you would be able to report the data in the following ways: all field staff costs (34), all fringe benefit costs (01), all health insurance costs (12) or all costs associated with an employee (in this case, 3456).

## Ability to customize the way financial statements look?

Some programs have a single report format that may or may not resemble reports that you are familiar with. The ability to create report formats allows you to arrange the reports in a format that appeals to you and your local.



### **Are the account number ranges user defined?**

The ability to define account number ranges can also enhance your ability to create financial reports. Some programs require that you finish all entries for the current year and close it out before you can begin entering data for the next year. The ability to post to the next year means that you can keep up with current data while making your adjustments, if any, to close out the previous year. This may not affect many locals, but some locals who maintain an inventory of furniture and equipment, for example, need to make year-end entries for depreciation.

### **Detailed history retained in general ledger?**

It is advantageous to have the program retain a detailed history for the entire year, instead of having “destructive updating” where transactions are removed from the general ledger and only account balances are forwarded to the next period.

### **Support for budgets?**

This feature allows you to enter budgets (usually a number of them, if you choose, like monthly, quarterly and annually) and then offers financial reports that compare the actual activity for the period to the budget. This is extremely important.

### **How can I protect my local against fraud?**

Positive Pay  
Protecting your local against check fraud isn’t easy. “Positive Pay,” provided through the banking institution, gives you an effective tool for identifying fraudulent checks so that appropriate action can be taken to mitigate your risk. Positive Pay increases your local’s control over check payments. You transmit your check issue records to the bank as checks are written. The bank matches your check issue records to checks paid against your account. If a check does not match your issue record, you are notified. You can then research the check and provide the bank with

your pay/return decision. You can’t eliminate check fraud altogether, but with Positive Pay you can minimize your risk. Larger locals should consider Positive Pay.

### **ACH Fraud Control**

The Automated Clearing House, or ACH, is an efficient and cost-effective way to distribute or receive funds. Unfortunately, fraudulent ACH transactions are on the rise. That’s a problem because unauthorized ACH transactions can result in losses—sometimes significant losses—that you may not learn about until it’s too late. To minimize the risk of unauthorized ACH transactions, banking institutions offer ACH Fraud Control. ACH Fraud Control is a valuable tool for managing your risk of loss as a result of unauthorized ACH transactions. You set specific control parameters on your accounts to define which ACH transactions are allowed and which are rejected. Nothing eliminates risk entirely, but with ACH Fraud Control, you’ve got one of the best protection tools available.

### **Automatic procedure to void checks?**

This procedure makes it easy for you to record voided checks. In accounting programs, you generally have to make a “reversing entry” to record a voided check. Voided checks should be retained in the financial records for examination by the auditors or audit committee at the end of the year.

### **Can checks be handwritten?**

While all checks should be prepared using the accounting system, it may occasionally be necessary to write a check manually and enter it into the records later. An example might be taking a check to a restaurant for a meeting and you don’t know until after the meeting what the total charges are. Since this requires that someone carry a blank check, this practice should be reserved for “emergencies” only.

### **Check format customizable by user?**

If yes, you can create your own check designs, which can be printed either by the company that produces the program (there will often be an order form included in the package) or by your local printer. Your local printer must be able to imprint magnetic ink for your checks to be valid.

### **Support for laser-printed checks?**

This is important since most users now have laser printers and the checks must be in sheets, rather than in pin-feed stacks or rolls. On the other hand, there may be some locals that still need to write checks using a dot-matrix or ink-jet printer. Most laser printed checks can be adapted to an ink-jet printer.

### **Federal withholding tables user defined? Produce information for completing Form 941?**

Locals that have employees must file numerous reports with the IRS and state agencies.

The most common report is IRS Form 941, which is a quarterly report covering Social Security, Medicare and federal income tax withholding payments. Some programs will keep track of amounts from regular payroll periods and accumulate them in the appropriate format for your quarterly report.

### **Track information such as sick time or vacation?**

Some programs will keep a record of employee leave time as it is earned and used.

### **Support for cafeteria and 401(k) plans?**

Few locals will have need for this feature, which helps keep track of employee benefit plans, but it may be useful for a few large locals.



# PAYROLL AND PAYROLL TAXES

## The Union as an Employer

The wage and payroll tax area is very complex and is ever changing. To the extent that your local pays wages and withholds taxes, you have the responsibility to stay abreast of laws affecting the payment of wages.

For payroll tax purposes, a labor organization is treated as any other business entity and is subject to all payroll tax filing requirements. If a local is subject to a number of state and federal employment tax and labor laws, this section will provide you with an overview of those requirements. Further information can be found in the Internal Revenue Service Circular E, Employer's Tax Guide.

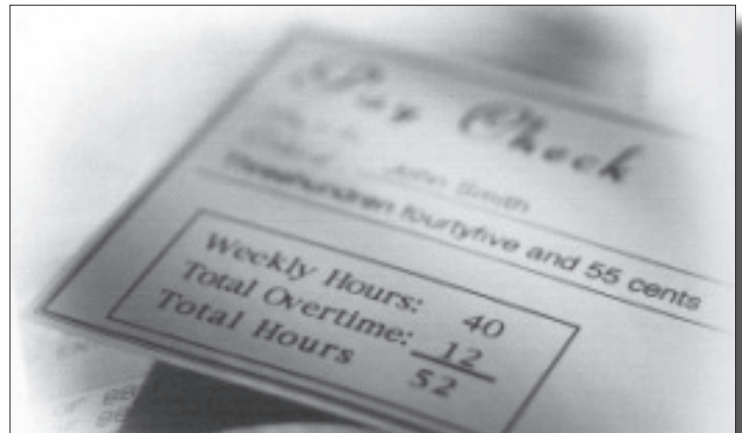
The employer or person controlling the wage payments must generally withhold federal, state and local income taxes imposed upon employees. Income tax withholding is a "pay-as-you-go" method of collecting the estimated tax due from employees on wages paid to them.

## Payroll Preparation Services

Over time, the AFT has discovered that many AFT affiliates would benefit by hiring a payroll service to handle payroll functions. While we generally recommend a nationwide firm called "Paychex," there are others, such as ADP, that are available. You can find them in the Yellow Pages under Payroll Preparation Services.

For a fairly modest fee, these firms will calculate and prepare payroll checks, make the required payroll tax payments and file the reports that are required for federal, state and, sometimes, local government tax agencies. Not only does this relieve the treasurer of a great deal of work, but it virtually guarantees that payroll tax payments and government reports will be submitted on time, avoiding penalties and interest.

We strongly recommend that treasurers of affiliates that are considering beginning payroll functions, those with little payroll experience, and those that are consistently paying penalties and interest on payroll taxes engage a payroll



preparation service to fulfill their responsibilities.

## Withholding Forms and Filing Requirements

### FORM W-4

The amount to withhold from each employee is determined by the number of withholding exemptions claimed on the employee's W-4. (If an employee claims 10 or more withholding exemptions, a copy of the W-4 must be sent to the IRS.)

## Federal Income Tax Withholding

You must deduct federal income taxes from the paychecks of employees to the extent that those payments constitute wages. Withholdings are based on the number of exemptions and the applicable withholding tables or rates.

## Medicare and Social Security Taxes

You must withhold Medicare and Social Security taxes from all employees' paychecks until the maximum limit is reached. Social Security taxes are currently (2005) 6.2% of the first \$106,800 in wages per paid individual for the 2010 year. This threshold changes annually and can be found on the IRS website. Medicare taxes are currently 1.45% on all wages. The percentage of wages withheld and/or the base wage may change from year to year. This information is contained in IRS Circular E.

## Deposit Requirements

The Internal Revenue Service requires the employer to deposit federal withholding and FICA taxes when undeposited taxes reach certain prescribed maximums set by the IRS. These deposits are made at authorized commercial banks or to the Federal Reserve Bank in the employer's geographic area. Send one check covering both FICA and federal withholding taxes,

payable to the bank where you make your deposits. The deposit due dates and deposit requirements are outlined in Circular E.

## Form 941, Employer's Quarterly Return

By the last day of April, July, October and January following the close of the calendar year, you must file Form 941 with the IRS. The 941 is used to reconcile tax deposits made throughout the quarter and to pay any undeposited taxes due.

## Federal Unemployment Taxes

This tax applies to every covered employer who, during the past or current year, pays wages of \$1,500 or more in any calendar quarter or has one or more employees at any time in each of 20 calendar weeks. Unemployment is a tax paid entirely by the employer rather than withheld from the employees' wages. Payments are made in the same manner as federal and FICA taxes and are due on the last day of the calendar month following each quarter (Apr. 30, Jul.

31, Oct. 31, and Jan. 31). A deposit is not necessary if the tax due for the quarter plus the tax due but not deposited from previous quarters is \$100 or less. See IRS Circular E for rates.

## Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return

An annual return is due on or before Jan. 31, following the calendar year to which it relates. Basically, the return reconciles federal unemployment tax deposits with total wages subject to tax.

## State Income Tax Withheld

Most states impose income taxes and withholding requirements similar to those of the federal government. If you are unfamiliar with the requirements of your state, contact the Department of Revenue or the Department of Taxation in your state.

## State Unemployment Tax

For information as to whether or not you

are subject to tax and payments required for your state, contact the Department of Employment Security in your state.

## Workers' Compensation Insurance

Most states require workers' compensation Insurance. Usually, workers' compensation Insurance can be obtained through a private insurance carrier or from a state-operated fund. Be sure that the coverage that you purchase meets the minimum requirements for your state.

## Wage and Tax Statement, Form W-2

Each employer must provide each employee with a Form W-2 showing total wages, federal income tax withheld, FICA (Social Security) taxes withheld, state taxes withheld and other pertinent information as required on the form. This form must be provided to the employee on or before Jan. 31, or at the end of employment. On or before Feb. 28, these forms must

be mailed to the IRS, along with a Form W-3, Transmittal of Income and Tax Statements.

### **Miscellaneous Income Form 1099- MISC**

You must report amounts paid to individuals other than salaries and wages on Form 1099-MISC if those payments exceed \$600 for the year. The dates for filing this form are the same as those for the W-2 Wage and Tax Statement.

In the past, stipends paid to officers were often reported on Form 1099; however, the IRS has been closely examining such payments and disqualifying many of them. The issue is that taxes, including Social Security taxes, are not withheld from those amounts. In some cases, the individual who received the money was assessed self-employment taxes—a costly experience. The rule to follow to avoid such penalties is that if the stipends are meant to reimburse officers for expenses, require that receipts be presented to substantiate those expenses and there will be

no taxable income to be reported. If the stipends are meant to reimburse officers for time spent working for the union, payments for time or effort are salary and should be treated as such.

In addition, Form 1099 is required for payments to individuals for services. For example, if you pay more than \$600 to an attorney for legal services and the attorney is an individual practitioner, a partnership or a professional corporation (PC), you must provide Form 1099-MISC to the attorney and to the IRS. If the attorney's firm is a corporation, however, you are not required to provide Form-1099. Also, you do not have to provide Form 1099-MISC for purchases of goods, only services. Rent paid to a partnership also requires that a Form 1069 be issued. If in doubt as to whether or not to issue a Form 1099, the best policy would be to go ahead and issue one.

# 5

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# INSURANCE BENEFITS FOR AFT MEMBERS

## AFT + Voluntary Term Life/AD&D Insurance

**The AFT is always looking for ways to improve your benefits plan and wants you to have the opportunity to receive the life coverage that meets your individual needs at a price you can afford.**

Getting the income protection needed to guard against life's uncertainties shouldn't be difficult. That's why the AFT is offering you a life benefits plan from MetLife®, a leader in group life insurance. This coverage is designed to provide your family with a financial foundation on which you can build. You can benefit from all that MetLife offers, including:

- Optional Life Insurance, which features Accidental Death and Dismemberment Coverage (Member Paid)
- Spouse and dependent coverage is also available

Since this is voluntary member-paid coverage, premiums will be billed to you by the AFT's insurance administrator, USI Affinity.

### *What are my options?*

After carefully considering your lifestyle, you can decide just how much life insurance coverage is right for you. You can choose coverage in the amount of up to six times your base annual earnings.

### *What are the maximum amounts I can enroll for?*

The maximum amount of Optional Life coverage you can receive is \$1 million.

### *What are the Optional Life Insurance features and services?*

- Accelerated Benefits if you are diagnosed with a terminal illness.

## What happens if I am killed in an accident?

**When you enroll for Optional Life Insurance,** you are automatically covered by Accidental Death and Dismemberment (AD&D) insurance. If you selected

The AFT Member Benefit Trust may receive an expense reimbursement from the endorsed vendors. Expense reimbursements defray the administration, marketing and communication costs associated with providing and promoting these programs to the AFT membership and their families. Just as no AFT dues dollars are used to support the Trust in any way, no expense reimbursement dollars received by the Trust are shared with the AFT. For more information on expense reimbursements received by the AFT Member Benefit Trust, contact the Trust at 202/393-4663.

optional life coverage of one times salary and were killed in an accident, your beneficiary would be entitled to a benefit of two times your salary. The benefit amount for AD&D insurance is equal to the benefit amount for Optional Life coverage. Since this is voluntary member-paid coverage, premiums will be billed to you by the AFT's insurance administrator, USI Affinity.

### **New Members Only—\$10,000 of Term Life for one year!**

**New AFT members are entitled to \$ 10,000 of life insurance protection for one year at absolutely no cost.**

Go to [www.aftbenefits.org/freeterm](http://www.aftbenefits.org/freeterm) for more information or to print the insurance application form. The insurance administrator's address, where the signed application must be sent, appears on the bottom of the form. If you have questions, call the AFT dedicated toll-free number at **888/423-8700**.

Members qualify for this outstanding benefit as long as they are new AFT members and actively working. Members must complete, sign and return an application form to be eligible for this valuable coverage. The coverage will become effective on the first day of the month after the completed and signed application form is received by USI Affinity, the AFT + insurance administrator. (See the enrollment form on page 7 of this chapter.)

After the no-cost year, active members may move into a \$25,000 premium-paying policy, with no medical questions to answer, and have access to a free will preparation service. The insurance administrator is USI Affinity.

### **AFT + Voluntary Disability Income Protection**

**The AFT + Voluntary Disability Income Protection Policy, underwritten by MetLife, is available to AFT members actively** working a minimum of 20 hours per week and provides valuable income replacement in the event of injury or serious illness that prevents you from working.

To learn more or to enroll, go to [www.aftbenefits.org/disability](http://www.aftbenefits.org/disability) or call the AFT-dedicated toll-free number at 888/423-8700.

### **Universal Life Insurance**

**The AFT+ voluntary universal life insurance provides an opportunity for active working members** to obtain up to \$150,000 of permanent cash-value insurance protection, including a long-term care living benefits rider, with no medical questions or tests. This insurance is underwritten by Transamerica Occidental Life Insurance Company. Go to [www.aftbenefits.org/universal](http://www.aftbenefits.org/universal) for more information or call the AFT dedicated toll-free number at 888/423-8700.

### **Limited Medical Plan (LMP)**

**LMP offers cost-effective coverage to AFT members and their families** who might otherwise go uninsured due to lack of employer coverage or the cost of plan participation. With LMP you can go to any doctor or hospital you choose. There are no pre-existing condition limitations and no medical underwriting. Two levels of coverage are available: the basic plan and the enhanced plan. Both plans include a prescription drug program. Go to [www.aft.benefits.org/lmp](http://www.aft.benefits.org/lmp) or call the AFT dedicated toll-free number at 888/423-8700.

# INSURANCE BENEFITS FOR AFT LOCALS & OFFICIALS

## Vision Plan

**An affordable solution to vision care for members and their families.** The plan includes savings at more than 30,000 locations. Offers both in- and out-of-network benefits and includes private practice as well as leading retail chain providers. To locate a participating provider in your area, please go to [www.myuhcspecialtybenefits.com](http://www.myuhcspecialtybenefits.com) or call the AFT dedicated toll-free number at **888/423-8700**.

**Note:** New York State United Teachers (NYSUT) members have insurance plans through NYSUT. To obtain information about NYSUT insurance plans, call **800/626-8101**.

## Local Union-paid Accidental Death and Dismemberment (AD&D)

**AFT makes available a group AD&D policy to locals. Individuals cannot buy this coverage.**

Locals who choose to participate may purchase coverage in \$5,000 increments up to \$25,000. Call Nancy Chaney at **800/238-1133, ext. 4472**, to enroll or check on coverage.

## Reporting the Accidental Death of a Member

**Below are general guidelines to help you understand the documents and information AFT + needs in the event of a member's accidental death.** If you need additional information after reading this, please call the AFT + office at **800/238-1133, ext. 6964**.

To report the death of a NYSUT member, call the NYSUT member benefits department at **800/626-8101**.

When an AFT member dies, the local should contact AFT + member benefits department at **800/238-1133, ext. 6964**, or alternatively, a family member or an attorney handling the estate may contact the department.

To file a claim, the local should be prepared to provide AFT + member benefits with the following information:

member's name, address, name or number of member's local, beneficiary information (if available) and the cause of death. In addition, we need a letter on local union stationery stating that the member was in good standing at the time of death, a copy of the beneficiary card and the day the deceased member joined the union. Once this information is received, we will then ask the beneficiary to provide us with: certified copy of the death certificate, police, ambulance, hospital and/or coroner's report and the completed form. Once all requested materials are received, AFT + mails the entire packet to the insurance company for processing.

