

BASIC PROCEDURAL INSTRUCTIONS FOR TRUSTEES



UAW Auditing Department

8000 E. Jefferson Avenue

Detroit, MI 48214

BASIC AUDIT PROCEDURES FOR TRUSTEES

The following is intended as a guide for Local Union Trustees to make proper audits of the books and records and is based on the Constitution of the International Union and the procedures developed through years of experience and judgment by the UAW Auditing Staff. Your Local Union may have special problems which require special procedures and additional checking by the Trustees, but the basic procedures outlined here apply to all UAW Local Unions.

Article 40, Section 12 of our International Constitution provides that “The Trustees shall have general supervision over all funds and property of the Local Union. They shall audit or cause to be audited by a Certified Public Accountant selected by the Local Union Executive Board, the records of the Financial Officers of the Local Union semi-annually...” The six-month periods end June 30 and December 31. These Semi-Annual Audits must be reported to your Local Union, and copies must be forwarded to your International Secretary-Treasurer (Attention: Auditing Department) and Regional Director. For sending a copy to the Secretary-Treasurer, please use the following email address:
auditforms@uaw.net

In performing the audit ending December 31, the Trustees must give full consideration and allow time for the Financial Secretary to prepare the necessary tax and governmental forms due the first part of each year.

The International Union has prepared and furnishes free to all Local Unions, a Trustees’ Semi-Annual Report, Form A-20, *(Illustration, Section M) which makes the filing of these reports a fairly simple matter.

***NOTE:** Illustrations are from the Duties of Local Union Financial Officers Manual.

You are urged to study this booklet carefully and keep it readily available as a reminder and checklist. Another booklet, “Basic Procedural Instructions for Financial Officers,” is supplied with each copy of an audit by your International Union Auditor. Additional copies of these free booklets may be obtained by writing to the UAW Auditing Department, 8000 East Jefferson, Detroit, Michigan 48214.

The work that the Trustees must do in making their semi-annual audit and in preparing their report may be briefly outlined as follows:

1. Determine the total amount of income from all sources for each calendar month.
2. Trace all income to the bank.
3. Check to see that all expenditures are proper and authorized.
4. Determine the total amount of expenditures for each calendar month.

5. Determine that all Per Capita Taxes have been paid each month as required by our Constitution.
6. Verify semi-annual totals of income and expenditures by classifications.
7. Cash and Fund Summary (Balance the books).
8. Prepare Form A-20, Trustees' Semi-Annual Audit Report.

INCOME

1. Determine the total amount of income from all sources for each calendar month.

- A) Your Financial Secretary is required to issue an Official Receipt, Form A-15 for all income, regardless of the source or purpose of the income. You must verify that all income has been receipted. Make sure that all Official Receipts, for which your Financial Secretary is responsible, are accounted for *(Illustration, Section M).

Verify the amount shown on the Official Receipt issued for the check-off check with the amount of the check-off letter or voucher received from the company.

- B) Make the checking of Cash on Hand the first order of business of your audit. Before counting the Cash on Hand, be sure to set aside sufficient cash and/or deposit credits to cover all income received during the current month.
- C) Check each day's total and compare it with the entry for that day on the Form A-42, Summary of Income.
- D) Form A-42, Summary of Income, must be totalled by months for all classifications. After verifying each daily total, check the total for each month by adding the "Daily Total" Column on Form A-42 *(Illustration, Section M).

To assure that each daily total has been broken down properly into the various income classifications and that the classification columns have been correctly totalled, add together the totals of all the classification columns. This sum must equal the monthly total of income.

- E) If dues are collected by Stewards, income must be verified as follows:
1. Compare the total of all Stewards' Office Receipts issued to Stewards by the Financial Secretary's office and Official Receipts issued by the office for income received directly in the office.
 2. The combined total of these receipts must then be compared with the Total Income shown on Form A-42, Summary of Income.
- F) Enter number of members from Form A-42, Summary of Income, to Form A-20, Trustees Audit Report, Page 2 Line 19, Columns A through G.

2. Trace all income to the bank.

- A) After you have determined the correct Total Income for each month in the period, compare this total with the total deposits to the Local's commercial checking account, as shown on the monthly bank statements for each of the six months under audit, to see that all income has been deposited in the bank.

