

AFT New Jersey

Financial Policies and Procedures Manual



AFT New Jersey Delegate Assembly Meeting
June 27, 2016

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Introduction

This Policies and Procedures Manual is intended to provide an overview of the accounting and financial policies and procedures applicable to AFT New Jersey, which shall be referred to as "AFTNJ" throughout this manual. Its primary purpose is to formalize accounting policies and procedures for the AFTNJ Financial Department and to document internal controls and best practices.

All AFTNJ officers, delegates, committee chairs, committee members, service providers, vendors, independent contractors, and employees are bound by the policies and procedures herein, and any deviation from established policy is prohibited.

If Anything in this manual conflicts with any provisions in the Collective Bargaining Agreement between AFTNJ and OPEIU Local 32, the provisions of the CBA will prevail.

AFTNJ is recognized as an IRC Section 501(c)(5) as defined by the Internal Revenue Service

Effective Date

The effective date of all financial policies and procedures described in this manual is February 1, 2016. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

Conflict and Interpretation

The Financial Policies and Procedures Manual is intended to comply with the AFT New Jersey constitution and bylaws, AFT Constitution and Bylaws, AFT Policies and Procedures, Department of Labor and Internal Revenue Service guidelines and requirements, and Generally Accepted Accounting Procedures (GAAP). The AFT New Jersey Executive Board shall decide all interpretations of the Accounting Policies and Procedures Manual.

Policy Manual Changes

The AFT New Jersey Delegate Assembly shall initially authorize and shall authorize all future revisions of the AFT New Jersey Accounting Policy and Procedures Manual.

Fiscal Year and Dues Year

The AFTNJ fiscal year shall be July 1st through June 30th. The AFTNJ Dues Year will be January 1st through December 31st.

Financial Department Overview

The AFTNJ Financial Department manages and facilitates all financial activities for AFTNJ. Although specific duties, tasks, or activities may be the responsibility of others, the AFTNJ Treasurer is ultimately responsible for the financial health and well-being of AFTNJ.

The positions comprising the Financial Department of AFTNJ are as follows:

Treasurer
Confidential Financial Assistant
Confidential Bank Statement Reconciler

Other officers and bodies of AFTNJ who have financial responsibilities are as follows:

The President
Executive Officers
Executive Board
Delegate Assembly
Budget Committee
Internal Audit Committee
Legal Defense Fund Committee

Responsibilities

The primary responsibilities of the Financial Department consist of:

- Accounts Payable
- Accounts Receivable and Billing
- Asset Management
- Bank Reconciliation
- Budgeting
- Cash and Investment Management
- Compliance with all Governmental Reporting Requirements
- Employee Benefits when applicable
- External Reporting of Financial Information
- Financial Statement Processing
- General Ledger
- Internal Reporting of Financial Information
- Journal Entries
- Maintenance of Financial Records
- Maintenance of Membership Data
- Payroll
- Purchasing

Financial Management and Security Policies

Budgeting

Preparation and Adoption

It is the policy of AFTNJ to prepare an Annual Operating Budget using the cash basis of accounting. To prepare the operating budget, the Treasurer shall gather proposed budget requests from all those with any budgetary responsibilities. Budgetary requests proposed and submitted to the Treasurer should be accompanied by an explanation of the sources and uses of the funds requested and explain all material fluctuations in budgeted amounts from prior years. In addition, all budgetary requests should be forwarded to the Treasurer no later than March 31st of each year.

At this point, the Treasurer will prepare a Proposed Operating Budget and will submit same to the AFTNJ Budget Committee for consideration. The AFTNJ Budget Committee will review the proposed operating budget and shall have the authority to make any modifications it deems necessary. Once a consensus is reached by the Budget Committee, the proposed operating budget (either as originally submitted to the Budget Committee or as modified by the Budget Committee, whichever is applicable) will be forward to the members of the AFTNJ Delegate Assembly (with the Budget Committees recommendation for adoption) for consideration at the June Delegate Assembly Meeting.

AFTNJ will make every effort to forward the Proposed Operating Budget to the members of the Delegate Assembly in as timely a manner as possible.

Monitoring Performance

It is the policy of AFTNJ to monitor its financial performance by comparing and analyzing actual results against budgeted amounts. This function shall be accomplished by the AFTNJ Budget Committee, which shall meet prior to all regularly scheduled Delegate Assembly Meetings.

Budget Modifications

After a budget has been approved by the AFTNJ Delegate Assembly, It can only be modified by the Delegate Assembly. Proposed modifications can be the result of the will of the Delegate Assembly or recommendations made by the AFTNJ Budget Committee.

Restricted Funds

Divisional Reserves – on June 30th of each year, the amount of funds left in the Operating Budget for both the Higher Ed Division and the PK-12 Division will be transferred to their respective Reserve Accounts

Legal Defense Fund – On July 1st of each year, \$50,000.00 will be transferred from Unrestricted Funds to the Legal Defense Fund

General Ledger and Chart of Accounts

Overview

General Ledger

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of AFTNJ, and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Chart of Accounts

The chart of accounts is the framework for the general ledger system, and therefore the basis for AFTNJ's accounting system. The chart of accounts consists of account titles and account numbers assigned to these titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, revenue, expense and gain and loss account. For the purposes of this manual, only four of the six categories stated above will be enumerated and referred to as AFTNJ's Working Chart of Accounts.

AFTNJ's Working Chart of Accounts is comprised of four types of accounts:

1. Assets
2. Liabilities
3. Revenues
4. Expenses

Each account number shall include a Four-digit functional account number, and a Two-digit suffix.

Control of Chart of Accounts

AFTNJ's chart of accounts shall be maintained and controlled by the Treasurer and, modified or revised as the Treasurer deems necessary.

Segregation of Duties

Overview

The concept of Segregation (or Separation) of Duties is to separate the major responsibilities of authorizing transactions, recording of transactions, reconciliation of transactions, and distribution of checks. In other words, no one individual should have the responsibility to complete more than one of these responsibilities.

Policy

It is the policy of AFTNJ to follow the Generally Accepted Accounting Practice of “Segregation or Separation of Duties” by designating specific individuals to perform the following duties:

1. Authorizers – President, Treasurer, Secretary
2. Recorder – Confidential Financial Assistant
3. Reconciler – Confidential Bank Statement Reconciler
4. Distributor – Confidential Assistant to the President

Capitalization Policy

Overview

Physical assets acquired with unit costs equal to or greater than \$2,000.00 are capitalized as fixed assets. Items with unit costs below this threshold shall be expensed in the year purchased. Capitalized fixed assets are accounted for at their historical cost and all such assets are subject to depreciation over their estimated useful lives, as determined by the AFTNJ Independent Auditor. All capitalized assets are maintained in special account groups and are not to be included as an operating expense.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by the AFTNJ Treasurer. This physical inventory shall be reconciled to the property log and adjustments made as necessary. The AFTNJ Treasurer will approve all adjustments resulting from this reconciliation.

Repairs of Fixed Assets

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Credit Card Policy

Overview

It is the policy of AFTNJ to maintain a credit card account. There shall be three sub-accounts (cards) for this account. The President, Confidential Assistant to The President, and the Treasurer shall each possess and be responsible for each of these three cards/accounts.

Guidelines

1. The AFTNJ President will have ultimate control over the distribution and usage of company credit cards.
2. Company credit cards are to be used for authorized business expense only. The responsibility is on the individual card holders to adhere to this policy and immediately notify, and reimburse AFTNJ for any inadvertent or pro-rata personal use (i.e. Where certain costs are business related, such as the charging of a business meal that may involve non-business guests).
3. The issuer will be required to provide all documentation and supporting material for any and all charges to their sub-account. The reporting of credit card charges should be made on a timely basis to the AFTNJ financial department.
4. Any non-compliance with these policies may result in the revocation of the individual's credit card.