Please call the AFT + office if you have additional questions.

## Occupational Liability

(Protection for Members from Civil and/or Criminal Allegations)

**All individual members in good standing of participating AFT locals are covered under the AFT Occupational Liability Plan for their professional employment activities.**

The Plan offers up to \$1,000,000\* of protection for damages and/or attorney fees arising out of the duties of employment. Coverage includes claims for:

- Property Damage
- Bodily Injury
- Personal Injury (libel, slander, or defamation of character)
- Denial of Civil Rights (race, sex or religious discrimination)
- Humiliation
- Mental Anguish
- Emotional Stress
- Harassment
- Corporal Punishment

The Plan will also reimburse a member for attorney's fees agreed upon in advance and up to specified limits in the plan, in defense of any legal proceeding or threat charging a member with any of the following acts arising solely from a member's employment activities:

- Denial of constitutional rights up to \$250,000
- Commission of a criminal act up to \$35,000 if exonerated, otherwise \$5,000
- Sexual abuse of any person up to \$35,000 if fully exonerated
- Sexual harassment of any person up to \$35,000 if fully exonerated
- Administrative licensure hearing if no adverse finding is rendered, up to \$5,000
- Damages/destruction of personal property caused by an assault upon member, up to \$250

The Plan will also pay \$10,000 in the event of a member's death due to an assault while working.

*\*Some states may have additional coverage. Contact your state federation or Thomas T. North at 866/238-2388 for more information.*

For more information or to receive a brochure on the AFT Occupational Liability Insurance Plan, e-mail [aftplus@aft.org](mailto:aftplus@aft.org) or call 800/238-1133, ext. 8643.

## Union Officials' Liability Plan

**The AFT Officials' Liability Insurance Plan covers damages, judgments, settlements, and defense costs arising** from complaints of wrongful acts on the part of the union, union officials or representatives. The cost of this plan is paid for entirely by the AFT.

The policy covers:

- Claims arising from negligent acts, errors or omissions in the performance of activities for the union.
- Charges of negligence in contract negotiations and enforcement; duty of fair representation claims;

allegations of improper internal disciplinary action.

- Personal injury suits alleging libel, slander, defamation of character, false arrest, wrongful detention, malicious prosecution, wrongful entry or invasion of the right of private occupancy.
- Charges of unfair labor practices against union officials.
- Liability on account of any publication, dissemination or utterance constituting the offense of libel, defamation, disparagement and plagiarism.
- Charges of wrongful termination and/or discrimination.

The policy includes up to \$1,000,000 for each claim for AFT affiliate organizations including state federations, AFT locals, and area councils, with a \$5,000,000 annual aggregate limit of liability.

This summary provides a brief description of coverage available under the AFT Officials' Liability Insurance Policy. A complete description of such coverage including exclusions, limitations, and conditions is set for in the policy issued to the AFT.

For more information, call **800/238-1133, ext 8643**.

### Policy Underwriters

As of July 1, 2004, the AFT Officials' Liability Plan is underwritten by Lexington Insurance Company, a member company of the AIG Group and administered by Thomas T. North, Inc.

For claims service, call **866/238-2388** or e-mail [AFT@northcoinc.com](mailto:AFT@northcoinc.com).



A Union of Professionals

**AFT +**

Member Benefits

**MetLife**<sup>®</sup>

Metropolitan Life Insurance Company, New York, NY

**A special benefit to you as a new AFT member - \$10,000 No-Cost Life Insurance**

**Application for Group Term Life Insurance**

Underwritten by: Metropolitan Life Insurance Company, New York, NY

**MEMBER'S PERSONAL INFORMATION –All sections must be completed.**

Member's Name	Social Security No.	Gender <input type="checkbox"/> M <input type="checkbox"/> F	Birth Date
Street Address	City	State	Zip Code
E-Mail Address	Home Phone No.	Cell Phone No.	
<input type="checkbox"/> I am a new member within the past 12 months <input type="checkbox"/> I am actively at work (Retirees are not eligible)			
Beneficiary's Name	Relationship to Member		
<input type="checkbox"/> Yes, I elect \$10,000 of Group Term Life Insurance which is available to me at no cost for one full year as a new AFT member. I want to be covered under the group plan for the benefits which I am or may become eligible for, as requested below.			

**AFT INFORMATION - All sections must be completed.**

AFT Local Union Name	AFT Local Union No.	AFT Membership Date
----------------------	---------------------	---------------------

You must complete, sign and return this form and it must be received within ninety days of the date that you become a new member of AFT or become aware of this program by receipt of a new member activation package in order to become insured for \$10,000 of Group Term Life Insurance for one year at no cost to you. In no event will you be eligible for this non-contributory coverage beyond 12 months from your date of membership. The premiums for this insurance are being paid by AFT only for one year from the effective date.

I hereby certify that all statements and answers in this form are full, complete, and true to the best of my knowledge and belief. I understand that to be eligible for coverage I must be a new AFT member, actively working, and not currently insured under the Group Term Life Insurance plan for AFT members. I understand that my coverage will become effective on the first day of the month following the date this application is signed.

Any person who knowingly and with intent to defraud any insurance company or any other person files an AFT application for insurance or a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Date

**In order to make the coverage effective, all of the information requested above must be completed.**

The American Federation of Teachers provides this No-Cost Group Term Life Insurance for one year as a benefit to your AFT membership.

Mail application to: USI Affinity, Voluntary Benefits Coordinator, P.O. Box 505, Matawan, NJ 07747

**For questions: Call toll-free 888/423-8700, visit [www.aftbenefits.org](http://www.aftbenefits.org) or e-mail us at: [info@aftbenefits.org](mailto:info@aftbenefits.org).**

Insured and administered by Metropolitan Life Insurance Company, New York, NY.

FMC-W10K



# FIDELITY INSURANCE BOND FORM

## Annual Fidelity Bond Renewal Billing Notice

The AFT requires that state and local affiliates purchase a fidelity insurance bond, which covers officers, staff and members who are responsible for handling your organization’s money. The cost of this insurance for one year varies depending upon the amount of coverage that your organization requires. The period of coverage is from Nov. 1 through Oct. 31 and the minimum coverage is \$50,000.

The \$50 premium for the minimum coverage of \$50,000 is added to your November per capita billing. If you desire to increase your coverage, please complete the form on the next page.

Locals and state federations with members who work in the private sector are required by the Labor Management and Reporting and Disclosure Act to have specific levels of fidelity bond coverage. The AFT recommends that all affiliates use the minimum coverage required by the Department of Labor (DOL). The minimum coverage required by the DOL is computed as follows:

$$\text{Liquid Assets} + \text{Total Receipts} \times 10\% = \text{Minimum Amount of Coverage Required}$$

Below are the various coverage levels that the AFT offers along with the annual premiums:

Coverage	Premium	Coverage	Premium
\$50,000	\$50	\$250,000	\$225
\$100,000	\$75	\$300,000	\$240
\$150,000	\$125	\$200,000	\$280
\$200,000	\$175	\$500,000	\$325

DOL regulations cap the coverage at a maximum of \$500,000. If you have any additional questions, please call the insurance administrator at 877/462-3822 or e-mail them at **brl.aft@hubinternational.com** or call the AFT financial services department at 202/879-4493. New, higher coverage limits become effective upon receipt of the form (see next page) by the insurer’s representative.

Please make sure the AFT national office has your current officer information on file. You may update by going to the following Web site: **<https://toolkit.aft.org>**.

Locals and state federations with members who work in the private sector are required to have specific levels of fidelity bond coverage.

**FIDELITY BOND INSURANCE FORM**

**Coverage Period: Nov. 1, 20\_\_ – Oct. 31, 20\_\_**

**(COMPLETE AND RETURN THIS FORM ONLY IF YOU WISH TO INCREASE LIMITS TO A HIGHER LEVEL THAN EXISTING COVERAGE.)**

Your November per capita billing includes coverage at the same level as the last coverage period. If you desire new, higher limits, please indicate below.

PLEASE PRINT

Date \_\_\_\_\_

- \_\_\_\_\_ \$100,000 coverage (include an additional amount of \$25)
- \_\_\_\_\_ \$150,000 coverage (include an additional amount of \$75)
- \_\_\_\_\_ \$200,000 coverage (include an additional amount of \$125)
- \_\_\_\_\_ \$250,000 coverage (include an additional amount of \$175)
- \_\_\_\_\_ \$300,000 coverage (include an additional amount of \$230)
- \_\_\_\_\_ \$400,000 coverage (include an additional amount of \$230)
- \_\_\_\_\_ \$500,000 coverage (include an additional amount of \$275)

Local Name \_\_\_\_\_ Local # \_\_\_\_\_

Local President or Treasurer \_\_\_\_\_

Local Address \_\_\_\_\_

\_\_\_\_\_

Enclose this form with revised invoice to:

AFT  
P.O. Box 791212  
Baltimore, MD 21279-1212

Note: A copy of the AFT's fidelity bond policy can be found at the end of this guide.





# AGENCY FEE

## This section provides information regarding agency fee/

**fair share** to financial officers of AFT affiliates. Agency fee at the local level is calculated by totaling the AFT agency fee-chargeable amount plus the state federation agency fee chargeable amount plus the local agency fee chargeable amount. We have included a sample of an AFT agency fee audit letter, as well as the cover letter from the AFT secretary-treasurer that accompanies the auditors' letter and report. The most recent report can be found at <http://www.aft.org/about/agencyfee.htm>. An additional agency fee audit letter and report for California locals can be found at [http://www.aft.org/about/downloads/agencyfee07\\_CA.pdf](http://www.aft.org/about/downloads/agencyfee07_CA.pdf).

Each local that receives agency fee or fair-share payments from employees represented by the local is required under Article VIII, Section 1(c) of the AFT Constitution to adopt procedures for these agency fee payers to object during a specific time period each year by registered or certified mail

to the expenditure of their payments for certain purposes. Procedures adopted by the local must provide that employees may object to the expenditure of their payments for activities or causes of a political nature that are only incidentally related to collective bargaining. Employees may object to expenditure of their payments for such things as controversial issues of public importance that are only incidentally related to collective bargaining, but may not object to the union's expenditure of their payments for such bargaining-related items as negotiating, organizing, servicing, educational research and union administration. The local union should have an internal right of appeal for this determination and the right to appeal to an independent, outside review panel for a final and binding decision. In addition, the local should

have a mechanism for escrow of payments when an employee is objecting to union expenditures, and should have a mechanism for refunding money to objectors once it has been determined that their objection is valid.

From time to time, we are asked by our locals and state affiliates whether fair-share or agency fee payers should be charged for AFL-CIO affiliation fees at the local, state and national levels. However, such charges are not chargeable to fair-share or agency fee payers. To maximize influence within the AFL-CIO, locals and state affiliates may pay local,

state and national AFL-CIO affiliation fees for fair-share or agency fee payers.

A "Guide to Agency Fee Procedures" is available on LeaderNet at [http://leadernet.aft.org/local\\_toolkit/local\\_finances/downloads/agency\\_fee\\_guide.pdf](http://leadernet.aft.org/local_toolkit/local_finances/downloads/agency_fee_guide.pdf)

**AFT** A Union of Professionals

Based on Adopted Per Capita Effective September 1, 2007

TO: Affiliated Locals and State Federations

FROM: Nat LaCour, Secretary-Treasurer

SUBJECT: Agency Fees 2007-2008

Date: August 1, 2007

Our concern with agency fee issues has resulted in extensive consultation with attorneys and auditors on the issue of the portion of the agency fee (fair share fee) that is chargeable and the amount that is nonchargeable (rebateable) to the agency fee payer.

The AFT report of the Independent Auditors from the firm, Calibre CPA Group, PLLC for these percentages is attached for the year ended April 30, 2007. Based on the chargeable and nonchargeable expenses for the year, we calculated the AFT agency fee per capita for the 2007-2008 year to be as follows:

AFT Convention approved per capita rates effective 9/1/07 for the 2007-2008 year—		
July 2007 through August 2007	2 months @ 13.95	\$ 27.90
September 2007 through June 2008	10 months @ 14.70	\$147.00
The estimated chargeable expenses for 2007-2008 are		\$174.90 * 68.33% = \$119.51
The nonchargeable expenses for 2007-2008 are		\$174.90 * 31.67% = \$ 55.39

The nonchargeable percentage is derived by dividing the expenses that are nonchargeable by the total expenses incurred.

No chargeable expenses have been listed for the liability or accident insurance. If your local provides these insurances (one or both) to an agency fee payer, they should be listed on your local chargeable expense list.

This AFT audited report must be combined with your local and state federation reports and be provided to agency fee payers at least 30 days prior to the collection of the first agency fee for the school year 2007-2008, or the number of days required by applicable state law.

**American Federation of Teachers, AFL-CIO**  
 AFT Teachers  
 AFT PSRP  
 AFT Higher Education  
 AFT Public Employees  
 AFT Healthcare  
 555 New Jersey Ave. N.W.  
 Washington, DC 20001  
 202/679-4400  
 www.aft.org

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 Ann Twomey  
 Adam Urbanski  
 Randi Weingarten



# 6

## Conducting Local Union Business



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# How to Run a Union Meeting

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# Checklist for Union Meetings



1. Has an agenda been planned?
2. Have the officers been contacted and the membership been properly notified about the meeting?
3. Are the minutes of the previous meeting ready for presentation?
4. Is the correspondence ready for presentation?
5. Are committees prepared to report? (Do they know when and how much time they have been given to report?)
6. Has the appropriate committee prepared the meeting hall? (Check flag, heat, lights, ventilation, chairs, rest rooms, etc.)
7. Is all special equipment ready to use? (Flip charts and easels, projectors, TVs and VCRs, microphones, etc.)
8. Are program arrangements complete? (Have education videos or leaflets arrived?)
9. Are materials ready for distribution? (Agenda, financial reports, minutes of the last meeting, committee reports, newspapers, leaflets or handbills.)
10. Have arrangements been made for guest or special speakers? (Do they know when and where the meeting is being held? Do they know what you expect them to do?)



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## Rules at a Glance

**The chart on the next page is a quick reference guide for a chair who is conducting a meeting.**

It contains a list of the motions most often used at a union meeting.

The motions are listed in order of priority. Thus, with a few exceptions, a motion on the list is in order even if one below it is pending. When any motion is made, those below it are out of order.

There are three groups of motions other than main motions:

1. **Privileged motions** have a very high priority. They have no relation to the pending question, but are so urgent that they take priority over all other motions.
2. **Incidental motions or points of order** are motions that arise out of main motions or other pending questions and must be decided before the pending question or before other business is taken up.
3. **Subsidiary motions** are motions to dispose of, or change, a main motion or certain other motions.

Although no simplified chart can enumerate all the very fine points of the rules, this one can be helpful in most situations.



Motion	Debatable	Amendable	Requires a second	Vote Required	In order when another is speaking	Can be reconsidered	Motions to which it applies	Motions that apply to it
Time for next meeting <i>(when privileged)</i>	No	Yes	Yes	Majority	No	No	None	Amend
Adjourn	No	No	Yes	Majority	No	No	None	None
Recess	No	Yes	Yes	Majority	No	No	None	None
Question of privilege <i>(Treat as Main Motion)</i>	Yes	Yes	Yes	Majority	Yes	Yes	None	All
Point of order	No	No	No	None unless appealed; then majority	Yes	No	Any motion or act	Lay on table; close debate; reconsider
Appeal	Yes	No	Yes	Majority	Yes	Yes	Any decision of the chair	Reconsider
Objection to consideration of question	No	No	No	Two-thirds	Yes	Yes	Main motion; any question of privilege	None
Withdrawal of motion	No	No	No	Majority	No	Yes	Any motion	None
Suspension of rules	No	No	Yes	Two-thirds	No	No	Any motion where needed	None
Lay on the table	No	No	Yes	Majority	No	No	Main motion; appeal; question of privilege; reconsider	Reconsider
Previous question <i>(close debate)</i>	No	No	Yes	Two-thirds or majority	No	Yes	Any debatable motion	Reconsider
Limit or extend limits of debate	No	Yes	Yes	Two-thirds or majority	No	Yes	Any debatable motion	Any debatable motion
Postpone to a definite time	Yes	Yes	Yes	Majority	No	Yes	Main motion; question of privilege	Amend; reconsider; limit or close debate
Refer or commit	Yes	Yes	Yes	Majority	No	Yes	Main motion; question of privilege	Amend;reconsider; limit or close debate
Amend	Yes	Yes	Yes	Majority	No	Yes	Main motion; limit debate; refer; postpone; fix time of Next Meeting	Amend; reconsider; close debate
Postpone indefinitely	Yes	No	Yes	Majority	No	Yes	Main motion; question of privilege	Reconsider; limit or close debate
Main motion	Yes	Yes	Yes	Majority	No	Yes	None	All
Motion to reconsider*	Yes, if motion to which it applies is debatable	No	Yes	Majority	Yes	No	Any motion except adjourn, suspend rules, lay on table	Limit debate; lay on table; postpone indefinitely
Motion to rescind	Yes	Yes	Yes	Two-thirds of members present; majority when notice to rescind given at previous meeting	No	Yes	Main motion; appeal; question of privilege	All

\*These are treated as main motions.

## Why Parliamentary Law?

### It has been said many times that democracy begins in the union meeting.

To a member, the measurement of democracy in the union often is just that—what goes on at the union meeting. Do I know how to get up and say what I think? Is the meeting dominated by a small bunch of long-winded characters? Do we get things done at the meeting? Is it just a clique that's running things? These questions often are the yardsticks a member uses to measure the union. To ensure democracy and prevent members from milling around in confusion when they come together, a set of rules for meetings has been developed over the years.