If there was any Cash on Hand from the previous audit period, the amount of the Cash on Hand must be deducted from the total deposits, and the remainder must equal the total income for the period.

- B) Enter total of all bank deposits on Page 2 Line 40, Columns A through G.
- C) Insist that the Treasurer deposit all income during the same month as soon as possible after it is received, so that deposits will always exactly equal income for the month and no Cash on Hand will be involved.
- D) As an added protection for your Local, your Financial Secretary and/or Treasurer must stamp or write – "For Deposit Only to the Account of Local Union _____, UAW Account Number _____" on all checks at the time each check is received.

EXPENDITURES

3. Check to see that all expenditures are proper and authorized

Your Financial Secretary has no authority to issue a check unless “an order on the treasury” (**Disbursement Voucher, Form A-136**) signed by the President and Recording Secretary has been received. Neither the President nor the Treasurer should sign checks which are not accompanied by properly executed, signed voucher *(Illustration, Section M).

The only exceptions to the rule requiring a signed voucher before a check is written are for Per Capita Taxes and other fixed items of expense such as wages, taxes, rent, utilities, etc. and even then **only when prior authority to pay such items has been given by the membership to the Executive Board or to certain Officers and supported by Bylaws or minutes of membership meetings.**

Invoices must be presented for all expenditures. Inspect these carefully to make sure that checks have been issued only for authorized expenditures, that checks have been made payable to the person, firm or organization that payment is due, and the amount of the payment is correct. The only exceptions to this rule are lost time, wage payments and expense allowances. Per diems paid for meals, etc., when required to stay overnight, must be supported by hotel/motel receipts.

Make sure that disbursements for expense allowances and travel per diems are in accordance with Local Union Bylaws and membership action.

LOST TIME

Lost time is one of the most controversial of all Local Union expenditures to deal with and, without proper safeguards, can become the most expensive.

By definition, lost time is reimbursement to a member when that member is performing necessary duties for and on behalf of the local union during a time for which they would otherwise be compensated by the employer.

Where possible, the Local Union should secure verification from the company that each member's lost time claim is for earnings actually lost from the job.

The membership and Local Union Bylaws must clearly spell out the Union Representative (President and others depending on size of Local) responsible for “authorizing” a member to lose time from work to perform “work” for the Union.

The authorized Representative must see to it that the member entitled to lost time pay completes in detail and signs the "Disbursement Voucher" Form A-136. The Representative must also sign the voucher on the line below the claimant's signature verifying "Authorized by _____Date_____."

The voucher must then be signed by the President and Recording Secretary on the designated lines and submitted to the Financial Secretary for payment to the member.

It is recommended that the Local designate one day each week for paying lost time and expenses.

RECONCILE BANK STATEMENTS

4. Determine the total amount of expenditures for each calendar month.

- A) Reconcile (verify) each monthly bank statement. Prove the entries and balances on each monthly bank statement as follows:
- a. Compare the starting balance of the current bank statement with the ending balance of the previous month's bank statement.
 - b. Any debit memo or service charge against your bank account must be entered on **Form A-40^{1/2}, Summary of Expenditures**, for that month as if a check has been issued for that expenditure *(Illustration, Section M).
 - c. Determine that the correct amount of each bank deposit has been credited to your account.
 - d. Arrange all cancelled checks in numerical order by the month they cleared the bank.
 - e. Tick off each cancelled check against the amount for that check number entered on your expenditure ledger, Form A-40^{1/2}.
 - f. List all outstanding checks, by check number and amount, including any outstanding checks from previous months. **Keep this list attached to the bank statement.**