Compliance with Laws, Regulations and Union Policies

AFTNJ will not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by any officer, delegate, member, service provider, vendor, consultant, contractor, funding source, employee, and/or any other party with a business relationship with AFTNJ; nor does AFTNJ tolerate the disregard or circumvention of AFTNJ policy or engagement in unscrupulous dealings. AFTNJ officers, delegates, members, service providers, vendors, consultants, contractors, funding sources, employees, and/or any other parties with a business relationship with AFTNJ should not attempt to accomplish, by any means, agents or intermediaries, that which is directly forbidden.

Security

Overview

It is the policy of AFTNJ that the corporate seal, blank check stock, deposit slips, petty cash, and any and all documents, reports, or materials deemed "sensitive" by the President or Treasurer shall be stored in a locked, fireproof file cabinet, storage cabinet, or off-site storage facility. Access to the aforementioned shall be limited to the AFTNJ President, Treasurer, Confidential Assistant to the President and the Confidential Financial Assistant.

Electronic Financial Data

Access to Electronic Financial data

It is the policy of AFTNJ to utilize passwords to restrict access to accounting software and data. Only the President, Treasurer, Confidential Financial Assistant, Confidential Bank Statement Reconciler, Independent Auditor, and Chairperson of the Internal Audit Committee will be assigned passwords that allow access to the system.

The above-mentioned are expected to keep their passwords confidential. Administration of passwords shall be performed by the Treasurer. Each password shall enable the user to gain access to only that software and data necessary for each individual's required duties.

Storage of Electronic Financial data

It is the policy of AFTNJ to maintain back-up copies of electronic data both off-site in a secure, fire-protected environment and electronically. Access to this data shall be limited to the President and Treasurer.

AFTNJ Property

Overview

It is the policy of AFTNJ that any officer, employee, or member who is in possession of AFTNJ property shall sign a Receipt of Company Property form, as completed by the AFTNJ Treasurer. Individuals will be responsible for returning said property to the Treasurer, in good working order, upon the completion of their tenure with AFTNJ, or when the property is no longer necessary for the completion of their assigned duties and tasks, as decided by the AFTNJ President. Failure to do so may result in the individual being responsible for reimbursing AFTNJ for the replacement cost of said property. **See Appendix 1**

Insurance

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of AFTNJ. It is the policy of AFTNJ to maintain adequate insurance in the areas of Workman's Compensation, Theft/Fraud, Commercial Property and General Liability.

Workers' Compensation and Employer's Liability

All officers and staff receiving a salary, hourly wage, or annual stipend shall be covered by the employer under the provisions of the New Jersey Workers' Compensation Law. AFTNJ shall maintain a general liability insurance policy covering employees while engaged in the performance of their duties in an amount consistent with the provisions of the Collective Bargaining Agreement between AFTNJ and OPEIU Local 32.

Theft/Fraud - Fidelity Bond

The United States Department of Labor and the American Federation of Teachers require that state and local affiliates purchase a Fidelity Insurance Bond, which covers officers, staff, and members who are responsible for the handling of the organization's money.

AFTNJ shall purchase a Fidelity Insurance Bond through the American Federation of Teachers, at the coverage level of \$500,000.00, and will renew this bond on an annual basis as required.

Commercial Property

Commercial Property Insurance covers Business Personal Property (\$100,000) including theft, Systems Breakdown (\$100,000) including theft, and Valuable Papers (\$25,000) including theft.

General Liability

General Liability Insurance coverage limits are \$500,000 for Each Occurrence with a General Aggregate of \$1,000,000. The number of possible scenarios that could fall under General Liability are far too vast to list.

Revenues and Cash Receipts Policies

Revenue

Classification

It is the policy of AFTNJ that all Income shall be allocated into one of the five following classifications:

1. Operating
 - a. Operating Account
 - b. Payroll Account
 - c. Employee Dental Account
 - d. Petty Cash
2. Restricted Reserves
 - a. PK-12 Division Reserves
 - b. Higher Ed Division Reserves
 - c. Retiree Reserve
 - d. Vacation/Severance Reserve
3. Restricted Funds
 - a. Disaster Relief Fund
 - b. Legal Defense Fund
 - c. Solidarity Fund
 - d. Solidarity Fund Holding
4. Investments
 - a. Certificates of Deposit
5. Unrestricted Reserves

Authority

The AFTNJ Executive Board shall have the authority to direct the Treasurer to open or close accounts owned by AFTNJ at any and all financial institutions.

Operating Account

The operating account provides for routine business check disbursements. All income (except for Solidarity Funds and Investments) shall be deposited to this account.

Payroll Account

The payroll account is separate from the operating account. Only the amount needed to cover two payroll periods (including Processing Fees and Workman's Compensation Premiums) shall be transferred into this account from the operating account.

Restricted Reserve Accounts

Restricted Reserve Accounts contain funds that are not associated with the Operating Budget but have been earmarked by AFTNJ for specific usage (by the Delegate Assembly) on an as-needed basis.

Restricted Fund Accounts

Restricted Fund Accounts contain funds that are not associated with the Operating Budget but have been earmarked for specific usage (by the Delegate Assembly) on an on-going basis.

Investments

Investments consist of interest from all AFTNJ Certificates of Deposit.

Unrestricted Reserve Accounts

Unrestricted Reserve Accounts contain surplus funds from previous fiscal years that have not been restricted for any specific usage.

Petty Cash

It is the policy of AFTNJ to provide Petty Cash funds (used for payment of minor office expenditures) only for valid transactions and to periodically replenish these funds up to its authorized balance of \$100. Receipts are required for all disbursements from petty cash.

Investments

Overview

It is the policy of AFTNJ to treat all assets, including those funds that are legally unrestricted, as though they are held by AFTNJ in a fiduciary capacity for the purpose of accomplishing the Union's tax-exempt mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards of AFTNJ shall be those of a prudent investor.

Investment Objectives

AFTNJ's investment objectives are the preservation and protection of the Union's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

Investments of AFTNJ shall be made exclusively with Federally-Insured Certificates of Deposit, not to exceed \$250,000, including interest, at commercial banks or savings and loan institutions.

Timeliness of Deposits

Deposits will be made within five (5) business days of receipt of funds.

Transfers of Funds

It is not the policy of AFTNJ to conduct Wire Transfers, unless the transfer of funds is between two accounts held at the same financial institution (Internal Transfer) or unless a financial institution is outside the state of New Jersey. Internal transfers of funds shall be performed by the AFTNJ Treasurer, as required.

Expenditure and Disbursement Policies

Overview

It is the policy of AFTNJ to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment.

Pre-Approval of Expenditures

It is the policy of AFTNJ that all officers, members, and employees shall obtain the appropriate pre-approval of expenditures using the Pre-Approval Request Form. **See Appendix 2**

Authorization of Expenditures

It is the policy of AFTNJ that the following hierarchy be followed in regard to expenditures and purchases:

1. The President shall approve all budgeted expenditures/purchases.
2. The President shall approve all non-budgeted expenditures/purchases no greater than \$1,500.00.
3. The Budget Committee shall approve all non-budgeted expenditures/purchases greater than \$1,500.00 and less than \$2,000.00
4. The Executive Board shall approve all non-budgeted expenditures/purchases greater than \$2,000.00 and less than \$10,000.00 after consideration by the Budget Committee.
5. The Delegate Assembly shall approve all non-budgeted expenditures greater than \$10,000.00 after consideration by the Budget Committee

Emergencies

In the event that equipment, materials, parts, supplies and/or services are needed to insure the non-interruption of the business of AFTNJ and the need is such that time does not allow for the appropriate hierarchy to be followed, the President and Treasurer may authorize such expenditures, with the understanding that a full report of the expenditure and emergent conditions will be made (by the President and Treasurer) to the appropriate body within five (5) working days of the expenditure

Cash Disbursements (Check Writing) Policies

Check Preparation, Signing, and Distribution

It is the policy of AFTNJ to print vendor checks and expense reimbursement checks on an as-needed basis. Checks shall be prepared by the Confidential Financial Assistant.