### WHERE THESE RULES CAME FROM

Because these rules were originally based on the experiences of the British Parliament, they are known as Parliamentary law, or Parliamentary procedure.

Thomas Jefferson wrote the first manual of procedure for Congress.

The book most often used today adapts the rules of Congress for action by deliberative bodies: Robert's Rules of Order.

Most unions have modified Robert's rules to suit their own purposes. Others have provided their rules for conducting meetings in their constitution or bylaws.

In his manual, Jefferson said it is not so important what the rule is, but that there be a rule to guide us.

### KNOWING THE RULES

Rules for meetings enable the work of the union to get done effectively and efficiently while protecting the rights of all members. Just as learning to play a game properly requires a knowledge of the rules, playing a proper role in the union requires a working knowledge of the rules for union meetings.

When only the chair knows the rules, the work of the meeting suffers. When most of the body has a working knowledge of the rules, the members actually control the meeting, and the chair simply directs it.

However, a member does not need to memorize the rules in order to participate in a union meeting. No one can know everything about Parliamentary procedure. At times, even the best parliamentarian has to rely on good judgment and the common sense of the group. These rules are not carved in stone; start with the basic principles behind the rules, and when in doubt, look up a rule or ask questions.

### The basic principles behind the rules can be stated as follows:

- Each member has rights and responsibilities equal to those of every other member.
- The desires of the membership should move debate along so the welfare of the organization is served.
- Only one subject at a time should come before the meeting.
- Each proposal coming before the meeting shall be debated freely with meaningful discussion.
- The will of the majority is sought, but a minority or minorities may present a case.

## Nominations and Elections

**Most AFT locals have rules in their constitutions that describe the qualifications of members to stand for office or as delegates to conventions.**

These rules should be followed carefully. The Landrum-Griffin Act prescribes minimum standards for union nominations and elections that must be followed for an election to be valid. To be sure they follow the proper procedures, local unions should check with their national union. Whether you are a public or private sector union, please refer to the U.S. Department of Labor guide, “Conducting Local Unions’ Officer Elections—A Guide for Election Officials” at [www.dol.gov/esa/regs/compliance/olms/localelec](http://www.dol.gov/esa/regs/compliance/olms/localelec). In addition, you may want to contact your regional director or the AFT legal department.

# What Makes a Good Chairperson?

## A good chairperson is made, not born.

But a good chairperson is not always the officer who has learned all the rules of order. This officer is likely to get entangled in too many details to be completely effective.

## WHAT DOES THE CHAIR HAVE TO KNOW?

A good chair needs to know enough about the rules to meet the problems of procedure that may come up at the local meeting. In addition, the chair should be familiar with the union's constitution and bylaws. These include not only the local union rules, but also those of the national or international union that chartered the local. At times, the chair may have to rule on constitutional questions. Because infringements of the union's constitution are serious matters, a local may find itself in trouble if it violates the constitution, even inadvertently.

The chair also must understand the union's relationship to other such union organizations as the AFL-CIO and its state and local central

labor bodies.

Finally, the chair must learn to be fair, impartial and courteous to everyone when chairing the meeting—much like a referee or an umpire.

## WHAT DOES THE CHAIR DO?

It is up to the chair to:

- Keep the meeting moving.
- Help members know what is going on—which rules apply and why.
- Promote full discussion so that voting is informed.
- Protect the minority.

It may look like a big job—and it is. But much of the skill required of the chair comes with practice. Nevertheless, here are a few tips on how to do the job and handle some of the situations that may come up:

### 1. Keep the meeting moving.

Get to know the membership. Keep an eye on those members who seem to attend so that they can test the rules of procedure or to talk to a captive audience. Don't let them tie up the meeting. Listen to all that is said and

look out for abuses of the rules. A person who rises to a "point of order" is out of order if he or she uses it as an excuse to gain the floor to discuss the motion under consideration.

Always keep control of the debate on the subject. Politely bring speakers back to the subject of the motion when they wander off, even if it is necessary to interrupt them. (Everyone gets the idea after a while.) In addition, meeting time is too precious to allow for personal exchanges between speakers. "The chair must interrupt Brother Hardy and ask him to speak on the motion before the membership and address his remarks to the chair only" is the way to handle these exchanges. On the other hand, the chair can suggest motions to keep the meeting moving along, such as, "Do I hear a motion to adopt the report of the legislative committee?"

If you have a few people who want to talk on and on, learn how to tactfully cut them short. Sometimes even the chair must remember not to talk too much.

## 2. Help members know what is going on.

Parliamentary rules can be very complicated to many members, especially during extended debate or when amendments come up. From time to time, repeat the question before the membership. If members seem confused about what they are going to vote on, repeat the motion. If it's an amendment, then make it clear what the amendment says and means. A good chair also can help a member who is having difficulty making a point. The chair can help word the motion or point out how the member may accomplish the purpose under the rules; for example, "Sister Thomas is suggesting we set up our own local political action committee. It is out of order here. I suggest she put this in the form of a motion when we come to new business, which is the next item on our agenda after we dispose of our committee reports."



### 3. Promote full discussion so that voting is informed.

Ask long-winded speakers to shorten their remarks; for example, “Brother Smith, you have already stated your main arguments on this motion, and the chair would like to request that you conclude your remarks to allow time for others to speak on the motion.” This example is in order if Brother Smith is, in fact, droning on and on. Note those who want to speak on a motion. Recognize the first person who asked for the floor, but indicate to the others who will be next. Always repeat the motion being voted on before a vote is actually taken.

### 4. Protect the minority.

Be in a position to know who is for or against certain motions. Then give them the floor alternately. If you’re not sure, then it’s proper to say, “We have just heard someone for the motion. The chair will now recognize a speaker against the motion. Sister Jones, are you for or against?” Never let an unpopular or minority viewpoint be shouted down. Point out

that they all can record their opinion when it comes to the vote, but that everyone has a right to share his or her views during the debate.

Frequently asked questions might arise on conflicts:

(1) When might the chair step aside?

(2) Is the president always the best one to chair a meeting?

### 5. Introduce outside speakers.

At times, the chair is called upon to introduce an outside speaker. This is not an occasion to make a speech. It is enough to give the name of the speaker, title and qualifications, the subject and to indicate the time that has been allocated for this part of the program. Better yet, have the appropriate committee chair make the introduction.

These are only a few of the situations a chair runs into. Thousands of local union members chair meetings across the country—not everyone knows all the rules, faces the same situations or conducts a meeting exactly the same way.

But a good chair learns willingly and tries constantly to improve as a chair and as a leader.

The point of this chapter is summed up very well in the following statement from a handbook of rules published by a union in Canada:

“A democratically minded chairperson, well versed in the rules of order, tolerant, patient and impartial and, above all, possessing a liberal supply of good sense, is more of a safeguard for an orderly meeting than a library of parliamentary law....It is more important for a chairperson and the members of an organization to get the spirit of democratic procedure than to observe the letter of the law. The will for order may often obtain order and progress in a meeting even if errors are made in the use of rules. It is, however, best to be conversant with the rules in order that meetings may be orderly.”

A good chair learns willingly and tries constantly to improve as a chair and as a leader.

# The Recording Secretary



## Secretaries usually perform three tasks: taking minutes of union meetings, preparing them for presentation and handling correspondence.

The secretary also can be an important aid to the chair during the meeting by helping to follow the agenda and reading back the exact wording of motions when needed.

Endless reading of long, dull correspondence has deadened many a meeting. With a little practice, the secretary can learn to look over correspondence before the meeting and summarize, rather than read, the less important letters.

The minutes should include all the votes taken at a meeting and short summaries of all the reports submitted. They should be brief but accurate in wording. The words must describe the action clearly, but should not include the discussion nor reflect the personal opinion of the secretary or any other officer. They should be an impartial, accurate record

of the action taken at the meeting.

No one expects a local union secretary to take shorthand or use speed writing; the experienced secretary takes rough notes of the action at a meeting and then summarizes and clarifies the notes for the record.

There is no set way of keeping minutes, but minutes of a regular local union meeting might appear as follows:

### MINUTES OF THE MEETING OF FEBRUARY 2, 2000

The meeting of Local 2 was called to order by President Schmidt at 8:15 p.m. All officers were present. [If any officers were missing, they should be listed here.] The minutes of the last meeting were distributed and accepted.

### Report of the Treasurer

Bank balance on the 1st: \$400

Money received this month: \$380

Checks written this month: \$280

Balance: \$500

### Report of Political Action Committee

Committee Chairman Baker reported efforts of committee on drive for \$2 voluntary contribution. Total contribution was \$95, with half the membership contributing. The committee hopes to increase participation next year. Report accepted. Motion by Brother C. Mack passed for vote of thanks to the committee for its efforts.

Because of one pressing communication, the regular order of business was suspended on a motion of Sister Miller that the time be spent to hear a report of new safety and health legislation passed while President Schmidt was in Washington for a national legislative conference.

Letter from international union urging help for Local 101, on strike for 10 weeks. Motion by Brother E. Jones passed to send \$50 to Local 101 to aid strikers.

### New Business

Motion made that locals subscribe to the AFT's *American Educator*

magazine. Amendment by Sister T. Smith adopted to make this a bulk order of 30 copies for distribution to all officers and members of legislative, education and negotiating committees. Moved by Sister S. O'Connor to table motion until the recording secretary could write the AFL-CIO for rates on the bulk order. Passed.

Nominations for delegates to AFL-CIO state federation convention on Sept. 16-17. Motion by Brother W. Dean to increase usual number of delegates to three this year. Motion lost. Brothers T. Jones and A. Hand and Sister M. Toole nominated. Voting result was Jones (36), Hand (46), Toole (50). Hand and Toole elected. Motion by Brother W. Dean to appoint T. Jones as alternate. Passed.

Meeting adjourns at 10:00 p.m.

(signed) Pat Marsh  
Secretary

## The Local Treasurer

### **One important part of this union office is reporting to the membership on the union's finances.**

It's important for union officers to remember that union money is the members' money—and the members deserve to know how every penny is spent. No union money should be spent in a way an officer wouldn't want the members to know about. Some international unions have guides for treasurers or financial secretaries.

The treasurer must make sure that as broad a range of members as possible see and understand the union's finances.

Expenditures should be read and approved at each meeting and a full financial statement presented to the membership at least once a year.

However, financial statements are not easy to understand and can be dry and boring. It is helpful to explain the complicated items to the membership. Members can understand better if they have a copy of the statement in front of them. Some locals distribute their yearly statement or print it

in their local union paper. Short of these methods, writing it on a blackboard can help the membership understand the items being read off by the secretary. Some imaginative financial secretaries and local treasurers have used the presentation of the yearly financial report to plan a program with the Education Committee on "How Your Dues Were Spent This Year."

Members  
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every penny  
is spent.



## Committees and Their Reports

### It is impossible for a local to carry on all its work at the regular meetings.

Preliminary planning and work must take place before each membership meeting. Problems may need action between meetings. Other concerns don't deserve the attention of the whole meeting. Effective committees ensure the work gets done outside of meetings.

In addition, the more people actively serving on committees, the stronger the local—a member taking part in a particular activity becomes more interested and invested in the union as a whole. Furthermore, with well-functioning committees, a local can accomplish more. The experience of many locals also shows that good committee reports and discussion on these reports can make the difference between a lively, interesting meeting and a dull, boring one.

### TYPES OF COMMITTEES

Every local needs a number of committees. There are two types of committees: **standing** and **special**.

A **standing committee** is one that continues from year to year, although the committee members may change. Many unions provide in their constitutions or bylaws for certain standing committees. The most important standing committees are the executive committee or executive board and the shop stewards or delegates (or shop committee). The executive committee is responsible for local union decisions made between meetings. It helps to plan the local meetings and other union activities. Specific duties usually are listed in the local union's bylaws or international union's constitution. Other standing committees oversee such permanent activities as legislation and political events, safety and health, community services, etc. A **special committee** is appointed by the president or elected by the membership for a specific assignment; when that job is done, the committee ceases to exist. The local might establish a special committee to receive a guest or to plan a Labor Day event or a picnic. Or the chair may

see that the membership needs information to act on a new proposal or idea and may suggest that a special committee be appointed to get the facts and report at the next meeting. Special committees should be dismissed with thanks.

### COMMITTEES AT WORK

Usually when a committee has been selected, a chair will be named. The president or another officer, or the first member named, may act as chair; or the committee may choose its chair from its members. A committee chair is responsible for steering the committee by ensuring it meets regularly, the members are notified of meetings and reports are made at the proper times and places.

Many unions place a member of the local executive board on each committee, and this person may serve as chair. The local union president commonly is an *ex officio* member of every committee.

Each committee also should select a secretary and, if it is a large committee, a vice chair.

One of the big advantages of committee action is its informality. In small groups, the rules of Parliamentary procedure can be loosened. Members enjoy a meeting where they can easily take an active part. This informality encourages a committee to discuss a problem or suggestion thoroughly and reach agreement. However, the chair must keep the committee on track and not allow the meeting to become just a gripe session. Committees have responsibilities to the membership.

## PREPARING AND PRESENTING COMMITTEE REPORTS

The report to the meeting should be as short and interesting as possible. Usually, the chair or a particularly interested member of the committee makes the report. A report on an extremely important issue or one recommending action should be put into writing and distributed. Minutes of the executive committee usually are submitted as the report of that committee.

### An outline of a committee's general report might include:

- Names of the members of the committee.
- Main activities of the committee (what the committee is doing).
- Problems and successes the committee is having and why.
- Summary—specific action recommended or suggestions for what members can do.

To maintain member interest, try different ways of reporting. Put on a skit;

ask different members of the committee to present various parts of the report; or draw up the report as an attractive handbill to be distributed at the meeting or passed out to the local's members.

## ACTING ON COMMITTEE REPORTS

The members should have an opportunity to “accept” committee reports. Such acceptance is usually done by a vote. This signifies approval of the committee's report and also adopts its recommendations.

When the report of a committee includes several suggestions or recommendations for action, “acceptance” or “rejection” should be voted on one point at a time. This is especially true in cases of a constitution or bylaws committee.

Specific recommendations made by a committee may be amended by the membership before acceptance. Members might raise or lower the amount to be given for a contribution or change the date of a special event, etc.

## MINORITY REPORTS

When the members of a committee cannot agree on a report, the minority may oppose adoption of the report by the membership or may submit a minority report to the membership. Ordinarily, the meeting should hear the minority report; if there is any objection, the matter should be put to a vote without debate.

The membership acts on the report of the majority unless a motion is passed to substitute the minority report. If this happens, discussion proceeds on the minority report. If this motion to substitute is defeated, then the membership acts on the majority report.

## BUILDING EFFECTIVE COMMITTEES

Committees are at the heart of every local union. They provide an effective way to involve members in the union, to tap their talents, energy and interest and to develop the leadership that unions always need. The following suggestions can help you get your committee off the ground:

### 1. Define the charge.

Each of your local's committees, whether they are standing or ad hoc committees, should have a clear “charge.” What role does it serve? What is it expected to accomplish? Make sure committee members know the answers to these questions.

### 2. Find the right people.

When recruiting members to serve on or seek election to a committee, take several minutes to consider the specific skills or interests that will advance the purpose of this committee. Look for individuals who have these skills or interests, or ask your worksite representatives to suggest individuals whose skills or backgrounds are a “good fit” for the committee. Make an effort to recruit committee members who reflect your local's diversity (age, race, gender, constituency, etc.)

### 3. Meet.

Some committees are elected, some are appointed by the local union chief executive officer and some are volunteer committees. If



there is no chair, the local president can appoint one temporarily to call the first meeting of the committee; at this time, the committee can select its own chair. The committee must meet right away to set a date, time and place for the first meeting.

#### **4. Decide on goals.**

At the first meeting, get acquainted. Discuss the overall task of the committee. Come to some agreement about what the committee should do first. Don't tackle too big a job; better to succeed on a smaller task first and have a good feeling about what you accomplish.

#### **5. Get everyone involved.**

Share the work. The chair must follow up to be sure assigned tasks get done.

#### **6. Keep records.**

Appoint or get a volunteer to be the secretary of the committee. Be sure that a record is kept of every meeting, what was decided and who agreed to do what. It helps you check on work in progress and serves as a permanent record of the activities of the committee and how it functioned.

#### **7. Report.**

Committees should report to the union membership on their work. Each committee will want and need support for its work, cooperation, funding and acceptance of recommendations it makes. The union is entitled to a written report, which becomes part of the local's written record.

#### **8. Give credit where credit is due.**

Acknowledge committee members' contributions to the project they work on.

#### **9. Get membership action.**

Be prepared to answer questions from the membership and share this responsibility among committee members.

#### **Remember that committees:**

- must have real jobs to do;
- should tackle only one task at a time;
- should share the work; and
- should follow up with each committee member; and
- ensure satisfaction with a job well done.

Committees  
are at the  
heart of  
every local  
union.

## Basic Rules of Order— How to move a motion

### The motion is the basis of all action at a membership meeting.

A membership decision to take action on a problem is cast as a motion. It is the keystone of all rules of order.

Without a motion, no report can be dealt with, no new business can be introduced, no discussion closed, no meeting adjourned. Yet in spite of its importance, a motion is a simple thing. Complications arise from the way discussions are handled, the kinds of motions offered and the possibility of amendments and amendments to amendments.