- g. The total of all outstanding checks subtracted from the ending balance shown on your current bank statement provides your Actual Bank Balance at the end of that month.
 - h. Compare your Actual Bank Balance with the balance shown on the check stub of the last check issued in that month. Any adjustments necessary should be made on the stub in order that the checkbook balance may agree with the reconciliation.
 - i. **Notify your bank immediately of any discrepancy and see to it that your bank makes the necessary adjustment to your Local's bank account to your satisfaction.**
 - j. All cancelled checks or check images (front and back) must be left with the monthly bank statements on which they appear as debits, carefully filed and maintained in monthly order.
 - k. All debit and credit memos, service charges, etc., from the bank must be attached to that bank statement on which the entries are shown.
 - l. Wherever possible, arrangements should be made with your bank to prevent monthly service charges, charges for printing checks, etc.
- B) Check the numbers of all checks listed on the Form A-40^{1/2} Summary of Expenditures, for each month under audit to see that the numbering is consecutive and that no checks have been omitted.
- C) Compare each check amount as shown on the actual cancelled check returned by the bank with the amount posted to the "Amount" column on the Form A-40^{1/2}, Summary of Expenditures, and correct any posting errors. Only in this way can you be sure that the amounts shown in the Local's expenditures records agree with the amounts charged by the bank against the Local's bank account.

Verify that all checks (or withdrawal forms) contain the actual signatures of the Treasurer and President (or Vice-President in the absence or incapacity of the President). Any questionable signatures must be verified directly with the Officer involved. **Your bank and the UAW Auditing Department must be notified immediately of any forgeries and the specific details involved.**

- D) The Form A-40^{1/2}, Summary of Expenditures, is totaled by months. For each of the months, verify the monthly total by adding together, all checks and bank charges for the month. Then add together the totals of all classification columns. Compare this sum with the total in the “Amount” column to make sure that all checks have been broken down properly into the various expense classifications, and that the classification columns have been added correctly.

PER CAPITA TAXES

5. Determine that all Per Capita Taxes have been paid each month as required by our Constitution.

- A) The Trustees must see to it that your Financial Secretary, by the 20th of each month, sends a report to the International Secretary-Treasurer on **Form A-3, Monthly Report of Per Capita Taxes**, with the correct amount of money due the International Union for the preceding month. **Local Unions must also submit Form A3A**, Summary of Dues and Members by Worksite Units (Illustration, Section C).

- B) Per Capita Taxes are computed on the total amount of dues, initiation and reinstatement fees received by your Local Union during the calendar month – less any refunds of these made during that calendar month without regard to the dues month or months posted on the Member’s Dues Record Card.

The “number of members paying dues” reported on Form A-3 is recorded under the column “Number of Members” on Form A-42, Summary of Income ledger – less any refunds made during that calendar month.

- C) If, for any reason, your Local Union receives no dues income during a calendar month, your Financial Secretary must forward a Form A-3 to the International Secretary-Treasurer for that month with the notation “No Dues Received.”
- D) The Trustees are equally responsible along with your President, Treasurer and/or Financial Secretary in seeing to it that Per Capita Taxes are paid on a timely basis and that a Form A-3 is submitted for each calendar month by the 20th of the following month. This will prevent your Local Union from becoming delinquent.

SUMMARIES OF INCOME AND EXPENDITURES BY MONTHS

6. Verify semi-annual totals of income and expenditures by classifications.

- A) **Income.** Each month the Financial Secretary is required to transcribe the monthly totals for each income classification (Dues, Initiations, etc.) from Form A-42, Summary of Income to **Form A-44, Summary of Income by Months.** This form provides columns for totaling by six months and by year the income received in each classification. Check to see that totals have been copied correctly on Form A-44 and that monthly totals have been added correctly in arriving at semi-annual totals *(Illustration, Section M).
- B) **Expenditures.** Similarly, monthly totals for each expenditures classification must be copied each month by the Financial Secretary from the Form A-40^{1/2}, Summary of Expenditures to the **Form A-41, Summary of Expenditures by Months.**

Monthly and semi-annual totals for expenditures must be checked on Form A-41 to see that all totals have been copied correctly.

Trustees must insist that Forms A-44, Summary of Income by Months and A-41, Summary of Expenditures by Months be maintained accurately from month to month. They are most helpful to the Financial Secretary in preparing the required governmental reports and to the Trustees in making their reports.

CASH AND FUND SUMMARY (BALANCING THE BOOKS)

7. Check the balances at the end of the period.

Balances are computed and recorded by the Financial Secretary at the end of each month on **Form A-43, Cash and Fund Summary** *(Illustration, Section M).

