



Oregon AFSCME Retiree Chapter 75

6025 E. Burnside Street
Portland, Oregon 97215

844-660-8445

To: Chapter 75 Executive Board Officers and Members

From: Trustees Jim Gerhardt and Bing Wong

Subject: The 2018 audit

Date: May 21, 2019

The 2018 audit was completed, and the check list is attached.

Finding

A check was written to Council 75 to pay for a computer software upgrade related to the entry of our new members into the Council 75 database. The amount of the check was four hundred dollars (\$400.00).

While the executive board discussed the problem, there was no formal action taken. Therefore, there is a violation of audit question 5.1 which asks: Are all expenditures properly authorized by Executive Board or Membership vote on specific expenditures, recurring obligations, contracts, or annual budgets?

Recommendation

No action is required.

Respectfully submitted by

Jim Gerhardt

Bing Wong

Trustee

Trustee

Attachment

TRUSTEE AUDIT CHECK LIST

The answer to each of the following questions should be "YES". A "NO" response is a violation of the Financial Standards Code that should be investigated and reported to the affiliate's Executive Board.

	<u>Trustee Audit Questions</u>	<u>Answers</u>
1.0	Are bank statements <u>and</u> canceled checks (or front and back copies) maintained for <u>each</u> bank account?	Yes
1.1	Does each bank statement show the name and address of the local union?	Yes
1.2	Is a bank reconciliation prepared monthly for each bank account?	Yes
1.3	Is a completed bank reconciliation attached to each bank statement?	Yes
1.4	Are canceled checks (or front and back copies) returned by the bank along with the bank statements?	Yes
2.0	Is a canceled check (or front and back copy) on file to support each disbursement reflected on the bank statement?	Yes
2.1	Is each canceled check signed by two officers?	Yes
2.2	Is a cash disbursements journal or automated accounting system maintained?	Yes
2.3	Is <u>each</u> check (including void checks) listed in the check register and cash disbursement journal?	Yes
3.0	Are bank receipts maintained for all deposits?	Yes
3.1	Are bank receipts matched to bank statements to confirm the deposit is recorded by the bank?	Yes
3.2	Is a cash receipts journal or automated accounting system maintained?	Yes

	<i>Trustee Audit Questions</i>	<i>Answers</i>
3.3	Is each cash receipt identified and explained in the checkbook and cash receipts journal?	N/A
4.0	If the local has a petty cash fund, is the balance (and checks to replenish it) \$100 or less?	N/A
4.1	If the local has a petty cash fund, are receipts on file to support each check used to replenish the petty cash fund?	N/A
5.0	Are minutes maintained for all Executive Board and general membership meetings?	Yes
5.1	Are all expenditures properly authorized by Executive Board or Membership vote on specific expenditures, recurring obligations, contracts, or annual budgets?	NO
5.2	Do minutes of Executive Board or Membership meetings reflect specific approval of each unusual or large expenditure?	Yes
6.0	Do all expenditures serve a legitimate union purpose?	Yes
7.0	Are paid bills filed in an orderly and organized manner?	Yes
7.1	Are the check number, date and amount paid written on filed bills?	Yes
7.2	Is an expense report on file to document each reimbursement to officers, members and employees?	N/A
7.3	Are employee expense reports approved by appropriate supervisors?	N/A
7.4	Are officer expense reports approved by the Executive Board or a committee of officers selected for that purpose?	N/A
7.5	Do expense reports have adequate original receipts attached and is the union business purpose properly documented?	N/H
7.6	Are mileage reimbursements supported by starting and ending location and total mileage?	N/A

	<u>Trustee Audit Questions</u>	<u>Answers</u>
7.7	For mileage reimbursements, is the union business purpose specified for each trip?	N/A
7.8	Does the rate used to calculate mileage agree to the affiliate's policy?	N/A
8.0	If the affiliate has a credit card, are itemized expense reports on file that account for <u>each and every</u> credit card charge?	N/A
8.1	If the affiliate has a credit card, are itemized credit card charges reported on expense reports and reconciled to the credit card statement?	N/A
8.2	If the affiliate has a credit card, were itemized expense reports submitted by all authorized users prior to payment to the credit card company?	N/A
9.0	Are monthly financial statements prepared and given to the Executive Board and membership?	Yes
9.1	Do monthly financial reports reflect the following? - Income by source and total income Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - Expenses by type and total expenses Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - Total cash at month's start and end Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - A list of unpaid bills at month end Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
10.0	Are lost time payments, officer allowances, and stipends supported by proper documentation, including approval in the minutes of membership or Executive Board meetings?	N/A
10.1	Are payroll taxes withheld from lost time payments, officer allowances, and stipends with W-2's issued for all these payments?	N/A
10.2	If the affiliate is required to file IRS Form 990 or 990-EZ (annual receipts total over \$50,000), has the form been filed on time (by May 15 or 4 ½ months after fiscal year end)?	N/A
10.3	If the affiliate's annual receipts are \$50,000 or less, was the electronic postcard IRS 990-N filed by May 15 th or 4 ½ months after the fiscal year end?	YES

10.4	Did the affiliate file a Surety Bond Report for the past year? (Due March 1st each year).	Yes
10.5	Did the affiliate file the Local Union Annual Financial Report for the past year? (Due May 15th or 4 ½ months after fiscal year end).	N/A

The answer to each of the following questions should be "NO." A "YES" response is a violation of the Financial Standards Code that should be investigated and reported to the affiliate's Executive Board.

	<u>Trustee Audit Questions</u>	<u>Answers</u>
11.0	Are any checks pre-signed?	NO
12.0.	Are any checks made payable to "Cash"?	NO
13.0	Does the affiliate have a Bank Debit Card or ATM Card?	NO