### MAKE THE MOTION

A member desiring to present a motion rises and addresses the chair as “Mr. Chairman” or “Madam Chair.” Anyone in the meeting can rise to talk, but no one has the right to talk until recognized by the chair and “given the floor.”

Ordinarily, the chair recognizes the first member to rise. When two or more rise at the same time, the chair must exercise judgment in making a choice. When a

member has been given the floor, the rest of the group should sit and listen. The chair recognizes a member by nodding or pointing to the member, or by calling out his or her name or position in the hall: “Sister Smith,” or “the brother in the fourth row center.”

When Sister Smith is recognized by the chair, she offers a motion:

“Mr. Chairman, I move that Local 2212 ” She sits down. Another member rises to be recognized and seconds the motion. He does this simply by saying: “I second the motion, Mr. Chairman.”

In many union meetings, all that is required for a motion to be seconded is for a member to call out “Second” in a loud voice while remaining seated. No motion can be considered until it receives a second. Any proposal that cannot get a second is not worthy of discussion.

In some instances, a member desiring to make a motion will ask the privilege of explaining the purpose of his motion before making it. If there is no objection from the body, the chair may allow

the member to do this.

### STATE THE QUESTION

When the motion has been made and seconded, the chair should repeat it loudly and clearly, so that all members will know what action has been proposed. If the motion is poorly worded or confusing, the chair should reword the motion, politely, so that its meaning will be clear. If the chair thinks the motion is out of order, this should be pointed out as soon as it is made.

Instead of repeating or rewording the motion for the membership, the chair may ask the secretary to read it.

### DISCUSS THE MOTION

When the chair has restated the motion, or has had it read, discussion is in order: “A motion has been made and seconded that Local 2212 Is there any discussion?”

The person proposing the motion usually is given the first opportunity to speak. The best arguments to support the motion

are expected from the person who makes the motion. After this opening statement, members speak for or against the motion as they are recognized by the chair.

It is a good practice for the chair to alternate speakers for and against a motion. No one should speak twice on a motion so long as there are others desiring to speak. A member who seldom participates should be given preference over the one who speaks frequently.

## THE CHAIR MAY SPEAK

The chair may speak on a motion provided he or she leaves the “chair.” No speech should be made from the chair. The chair should not dominate the meeting; the members then may hesitate to state their opinions. It is best that the chair speak only when the full meaning of the motion has not been brought out by discussion, or when the matter is so very important to the well-being of the local that everyone should know where the chair stands.

In such a situation, the chair should step down to talk to a motion, and another officer should take the gavel. The chair’s remarks will be better received from the floor than from the chair.

The motion is the basis of all action at a membership meeting.

## AMEND OR SUBSTITUTE A MOTION

If debate becomes extensive, or the debate indicates the motion is unclear, the members probably will want to change the motion a little. That’s when an amendment is used or a substitute motion is in order. Either may be offered at any time after a motion has been seconded and before the vote is taken.

The person wishing to move for an amendment to a motion gets the floor in the same manner as one speaking on the motion. The amendment must be seconded before it can be considered.

The amendment must be stated clearly and define the section of the motion affected. For example, someone may move that “the executive board investigate the possibility of the local sponsoring a Little League ball team.” Another member may want to change this by saying “I propose an amendment changing the words ‘the executive board’ to ‘a special committee.’” Ordinarily, amendments

are made to change a motion or include more specific information.

No amendment can be offered that is directly contrary to the motion. For example, an amendment not to investigate the possibility of sponsoring the team would be out of order. The amendment also must be closely related to the subject of the motion. It cannot be used to introduce a new subject.

Once an amendment has been moved and seconded, discussion then follows on the amendment. In voting, the vote is taken first on the amendment and then on the main motion. The chair says: “All those in favor of the amendment that strikes out the words... and substitutes the words...please indicate by the usual sign.” If the amendment is defeated, another amendment may be offered.

A substitute motion can replace the original motion and include changes or suggestions brought out in discussion or offered by amendments. It keeps the action simple and straightforward. Discussion and voting take place on the substitute motion. It,

too, can be amended, just as if it were an original motion.

## AMEND AN AMENDMENT OR SUBSTITUTE MOTION

Just as it is possible to change a motion, so it also is possible to change an amendment. A member may not be satisfied with the amendment and may attempt to improve it by moving an “amendment to the amendment.” In the example above, some members may feel that the committee should be elected, and so would move “an amendment to the amendment providing that the committee be elected.”

That is as far as the members can go, for there can be no amendment to an amendment to the amendment. When you have reached the point where an amendment is being offered to an amendment, a substitute motion may be preferable.



An amendment to an amendment is made in the same way as an amendment or a motion. It requires a second. When it is made, the discussion then must take place on the amendment to the amendment. The chair sometimes can ask the maker of the motion and the second whether they would be willing to accept the amendment as part of the original motion. If they agree and no other member objects, this can be done, saving time and energy.

Otherwise, the amendment to the amendment, the amendment and the motion must be debated and voted upon step by step in that order. And the chair must carry through each step until the main motion has been voted on. A favorable vote on an amendment or an amendment to the amendment does not carry the main motion with it. Members may favor an amendment as the least objectionable choice and still oppose the idea embodied in the main motion.

Although there can be an amendment to

an amendment, there cannot be two separate amendments to a motion before the meeting at the same time.

## VOTE

When it appears that no one else wants to discuss the motion or propose amendments, the chair asks, “Are you ready for the question?” If no one desires to speak, the vote is taken. But the chair must use care not to cut off debate.

When the membership is ready to vote, the chair (or secretary) reads the motion again. For a simple voice vote, the chair then says, “All those in favor of this motion, say ‘aye.’ Those opposed, ‘no.’ ” If the response is favorable, the chair then says, “The ayes have it and it is so ordered.”

The chair should always be sure to call for the “nays” as well as the “ayes,” even though there seems to be a unanimous vote in favor.

## VOTE BY SHOW OF HANDS

When there is any doubt on the part of the chair or the membership as to which side has prevailed,

a vote by show of hands or a standing vote is in order. The chair may ask for such action.

Using a show of hands as the common measure will give a clearcut division of the membership on all issues.

A member may call for a vote by a show of hands by simply calling out the word “division” from his seat. The chair must grant this request at all times. If the group is a large one, the chair may appoint, or have available, a committee of tellers who will count hands for or against the move. Otherwise, the secretary and the chair do the counting. The actual count should be made unless the result is so obvious as to be without question.

## VOTE BY BALLOT

On very important questions, such as elections, taking a strike vote or purchasing property, voting should be by ballot. This makes each vote a matter of record and preserves secrecy. Various bylaws may require that certain votes be by secret ballot. In other instances, a vote

by ballot may be agreed to by general consent or by a motion from the floor. Such a motion is not debatable and requires a simple majority.

On very important questions, voting should be by ballot.

## How Action Takes Place

**We have discussed motions, amendments, discussion and voting. To illustrate all this, let's see a local membership take action on a problem that has been brought before the meeting.**

We are under "new business" in the agenda. The chair asks: "Is there any new business?" A sister in the third row is given the floor.

"Mr. Chairman, it seems to me, we have sent several delegates to union leadership training schools during the past several years, but I don't recall participating in any program led by those new leaders. I think if we are going to spend money to send..."

### **MAKE THE MOTION FIRST**

The chair interrupts the sister by saying: "The chair appreciates your interest in leadership training. If you have any suggestions to make in the use of trained leaders, please put them in the form of a motion. Unless there is a motion

on the floor, you cannot speak."

"Okay, Mr. Chairman," says the sister. "I move that the president appoint an education committee from among the persons who have attended leadership training schools so that we can begin to realize..."

### **GET A SECOND**

Again the chair interrupts. "Is there a second to this motion that I appoint an education committee from among those who attended leadership school?" Several voices speak up to second the motion. "All right, sister, now you may speak on your motion."

"Well, as I was saying, it's a waste to send people off to leadership training schools and then let them get lost without any opportunity to serve on an education committee. All of us need more information to cope with the problems we are facing as citizens in our union and our nation. And I guess I could use a class on rules for union meetings by the way I'm conducting myself here tonight."

### **MAKE AN AMENDMENT**

"Mr. Chairman," Sister Brown seeks the floor and is recognized. "Mr. Chairman, I agree with the sister from department 6 that we should have an education committee, but I don't think we should limit education committee membership to those who have attended leadership training schools. I move we amend the motion so the president can appoint any interested person to the education committee."

The chair restates the proposed amendment and asks if there is a second. There is, and the chair asks if there is any discussion on the amendment.

Each member has rights and responsibilities equal to those of every other member.

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## TAKE ONE THING AT A TIME

“Mr. Chairman!”

“Yes, Brother Hernandez.”

“Mr. Chairman, there are a lot of activities that we ought to start. I hear lots of good things about credit unions, and I’m sure a lot of fellows would join one...”

“Just a minute, Brother Hernandez, are you rising to talk on the amendment to the motion about setting up a local union education committee? If not, you are out of order, and I’ll have to ask you to take your seat. Sister Martin, did you want to speak on the amendment?”

“Yes, Mr. Chairman, but I noticed that no one has said anything about the size of the committee, so I would like to offer an amendment that this committee should have seven members.”

“Please, Sister Martin, only one amendment at a time. Your amendment is out of order. We are now discussing an amendment that would permit the selection of any interested person to the education committee and not limit it just to people who have

attended union schools. Your amendment will be in order after we have acted on this one.”

The chair continues. “Is there any further discussion? Brother Henderson is recognized.”

“Mr. Chairman, I think that the fact that a person attends a union school indicates that he has an interest in education. How better can we measure a person’s interest?”

“Sister Humphrey?”

“Yes, Mr. Chairman, I agree with Sister Brown that we should open the committee to interested people. Just because a person goes to a union school doesn’t make him or her interested in the work of an education committee; they may be better as stewards—or, like Charlie over here, interested in legislation. Let’s put people on the committee who are interested in doing the job, and then they can get special training if they need it.”

## VOTE ON THE AMENDMENT

“Is there any further discussion on the amendment? There being

none, we shall vote on the amendment that any interested person can be selected for an education committee. All in favor, say ‘aye.’ Those opposed, ‘no.’ The chair is in doubt. Let’s have a show of hands. Will the secretary be the teller? All in favor of the amendment, please raise your right hand. Those opposed, like sign.” The secretary takes the count and gives the results to the chair. There is a shuffle of feet and chairs in the hall.

“Quiet please,” the chair calls out. “The amendment carried 46 to 42. Sister Martin, your amendment about the size of the committee is now in order.”

“Mr. Chairman, I move that the committee be made up of seven members.” There are several “Seconds.”

“Mr. Chairman!” The sister in the third row who made the original motion rises. “I’ll accept this amendment as part of my original motion.”

The chair asks, “Mr. Secretary, who seconded this motion?”

The member who seconded the motions says, “I did, and I’ll accept the amendment, also.”

“If there is no objection, the original motion is now further amended to set the size of our education committee at seven. Is there any further discussion? We will now vote on the motion as amended, that the president of Local 2212 appoint an education committee of seven from among any interested members in the local. All those in favor say ‘aye.’ Opposed, ‘no.’ The ayes have it and the motion is carried. The chair will name the committee at the next regular meeting. Meanwhile, I will appreciate hearing from anyone who is interested in serving on this committee. I think we can all gain a great deal from such a committee, and I am looking forward to working with it.

“Is there any further new business?”

## Motions To Help Keep Order

**Although we try to keep rules simple in a union meeting, not every member is likely to know all of the fine points.** It is

the duty of the chair to see that the rules are abided by and, equally important, that explanations of the rules are made at difficult points.

### POINT OF ORDER

Even the best chair may miss a violation of rules or make a ruling the members feel is wrong. A member may call for a “point of order” if situations like these develop:

1. When a discussion seems to be wandering away from the point of the motion or its amendments, a member may rise to a point of order to force the chair to bring the discussion back to the subject.

2. When the bylaws of the local or international union are being broken, a member may rise to call the chair’s attention to this violation.

3. When the chair permits a member to discuss a “privileged” motion, the discussion should be

halted, since such a motion is undebatable.

The member wishing to call the chair’s attention to an oversight or misrule simply stands and calls out: “Madam Chair, I rise to a point of order.” The member may do this even though another person who has the floor is being interrupted.

The chair must recognize this request. The chair asks: “Brother, what is your point of order?”

The brother states his “point of order” and the chair then rules on it. The chair may say this point of order is well taken or that it is not well taken. Sometimes, members will repeatedly interrupt discussions by calling for a “point of order.” In the case of minor infractions of rules, it is best to let the discussion carry on without interruptions from the floor.

### A point of order should not be used as:

- An excuse to criticize the chair.
- An excuse to slow down a meeting.
- A convenient way to interrupt a speaker.
- An excuse to make a speech.

## APPEAL FROM THE DECISION OF THE CHAIR

When a member has been ruled out of order or when the point of order is not accepted by the chair, the meeting usually proceeds with the business at hand. However, when a member feels that a grave injustice has been done or that a ruling of the chair is in violation of procedure, the member may make an “appeal from the decision of the chair.” This gives the membership the opportunity to decide.

Such an appeal must be made immediately after the chair has ruled. It may be made by any member present at the meeting, and it requires a second.

The member announces: “I appeal the decision of the chair.” If there is a second, the chair may turn the meeting over to a vice chair or other designated person. Some unions require the chair to step down. The person making the appeal takes the floor and gives a reason for appealing, and then the chair states the reasons for the ruling.

This is usually the extent of the discussion. However,

an appeal is debatable unless it refers to disorderly conduct, speaking off the question, the order of business or a motion that is not debatable, or unless it arises during a vote.

No member may speak more than once except the chair, who has the right to conclude such debate. The question is put to a vote in this manner:

“All those in favor of...” or, “Shall the ruling of the chair be sustained?”

Immediately upon the decision on the appeal, the order of business is resumed. The chair resumes control of the meeting regardless of the decision—sustained or overruled.

## POINT OF INFORMATION

When a member thinks that more information is needed about the meaning of a motion or its effect on the local, the member may direct an inquiry to the chair simply by saying: “Point of information.”

The chair should recognize the questioner even though another person on the floor is interrupted. The chair must be on guard against

members who ask frivolous questions or questions that convey opinions. Courtesy and common sense should rule.

Sometimes, the questioner desires information from another member. When this happens, the chair should ask the person holding the floor whether that person will yield for the purpose. The speaker cannot be forced to yield. Moreover, even if the speaker yields, the questioner must address the point of information through the chair, and the answer must be made by the chair. Members may not address one another during the meeting

It is the duty of the chair to see that the rules are abided by.



## PARLIAMENTARY INQUIRY

When the specific information that a member is seeking has reference to parliamentary rules, this is a “parliamentary inquiry.”

A member may want to know whether a certain motion is in order. The chair’s answer to such a question is not a decision that can be appealed. Only a decision that the chair made after the motion was made would be subject to appeal.

## QUESTION OF PRIVILEGE

A question of privilege is used by a member to call the attention of the chair to something that affects the well-being of the membership in the meeting. The questioner may ask to have the windows raised or lowered. The speaker may be asked to speak louder. Questions of privilege are decided by the chair and are subject to appeal.

If the question concerns the welfare of one person in the group, it is a question of personal privilege. These special privileges are the rights of all members, but

they should not be used as a pretext to disrupt a meeting. Again, common sense and decency must rule.

The form for such a motion is “Madam Chair, I rise to a question of privilege.”

The chair says: “State your question.” “Can we open the windows to clear the smoke?” The chair can answer: “Your privilege is granted. Will the sergeant-at-arms open the windows?”

Or, if the members propose a motion that cannot wait, the form is “Madam Chair, as a question of privilege, I move that all nonmembers leave while we discuss this business.” The chair can grant the privilege. The motion proposed then is handled like any ordinary motion. After the vote on the motion, the meeting continues.



## Motions For Unusual Action

**These are motions intended to help in the handling of action motions.** *They cannot be debated.* Some require greater than a simple majority vote to carry support.

### MOTION TO OBJECT TO THE CONSIDERATION OF A QUESTION

When a motion is made that will lead to discussion of a matter that will cause hard feelings or friction, a member may rise immediately to prevent discussion. Any member may rise and say, "Mr. Chairman, I object to consideration of this question." The chair will reply, "There has been an objection to the consideration of the question. Those in favor of considering the question say, 'aye.' Those opposed, 'no.'"

There is no discussion. It is put to a vote immediately. If two-thirds of the members vote against considering the question, then it cannot be brought up again during that meeting.

This motion should be used only in exceptional cases.

### PERMISSION TO WITHDRAW A MOTION

The maker of a motion may decide to withdraw the motion and ask permission of the chair to withdraw the motion. The chair puts the question before the members: "If there is no objection, the motion will be withdrawn." If there is an objection, the question of withdrawal must be put to a vote. It requires no second. It cannot be debated. It then takes a simple majority to be withdrawn.

### MOTION TO TABLE A MOTION

A motion to table postpones or delays action by a body. A membership may seem unable to reach a conclusion, or it appears more study should be given to a motion before debate continues. In such cases, a member makes a motion to "table the motion." Such a motion cannot be debated and requires only a majority vote.

The maker of a motion to table cannot do so while speaking on the motion being discussed, or if he or she has previously spoken on the motion and there

are others who wish to speak.