All checks shall be produced in accordance with the following guidelines:

1. Expenditures must adhere to the policies and procedures in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within [30 days] of submitting a proper invoice upon delivery of the requested goods or services
4. Total cash requirements associated with each check run is monitored by the Treasurer in conjunction with available cash balance in the appropriate bank account prior to the release of any checks
5. All supporting documentation shall be attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order.
7. Checks shall never be made payable to "bearer" or "cash"
8. Checks shall never be signed prior to being prepared
9. All check signatures shall be live (no stamps)
10. The President, Treasurer, and Secretary shall be authorized signers on all bank accounts and investments.
11. All checks require two signatures.
12. The Treasurer and the President shall sign all checks. If either the President or Treasurer will not be available for any extended period of time (vacation, illness, vacancy of office, etc.) or a delay in distributing the check may result in a disruption of AFTNJ's financial operations, the Secretary shall serve as the second signer

13. The Treasurer will examine all original supporting documentation to ensure that each check is supported by the proper documentation prior to signing.
14. After signature, all checks are forwarded to the Confidential Assistant to the President for distribution. Individuals, who authorize expenditures, prepare checks, or record journal entries shall not distribute checks. This includes payroll checks.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of account reconciliations. Stop Payment Orders may be made for checks lost in the mail or other valid reasons. The Treasurer shall facilitate all Stop Payment Orders. A journal entry is made to record the stop payment and any related bank fees.

Endorsement of Checks

It is the policy of AFTNJ that all checks received that are payable to AFTNJ shall immediately be restrictively endorsed. The restrictive endorsement shall include the following information:

1. For Deposit Only
2. AFT New Jersey
3. Bank Account Number of account the check is being deposited into.

Stale Checks

It is the policy of AFTNJ to void checks that are more than 6 months old that have not cleared the appropriate bank account. All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks voided in fiscal years subsequent to the year in which the check was written, the credit shall be as directed by the Independent Auditor.

Accounts Payable

It is the policy of AFTNJ that all invoices received shall be:

1. Stamped with the date the invoice was received.
2. Forwarded to the Confidential Financial Assistant for processing.
3. Approved by the appropriate individual or group.

All invoices shall be fully processed for payment within five (5) working days of receipt.

Staff Expense Reimbursement

Reimbursements for work related expenses (i.e. mileage, gas, tolls, parking, food, or other approved costs/expenses) and CBA Provisions will be made only upon the receipt of a properly approved and completed Staff Expense Reimbursement Form. All receipts must be attached along with a Weekly Mileage Report, when applicable. Staff Expense Reimbursement Forms must be submitted no later than the 15th day of the month following the month expenses are being reimbursed for. See Appendix 3, 4, and 5

Officer and Member Expense Reimbursement

The following pertains to properly approved expenses relating to Conferences, Conventions, Seminars, Workshops, and Meetings

1. All expenses must be pre-approved by the appropriate individual or group.
2. Expense Reimbursement Forms must be submitted within 30 days of the conclusion of the event. However, Expense Reimbursement Forms must be submitted in the same fiscal year in which the expenses were incurred.
3. Expense Reimbursement Forms must be properly and fully completed and accompanied by original receipts, except for Daily Tips and Mileage.
4. Meal Expenses - Meal expenses must be accompanied by an itemized receipt. The actual cost of meals (including tips) will be reimbursed up to \$75 per day. A register/computer receipt that has the Vendor's name and date imprinted on it with an itemized food/beverage list must be submitted. No other types of receipts will be accepted. If a meal is provided during the meeting or event, the receipt for that meal will not be reimbursed. The \$75 per diem will be broken down into the following amounts: Breakfast \$12, Lunch \$18 and Dinner \$45. If a meal is charged to a hotel room or credit card, a receipt (as described above) must still be submitted.
5. In State Travel - For In-State travel, the acceptable modes of transportation shall be train, bus or automobile. Reimbursement for using automobiles shall be for mileage, parking, and tolls. Gas purchases will not be reimbursed. The cost of a rental car will not be reimbursed.
6. Out-Of-State Travel - the acceptable modes of travel will be commercial airline, train, bus, or automobile. Air travel must be at coach class. First class air travel shall not be reimbursed unless there is a documented medical reason. The specific mode of transportation and cost must be pre-approved by the AFT New Jersey President or Designee. A receipt from the carrier (i.e. United Airline, Amtrak, Greyhound, etc.) must be submitted for any and all Air, Train, or Bus Travel. No other types of receipts will be

accepted. Memberships in airline flight clubs are not reimbursable. Cost of flight insurance is not reimbursable. Costs of upgrades are not reimbursable. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.)

7. Transportation To and From Airport/Train Station - Taxi and/or Bus Fare to and from the airport/train station, or mileage to and from airport/train station parking will be reimbursed.
8. Automobile Travel - Automobile mileage shall be reimbursed at the standard federal rates currently in effect, as published each year by the IRS. Parking and road tolls will be reimbursed with proper documentation. When calculating mileage, the number of mileage actually traveled must be included in the Expense Reimbursement Form.
9. HOTEL: AFT New Jersey shall reimburse for daily room charges, applicable taxes/fees, and internet fees (for the approved number of nights). AFT New Jersey shall not reimburse for all other incidental charges (i.e. health club, movies, laundry, newspapers, etc.). Suites and other upgraded rooms at hotels shall not be allowed; Travelers should stay in standard rooms unless the upgrade does not cause additional expense.
10. DAILY TIPS: Non-Receipted Tips will be reimbursed up to \$5.00 per day.
11. AFT NEW JERSEY MEETINGS: Committee Members (including ex-officio members) shall be reimbursed for travel (mileage, tolls, parking) to and from Committee Meetings. This also pertains to Executive Board Members attending Executive Board Meetings. AFT New Jersey will not reimburse travel expenses to anyone for attending Delegate Assembly Meetings.
12. Advanced Reimbursement for any expense will not be permitted. Car Rentals will not be reimbursed
13. Only one Expense Reimbursement Form should be prepared for each trip.
14. Any expense that is not accompanied by proper documentation will be deducted from the total due to the individual. The individual may produce proper documentation at a later time for reimbursement.

See Appendix 6

Payroll

Classification of Workers as Independent Contractors or Employees

It is the policy of AFTNJ that persons hired as Employees or engaged as Independent Contractors shall be governed by current IRS definitions and regulations.

Changes in Payroll Data

It is the policy of AFTNJ that all of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and/or hourly rates
4. Payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

Written authorization shall be a letter (on AFTNJ stationary) signed by both the President and Treasurer.

The individual employee shall authorize voluntary payroll deductions and changes in income tax withholding status in writing.

Documentation of all changes in payroll data shall be maintained By the AFTNJ Treasurer

Payroll Taxes

The Financial Department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Financial Department may utilize the services of an outside payroll service for the processing of payroll, as determined by The AFTNJ Executive Board

Review of Payroll

The Treasurer shall review all payroll reports (pay period, quarterly, and annual) within one week of the end of the period for a specific report.

Time Sheets

All Part Time employees of AFTNJ shall complete a weekly time sheet, which must be approved by the AFTNJ President, before that employee's hours are submitted to payroll for processing.

See Appendix 7

Internal/External Financial Reporting and Tax Reporting Policies

Internal Financial Reporting

Overview

Preparing financial reports and communicating key financial information is a necessary and critical accounting function. Financial reports are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties.

Frequency of Preparation, Review, and Distribution

The objective of AFTNJ's Financial Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

The Treasurer's Report shall be (previously) distributed and considered at every regular meeting of the Delegate Assembly. The report shall be prepared on the cash method of accounting. The Treasurer's Report shall be submitted to the AFTNJ Budget Committee for consideration before being disseminated to the Delegate Assembly.