Your Local's books can be in balance only if the **Balance to Account For**, the **Total Cash Assets**, and the **Total Funds Balance** are in perfect agreement.

- A) **Balance to Account For:** For any given period, this balance is always arrived at by the following computation:

Balance on Hand (End of Previous Period) **Plus** Income for the Period **Less** Expenditures for the Period **Equals** Balance to Account For (End of Period).

The **Balance to Account For** at the end of each month is computed by the Financial Secretary on the Recapitulation page of Form A-43 on Line 1-5. The “Net Income” figure on Line 2 is taken from Form A-42, Summary of Income, and the “Net Expenditures” figure on Line 4 is taken from Form A-40^{1/2}, Summary of Expenditures.

Besides verifying that the correct income and expenditures figures have been used, the Trustees must check to see that the balance from the previous month has been correctly forwarded and test the addition and subtraction to make sure that the Balance to Account For has been computed accurately for each month during the audit.

B) **Total Cash Assets:** The cash assets of your Local Union (Checking Account, Cash on Hand, Savings Account, Certificate of Deposit, Utility Deposits, Petty Cash Account, Bonds, etc.) are listed each month by the Financial Secretary on the Recapitulation page of Form A-43, under the heading Allocation of Assets on Line 7-34, and the total these assets, enter them on the line called the Total Cash Assets. For the last month of the period under audit, Trustees must verify the accuracy of each item listed and must check the addition of the following:

1. **Commercial Account:** The “Actual Bank Balance” (Line 10 under Allocation of Assets) was determined by reconciling the bank statement and should agree exactly with the balance shown on the check stub of the last check issued in the last month covered by the audit (June or December).

Insist that your bank issue your Local’s bank statements on a calendar month basis and provide front and back images of cancelled checks.

2. **Cash on Hand:** Must be verified by an actual count, or by inspection of Duplicate Deposit Slips issued by the bank if the Cash on Hand has already been deposited at the time the Trustees are making the audit.

3. **Savings Account, Certificate of Deposit(s) and all other interest/dividend accounts:** Contact the bank and other financial institutions that hold assets of the Local Union to verify the amount on the Form A-43, Cash and Fund Summary is correct.

Verify that the Treasurer must sign and the President must countersign all checks and withdrawal forms.

4. **Utility Deposits:** All deposits for telephone, electric, water, etc. are cash assets of the Local and must be accounted for. A permanent record of such deposits must show the current name of the utility company, the date of original deposit, interest rate and the term of the deposit.
5. **Petty Cash Account** (only where unusual circumstances require that one be used): The actual count of cash plus receipts and petty cash vouchers not yet replenished must equal the total of the account.
6. **Bonds:** Record at “cost price.” If bonds have been redeemed or purchased during the audit period, these transactions must be examined and verified. Bonds must be registered in the official name of the Local as “**an unincorporated association.**”

All valuables, including investment records, property deeds, deposit receipts, bonds, etc. should be kept in your bank’s safekeeping facilities or a safety deposit box. In either case, the Trustees must see to it that the three signatures of the President, Treasurer, and one of the Trustees are required before admittance to these is permitted.

C) **Total Balance Funds:** Balances in the Local Union Funds (General Fund, Education Fund, Recreation Fund, Citizenship and Legislative Fund, Retired Members Fund, New Member Orientation Fund, and any other funds maintained by the Local) are computed and recorded at the end of each month by the Financial Secretary on the Fund Balances pages of Form A-43, Cash and Fund Summary. The sum of the Balances of all the Funds, known as the Total of All Funds, is entered each month at the bottom of page 3.

1. For each month under audit, total the income allocated to the various funds (Lines 2, 7, 12, etc.). This total should equal exactly the “Net Income” for that month on Line 2 under Recapitulation on page 1.
2. Similarly, the total expenditures deducted from the various Fund Balances in each month (Lines 4, 9, 14, etc.) must equal the “Net Expenditures” for that month on Line 4 under Recapitulation on page 1.

3. Additions and subtractions for each month in all funds must be checked carefully, and the Balances in the Funds at the end of the last month under audit must be added together to see that they come to the Total of All Funds for that month.