When a motion to table is seconded, the chair must immediately put the question of tabling to a vote. A motion to table cannot have a time limit. A motion to table until the next meeting is a motion to postpone— and a motion to postpone is debatable.

Although a motion to table often is made to kill a motion without hearing full debate, a motion that has been tabled can be "removed from the table." This action can be requested as soon as some other business has been transacted, but no later than the second meeting.

Thus, a member may rise to be recognized and move that the matter be "removed from the table." Again, the matter is decided without debate and by majority vote.

Killing an action by tabling a motion can be overdone. Majority rule should be able to close debate in the regular manner and defeat the motion.

### LIMIT OR EXTEND DEBATE

The membership may

limit debate by setting a time limit for each speaker on the same motion, by setting a time for calling the question to a vote, by prescribing the number of speeches pro and con, or by allotting a specific amount of time for each side of a question.

Motions to limit discussion are made in the usual manner and require a second. If the purpose of a motion to limit discussion is to establish general rules limiting talk on all questions before the local, it can be amended. Such a motion is debatable. If it applies only to a motion being discussed on the floor, it is not debatable. Most unions permit a majority vote to decide upon a limitation. Strict rules of parliamentary law prescribe a two-thirds majority.

Many local union bylaws limit the time a member may talk on a motion. The usual limit is five minutes. The same set of rules usually provides that no one may speak twice on the same motion if another member is waiting to speak, although the chair may preside without such a rule.

If the membership feels the discussion should be extended after it has been limited, this may be done by a motion to extend debate. This motion must be seconded. It is not debatable, and, again, most unions accept a majority vote for a decision.

### **MOVE A PREVIOUS QUESTION**

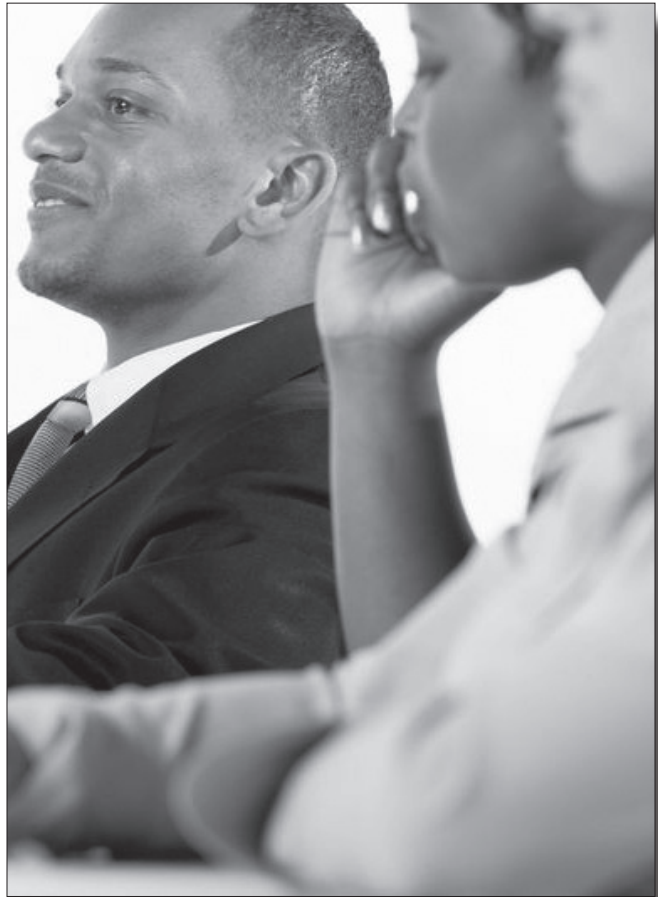
A motion to call for the previous question is a method of stopping all discussion on a motion and forcing a vote. In many locals, people who want to vote call out “Question” from their seats. This should not stop someone who wants to speak on a motion. As long as someone rises to speak, the chair should recognize the member.

A motion to call for the previous question starts in the usual way. The form is: “I move the previous question,” or: “I move that we close debate and vote on the question.”

The motion requires a second. It is not debatable. A person cannot make such a motion while speaking on the question or if the person already has spoken and there

still are others who want the floor. Many unions accept a majority vote for a decision. (Robert’s Rules requires a two-thirds majority.)

The chair should put this motion to a vote as soon as it is seconded. If the move for the “previous question” passes, then the chair should repeat, or have read, the main motion with amendments, if any, and call for a vote.



If the membership feels the discussion should be extended after it has been limited, this may be done by a motion to extend debate.



## Miscellaneous Motions

### Motion To Reconsider

If a local has approved a motion on some matter that new information or later events indicate should be reconsidered, this may be done with a motion to reconsider.

A move to reconsider can be made only on the same day that the vote was taken on the motion to be reconsidered or at the next meeting. The motion to reconsider must be made by someone who voted with the majority in the first vote. Any member may second this motion. If the vote was by secret ballot, any member may move to reconsider.

Not all motions can be reconsidered. Motions to adjourn, recess, lay on the table, take from the table, suspend the rules or a previous move to reconsider cannot be reconsidered. Nor should a motion to reconsider be used to reconsider an action that has been partially acted upon or that cannot be reversed.

Because the motion to reconsider is the correction of a mistake made by the group, it is a privileged motion, and the maker of it may interrupt a speaker

and make the motion while there is other business on the floor. However, debate on the motion to reconsider does not start until the work that was on the floor has been completed.

The member desiring to make a motion to reconsider says to the chair: "I move that we reconsider the vote on... (identifying the motion)." If there is a second, the chair puts the matter of reconsideration before the group. The move to reconsider is debatable and requires a majority vote to pass. No question can be reconsidered twice.

When a motion to reconsider passes, the original motion in question is brought before the group as it was before the vote was taken and debate on it continues. The secretary should carefully read aloud the minutes of the meeting dealing with the original debate on the question. Persons who exhausted their right to speak on the question during original debate cannot now speak, unless given permission by the body.

### Motion To Rescind

A motion to rescind nullifies a previous decision of the group. Such a motion is made in the normal fashion and can be made by any member. It requires a two-thirds majority vote.

Under some circumstances, a motion can be rescinded by a majority vote. Thus, a motion passed at one meeting can be rescinded at the next meeting by a majority vote, if the members were notified at the first meeting that an attempt to rescind would be made at the next meeting. A motion to reconsider can be used instead, but some unions prefer to use a motion to rescind.

Like a motion to reconsider, the motion to rescind cannot be used to reverse an action that cannot be reversed—if money has been spent or someone has begun authorized travel.

The passage of a motion to rescind reverses a previous action. A motion to reconsider simply reopens the matter for further discussion and decision by the group. Most cases

will require a motion to reconsider; this can be a matter of union bylaws or local ground rules.

Please note that a motion to rescind may be made by any member at any meeting, but a motion to reconsider must be made by a member who voted with the majority and at the same meeting at which the original motion was passed or at the next meeting..

## **CHANGE THE AGENDA**

### **Motion To Suspend the Rules**

Occasionally, something may come up that requires a change in the order of business. There may be a deadline on an important question. There may be a question that requires more time for debate, or a visiting speaker may want to come and go as early as possible. For these or other occasions, the chair can request a motion to suspend the rules.

This motion can be offered by a member rising and saying, “Madam Chair, since many of the members present have to make the special shift, I move that we suspend the rules and consider the question of registration now rather than wait for new business.” This motion requires a second. It cannot be debated. It needs a two-thirds vote to pass.

## **END OF THE MEETING**

### **Motion To Adjourn**

A motion to adjourn is required to end a meeting.

It is particularly in order when there is no further business to come before the meeting, but it can be made at any time except during a vote or when someone has the floor. The chair can indicate when it is best to offer such a motion.

The mover first must be recognized by the chair. The motion to adjourn requires a second. It is not debatable. It takes only a majority to carry.

When the motion is made before the planned end of the meeting, the chair has the right and obligation to inform the members when items on the agenda still require action. The mover of the motion can be asked to withdraw the motion for present.

This does not mean that the members should allow the meeting to continue simply for the sake of the agenda or out of courtesy to the chair and the officers.

If the motion to adjourn is accepted, any question stopped by such action may be brought up at the next meeting as old business. If the motion is defeated, it cannot be

renewed until the group has acted upon some other motion or report.

## Motions With Peculiar Characteristics

### Things a Member May Do When Another Member Has the Floor

1. Rise to a point of order, point of information or question of privilege
2. Object to the consideration of the question
3. Move to reconsider
4. Appeal

### Motions that Cannot Be Amended

1. To adjourn (if the motion is to adjourn at a particular time, it can be amended)
2. To table, or to take from the table
3. To reconsider
4. To call for the previous question
5. To suspend the rules
6. To object to the consideration of the question
7. To postpone indefinitely

### Motions that Cannot Be Debated

1. To fix a time to adjourn, or to adjourn
2. To object to the consideration of a question
3. To table, or to take from the table
4. To call for the previous question
5. To limit or extend debate
6. To withdraw a motion
7. To suspend the rules

### Motions that Do Not Require a Second

1. To object to the consideration of a question
2. To withdraw a motion
3. To call for a division of the house
4. Point of order

### Motions that Require a Two-Thirds Vote

1. To suspend the rules
2. To sustain an objection to the consideration of a question
3. To rescind (except as noted in the text)
4. To limit or extend debate (in some unions)
5. To close nominations

### Motions Used To Delay Action on the Original Motion

1. To postpone indefinitely
2. To postpone for a specific time period
3. To refer to committee
4. To lay on the table

## What Makes a Good Meeting?

**The purpose of the union meeting is to advance the well-being of all workers by making sure members are involved in the decision-making process.**

A union meeting can help the members develop their group interests or can be the means of developing new interests. It can help members establish common views and ideas on issues that are important to all of them. Minimal attendance at union meetings indicates the meetings are not serving this purpose. It is not enough just to go through a routine.

A union meeting can become an endless round of dry reports, individual grievances or a series of department or shop squabbles. Listening to a grievance that only a steward can handle and a supervisor can settle is not interesting or entertaining. It is boring, and members lose interest in such meetings.

Nor should meetings attempt to be

entertainment with the members as spectators. Members have other demands on their time.

More people will come if you have well-run, interesting union meetings. Officers and members can make this happen.

### WHAT OFFICERS CAN DO TO IMPROVE UNION MEETINGS

#### 1. Plan the meeting.

Carve out at least 10-15 minutes to develop an agenda for your meeting. Consider ways to give important roles to worksite representatives or other members (such as asking them to report on certain issues that are part of the agenda). Before inviting any local labor officials or other outside guests, try to think of those who can contribute insights or encouragement on one of the key issues your local is confronting.

#### 2. Start promptly!

Establish the practice of starting on time. Give notice that the next meeting will begin promptly at 7 (or 8) o'clock. Then speak to some of the officers and members

and get their promises to be there at the appointed time. When the meetings start on time, members will show up on time.

#### 3. Streamline the meeting.

The routine parts of the meeting can be streamlined. Make sure reports of committees and officers are prepared in advance, well-organized and brief. Correspondence should be handled efficiently. Only in unusual circumstances should "new" correspondence be read to the membership. Some letters can be handled by the officers at executive meetings and detailed to appropriate committees for action or reply.

#### 4. Keep the meeting moving along.

If you're the chair and the membership is shy about making motions, don't wait too long—simply say: "You have heard the report and the suggestion that this local should establish a special committee to work with the mayor's committee. Do I hear a motion?" If you have a few people who want to talk on and on, learn how to

tactfully cut them short. Sometimes even the chair must remember not to talk too much.

#### 5. Consult the membership.

Maybe the local should change the time or day of the meeting. It's a good idea to let the members consider this from time to time. What was a good meeting night or time a year ago may be very bad now. Similarly, ask the members occasionally what they want from the meetings. Group experiences and interests change. Members need to be reminded that their participation in union meetings is vital and that they are key to what decisions get made.

Even routine matters handled by the executive board should be brought to the meeting in the form of minutes of the executive board. Then, if members think the executive board is deciding too many issues, they can say so.

#### 6. Strive to improve attendance.

Issues are one way to raise attendance at your membership meetings.

Members care first and foremost about the issues that affect their personal and professional lives. One way to draw their interest is to insert a 15-minute “hot topic” into each membership meeting. Someone briefly introduces the specific issue and then opens up the floor, allowing members to share how the issue affects them and offer potential solutions. (The “hot topic” need not be followed by a motion or official action.) Another way to enhance attendance and participation is to ask worksite representatives to personally invite new members to a meeting. The representative meets the new member at the meeting site and then can answer questions and help explain any confusing terms or issues to the new member.

## 7. End on time!

It is a good rule to keep the meeting to 90 minutes. Distribute the minutes rather than read them aloud. Many things can be handled by committees—details should not clutter up a union meeting.

## WHAT MEMBERS CAN DO TO IMPROVE UNION MEETINGS

- Know something about the rules of the meeting.
- Debate the issue, not the person who presents it.
- Ask for information when in doubt.
- Enter the debate when a point should be made.
- Address the chair and get recognition before talking.
- Talk briefly and not too frequently.
- Assume a share of responsibility for action decided upon by the group.
- Keep informed about the union.
- Bring a new member.
- Bring the information back to those who could not attend.

Participation is the key to democratic procedure and a good union meeting. This doesn’t mean that everyone must have something to say on every issue. Meetings profit from listeners as well as speakers. If a member listens, weighs the facts and arguments

and votes, that member is making a contribution. And it is important that the listeners realize they also are contributing to the meeting. The chair should remember this and strive to keep speakers from rambling and a few speakers from dominating the debate.

In fact, a good listener can help here, too. If a speaker is getting off her point, a member can rise to a point of order and tactfully call the chair’s attention to this problem.

If the listener does not understand something, a

question is in order. A lot of other members probably got lost at the same time, and the question will help them. A good chair will create an atmosphere that encourages members to participate constructively at meetings.



## Planning Meetings

### **The only way to ensure an orderly, efficient meeting is to start with a prepared agenda.**

The agenda is the chair's guide for timing the various items of business so that the really important things are not crowded out. The chair should not use the agenda as an excuse to be arbitrary. The chair should be able to follow an agenda without dictating to the membership.

In many unions it's the president's duty, with the help of the executive board or executive committee, to plan the agenda for each membership meeting. They should meet a week or a few days before the membership meeting and draw up the agenda.

At such a meeting, the communications to the local (letters, faxes, etc.) can be read and turned over to the committee leaders or summarized briefly for presentation to the membership. To speed up a regular meeting, the executive board can have recommendations for all letters demanding action, or the committees can include the

communications in their reports: members can be bored by the recording secretary reading a long series of letters. Correspondence also gives leaders of various committees topics for their reports.

The executive board should check the minutes of the last meeting and include any unfinished business in their working plan. They should note on their agenda which committees are due to report.

A committee reports and recommends, but the membership still makes the final decisions. And your union bylaws set up rules on what can and cannot be decided by the executive board.

Many unions have their own order of business as part of their bylaws or constitution. If your union has no special order of business, you might use the following:

- Call the meeting to order.
- Roll call of officers.
- Reading and approval of the minutes of the previous meeting.
- Reports of officers,

committees and delegates.

- Communications and bills.
- Unfinished or old business.
- New business.
- Good and welfare.
- Adjournment.

The order of business is just an outline to be filled in when the officers work out the agenda. Each meeting's order of business should be adjusted to meet the current needs of the local or to consider the social, economic or political issues of the day.

### **UNANIMOUS CONSENT**

The chair should always remember that much of the meeting's business can be accomplished by unanimous consent. For example, when the minutes of the previous meeting are distributed, the chair will ask, "Are there any corrections?" And then, if none are made, "If there is no objection, the minutes will stand as presented." This same procedure may be used for communications or reports. In all instances, the purpose is not to short-

cut democratic procedures, but to move the meeting to the main events.

When there are special items of business to come before the meeting, the chair may suggest changes in the agenda or even the omission of some items. This should not be a regular procedure, however, and should never be done without the consent of the meeting..

### Sample Agenda

1. Call to order. (7 p.m.)  
Opening prayer and union songs.
2. Roll call of officers. (7:05 p.m.)
3. Minutes of Last Meeting. (7:10 p.m.)
4. Reports. (7:20 p.m.)
  - a) Report of executive board by president.
  - b) Report of financial secretary.
  - c) Chief steward's report.
5. Correspondence. (7:50 p.m.)
  - a) Letter from the international union office.
  - b) Strike appeal from Local 1808 (defer action until new business).
6. Old business. (8:00 p.m.)  
None.
7. New business. (8:05 p.m.)  
Vote on strike appeal (executive board recommends \$50).
8. Good and welfare. (8:15 p.m.)  
Quiz on grievance procedure prepared by education committee and conducted by grievance chair.
9. Adjournment. (8:30 p.m.)



## Tips on How To Reach Union Members

### There are many ways to reach union members besides union meetings.

Not everyone can or will come to a union meeting no matter how hard you try, although you can increase attendance if union meetings are more interesting and are run efficiently. How to run an interesting, democratic and efficient meeting is the subject of this section.

Additional ways of reaching union members have been discussed among international union and state and local central body leaders that led to the following suggestions:

### WELCOME the new member

- Make new members feel they are a significant addition to the union and that they will share many benefits won through collective bargaining.
- Use worksite representatives, leaflets and other vehicles to educate membes on the union's issues-based agenda. Make sure new members know that the benefits they enjoy were secured through the

union's bargaining or advocacy.