Contents of Report

The Treasurer's Report shall contain the following:

1. Cash Asset Report
2. Statement of Financial Activities – Operating and Payroll Accounts.
 - a. This will include a comparison of actual year-to-date revenues and expenses with budgeted amounts, line item percentages, line item Under/(Over) calculations, and bottom line Surface/(Deficit) calculations.
3. Statement of Financial Activities – Solidarity Fund.
4. Statement of Financial Activities – Legal Defense Fund.
5. Any other information the Treasurer deems necessary to insure accountability and transparency.

External Financial Reporting

It is the policy of AFTNJ to comply fully with all AFT financial reporting requirements

Tax Reporting

Overview

To legitimately conduct business, AFTNJ must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of AFTNJ include, but are not limited to, filing annual information returns with the Internal Revenue Service and the US Department of Labor.

Filing of Returns

The Office of The AFTNJ Treasurer shall be responsible for identifying all filing requirements and assuring that AFTNJ is in compliance with all such requirements. It is also the policy of AFTNJ to file complete and accurate returns with all authorities in a timely fashion. AFTNJ shall make all efforts to avoid filing misleading, inaccurate or incomplete returns. Filings made by AFTNJ include the following quarterly and annual returns:

Annually

1. IRS 1099 Misc.
2. IRS 940 – ADP (Payroll Company)
3. IRS 990- Independent Auditor in Conjunction with Annual Audit
4. IRS 994 – ADP (Payroll Company)
5. IRS W2 and W3 - Independent Auditor in Conjunction with Annual Audit
6. US DOL LM-2 - Independent Auditor in Conjunction with Annual Audit
7. US DOL 5500 – Ascensus (Pension Management Company)
8. NJ W-3 Report – ADP (Payroll Company)
9. AFTNJ Independent Audit (filed with AFT) - Independent Auditor
10. AFTNJ Agency Fee Report (filed with AFT) - Independent Auditor in Conjunction with Annual Audit

Quarterly

1. IRS 941 – ADP (Payroll Company)
2. NJ 927 and NJ 927W – ADP (Payroll Company)
3. NJ WR30 – ADP (Payroll Company)

Annual Financial Statements and Independent Audit

Overview

It is the policy of AFTNJ to arrange for an annual audit of the Union's financial statements to be conducted by an independent accounting firm according to US Generally Accepted Accounting Standards.

Role of the Independent Auditor

A formal presentation of AFTNJ's Annual Financial Statements and Independent Audit shall be provided and to the AFTNJ Delegate Assembly presented by the Independent Auditor at the first regular meeting of the fiscal year.

Preparation for the Annual Audit

AFTNJ shall be actively involved in planning for and assisting with the independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the AFTNJ Financial Department shall provide whatever assistance the independent auditor requests or requires.

The Treasurer shall be responsible for the following:

1. Obtaining an Engagement Letter from the independent auditor, procuring the appropriate signatures, and returning the letter to the independent auditor.
2. Obtaining a list of AFTNJ's responsibilities in preparation for the audit.
3. Delegating the assignments and responsibilities to staff and officers in preparation for the audit.
4. Scheduling the independent auditor's office visit to conduct whatever field work the independent auditor requires.
5. Reviewing the audit upon completion.
6. Disseminating the report to all members of the Delegate Assembly
7. Securing the independent auditor's appearance at the first regular meeting of the fiscal year, assuming that meeting is held in October.
8. Forwarding the report to AFT

Record-Keeping Associated with Independent Contractors

AFTNJ shall obtain a completed Form W-9 from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at the end of the fiscal year. Payments to such vendors shall be accumulated over the course of the Fiscal Year.

Unrelated Business Activities

It is the policy of AFTNJ to properly identify and classify income-producing activities that are unrelated to the Union's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of AFTNJ in order to facilitate tracking and accumulation of unrelated trade or business activities. It is also the Policy of AFTNJ to satisfy any and all IRS reporting requirements, in regard to income-producing activities mentioned above.

Bank Reconciliation

Bank account statements are received each month and forwarded unopened to the Confidential Financial Assistant. This individual shall open the statement and review its contents for unusual or unexplained items, as well as legitimate credits or debits that need to be posted as a Journal Entry. Unusual or unexplained items shall be reported immediately to the Treasurer immediately. After this review is complete, the Confidential Bank Statement Reconciler shall reconcile each bank statement and prepare a Reconciliation Report for each bank statement. It is the policy of AFTNJ that the bank reconciliation process be completed within two weeks of receipt of each all bank statements.

Once the bank reconciliation process has been completed, the Treasurer, on a monthly basis, shall review all Reconciliation Reports, including any adjusting journal entries, for accuracy and completeness. The Treasurer shall initial and date each Reconciliation Report when review is complete.

Legal Defense Fund

AFT

Overview

It is the policy of AFT to assist locals who have incurred legal expenses.

Instructions

1. Funds may be granted to locals whenever there is a legal proceeding before a court, arbitrator or other administrative body that complies with these instructions and satisfies the guidelines on the following page.
2. The Defense Committee should be promptly informed of the filing of any “major” court action and provided a copy of the pleadings, including the complaint, answer and all briefs.
3. The local, not the member, must file the Defense Fund application. As a general rule, grants will be approved and paid only when reasonable financial support is furnished by or through the local and the state federation. “Reasonable” in most cases means sharing the costs among the local, the state federation and the national union on a **one-third-each basis**.
4. In the event that attorneys’ fees are recovered, in whole or part, at any stage in this proceeding, then the local and state federation agrees to reimburse the Defense Fund in the same proportion as the Defense Fund contributed to the funding of the proceeding.
5. Applications must be submitted to the AFT within one year of the commencement of legal action. Therefore, it is advised in the instance of lengthy cases that applications should be submitted at the beginning of legal action and not at the end. Applicants are allowed to resubmit applications (continuing grant applications) as additional legal fees and expenses are incurred throughout the length of the case.
6. *Before filing with the AFT*, the local must receive the approval and written authorization from the applicable state federation.
7. Effective Jan. 1, 2013, it is required that each local submitting applications to the Defense Fund will have a review committee that is charged with investigating and reviewing each case before it goes to binding arbitration, an administrative law judge, or another administrative or legal proceeding. One of the questions the committee should consider is whether legal proceedings are the most effective way to resolve the issue and the extent to which alternative approaches to resolution may be available. In particular, locals will be expected to screen poor employee performance cases with care

before making a decision to challenge these determinations. Applicants for Defense Fund assistance must confirm that each case has been reviewed and recommended by the review committee.

8. The Defense Committee reserves the right to reject applications in which either the attorneys' hourly rate or time spent is excessive. The Defense Committee will consider only those cases in which the grant request totals or exceeds \$150 after application of the appropriate deductible.
9. The Defense Committee reserves the right to review an application on the merits at all levels of the judicial process.
10. The local **must** be current in its per capita payments with the AFT and the state federation in order to receive payment from the Defense Fund for an otherwise qualified case.
11. In considering a Defense Fund request, the AFT reserves the right to review the legal arrangements and agreements between a local and its counsel.
12. The local must complete all three pages of the application and return the application, along with **itemized** attorneys' fee statements of actual costs and other supporting documents, to the AFT secretary-treasurer at 555 New Jersey Ave. N.W., Washington, DC 20001.

The following criteria are used to evaluate applications for funding:

Matters Most Likely To Be Accepted By The Defense Committee

- Immediate threats to job security.
- Enforcement of tenure rights, and defense against termination and demotion actions.
- Enforcement of civil rights and union leadership rights.
- Violations of academic freedom.
- Significant cases with precedential impact on the entire bargaining unit. Strict scrutiny will be applied where the local argues that the contract interpretation question will affect the entire unit.
- Court enforcement and defense of arbitration awards.