- Plan an initiation or orientation session.
- Set up a mentoring program.
- Ask worksite representatives to invite new members to a union meeting and accompany them to the meeting.

### REACH OUT to the young member

Union solidarity requires the involvement of both younger and more experienced unionists in running the union. Recruit young members with leadership potential to serve on committees and participate in training programs, summer schools and other activities. The generation gap disappears when the democratic process works. Keep the union open to all groups and welcome their ideas.

Both new members and young members may be reached by getting to know what interests they have—such as photography, art, hunting—and ask them to use their talents and interests to help the local union.

### TRAIN worksite reps

Worksite representatives (also known as union stewards) are a member's direct link with the union. When the worksite rep can't answer questions, there's a serious break in the union's ability to function. Contract enforcement, grievance procedure, information on political action and workplace safety all depend on a strong, well-informed, dedicated crew of worksite reps. Hold periodic classes to train new reps and

provide senior reps with an opportunity to review the contract and swap information.





## **GET your message to the public**

Union members and other citizens are influenced by the distorted image of unions created through the media. To counteract this unfavorable image, local unions should have a public relations program to get out the real story of the union, its employees, their contract and any problems. Publicize the positive ways that union leaders and members make a difference in the workplace and in their local communities. Tell them something about an issue they don't know. Letters to the editor, news releases, op-ed columns and an informational booth at the county fair are among the ways a local can get its message out to a larger audience. Engage in community service/organizations—put a human face on the union in the community. This sends a message as powerful as news releases and op-eds.

## **IMPROVE your union publications**

Whether you publish a newsletter or a newspaper, it will be read widely only if you plan each issue

carefully. By planning and working in advance, you can achieve an attractive, readable format and publish timely, relevant stories. Stick to the facts; a good news story is long on nouns, verbs and facts and short on adjectives, adverbs and opinions. Use short sentences and paragraphs. Also, take advantage of cartoons, pictures and features. Announce the union meetings; the paper can help get members to attend.

## **COMMUNICATE using techniques to stimulate new interest and attention**

Several sources are available on the AFT LeaderNet (<http://leadernet.aft.org/index.cfm>) to assist locals with communications; including our online survey tool, newsletter templates and more. If you have not signed up for LeaderNet access, contact us at [leadernet@aft.org](mailto:leadernet@aft.org) and provide your name, e-mail, local name and title.

More details and recommendations on reaching out to and communicating with members, as well as membership-building techniques can be found in the *Essentials for Union Building*.

# Conducting Local Union Officer Elections

## **A union requires individuals to act on its behalf and to carry out its general will.**

How those individuals are chosen and the origin, extent and scope of their authority are normally established by the constitution and bylaws.

The AFT constitution requires that elections of local union officers be conducted in compliance with the standards developed under Title IV of Landrum-Griffin. (The election procedures in the local's constitution and bylaws also need to be followed.) Locals that represent private sector employees must, by law, conduct elections in accordance with these standards. A complete and lengthy U.S. Department of Labor handbook called *Conducting Local Union Officer Elections: A Guide for Election Officials* can be downloaded from <http://www.dol.gov/esa/reg/compliance/olms/localelec/localelec.pdf>.

These standards are not difficult to follow, and they will ensure the fairness and credibility of any union elections. They are as follows:

## **Each member must receive at least 15 days' notice**

of the requirements, procedure and deadlines to file as a candidate for office and at least 15 days' notice of the date, time and place of the election. The information should be sent by U.S. Mail to the member's last known home address. The nomination notice may be combined with the election notice if the requirements of both are met.

## **There must be no unfair and unreasonable impediment** to the participation of every member.

## **Voting must be by secret ballot.**

The U.S. Department of Labor has expressed a preference for the dual-envelope process. The secret ballot is placed inside an unmarked envelope that is then placed inside an external envelope that contains any required identifying information. During counting, the external envelope is used to verify the voter's eligibility and, if verified, the envelope

containing the ballot is separated and co-mingled with others prior to its opening and counting, thereby maintaining the secrecy of the ballot.

In a contested election, candidates must be allowed to station observers at the polling sites.

Representatives of the competing candidates should be allowed to observe, but not actually participate in, the counting of ballots.

Documents related to the election should be safely stored for one year in case there is a challenge to the election. This includes the tally sheets used, the used, unused and challenged ballots, plus the envelopes used to return ballots, as well as the membership list.

## **No union or employer funds or resources may be used to support any candidate.**

The union should comply with reasonable requests to distribute campaign literature at the candidate's expense.

Candidates have the right to inspect, not copy, the membership list once within 30 days prior to the election. No candidate can have preferential access to the list.

Elections for officers of the local union must be held at least every three years. (Elections for officers of the state federation must be held at last every four years.)

There must not be any campaigning within a polling place.

## **Nomination procedures**

In preparing for your internal elections, be sure members know the eligibility and timeline requirements for candidates and the procedures for nominating officers. Although candidates are often nominated by a nominating committee, nominations from the floor are usually in order. During the campaign period, scrupulously ensure that no candidates are able to use union facilities or union staff for partisan purposes.

# 7

## AFT LeaderNet



### LeaderNet Resources

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# LeaderNet

## Resources Index

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**AFT LeaderNet is a secure, registration-based website that gives AFT affiliate leaders, staff and authorized volunteers practical tools, easy-to-access information and news from the national AFT in one location—when you need it.**

LeaderNet is not intended for the general membership. It is strictly for use by AFT elected leaders, state and local staff and volunteer union activists.

Registered users will have daily access to AFT news, links to relevant newspaper articles, our meetings calendar, leader and staff directories and other valuable resources, including:

### AFT National

- **Governance**—Governing documents of the AFT; AFT constitution, resolutions, work of the organizing committee, etc.
- **AFT Budget & Financial Statements**—Financial documents of the AFT national.

- **AFT on the Issues**—Background material and campaign tool kits on dozens of AFT issues.
- **Lobbying & Political Action**—Legislative updates and letters to the Hill.
- **Branding**—Detailed information on using the AFT's logo, tagline, colors, division names, etc.
- **AFT Store**—Order AFT products and materials online.

### AFT Constituencies

Each AFT division (and the AFT retirees and early childhood constituencies) has its own section on the AFT LeaderNet. These division sections include tool kits, links and other helpful resources.

### Leading Your Local

- **Local Governance**—Practical materials on how to run your local; elections and meetings.
- **Essentials Guide**—Latest version of guide available.
- **Managing and Reporting Local Finances**—Financial alerts, resources and forms.

- **Updating Members Data**—Tools for maintaining accurate membership information.
- **Contracts and Bargaining**—Information and tools for local leaders preparing for negotiations.
- **Organizing**—Practical resources for applying external and internal organizing strategy and tactics.
- **Workplace Health and Safety**—Fliers and other resources for addressing health and safety issues.
- **Working with the Media**—Tips and tools to assist local leaders in working with the media.
- **Training and Leader Development**—Training events and resources for new and experienced leaders.
- **Expert Interviews**—AFT staff answers questions on a variety of union issues.

### Communicating with Members

- **Clip Art and Image Gallery**—Free clip art, cartoons & photos to use in your publications and websites.

- **Survey Creator**—Create electronic surveys from scratch or templates to distribute to your members. Responses are tabulated automatically.
- **Form Creator**—Create simple online forms for “contact us,” registration, etc.
- **Newsletter Templates and Tips**—MS-Word templates to help you create a professional newsletter.
- **Customize Fliers and Literature**—Use the Working Families Toolkit to generate customized fliers.
- **Local Web Site Tools**—Easy-to-use tools for creating and maintaining local websites.
- **Local E-mail Tools**—Internet based e-mail and political advocacy system.
- **Newsletter and Web Banner Ads**
- **Promoting AFT + Member Benefits**—Tools to assist leaders promote a variety of AFT benefits.

## News and Publications

- **LeaderNet News**—Recently added AFT news stories for use on affiliate websites or publications.

- **Daily News Clips**—Links to articles from external news sources on a variety of AFT-related issues. (Daily news clip articles may NOT be reprinted on websites or in publications.)
- **AFT Publications**—Back issues of AFT print publications.
- **AFT E-mail Newsletters**—Join one or more of the AFT’s e-newsletters.

## Meetings and Conferences

- **AFT Meetings and Events**—Upcoming and past AFT meeting information.
- **State Federation Events**—Upcoming state federation events and AFT leader participation.

## Directories

- **Staff Directory**—An up-to-date directory of AFT national office staff.
- **National Reps**—Descriptions of national rep current assignments and projects.

# Customize Your LeaderNet

- **MY QUICKLINKS**—Customize your left-hand navigation to include links to your most-often visited areas of LeaderNet. My QuickLinks will stay with you no matter where you go on LeaderNet.
- **INVITE LEADERS TO JOIN**—Enter the name and e-mail address of another affiliate leader and we will send them an invitation to register for AFT LeaderNet on your behalf.
- **RECEIVE E-MAIL NEWS ALERTS**—Choose to receive an e-mail notification whenever AFT news stories are added to the AFT LeaderNet on a variety of topics.
- **UPDATE YOUR AREAS OF INTEREST**—Let us know what AFT issues interest you. The AFT engages in a variety of activities and will provide your name to the appropriate departments.



- **Locals Directory**—  
Searchable database  
of local and officer  
information.
- **Leadership Lists**—  
Complete listing of all  
executive council and PPC  
members.
- **Affiliate Websites**—A  
list of current state and  
local federation websites.
- **Helpful Directory**—A  
handy list of “who does  
what” at AFT by topic.

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# Technology Solutions

## What is Toolkit?

The AFT Toolkit is a modern web-based system designed to tailor AFT software like member management, organizing and mobilization, to more efficiently accomplish individualized goals. Toolkit allows AFT affiliates to personalize their work environment and allows users to work on various programs all within one browser window with one login. Via an easy-to-use Web app, affiliate leaders and staff can customize their own “workspace” environment and determine what they need to meet their individual work style based on their immediate needs—regardless of the constituency or local size.

## How can Toolkit help me?

- **Maintain your membership with ease**

From job-related information to easy membership search to constituency divisions, you can track it all.

- **Quickly check your affiliate’s standing**

Check your affiliate’s standing with the AFT and see at a glance if you have met all the requirements to maintain “good standing” according to Article X, Section 1, of the AFT constitution.

- **Access & edit per capita reports**

Your monthly per capita invoices and detailed listing of your membership can be easily viewed. Quickly update your membership and dues information and make

per capita reconciliation hassle-free.

- **Update officer info**

Improve the timeliness and accuracy of your local and officer data by directly updating local and officer information online.

- **Order a Membership Cards**

The Toolkit offers the ability to quickly and easily order a new membership card.

- **Manage grievances**

Affiliates can keep input and track the status of grievances online using the Toolkit.

- **Easily transfer membership files**

In one easy click, affiliates can upload their membership information. Developed for affiliates that track membership information on a spreadsheet or in a custom database, the Toolkit provides a simple way to update your membership data in the AFT database.

- **Efficiently track volunteers**

Track and maintain information on which members are available to volunteer. See which volunteers participated

in certain activities and make preparing for future organizing efforts more efficient.

- **Strengthen your union**

AFT staff and affiliates can create custom surveys to gather, track, analyze and report on data relevant to broadening and strengthening the union. It can be used for organizing campaigns, political action and many other union activities.

## Where do I go to access Toolkit?

Toolkit can be found at <http://toolkit.aft.org>

## Are there any available Toolkit demonstrations?

Yes, we invite you to participate Wednesdays at 2 PM EST for a demonstration & on-line tutorial of the Toolkit.

Also, Just-in-Time Learning Sessions are available at your convenience. Anytime. Anywhere.

## Who can I contact to sign-up, need support, or have questions?

To get started with Toolkit, request support, or schedule a demonstration, please email [sasdesk@aft.org](mailto:sasdesk@aft.org) or call 800/238-1133, ext. 4504.





## Local E-mail Tools (Salsa Labs)

Salsa Labs is an Internet-based mass e-mailing program used by the AFL-CIO, unions and advocacy organizations designed to help you build your e-mail list, understand members more completely, communicate with them more intelligently and engage them more fully. You can:

- Mobilize your supporters (quickly and easily e-mail your entire list of members);
- Gain new activists (members, families, neighbors, friends, associates);
- Build a pool of likely volunteers for rallies, phone banks and other offline activities;
- Sway decision-makers and target your message (send letters direct to Congress and state legislatures—the program gives you this information from your zip code entry);
- Create customized messages;
- Send acknowledgments of support;
- Track your responses overall and individually.

Each local/state federation establishes its own center, which is managed exclusively by its own trained staff. The AFT provides free online and telephone training for center managers, who will maintain the database and generate both information and advocacy campaigns. The initial training takes approximately two hours. Follow-up training and support are always available. If you are interested in creating a Salsa Labs center, contact Hailey Snow at [hsnow@aft.org](mailto:hsnow@aft.org).

For affiliates currently using Salsa Labs, support is provided by Renee Turner at [rturner@aft.org](mailto:rturner@aft.org).

## Local website Tools (AFT StateWeb)

The AFT's StateWeb program is a set of easy-to-use internet-based tools for creating and maintaining affiliate websites. The AFT StateWeb program includes hosting, design templates, an Internet-based content management system and allows for content syndication from the national union and state affiliates. StateWeb was developed with the following five key goals in mind:

**Ease of Use** StateWeb uses templates, simple forms and a word-processing-like editor to make posting content easy. A local affiliate staff person can be trained on the system in under two hours.

### Content Syndication

StateWeb's content syndication feature allows the state federation and the national union to share in the responsibility for keeping content current and informative. Affiliates are notified and can remove syndicated content from their site.

### Content Restriction

StateWeb allows locals to post content that can only be viewed by registered users. An excellent way to collect member information.

**Flexibility** The AFT will be able to continually develop and enhance the program to meet the needs of local affiliates.

**Free of Charge** There is no cost to locals for using StateWeb. The AFT is covering the cost of the software, design templates and hosting.

Use of AFT StateWeb is made available via your state federation. If your local affiliate is interested

in using the StateWeb program, contact Dave Berver at [dberver@aft.org](mailto:dberver@aft.org), who will forward your request to the proper state federation staff person.

# Technology Support

## IT Staff and Affiliate Support Desk (SAS-Desk)

The IT support desk provides technical support to AFT staff and affiliates who use Toolkit. The support desk aims to provide the highest level of technical support to our valued user community. Each support request is prioritized and logged in our automated tracking system, which will provide a confirmation and tracking number upon receipt of you nals. For most efficient processing of support requests, submit your questions to [sasdesk@aft.org](mailto:sasdesk@aft.org) or call 800/238-1133, ext. 4504.

## Technology Assessment

Before migrating or upgrading to new systems or applications, it is important to understand your current IT environment and determine system readiness. Our technology assessment staff has developed a process of evaluating current technology and business processes to determine future needs in the areas of hardware, software procurement, learning and support. This is accomplished onsite through observation of processes and interviews of key office staff. The assessment is the beginning of an important process of aligning your technology with your union business needs and results in a comprehensive oral and written report of recommendations and a plan of action.

## Financial Resources

The financial resources section of the AFT LeaderNet is available to assist AFT locals with their financial matters. To see the latest financial alerts and to download financial forms, guides and other resources, go to <http://leadernet.aft.org/resources/financial/index.cfm>. If you don't have a password and would like to gain access, please click on the appropriate link to register. For specific per capita questions, contact the accounting department at 888/8PERCAP or e-mail [billinginquiry@aft.org](mailto:billinginquiry@aft.org). To update your local officers in our system, use Membership Suite, Membership Lite and/or the Affiliate Maintenance System. To learn more about these tools, visit <http://toolkit.aft.org>, or contact the team and affiliate

support staff at 800/238-1133, ext. 4504.



The IT support desk provides technical support to AFT staff and affiliates who use Toolkit workspace.

# Workplace Learning

## Just-in-Time Training

A 45-minute, one-on-one training session on Membership Suite is available upon request by an affiliate. The sessions are held via the phone, scheduled at your convenience and a specific objective is outlined a day prior to scheduled training. To schedule a session, call 800/238-1133, ext. 4720, or e-mail [trainingcoordinator@aft.org](mailto:trainingcoordinator@aft.org)





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## The AFT Constitution



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# AFT Constitutional Mandates

## **Nondiscrimination policy**

(Article III, Section 11) As a condition of membership, each local is required to maintain nondiscrimination policies and may not discriminate with regard to race; creed; sex; sexual orientation; disability; social, political or economic status; or national origin.

## **Supervisory membership**

(Article III, Section 12) Locals are barred from admitting into or retaining in membership any nonteaching person who holds the position of principal or any higher position. Locals that represent persons who are not teachers should consult with the AFT legal department before admitting supervisors or managers as members. Where the exclusion of such supervisory members would legally bar a local from achieving exclusive representation for classroom teachers, the AFT executive council may make an exception to this provision.

## **Affiliation with AFT state federations**

(Article XI, Section 2) Each local must affiliate with its state federation and maintain good standing by paying state federation per capita.

## **Affiliation with state and local AFL-CIO bodies**

(Article XI, Section 3) Each local must maintain affiliation in good standing with the state AFL-CIO and the local central labor bodies, if they exist.

## **Timely payment of per capita**

(Article IX, Sections 4 and 5) AFT per capita must be paid by the 15th of each month for the preceding month. Failure to pay per capita for a period of three months places a local in bad standing. Per capita must be paid through the two months immediately preceding the convention date (Article VIII, Section 1f) to participate in the AFT convention. Problems regarding the payment of per capita should be discussed with the AFT secretary-treasurer. Per capita payments are subject to audit by the AFT secretary-treasurer's office.

## **Election of delegates to the AFT convention according to Landrum-Griffin regulations**

(Article VIII, Section 1a) Each local that sends delegates to the AFT convention must follow the rules that are based on Title IV of the Labor-Management Reporting and Disclosure Act (Landrum-Griffin). This means that any member of the local in good standing may run for election, and all members must receive at least 15 days notice of the date, time and place of election of delegates by U.S. mail to their home address. Members must receive at least 15 days notice of the procedures for nominations. Contested elections must be by secret ballot, and ballots and election records should be kept for one year after the election. The AFT recommends use of a double ballot system for mail ballot elections.

## **Election of officers**

(Article IV, Section 5) The conduct of elections for local union officers shall be consistent with the standards developed under Title IV of the

Labor-Management Reporting and Disclosure Act (Landrum-Griffin). Terms of officers shall not exceed four years, or fewer if required by applicable state or federal laws.

## **Copy of local constitutions on file with the AFT**

(Article IV, Section 5) Each local and state federation must file one digital copy of its constitution and bylaws by electronic means with the AFT secretary-treasurer. Affiliates shall submit all subsequently amended constitutions and bylaws to the same office. The provisions of the local or state federation constitution must not be in conflict with the AFT constitution.

## **Regular meetings**

(Article IV, Section 5) Each local's constitution and bylaws must provide for regular meetings of an executive body and regular meetings of the general membership or representative body thereof.

## **Dues pass-through**

(Article IV, Section 6) Each local must have a

mechanism wherein local dues are automatically increased when national per capita dues are increased.

### Financial audits

(Article IX, Sections 1 and 2 of bylaws) Each affiliate with 2,500 or more members must have its financial records audited at least once a year by an independent CPA according to generally accepted accounting standards. Each affiliate with 1,000 but fewer than 2,500 members must have its financial records audited or reviewed at least once a year by an independent CPA according to generally accepted accounting standards. At least once a year, locals with fewer than 1,000 members must conduct either an audit as described above or a financial review by an internal audit committee in accordance with AFT guidelines for audit committees. The audit or financial review must contain a certification that it was submitted to the AFT, the membership and the affiliate's governing body.

**Good standing** (Article X, Sections 1 and 2 of bylaws) Affiliates in good standing in the AFT are entitled to: a) send delegates to the AFT convention; b) participate in the AFT Occupational Liability program; c) submit requests for coverage under the AFT Militancy/Defense Fund; and d) participate in programs that include staff and financial assistance from the AFT.

For an affiliate to be in good standing with the AFT it must: a) pay applicable per capita on all members to the AFT and the state federation with arrears not to exceed two months for the AFT; b) submit an annual financial audit or, where applicable, financial review; c) submit current names and addresses of the principal executive and financial officers; d) submit current names and addresses of the affiliate's executive board members; e) submit a current membership roster; and f) remain current in submission of the affiliate's constitution.

**Agency fees** (Article VIII, Section 1b and 1c of bylaws) All affiliates that receive agency or fair share fees from nonmembers for representing such members under an agency shop agreement shall adopt procedures for such employees to receive annual notice of the fees charged, the basis for the calculation of the fees and the opportunity to contest the fee levels. These procedures shall comply with the requirements of federal and state law.

**Your state federation may have other mandated obligations with which you must comply.**

This document reflects constitutional and bylaws changes adopted at the 2010 AFT convention. Updated by the AFT legal department, July 7, 2011.



# Model Constitution– Medium and Large Locals

<b>Name</b>	<b>ARTICLE I NAME</b>  This organization shall be known as Local Name, Local #, State Federation Name, AFT, AFL-CIO.
	<b>ARTICLE II OBJECTIVES</b>  The purpose of this organization shall be:
<b>Bargaining rights</b>	<b>Section 1.</b> To secure full trade union rights, including the rights to exclusive recognition and collective bargaining, for all employees who are eligible for membership.
<b>Member welfare</b>	<b>Section 2.</b> To advance the economic, social, and political well-being of the membership.
<b>Professional standards</b>	<b>Section 3.</b> To promote the improvement of standards in the employment situation of the membership.
<b>Mutual assistance</b>	<b>Section 4.</b> To encourage mutual understanding and cooperation among the membership.
<b>Public good</b>	<b>Section 5.</b> To promote the interests of citizens who are served by the membership.
<b>Quality</b>	<b>Section 6.</b> To promote the effectiveness and quality of the institutions in which our members work.
<b>Democracy and trade unionism</b>	<b>Section 7.</b> To promote democracy, equality, and trade unionism in the society at large.
	<b>ARTICLE III MEMBERSHIP</b>
<b>List classifications of employees eligible for membership.</b>	<b>Section 1.</b> All employees of (name of employer) (unit definition) who are not supervisors or managers are eligible for membership in this organization.
<b>Anti-discrimination</b>	<b>Section 2.</b> No person shall be denied membership, nor shall this organization ever discriminate against individual members or applicants for membership on the basis of race, creed, sex, sexual orientation, disability, social, political, or economic status, or national origin.



**A member facing discipline by the union must be afforded due process.**

**Notice of charges to member**

**Notice of hearing to charged member**

**Opportunity to present evidence and witnesses**

**Right to appeal to membership**

**Loss of good standing through nonpayment of dues.**

**Associate membership**

**Retiree membership**

### **Section 3. Discipline of members**

a. A member, including officers and executive board members, may be disciplined by the organization for actions contrary to this constitution or to the interests of the union or its membership. Such action may only be initiated by the bringing of written and signed charges to the executive board by two or more members of the local; these charges must include a specific and detailed accounting, including any documentation, of the allegations against the member.

b. Upon the receipt of such charges, the executive board shall cause a preliminary investigation to be conducted in order to determine whether the charges against the member have merit. In addition, at this time, the executive board shall give a copy of the charges to the accused member.

c. Following the preliminary investigation, the executive board shall vote on the question of whether a disciplinary hearing should be held. If a majority of the executive board votes to hold a hearing, the member shall be given at least ten (10) days written notice of the hearing.

d. At a disciplinary hearing, the accused member shall have the right to be represented by a person of his or her choice, and shall have the right to question the charges and present evidence and witnesses to support their defense. At the conclusion of the hearing, a two-thirds (2/3) vote of the executive board shall be required for discipline. If a member of the executive board has brought the charges against the member, that board member shall recuse him/herself from the vote.

e. A disciplined member may appeal the decision of the executive board to the membership by requesting a vote at the next regular meeting. A simple majority of the members voting shall be sufficient to overrule the decision of the executive board to discipline.

**Section 4.** A member in good standing is defined as a member who is current in payment of dues to the organization. A member who is more than 30 days delinquent in dues payment shall be considered to be a member in bad standing, and shall be promptly notified of such status. A member shall be removed from membership in this organization, with notice, following three months of dues nonpayment, unless a plan to pay back dues is made and approved by both the Executive Board and the member.

### **Section 5. Associate members:**

a. shall be subject to the approval of the executive board;  
b. shall not be entitled to vote, hold office, or serve on committees;  
c. shall be persons not eligible for full membership in any other AFT local affiliate.

**Section 6.** The executive board shall establish guidelines for retiree membership, dues, and participation in the local in the form of a retiree chapter, in accordance with AFT guidelines.

**AFT constitutional mandate: compliance with LMRDA standards for local elections.**

**Large locals may choose to involve a neutral third party to assist with conducting elections. Contact the AFT for a list of reputable organizations.**

**Define constituencies for VPs.**

**The number of VPs per constituency and/or VPs at large may vary depending on the size of the local.**

**Qualifications to run for office**

**The elections committee has important oversight responsibilities for all elections of union officers, runoffs, recall petitions and amendments to the union's constitution.**

## ARTICLE IV ELECTION OF OFFICERS

**Section 1.** Elections shall be conducted in accordance with the AFT constitution and the standards set out by the Labor-Management Reporting and Disclosure Act (LMRDA).

**Section 2.** Officers shall be elected in \_\_\_\_\_(month) of odd years. Terms of office shall be two years. The organization will elect the following officers:

- a. President
- b. Executive vice president
- c. Secretary
- d. Treasurer
- e. Vice president for [NAME OF CONSTITUENCY]
- f. Vice president for [NAME OF CONSTITUENCY]
- g. Vice president for [NAME OF CONSTITUENCY]
- h. Vice president at large
- i. Vice president at large
- j. Vice president at large

### Section 3. Eligibility for Office

- a. To be eligible for office a person must be a member in good standing of the organization for a period of six months prior to the date of the election.
- b. To be eligible for office as a vice president for a constituency, a person must meet all other qualifications for office under this Article and must be employed in the constituency area for which he or she is seeking office as vice president.

**Section 4.** The elections committee shall conduct all general and special elections and referenda of the organization.

- a. The elections committee shall consist of five members in good standing selected by the representative assembly at its first meeting of the year (operating year determined by the executive board).
- b. Any member of the elections committee nominated for or seeking office must vacate their position and will be replaced by a member nominated by the president and approved by the executive board.

### Section 5. Nominations

- a. Sixty (60) days prior to the date of the election, the elections committee shall notify all members of the opening of nominations for officers, the offices to be filled, the necessary qualifications for nomination and election to such offices, and of the date of the election by first-class U.S. Mail to the members' last known home address.

**Mandatory legal requirement: election notice must be mailed to all members by first class U.S. mail, at least 15 days before the election date**

**Alternative nomination procedure that local may include**

**Voting procedure: mail ballot election**

**Run-off elections**

b. To be nominated for all offices other than vice president for a constituency, a candidate must submit to the elections committee a petition containing the signatures of ten (10) percent of the membership, or twenty-five (25) members, whichever is less. Said petitions must be submitted no later than thirty (30) days following the notice of the opening of nominations.

c. To be nominated as a candidate for the office of vice president for a constituency, a candidate must submit to the elections committee a petition containing the signatures of ten (10) percent of the membership of the constituency for the vice-presidential office the candidate is seeking, or twenty-five (25) members of the constituency, whichever is less. Said petitions must be submitted no later than (30) days following the notice of the opening of nominations.

d. (OPTIONAL) Nominations may also be made from the floor at the membership meeting in (month). Nominations for the office of vice president for a constituency must be made by a member of that constituency for which the vice president serves.

e. Members nominated to run for office must affirmatively accept their nomination.

f. The election committee shall determine whether the nominations were timely and if each nominee is eligible to run for office.

**Section 6.** At least fifteen (15) days prior to the election, the election committee shall notify all members of the election date and the candidates for offices. (NOTE: provided the local has already provided notice by first class U.S. Mail, as required in Section 5, this reminder about the election could be distributed by other means such as, member mailboxes, union bulletin boards, electronic newsletter, email and/or the local's Web site).

**Section 7.** The elections committee shall prepare and send ballots by U.S. Mail to all members in good standing for the proceeding sixty (60) days, in such manner as to ensure the secrecy of the ballot, no later than ten (10) days following the close of nominations. The period between the mailing and return date for the ballots shall be no fewer than twenty (20) calendar days.

**Section 8.** Candidates for the office of vice president of a constituency shall be elected by the membership from the constituency area in which they serve. No member may cast a vote for a vice presidential candidate from another constituency area.

**Section 9.** Candidates for the office of vice president at large shall be elected by the entire membership. In the event that there are more candidates than at-large positions to be filled, the top \_(3)\_ candidates receiving the most votes will be elected and there will be no run-off.

**Section 10.** The ballots shall be tabulated by the elections committee, and a majority of the ballots cast shall determine the outcome of the election. In the absence of a majority, the elections committee shall conduct a run-off election between the two

**Notice requirements must be met for run-off elections**

candidates who have received the most votes for the office in question (except for vice president at large positions). The elections committee shall prepare and send ballots by first-class U.S. Mail to the last known home address of all members who were eligible to vote in the initial election, in such manner as to ensure the secrecy of the ballot. The period between the mailing and return date for the ballot shall be no less than twenty (20) calendar days.

**Election challenges**

**Section 11.** Challenges and objections to the election must be submitted in writing, with a statement of supporting reasons that includes specific facts as well as any documentation, to the elections committee within five (5) days of the count. The elections committee shall issue its written opinion regarding the objections no later than ten (10) days after receipt of such objections.

**Mandatory legal requirement: preservation of election records**

**Section 12.** The election results will be published and distributed to the membership within thirty (30) days of the count. All elections materials, including the ballots, will be kept in a secure location for one (1) year.

**Section 13.** Successful candidates shall assume office within thirty (30) days of the conclusion of the election. [Alternatively, depending on the schedule of membership meetings, the constitution could specify that candidates assume office at the next regularly held membership meeting.]

**Filling vacancies on the Executive Board**

With the exception of the president, or in case of a recall, the executive board will have the power to fill vacancies in its membership until the next general election of officers.

**Recall elections**

**Section 15.** A petition signed by forty-five percent (45%) of the membership, and alleging constitutional violations, fiduciary breaches or acts clearly detrimental to the union, shall be sufficient to require the executive board to vote on whether to conduct a recall election of the officer identified in the petition. The officer subject to recall and any executive board member signing the petition shall not vote on the question of a recall election. If a majority of the executive board approves a recall election, the elections committee shall supervise the recall election.

## **ARTICLE V DUTIES OF OFFICERS**

**Duties of the president**

**Section 1.** The president shall:

- a. be the presiding officer at all meetings of the membership, the executive board and the representative assembly;
- b. shall be an ex-officio member of all standing committees except the elections committee;
- c. shall appoint, with the approval of the executive board, the chairs of all standing and special committees except the elections committee;
- d. shall be the principal executive officer of the organization;
- e. shall receive report and respond to correspondence of the organization;
- f. shall supervise all employees of the organization;
- g. shall be one of the responsible financial officers of the organization

#### **Duties of the executive vice president**

and shall be authorized to co-sign financial instruments and make regular and usual disbursements of funds;

- h. shall represent the organization before bodies of the employer, executive and legislative officials;
- i. shall represent the organization before the public, community organizations, and the news media;
- j. shall be, by office, a delegate to the central labor council, and the state AFL-CIO body;
- k. shall be, by office, a delegate to the convention of the American Federation of Teachers and meetings or conventions of its affiliated bodies;
- l. shall make an annual report to the organization's membership; and
- m. shall be able to delegate the responsibilities of the office except where otherwise specified by the constitution.

#### **Duties of the secretary**

**Section 2.** The executive vice president shall:

- a. assume the duties of the president in the event of the absence, illness, or death of the President;
- b. shall oversee and assist the representatives in their duties;
- c. shall oversee the work of and receive regular reports from the organizing and leadership development committees;
- d. shall perform other duties as delegated by the president or assigned by the executive board; and
- e. shall co-sign financial instruments in the absence of the president or treasurer.

**Merging the offices of the secretary and treasurer may be appropriate for smaller locals or for locals where release time allows for one person to perform both duties.**

#### **Duties of the treasurer**

**Section 3.** The secretary shall:

- a. maintain the non-financial files and records of the organization;
- b. be the custodian of the seal and charter of the organization;
- c. shall record and keep accurate minutes of meetings of the membership, the executive board and the representative assembly;
- d. assist the president in handling the correspondence of the organization;
- e. oversee the work of, and receive and certify the reports of, the elections committee;
- f. perform other duties as delegated by the president, or assigned by the executive board;
- g. perform duties of the office as required by the Labor-Management Reporting and Disclosure Act; and
- h. where appropriate, a local may merge the offices and duties of the secretary and treasurer.

**Section 4.** The treasurer shall:

- a. receive, record and deposit all dues monies and other income in the name of the organization;
- b. maintain accurate membership records;
- c. issue membership cards and notices of delinquency;
- d. be one of the responsible financial officers of the organization and be authorized to co-sign financial instruments and make regular and usual disbursements of funds;
- e. maintain all financial records of the organization;

## Duties of the Vice Presidents

**Locals may define their constituency areas as they see fit. For example, an education local may define one constituency area for teachers and another for PSRPs, a healthcare local may define constituency areas by floors in a hospital or by department, etc.**

## Meetings of the executive board

## Annual budget

- f. arrange for an independent audit of the finances of the organization annually and make same available to the executive board, representative assembly and membership;
- g. transmit per-capita payments on a regular basis to the secretary-treasurer of the American Federation of Teachers and similar officers of all other bodies with which the organization is affiliated;
- h. oversee the work of and receive reports from the finance committee;
- i. perform other duties as delegated by the president or assigned by the executive board;
- j. perform duties of the office as required by the Labor-Management Reporting and Disclosure Act, and the guidelines developed by the AFT; and
- k. where appropriate a local may merge the offices and duties of the secretary and treasurer.

**Section 5.** Each vice president shall serve their own constituency area and the general interest of the union as follows:

- a. The vice president for \_\_\_\_\_ shall represent:
  - (i) [DEFINE THIS VP's CONSTITUENCY AREA HERE] and;
  - (ii) perform other duties as delegated by the president or assigned by the executive board.
- b. The vice president for \_\_\_\_\_ shall represent:
  - (i) [DEFINE THIS VP's CONSTITUENCY AREA HERE]; and
  - (ii) perform other duties as delegated by the president or assigned by the Executive Board.
- c. The vice president for \_\_\_\_\_ shall represent:
  - (i) [DEFINE THIS VP's CONSTITUENCY AREA HERE]; and
  - (ii) perform other duties as delegated by the President or assigned by the executive board.