Matters Unlikely To Be Accepted By The Defense Committee

- Claims for workers' or unemployment compensation.
- Issues of contractual interpretation that are not threats to job security, tenure, civil rights, academic freedom or other issues of significance to the entire unit.
- Suspension cases of four days or fewer.
- Strict scrutiny will be applied to cases involving a member's off-duty conduct, particularly criminal conduct or circumstances where there is no connection to the workplace.
- Strict scrutiny will be applied to attendance cases.
- Cases concerning extracurricular job positions that do not have an impact on the member's employment contract.
- Unfair labor practices not encompassed by category I above.
- Civil matters covered by the AFT Occupational Liability Insurance Plan and the Union Officials Liability Insurance Plan (see plan brochures for a description of coverage).
- Criminal cases covered under the AFT Occupational Liability Insurance Plan.
- Claims by one member against another.
- Requests from an individual member or officers.
- General legal research or attorney services during contract negotiations.

See Appendix 8

AFT New Jersey

Overview

It is the policy of AFTNJ to assist locals who have incurred legal expenses.

Instructions

1. Funds may be granted to locals whenever there is a complaint that complies with these instructions and satisfies the guidelines on the following page.
2. The AFTNJ Legal Defense Fund Committee should be promptly informed of the filing of any "major" court action and provided a copy of the pleadings, including the complaint, answer and all briefs.
3. The local, not the member, must file the legal defense fund application. As a general rule, grants will be approved and paid only when reasonable financial support is furnished by or through the local and AFT. "Reasonable" in most cases means the sharing of the costs by the local, state and national on a one-third each basis. AFTNJ will approve up to one- third of costs, reserves permitting; or an equitable division of available funds amongst all approved applications. AFTNJ will reimburse locals after proof of approval from the AFT Defense Fund. Exceptions can be made upon approval of the AFTNJ Legal Defense Fund Committee.
4. The local must submit a copy of all pages of the completed AFT Defense Fund application along with itemized attorney fee statements of actual costs and other supporting documents to the AFTNJ at 629 Amboy Avenue, Suite 301 Edison, NJ 08837.
5. Applications may be submitted to AFTNJ with the commencement of legal action but no later than one year of the conclusion of legal action. Applications must be submitted to AFT within one year of the commencement of legal action. Before filing with AFT, the local should seek the approval and written authorization from AFTNJ.
6. The AFTNJ Legal Defense Fund Committee reserves the right to reject applications in which either the attorney's hourly rate or the time spent is excessive. The Committee will consider only those cases in which the grant request totals or exceed \$150.00.
7. The Committee reserves the right to review an application on the merits at all levels in the judicial process.
8. The local must be current in its per capita payments with AFTNJ in order to receive payment from the AFTNJ Legal Defense Fund for an otherwise qualified case.

9. In considering a legal defense fund request, the AFTNJ reserves the right to review the legal arrangements and agreements between a local and its counsel.
10. Distribution of funds will be approved and distributed on a yearly basis; at the end of the fiscal year.
11. If a local receives a monetary reward for legal expenses and the local was already paid funds by AFTNJ, the local will pay back the AFTNJ Legal Defense Fund their proportional share.
12. The appeal process for locals is through the AFTNJ Executive Board.

The following criteria are used to evaluate applications for funding:

Matters Most Likely To Be Accepted By The Defense Committee

- Immediate threats to job security.
- Enforcement of tenure rights and defense against termination and demotion actions.
- Enforcement of civil rights and union leadership rights.
- Violations of academic freedom.
- Significant cases with precedential impact on the entire bargaining unit.
- Court enforcement and defense of arbitration awards.

Matters Unlikely To Be Accepted By The Defense Committee

- Claims for workmen's or unemployment compensation.
- Issues of contractual interpretation, but not threats to job security, tenure, civil rights, academic freedom, or other issues of significance to the entire unit.
- Unfair labor practices not encompassed by category I above.
- Civil matters covered by the AFT Occupational Liability Plan. (See plan brochure for a description of coverage).
- Criminal cases covered under the AFT Occupational Liability Plan.
- Claims by one member against another.
- Requests from an individual member or officers.
- General legal research or attorney services during contract negotiations.

Solidarity Fund

AFT

Overview

AFT Bylaws 2014 – Article VIII, section 7:

Where a state affiliate has a fund that is approved by the AFT and similar to the (AFT) Solidarity Fund, IN THAT IT FUNCTIONS TO ASSIST THE AFFILIATE IN PARTICIPATING IN LEGISLATIVE AND POLITICAL ACTIVITIES WITH SIGNIFICANT POTENTIAL IMPACT ON THE MEMBERS AND THE INSTITUTIONS WHERE THEY WORK, then the AFT will pay Per member per month to be deposited in such similar state funds.

AFT New Jersey

Overview

It is the policy of AFTNJ to facilitate the AFTNJ Solidarity Fund in accordance with AFT policies and guidelines as well as the Policies and guidelines below.

Policies

- All requests for solidarity funds need to be related to legislative or political activities that strengthen AFTNJ by working with/through coalitions or other organized groups promoting issues and values shared by AFTNJ. Funds must be used to assist the affiliate in participating in legislative and political activities with significant potential impact on the members and the institutions where they work.
- Solidarity funds may be approved for honoraria fees for guest speakers.
- Funds can also be used for political and legislative communication.
- Solidarity funds may not be used to pay salaries or stipends, to fund business/membership meetings or social events (holiday, end of the year, membership recognition events), or for internal organizing.
- Final documentation of all expended funds will be required within 30 days of the even or conclusion of a campaign. When submitting the request for payment locals must note whether it is for an advance payment or final reimbursement. Requests for advance payment must include budgets, quotes, etc. Final reimbursement requests must include invoices, receipts, etc.

AFT New Jersey Financial Policies and Procedures Manual

- Failure to provide the required documentation can lead to denial of future requests.
- Where applicable, Solidarity Fund checks will be made payable to the final entity receiving Solidarity Funds. All requests must include a budget and documentation of cost (including estimates, quotes, invoices, receipts, proposals, etc.).
- Where AFTNJ has already provided a contribution to an organization, coalition, or event additional solidarity funding requests for the same activity on behalf of a local or chapter will not be approved.

Procedures

1. Solidarity Fund Request Form must be filled out in its entirety (including all applicable signatures) by the (person, local, group, organization) requesting funds.
2. The original Solidarity Fund Request Form shall be forwarded to the AFT New Jersey Office via USPS or Email to the attention of the President or Treasurer.
3. Solidarity Fund Requests no greater than \$5,000.00 shall be considered by the AFTNJ Executive Officers
4. Solidarity Fund Requests greater than \$5,000.00 shall be considered by the AFTNJ Executive Board

See Appendix 9

Research Grant Application

Overview

Until an AFTNJ full-time researcher is hired, research grants will be made available to all locals/chapters. The maximum dollar amount per local will not exceed \$8,000. Locals/Chapters who wish to apply for a research grant should submit the completed Research Grant Application in conformity with the following guidelines to the AFTNJ President and the respective Divisional Executive Vice President. The President will forward all grants for review to the Research Grant Committee.

Format and Evaluation

Research Grant Proposal shall not exceed three 8.5 x 11 inch pages, single spaced, 12-point font. The Research Grant Proposal is read and evaluated by the Research Grant Committee composed of members from each of the constituencies in AFTNJ. The proposal should, therefore, be written so that the committee can understand the context and significance of the work proposed and compare the merits of this proposal to others submitted. No other supporting materials will be considered beyond those explicitly mentioned here. Proposals should be no more than three (3) single-spaced pages long in 12 point font and contain the following descriptive elements:

- Narrative description of the project including the methodology or process involved in the project, and/or its timeliness, if applicable.
- Proposed work plan and time line demonstrating the feasibility of the project.
- Expected outcomes of the project and significance of the outcomes to the local/chapter, the division, and/or AFTNJ

Criteria

Applicants should be aware of the importance of organization and clarity of expression in communicating the proposal to the committee. Further, the completeness of an application with respect to the elements of the application listed above is essential to enable the Research Grant Committee to exercise individually and collectively their judgement about the relative merits of proposed projects.

Report

The Research Grant Report shall consist of a one to two (1-2) page narrative of outcomes of the project submitted to the AFTNJ President within one month of the completion of the research.