**Section 6.** The vice presidents at large shall perform duties as delegated by the president or assigned by the executive board.

**Section 7.** All officers shall serve as members of the executive board.

## ARTICLE VI EXECUTIVE BOARD

**Section 1.** The executive board shall meet monthly, or at the call of the president, or at the call of two (2) or more of its members, or at the call of the representative assembly, for the purpose of initiating, overseeing or revising the program of the organization and to conduct other business of the organization that is within its authority. A quorum for the executive board shall be one-half of its members.

**Section 2.** The executive board with the assistance of the treasurer shall prepare and present for approval to the representative assembly an annual budget in the month prior to the beginning of the fiscal year, which shall be established by the executive board.

**Management authority  
for local**

**Section 3.** The executive board shall employ all professional, technical, clerical and support staff of the organization.

**Financial authority**

**Section 4.** The executive board shall establish the salary, benefits and expense guidelines of any general officer who is employed by the organization.

**Section 5.** The executive board shall be empowered to make contracts and incur liabilities including the purchase of services, equipment and real property, to borrow money, to secure such obligations by mortgage or other instrument, and to otherwise engage in financial transactions to the extent permitted by applicable law or statute. The executive board shall have the power to sue, complain and defend on behalf of the membership.

**Committee oversight**

**Section 6.** The executive board shall approve the chairperson and membership of all standing and special committees of the organization, except the elections committee, and receive regular reports from such committees.

**Interpretation and enforcement of constitution**

**Section 7.** The executive board shall be responsible for adherence to and enforcement of the constitution and bylaws of the organization.

**Annual reports**

**Section 8.** The executive board shall issue regular reports, including an annual report, to the representative assembly and the membership.

**Unexcused absences**

**Section 9.** Three unexcused absences from an executive board meeting within a year, counted from the date of assumption of office, shall be grounds for an executive board member's suspension and/or replacement. Pursuant to Article IV, Section 14, the executive board shall have the authority to appoint a member to take the seat of an executive board member who was suspended or replaced under the terms of this section. If the seat of a vice president of a constituency becomes vacant due to unexcused absence, he or she must be replaced by a member from the same constituency.

## **ARTICLE VII COMMITTEES**

**Standing committees**

**Section 1.** The standing committees of the organization shall be:

- a. Member benefits
- b. Contract development
- c. Elections
- d. Finance
- e. Grievance
- f. Leadership development
- g. Legislation
- h. Organizing
- i. Political education
- j. Professional development
- k. Publications

**Not every committee is  
needed by every local.  
Pick the committees that  
are appropriate for your  
local, based on your fo-  
cus, resources and level of  
member participation.**



## Special committees

### 1. Social

**Section 2.** The executive board, either on its own initiative, or at the direction of the Representative Assembly, may establish special committees.

**Section 3.** The president, with the approval of the executive board, shall appoint all committee chairs and committee members.

**Section 4.** Each committee shall present its annual program of action to the executive board and the representative assembly.

## Member benefits committee

**Section 5.** The member benefits committee shall be responsible for identifying, implementing and administering programs of insurance, purchase, travel and welfare that are of advantage to the membership.

## Contract committee

**Section 6.** The contract development committee shall conduct research, surveys, hearings and other activities that assist the organization in its collective bargaining, or similar, programs.

## Elections committee

**Section 7.** The elections committee shall conduct and supervise all elections of the organization.

## Finance committee

**Section 8.** The finance committee shall assist the executive board in the preparation of the annual budget and shall identify and, with the approval of the executive board, pursue activities to generate revenues for the good and welfare of the organization.

## Grievance committee

## Appealing grievance committee decisions

**Section 9.** The grievance committee shall work with the officers in the resolution of contractual and noncontractual disputes in the workplace; shall maintain records of grievances and their disposition; and shall be responsible for the processing of grievances and disputes beyond the immediate work location. The grievant may appeal these last decisions to the executive board. The executive board shall develop and adopt a policy that governs how it shall approach grievances not referred to arbitration, as well as other litigation and/or administrative appeals. The grievance committee shall follow this policy.

## Leadership committee

**Section 10.** The leadership development committee shall identify the organizational, education and training needs of the organization's officers, representatives, committee members, staff and membership, and develop or locate the resources needed to meet those needs.

## Legislation committee

**Section 11.** The legislation committee shall be responsible for monitoring government actions that may affect the membership and develop appropriate responses to such action in cooperation with affiliated organizations.

## Organizing committee

**Section 12.** The organizing committee shall assist the representative assembly in developing programs and activities that shall cause all eligible persons to join and participate in the organization.

## Committee on political education (COPE)



**Professional development committee**

**Publications committee**

**Social committee**

**May also be called “stewards council” by some locals**

**Legislative authority**

**The “work location” may be a school, college department, healthcare floor, agency office, field facility, etc. It should be specified in subsection a. of the clause.**

**Election of representatives**

**Elections are specific to each worksite**

**Elections of representatives can be conducted at the worksite**

**Section 13.** The committee on political education shall secure voluntary contributions to support the political work of the organization; screen and recommend endorsement of candidates for local, state and federal office to the representative assembly; educate members on the issues of importance to the organization, its membership and clients; and develop programs to promote voter registration and to support the election of candidates who support the interests of the organization, its membership and the people they serve.

**Section 14.** The professional development committee shall identify the professional and work-related educational and training needs of the membership and develop programs and activities that meet said needs, taking into consideration the resources of the state and national affiliates.

**Section 15.** The publications committee shall design, produce and distribute regular communication to the membership; a regular bulletin for officers, representatives and committee chairs; and other material for the organization as necessary.

**Section 16.** The social committee shall conduct activities that promote the social well-being of the membership, are attractive to potential members and promote community among organized labor and in the society at large.

## **ARTICLE VIII REPRESENTATIVE ASSEMBLY**

**Section 1.** The legislative power of the organization shall be vested in the representative assembly, consisting of members of the organization in specific constituencies as follows:

- a. There shall be elected one representative for each specific work location;
- b. Work locations with more than fifty (50) members will be additionally represented by an assistant representative, with full rights and duties of office. For each additional fifty (50) members or major fraction thereof at the work location, another assistant representative shall be elected.
- c. For members not assigned to a specific worksite, the executive board shall designate appropriate electoral units with the same representation formula as in (b).
- d. Supervision of representative elections – The elections committee shall:
  - (i) notify members of vacancies in worksite representative positions;
  - (ii) receive nomination petitions with no less than ten (10) percent of members of the affected worksite as signatories; said petitions must be received no later than thirty (30) days following the opening of nominations;
  - (iii) prepare and distribute ballots to all members in good standing and conduct elections so as to ensure the secrecy of the ballot;
  - (iv) count the valid ballots; the majority of ballots cast shall determine the outcome of the election; in the absence of a majority for any candidate, the elections committee shall conduct a run-off election in accordance with subsection (iii);
  - (v) settle challenges and objections according to the procedures outlined in Article IV, Section 11;

## Recall of representatives

(vi) direct successful candidates to assume office within thirty (30) days of the conclusion of the election; and

(vii) conduct recall elections for a representative if a majority of the executive board approves a recall election. A petition signed by forty-five percent (45%) of the membership at the affected worksite and alleging constitutional violations, failure to enforce the collective bargaining agreement or failure to adequately represent the interests of members, shall be sufficient to require the executive board to vote on whether to conduct a recall election of the representative.

## Responsibilities of the representative assembly

**Section 2.** The representative assembly shall meet monthly for the purpose of establishing the policies of the organization; receive and review the reports of the president, executive board and committees; review and approve the budget submitted by the executive board; taking appropriate action as specified in the constitution; and initiate and take other such actions as the body deems necessary. A majority of its members shall be a quorum for the representative assembly.

**Section 3.** The representative assembly may be called into special session at the discretion of the executive board or upon the presentation of a valid petition of twenty-five (25) percent of the representatives to the secretary of this organization.

**Section 4.** The president shall be the presiding officer of the representative assembly but may vote only in the event of a tie.

## ARTICLE IX DUTIES OF REPRESENTATIVES

**Section 1.** Representatives shall:

- a. attend all regular and special meetings of the representative assembly and all meetings of the general membership;
- b. hold regular meetings of the membership at the worksite, or other appropriate place, for the purpose of making reports, discussing workplace and organizational concerns, receiving instruction from the membership, and other activities as may be required;
- c. recruit eligible persons to membership;
- d. process grievances and resolve disputes at the worksite or other appropriate location; and
- e. consult regularly with the employer's management personnel at the worksite regarding matters of interest to the union membership.

**Section 2.** Assistant representatives shall:

- a. attend all regular and special meetings of the representative assembly;
- b. assist the representative in the conduct of all meetings; and
- c. serve in place of the representative in the event of illness or absence.

## Representatives are responsible for organizing and addressing member issues at the worksite

**Advance notice of membership meetings**

## **ARTICLE X MEMBERSHIP MEETINGS**

**Section 1.** The executive board shall determine the time and place and give thirty (30) days notice of any general membership meeting.

**Section 2.** Special meetings of the membership may be called by:

- the representative assembly or
- the petition of thirty percent (30%) of the members.

## **ARTICLE XI REVENUES**

**AFT constitutional mandate: Dues provision must include “pass through” language**

**Section 1.** The dues of this organization shall be \_\_\_\_ percent of salary, plus the prevailing per capita amounts for the AFT, state federation, and AFL-CIO local and state affiliates, and insurance premiums. Whenever the dues of a required affiliate increases, the dues of the local shall automatically and simultaneously increase by the same amount.

**Special assessments**

**Section 2.** Special assessments for specific purposes may be levied by the executive board provided that the actions required for a referendum have not been initiated within thirty (30) days of the decision of the executive board.

**Agency fee provision**

**Section 3.** The local union will be responsible for collecting agency fee and shall adopt procedures consistent with local, state and federal law and Article VIII, Sections 1 (a) – (d), of the AFT bylaws. (This section should only be added in jurisdictions in which agency fee is available by statute or has been negotiated with the employer.)

## **ARTICLE XII AFFILIATIONS**

**Mandatory affiliations and election of delegates to the AFT and State Federation conventions**

This organization shall maintain affiliation with the following organizations:

a. The American Federation of Teachers, AFL-CIO. Whenever possible, (organization name) will send delegates to the AFT’s convention. The delegates will be elected by procedures consistent with Article IV of this constitution.

b. The appropriate state federation of the American Federation of Teachers, AFL-CIO. Whenever possible, the union will send delegates to the state federation’s convention. Delegates will be elected by procedures consistent with Article IV of this constitution.

**AFL-CIO (State)**

c. The state American Federation of Labor-Congress of Industrial Organizations.

**AFL-CIO (CLC)**

d. The appropriate central labor council(s) of the American Federation of Labor-Congress of Industrial Organizations.

Rules of procedure

**ARTICLE XIII**  
**RULES OF ORDER**

*Robert's Rules of Order Newly Revised* shall govern this organization and all of its subordinate bodies in all matters not expressly covered by this constitution or the bylaws of this organization.

Procedures for amending the Constitution

**ARTICLE XIV**  
**AMENDMENT**

**Section 1.** Thirty percent (30%) of the membership, or representatives of 30 percent thereof, may present, by petition, a proposed amendment to this constitution to the secretary, who shall notify the representatives of the proposed amendment no later than thirty (30) days prior to the next meeting of the representative assembly. Alternatively, a majority of the executive board may vote to present a proposed amendment to the representatives at the next meeting of the representative assembly. A copy of the proposed amendment, along with an explanation of said amendment, shall be distributed to all representatives a reasonable time prior to the representative assembly meeting at which the amendment will be introduced and discussed.

**Section 2.** The representative assembly shall vote on all amendments to the constitution.

Option to have a special meeting to vote on proposed amendment in between monthly meetings

a. Following the meeting of the representative assembly at which the proposed amendment was introduced, the election committee will hold a (secret ballot) vote on the amendment at the next meeting of the representative assembly.

b. (OPTIONAL) In the alternative, following the meeting of the representative assembly at which the proposed amendment was introduced, a special representative assembly meeting for the purpose of voting on the proposed amendment may be called by the executive board.

c. The elections committee will tally the results. Two-thirds (2/3) of the Representatives present shall be required for passage of the amendment.

Copy of constitution provided to AFT

**ARTICLE XV**  
**AVAILABILITY OF THE CONSTITUTION**

**Section 1.** Three copies of this constitution and all subsequent amendments shall be submitted to the office of the secretary-treasurer of the American Federation of Teachers.

**Section 2.** One copy shall be sent to the similar officer of each organization with which this organization is affiliated.

Available to all members

**Section 3.** The secretary shall make available upon request a copy to any member of the organization.

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## Appendices



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# Appendix A

## SAMPLE BANK STATEMENT

**Sample Employees' Federation**  
**123 Union Street**  
**Anytown, US 00000**

**Statement Date**  
07/31/04

**Account Number:**  
8098-40632-201

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Balance as of 06/30/04	\$ 2,603.98
Add: Total Credits (Deposits)	\$ 1,470.00
Less: Total Debits (Checks and Other Charges)	\$ 1,391.25
Balance as of 07/31/04	\$ 2,682.73

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Date	Transaction	Amount	Balance
07/05/04	Deposit	1,250.00	3,853.98
7/7/2004	Check 223	-350.00	3,503.98
7/7/2004	Check 224	-99.75	3,404.23
7/9/2004	Check 220	-25.00	3,379.23
7/18/2004	Deposit	210.00	3,589.23
7/19/2004	Deposit Correction	10.00	3,599.23
7/20/2004	Check 225	-482.50	3,116.73
7/20/2004	Check 226	-400.00	2,716.73
7/25/2004	Customer Check Order	-34.00	2,682.73

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### Checks Cleared

220	25.00
*223	350.00
224	99.75
225	482.50
226	400.00

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## Appendix B

SAMPLE EMPLOYEES' FEDERATION  
CASH RECEIPTS JOURNAL  
JULY 2004

Date	Payee	Amount	Dues	Legal Defense	Promo Sales	Interest	Other
7/5/2004	Sample ISD	1,250.00	1,250.00				
7/18/2004	Robert Smith	25.00	25.00				
7/18/2004	Mary Jones	25.00	25.00				
7/18/2004	Carla Webster	50.00	50.00				
7/18/2004	T-Shirt Sales	110.00			110.00		
July Totals		1,460.00	1,350.00	0.00	110.00	0.00	0.00

## Appendix C

SAMPLE EMPLOYEES' FEDERATION  
CASH DISBURSEMENT JOURNAL  
JULY 2004

Date	Payee	Ck No.	Amount	Per Capita	Rent	Telephone	Office Supplies	Postage	Meetings	Other
7/1/2004	ABC Realty	223	350.00		350.00					
7/1/2004	Telephone Co.	224	99.75			99.75				
7/10/2004	AFT	225	482.50	482.50						
7/15/2004	State Fed	226	400.00	400.00						
7/28/2004	Holiday Inn	227	75.00						75.00	
7/28/2004	US Postmaster	228	58.00					58.00		
July Totals			1,407.25	882.50	350.00	99.75	0.00	58.00	75.00	0.00

## Appendix D

**SAMPLE EMPLOYEES' FEDERATION  
BALANCE SHEET  
JUNE 30, 2008**

**ASSETS**

Cash, Checking Account	1,835.26
Cash, Savings Account	<u>2,721.58</u>
<b>TOTAL ASSETS</b>	<u><u>4,556.84</u></u>

**LIABILITIES**

Accounts Payable	0.00
<b>TOTAL LIABILITIES</b>	0.00

**NET ASSETS**

Fund Balance, July 1, 2004	1,744.84
Changes in Net Assets	<u>2,812.00</u>
<b>TOTAL NET ASSETS</b>	4,556.84
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>4,556.84</u></u>



## Appendix E

SAMPLE EMPLOYEES' FEDERATION  
STATEMENT OF INCOME AND EXPENDITURES  
JULY 1, 2007, TO JUNE 30, 2008

INCOME

Dues From Members	\$ 79,881.00
Legal Defense Assistance	500.00
Promotional Sales	750.00
Interest Income	<u>200.00</u>
TOTAL INCOME	<u><u>81,331.00</u></u>

EXPENDITURES

AFFILIATIONS

AFT Per Capita and Insurance	24,705.00
State Federation Per Capita	21,375.00
State AFL-CIO Per Capita	1,500.00
Central Labor Council Per Capita	<u>750.00</u>

TOTAL AFFILIATIONS 48,330.00

ORGANIZING AND SERVICE

Legal Defense of Members	1,500.00
Membership Recruitment	4,000.00
Monthly Newsletter	9,000.00
Promotional Supplies	<u>500.00</u>

TOTAL ORG AND SERVICE 15,000.00

GOVERNANCE AND ADMINISTRATION

Conferences/Conventions	3,000.00
Membership Meetings	800.00
Rent	3,600.00
Telephone	1,272.00
Office Supplies	2,000.00
Equipment	<u>4,517.00</u>

TOTAL GOVERNANCE AND ADMIN 15,189.00

TOTAL EXPENDITURES 78,519.00

CHANGES IN NET ASSETS 2,812.00

NET ASSETS AT BEGINNING OF YEAR 1,744.84

NET ASSETS AT END OF YEAR \$ 4,556.84



*A Union of Professionals*

American Federation of Teachers, AFL-CIO  
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Washington, DC 20001  
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