See Appendix 10

Conflicts of Interest

It is the policy of AFTNJ that, beginning on July 1, 2016, all elected officers shall sign a Conflict of Interest Policy. After that, it is the policy of AFTNJ that all elected officers shall sign a Conflict of Interest Policy between on an annual basis. **See Appendix 11**

Fraud

Policy

It is the policy of AFTNJ that any fraud that is detected or suspected must be reported immediately to the AFTNJ President and/or Treasurer or, alternatively, to the AFTNJ Executive Officers.

Definition

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

Scope

This policy applies to any fraud or suspected fraud involving any AFTNJ officer, delegate, member, service provider, vendor, consultant, contractor, funding source, employee, staff, and/or any other party with a business relationship with AFTNJ.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to AFTNJ
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of AFTNJ
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to AFTNJ. Exception: gifts less than [\$100] in value.
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment. Exception; removal from office to off-site storage.
9. Any similar or related irregularity

Procedure

When fraud or suspected fraud is brought to the attention of the AFTNJ President and/or Treasurer or, alternatively, to the AFTNJ Executive Officers, the AFTNJ retained legal council will be contacted immediately for the purpose of identifying the most lawful manner in which to proceed.

Record Retention Policy

It is the policy of AFTNJ to retain records in accordance with all local, state, and federal requirements as well as Generally Accepted Accounting Procedures (GAAP) and Best Practices.

See Appendix 12

Public Access to Information

It is the policy of AFTNJ shall comply with all local, state, and federal requirements pertaining to Public Access of Information and Disclosure to the General Public.

Appendix

Receipt of Company Property ----- A-1

Expense Pre-Approval Form ----- A-2

Staff Expense Reimbursement Form ----- A-3

Staff Weekly Mileage Form ----- A-4

CBA Provision Reimbursement Form ----- A-5

AFTNJ Expense Reimbursement Form ----- A-6

Part-Time Employee Weekly Time Sheet ----- A-7

Legal Defense Fund Grant Application ----- A-8

Solidarity Fund Grant Request Form ----- A-9

Research Fund Grant Application ----- A-10

Conflict of Interest Policy ----- A-11

Record Retention Policy ----- A-12



RECEIPT OF COMPANY PROPERTY

Date: _____

Name: _____

Position: _____

Item/Description

Serial Number

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I hereby take possession and full responsibility (loss or damage) for the items listed above and agree to abide by the policies and procedures in the AFT New Jersey Policies and Procedures Manual.

Signature/Position

Date



Expense Pre-Approval Form

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Name _____ Date _____

Position/Title _____

Signature _____

Event/Date (if applicable) _____

Description (please be specific)	Vendor	Amount
TOTAL		

1. Signature _____ Date _____
(Person Requesting Reimbursement/Expenditure)

2. Signature _____ Date _____
(Committee Chair **or** Executive Vice President, **If Applicable**)

3. Signature _____ Date _____
(President)

Please attach appropriate documentation (i.e. quotes, bids, etc.)



STAFF EXPENSE REIMBURSEMENT FORM

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

1. Submit With Activity Report
2. Attach All Original Receipt
3. Keep a Copy For Your Records

Name: _____ Position: _____ Week Of: _____

DATE	ACTIVITY/LOCATION	TRANS	MEALS	LODGING	Misc.	TOTALS
S						
M						
T						
W						
T						
H						
F						
S						
A						
TOTALS						
Account # (office use only)						

I hereby certify that the above items are a true accounting of expenses incurred by me.

Signature: _____ Date: _____ Approved: _____ Date: _____

MEALS B-Breakfast L-Lunch D-Dinner O-Other

TRANSPORTATION A - Airfare B - Bus/Metro C - Car Rental G - Gas M - Mileage (.54/Mi) P - Parking T - Tolls TR - Train TAX - Taxi



STAFF WEEKLY MILEAGE REPORT FORM

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

- 1. Submit With Expense Report
- 2. Keep a Copy for Your Records

DATE	BEGINNING	ENDING	TOTAL	LOCATIONS TRAVELED (from and to) AND ACTIVITIES
	ODOMETER READING	ODOMETER READING	DAILY MILEAGE	
M				
T				
W				
T H				
F				
S A				
		Total Miles		

I hereby certify that the above items are a true calculation of the miles I have driven and the locations I have visited.

Name: _____ Signature: _____ Date: _____



EMPLOYEE HEALTH REIMBURSEMENT REQUEST

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Name: _____

DATE Expense Incurred	RX	Dental	Vision	Co-Pay Co-Ins	TOTALS
TOTALS					
Account # (office use only)					

I hereby certify that the items above are a true accounting of expenses incurred by me.

Employee Signature: _____ Date _____

Approved by: _____ Date _____

PLEASE ATTACH ALL BILLS AND/OR PROPER DOCUMENTATION.

No Copies, Please.

A-6



AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Expense Reimbursement Form

Meeting/Event: _____

Location: _____

Date(s): _____

_____ Operating _____ PK-12 _____ Higher Ed

Pre-Approved? _____ Yes _____ No

Transportation				Lodging/Meals/Misc.		
	Air Travel	AT		Hotel	H	
	Bus	B		Breakfast	B	
	Train	TR		Lunch	L	
	Taxi	TAX		Dinner	D	
	Auto Mileage	M		Misc.	M	
	Tolls	T				
	Parking	P				
Date	Code	\$ Amount	Mileage (R/T)	Code	\$ Amount	Total
				Total		

I HEREBY CERTIFY THAT THE ABOVE ITEMS ARE A TRUE ACCOUNTING OF ANY EXPENSES INCURRED BY ME AND THAT I AM NOT RECEIVING REIMBURSEMENT FOR ANY OF THE ABOVE EXPENSES BY ANY OTHER INDIVIDUAL, ENTITY, OR GROUP.

Signature: _____

Date Signed: _____

Check Payable To: _____

Mail Check To: _____

AFTNJ Use Only

Total Amount Due: \$ _____

Approved By: _____ Date _____

Approved By: _____ Date _____

All Original Receipts and Pre-Approval Form Must Be Attached



PART TIME EMPLOYEE TIME SHEET

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Keep a Copy for Your Records

Name: _____ Position: _____ Week of: _____

DATE	ACTIVITY/LOCATION	START TIME	END TIME	TOTAL DAILY HOURS	HOURLY RATE	DAILY \$ TOTAL
S		AM	PM			
M		AM	PM			
T		AM	PM			
W		AM	PM			
T		AM	PM			
H		AM	PM			
F		AM	PM			
S		AM	PM			
A		AM	PM			
WEEKLY \$ TOTAL						
Account # (office use only)						

I hereby certify that the above is a true accounting of the hours I have worked.

Signature: _____ Date: _____ Approved: _____ Date: _____

Defense Fund Grant Application

THIS IS THE ONLY DEFENSE FUND GRANT APPLICATION THAT WILL BE ACCEPTED. PLEASE DO NOT SUBMIT OUTDATED GRANT APPLICATIONS OR THE LOCAL/STATE FEDERATION GRANT APPLICATION.

Date submitted: _____

Name of local: _____ Local no.: _____

Local address: _____

Phone no.: _____

by official action has voted to apply for an AFT Defense Fund grant for the defense of:

(insert name of member or local)

Is individual an AFT member? ☐ Yes ☐ No Date of membership: _____

Has the case been reviewed and recommended by the local and state federation's Defense Fund review committee? ☐ Yes ☐ No

Are itemized fee statements attached to this application? ☐ Yes ☐ No

WE, THE UNDERSIGNED, CERTIFY THAT:

Employer information:

Name of employer: _____

Address: _____

State federation information:

State federation address: _____

Was the state federation sent a copy of this application? ☐ Yes ☐ No

If so, when? _____

Financial information:

A. Estimated total cost of case: \$ _____

B. Total cost of case to date: \$ _____

C. Total cost of bills attached: \$ _____

D. Total grant request for this application (AFT's share): \$ _____

E. Percentage to be paid by the local: _____

F. Percentage to be paid by the state federation: _____

G. Other contributions: \$ _____

- Please list or specify sources of other contributions, if applicable: _____

H. Amount previously contributed by AFT Defense Fund. \$ _____

I. Is this a final application for this case? ☐ Yes ☐ No

Case Description

INSTRUCTIONS: This information must be completed by the local attorney and attached to the application for a Defense Fund grant. The purpose of this description is to be able to identify the case legally, so that other local and state federations as well as attorneys can have the information to assist in the representation of AFT members.

1. Name of attorney: _____

Law firm: _____

Address: _____

2. Legal title of case: _____

3. Court where case is pending (specific title): _____

4. Legal issues presented _____

5. Nature of case: Please be specific enough legally so that other attorneys can identify the case and obtain enough information for review and citation purposes. _____

6. What, if any, projection is made for further legal action? _____

We certify that the information contained in this grant application is true and accurate.

Signed _____
President of Local

Signed _____
Local/State Federation Defense Fund Review Committee Chair

Signed _____
President or Designated Officer of State Federation

Approved by: _____
Chair, AFT Defense Committee

AFT Special Counsel



A-9

SOLIDARITY FUND REQUEST

CHECK ONE

ADVANCE PAYMENT _____

REIMBURSEMENT _____

Applicant: _____

Estimated Cost: _____

Amount Requested: _____

Political/Legislative Goal and Descript of Event/Activity: _____

Recipient (make check payable to) _____

Address (mail check to) _____

Signature (President) _____ Date _____

Action By: ☐ Executive Officers ☐ Executive Board Date: _____

Action: ☐ Approved ☐ Denied

Secretary _____ Date _____

President _____ Date _____

Fund Disbursement: Check Number _____ Date _____ Amount _____

Treasurer _____ Date _____

Funds cannot be used to contribute to any candidate for federal office including the purchase of tickets for fundraisers.



Research Grant Application

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Important Note:

Until an AFTNJ full-time researcher is hired, research grants will be made available to all locals/chapters. The maximum dollar amount per local will not exceed \$8,000. Locals/Chapters who wish to apply for a research grant should submit the completed Research Grant Application in conformity with the following guidelines to the AFTNJ President and the respective Divisional Executive Vice President. The President will forward all grants for review to the Research Grant Committee. Research grants to provide funding for research already conducted by the Local/Chapter within the 2014-2015 fiscal year requires completion of the grant application, which is due by December 31, 2015.

A. Application Format

(1) Cover Sheet (one page)

President: _____

Local/Chapter (name and number): _____

Date: _____

Descriptive Title (not more than 10 words): _____

Total Amount Requested: \$ _____

I, [name] _____, understand that in accepting a Research Grant, if awarded, I agree to report on the outcomes of the grant to the AFTNJ President within one month from completion of the research.

President's Signature: _____

- (2) Research Grant Proposal shall not exceed three 8.5 x 11 inch pages, single spaced, 12-point font.

The Research Grant Proposal is read and evaluated by the Research Grant Committee composed of members from each of the constituencies in AFTNJ. The proposal should, therefore, be written so that the committee can understand the context and significance of the work proposed and compare the merits of this proposal to others submitted. No other supporting materials will be considered beyond those explicitly mentioned here. Proposals should be no more than three (3) single-spaced pages long in 12 point font and contain the following descriptive elements:

- Narrative description of the project including the methodology or process involved in the project, and/or its timeliness, if applicable.
- Proposed work plan and time line demonstrating the feasibility of the project.
- Expected outcomes of the project and significance of the outcomes to the local/chapter, the division, and/or AFTNJ

B. Review Criteria

Applicants should be aware of the importance of organization and clarity of expression in communicating the proposal to the committee. Further, the completeness of an application with respect to the elements of the application listed above is essential to enable the Research Grant Committee to exercise individually and collectively their judgement about the relative merits of proposed projects.

C. Research Grant Report

The Research Grant Report shall consist of a one to two (1-2) page narrative of outcomes of the project submitted to the AFTNJ President within one month of the completion of the research.



AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Conflict of Interest Policy

AFTNJ elected officers have been given positions of responsibility in serving the affiliates and the membership. Overall, AFTNJ elected officers have a fiduciary obligation to conduct business in a manner that avoids either any conflict or appearance of conflict between their duties/responsibilities as AFTNJ elected officers and their own individual personal interests.

AFTNJ elected officers have a fiduciary obligation to act in the best interests of AFTNJ. The purpose of this Conflict of Interest Policy (CI Policy) for AFTNJ elected officers is to provide Guidance to AFTNJ elected officers in complying with their fiduciary obligation.

I. Definitions

As used in the CI Policy, the following terms have the meanings indicated:

- The term "AFTNJ elected officer" means an AFTNJ member who has been elected to hold office in AFTNJ, according to the provision of the AFTNJ Constitution and By Laws.
- The term "immediate family" of an AFTNJ elected officer means his or her parent, spouse or spousal equivalent, child, stepparent, stepchild, grandparent, grand child, sibling, mother-or father-in-law, sister- or brother- in-law, or daughter- or son-in-law or any individuals living in the same household. The term "directly or indirectly" means an action taken by an AFTNJ elected Officer in his or her own name (*i.e.* directly), or through a member of the immediate family or a business associate of an AFTNJ elected officer.
- The term "participate in an AFTNJ decision" means the authority to approve, disapprove, recommend, or otherwise influence the position taken by AFTNJ.
- The term "Conflict of Interest Officer" (CI Officer) means the person who is responsible for the implementation of the CI Policy.

II. Statement of Principal

No AFTNJ elected officer shall, directly or indirectly, have any interest or relationship, take any action or engage in any transaction, or incur any obligation which is in conflict with, or gives the appearance of a conflict with, the proper and faithful performance of his or her AFTNJ duties/responsibilities.

Any knowing or intentional violation of this policy may result in disciplinary action including, but not limited to, forfeiture of the elected position held.

III. Prohibited Activities

The activities that are prohibited by the Statement of Principle set forth in Section II include, but are not limited to, the following:

- A. No AFTNJ elected officer shall, without the advance written approval of the CI Officer or Designee, have a direct or indirect financial or personal interest in or relationship with any business, firm, person, or entity that does or seeks to do business with AFTNJ. This prohibition shall not apply to an AFTNJ elected officer's participation in any AFT or AFTNJ member benefit program to which the AFTNJ elected officer is eligible to take part by virtue of their status as an AFT or AFTNJ member.
- B. No AFTNJ elected officer shall receive any compensation, gift, gratuity, loan or other thing of value from any business, firm, person, or other entity that does or seeks to do business with AFTNJ, or which has financial or other interests that may be affected by the performance or nonperformance of the AFTNJ elected officer's responsibilities. The term "business, firm, person or other entity" does not include AFTNJ affiliates or subsidiary organizations, and the term "compensation, gift, gratuity, loan, or any other thing of value" does not include an item or items received during an AFT membership year with an aggregate value of \$250 or less, or an item that is available to the general public on similar terms. The prohibition in this section III (B) shall not apply if the AFTNJ elected officer receives the item in question in the performance of his or her AFTNJ elected officer duties/responsibilities (e.g. business dinner or function).
- C. No AFTNJ elected officer shall (1) except in the performance of his or her AFTNJ duties/responsibilities or in response to a legal mandate, disclose any information obtained by reason of his or her AFTNJ elected officer position that is not otherwise available to the general membership of AFTNJ; or (2) use or permit others to use any information obtained by reason of his or her AFTNJ elected officer position that is not otherwise available to the general membership of AFTNJ to directly or indirectly further the AFTNJ elected officer's financial or personal interest.
- D. No AFTNJ elected officer shall, without the advance written approval of the CI Officer or Designee, directly or indirectly sell goods or services to AFTNJ or any of its locals or affiliates. This prohibition shall not apply to the payment of stipend, or travel expenses to an AFTNJ elected officer for carrying out his or her AFTNJ responsibilities.
- E. No AFTNJ elected officer shall accept any other position or assignment which would conflict with his or her fiduciary obligation to act in a manner that advances the best interests of AFTNJ, or interfere with an AFTNJ elected officer's ability to properly carry out his or her AFTNJ duties/responsibilities
- F. No AFTNJ elected officer shall use or permit others to use his or her position with AFTNJ to create the impression that AFTNJ endorses or has endorsed a product, service or program when that is not in fact or the case, or to otherwise directly or indirectly further the AFTNJ elected officer's financial or personal interest.

IV. Implementation Procedure

- A. The AFTNJ President or Designee shall serve as the CI Officer, and shall in that capacity be responsible for the implementation of the CI Policy. The CI Officer or Designee shall monitor the implementation of the CI Policy and recommend to the AFTNJ Executive Board and AFTNJ Delegate Assembly such modifications in the Policy as he or she may from time to time deem appropriate.
- B. If an AFTNJ elected officer believes that he or she may be engaged or about to become engaged in an activity that is prohibited by the CI Policy, he or she shall consult with the CI Officer or Designee. The AFTNJ elected officer and the CI Officer or Designee shall attempt to deal with the matter informally. If they are unable to do so, the CI Officer or Designee shall submit to the AFTNJ elected officer a written opinion indicating whether the activity in question is prohibited by the CI Policy, and, if so, what should be done to correct the situation.
- C. If the AFTNJ elected officer disagrees, in whole or in part, with the conclusions of the CI Officer or Designee, he or she may appeal to the AFTNJ Executive Board by filing a written notice of appeal with the AFTNJ Treasurer or Designee within ten (10) calendar days after receiving the written opinion of the CI Officer or Designee. The AFTNJ Treasurer or Designee will insure that the appeal appears on the agenda of the next regularly scheduled AFTNJ Executive Board meeting. A special meeting of the Executive Board may be called to consider the appeal, as long as at least two-week's notice is given to all those involved. If the AFTNJ elected officer does not file a timely appeal to the AFTNJ Treasurer or Designee, he or she shall comply with the written opinion of the CI Officer or Designee.
- D. (1) If a member of AFTNJ or any of its locals or affiliates believes that an AFTNJ elected officer is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, the member may file a written complaint with the CI Officer or Designee. The complainant shall identify himself or herself to the CI Officer or Designee, but the CI Officer or Designee shall, if requested to do so by the complainant, treat the complaint as anonymous and not reveal the complainant's name.

(2) Upon receiving a complaint, the CI Officer or Designee shall consult with the complainant and, as may be applicable, the AFTNJ elected officer in question. Based upon the information received from the complainant and the AFTNJ elected officer, and/or other relevant information, the CI Officer or Designee shall decide whether the AFTNJ elected officer is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, and, if so, what should be done to correct the situation. The CI Officer or Designee shall submit to the AFTNJ elected officer and to the complainant a written opinion setting forth his or her conclusions.

(3) If the AFTNJ elected officer disagrees, in whole or in part, with the conclusions of the CI Officer or Designee, he or she may appeal to the AFTNJ Executive Board by filing a written notice of appeal with the AFTNJ Treasurer or Designee within ten (10) calendar days after receiving the written opinion of the CI Officer or Designee. The AFTNJ Treasurer or Designee will insure that the appeal appears on the agenda of the next regularly scheduled AFTNJ Executive Board meeting.

A special meeting of the Executive Board may be called to consider the appeal, as long as at least two-week's notice is given to all those involved. If the AFTNJ elected officer does not file a timely appeal to the AFTNJ Treasurer or Designee, he or she shall comply with the written opinion of the CI Officer or Designee.

- E. In implementing the CI Policy, the CI Officer or Designee and the AFTNJ Executive Board shall consider all relevant factors, including the specific AFTNJ duties/responsibilities of the AFTNJ elected officer and the nature of the alleged prohibited activity, and shall interpret and apply the CI Policy in a manner that furthers its intended purpose.

V. Miscellaneous

- A. Nothing in the CI Policy shall be interpreted or applied to deprive an AFTNJ elected officer of any rights that he or she may have under the AFT or AFTNJ governing documents, AFT or AFTNJ policy, a contract with AFT or AFTNJ, statute, or as an elected leader of a local or affiliate of AFTNJ. To the extent that the CI Policy is inconsistent with any such right, the AFT and/or AFTNJ governing documents, AFT and/or AFTNJ policy, the contract with AFT and/or AFTNJ, statutory right or right as an elected leader of a local or affiliate of AFTNJ shall take precedence.
- B. If a question arises as to whether the CI officer or Designee has engaged, may be engaged, or is about to be engaged in an activity that is prohibited by the CI Policy, the AFTNJ Treasurer or Designee shall fulfill the duties/responsibilities of the CI Officer or Designee, solely in the matter involving the CI Officer.
- C. All information and documents involved in the implementation of the CI Policy shall be treated as confidential, and the CI Officer or Designee shall make such information and documents available to others only on an "as needed" basis. To the extent relevant, all privileges, including the attorney/client and attorney work product privileges, shall apply to information and documents involved in the implementation of the CI Policy, including any and all CI complaints and investigations thereof.

Name (print)

Title/Office

Signature

Date



Records Retention Policy

AFT New Jersey
629 Amboy Avenue
Suite 301
Edison, NJ 08837

Description	Period (Years)
Accident Reports/Claims (Settled Cases)	7
Accounts Payable Ledger And Schedules	7
Accounts Receivable Ledgers And Schedules	7
Audit Reports	Permanently
Bank Reconciliations	2
Bank Statements	3
Capital Stock And Bond Records	Permanently
Cash Books	Permanently
Charts Of Accounts	Permanently
Checks (Canceled – See Exception Below)	7
Checks (Canceled For Important Payments)	Permanently
Contracts, Mortgages, Notes, And Leases (Expired)	7
Contracts, Mortgages, Notes, And Leases (Still In Effect)	Permanently
Correspondence (General)Correspondence (Legal And Important Matters Only)	Permanently
Correspondences (Routine) With Customers And/or Vendors)	2
Deeds, Mortgages, Bills Of Sale	Permanently
Depreciation Schedules	Permanently
Duplicate Deposit Slips	2
Employment Applications	3
Expense Analysis/Expense Distribution Schedules	7
Financial Statements (Year End – Other Optional)	Permanently
Garnishments	7
General/Private Ledgers, Year-End Trial Balance	Permanently
Insurance Policies (Expired)	3
Insurance Records, Current Accident Reports, Claims, Policies, Etc.	Permanently
Internal Audit Reports (Longer Retention Periods May Be Desirable)	3
Internal Reports (Misc.)	3
Inventories Of Products, Materials, And Supplies	7
Invoices (To Customers, From Vendors)	7
Journals	Permanently
Magnetic Tape And Tab Cards	1
Minute Books Of Directors, Stockholders, Bylaws, And Charter	Permanently
Notes Receivable Ledgers And Schedules	7
Option Records (Expired)	7
Patents And Related Papers	Permanently
Payroll Records And Summaries	7

Description	Period (Years)
Personnel Files (Terminated)	7
Petty Cash Vouchers	3
Physical Inventory Tags	3
Plant Cost Ledgers	7
Property Appraisals By Outside Appraisers	Permanently
Property Records – All	Permanently
Purchase Orders	1
Purchase Orders – Purchasing Department	7
Receiving Sheets	1
Retirement And Pension Records	Permanently
Requisitions	1
Sales Commission Reports	3
Sales Records	7
Scrap And Salvage Records	7
Stenographers' Notebooks	1
Stock And Bond Certificates (Cancelled)	7
Stockroom Withdrawal Forms	1
Subsidiary Ledgers	7
Tax Returns And Worksheets And Other Income Tax Liability Documents	Permanently
Time Cards And Books	Permanently
Trademark Registrations And Copyrights	Permanently
Training Manuals	Permanently
Union Agreements	Permanently
Voucher Registration And Schedules	7
Vouchers For Payment To Vendors, Employees, Etc.	7
Withholding Tax Statements	7