Your Local Union's Funds were established by the Constitution and by your Local Union Bylaws to provide your membership with a budget for certain activities. These funds or budgets are readily available at a glance to assist Local Union Officers that your Local lives within a budget.

In making your audit, you must determine that the correct amount of income has been allocated to each fund and, more importantly, that expenditures have been correctly charged against each fund. After the Fund Balances have been audited, any fund that shows "in the red" should be a clear danger signal to the Officers and membership and immediate action must be taken to see that the fund committee lives within its income.

TRUSTEES' REPORT FORM

8. Prepare Form A-20, Trustees' Semi-Annual Audit Report.

If the Financial Secretary-Treasurer's books have been checked carefully as described, the preparation of the Trustees' Semi-Annual Audit Report consists primarily of copying figures from the ledgers onto the form. Locals on computerized bookkeeping systems will be given the form in a completed version. Minimal time should be spent checking computations allowing more time for verification.

The Form A-20 must be filled out completely and accurately. Additions and subtractions in all columns must be checked carefully, after the report is completed, in order to detect any errors which frequently occur when columns of figures are transcribed.

Information concerning the Local's number, region, location, and the ending date of the report must be given on each report on Lines 1 and 2 (page 1 of Form A-20).

Be sure that the date of your report and the signatures of the Trustees are affixed to all copies of each report. It is particularly important that the address of the Chairperson of Trustees is given at the bottom of each report in the space provided, since any questions or correspondences concerning the report normally are addressed to the Chairperson.

A) **Income** – Page 2

If the Financial Secretary has maintained Form A-44, Summary of Income by Months, and the recordings have been properly verified by the Trustees, the income figures may be copied directly from the appropriate columns on Form A-44. If there are more income classifications than can be listed on the lines provided, summarize the remaining classifications on the line “Other (attach list)” and attach the list giving a breakdown of these items.

B) **Expenditures** – Page 3 and 4

Similarly, the expenditures figures may be copied directly from Form A-41, Summary of Expenditures by Months.

C) **Balance Previous Period (Total Cash Assets)”** – Page 1 Line 3

This is taken from the “Balance To Account For” figure on the previous Semi-Annual Report or, if the Local had an International audit covering the previous period, from the balance shown in the last International audit.

If the Local has had an International audit which covers one or more months of the current period, the Trustees must use the balances established by the International audit as the starting points for their audit, and it will be necessary to verify and show on Form A-20 the Income and Expenditures only for the month or months not covered by the International audit.

D) **Balance To Account For (end of 6 month period)** – Page 1 Line 7

By applying the same procedure, previously described, for determining the “Balance To Account For” at the end of any given month to the six-month period of your audit as a whole, we find that the:

“Balance Previous Period (Total Cash Assets)” – Page 1 Line 3.

Plus “Total Income” for the period – Page 1 Line 4.

Less “Total Expenditures” for the period – Page 1 Line 6.

Equals “Balance to Account For (end of 6 month period)” – Page 1 Line 7.

This computation must agree with the “Balance to Account For” on Line 5 under “Recapitulation” of Form A-43, Cash and Fund Summary, for the last month of the period under audit.

E) **Allocation Of Assets** - Page 1

After proper verification, these figures can be taken from the Recapitulation page of the Form A-43, Cash and Fund Summary for the last month of the audit period.

If more space is needed to list Assets than is provided on Page 1 Line 8 through 16 of your Trustees' Report, these Assets must be summarized on Line 17 and a separate list must be attached giving a breakdown of these Assets in detail.

F) Fund Balances – Page 1

After proper verification, these balances can be taken from the Fund Balances pages of Form A-43, Cash and Fund Summary, for the last month of the audit period. Funds which cannot be listed on Lines 8-16 must be summarized on Line 17. A separate list must be attached giving a breakdown of these Fund Balances in detail.

Your Trustees' Semi-Annual Audit Report is now completed. Be sure to present this report to your Local Union and forward copies to the International Secretary-Treasurer, Attention: Auditing Department and forward a copy to your Regional Director

For sending a copy to the Secretary-Treasurer, please use the following email address: auditforms@uaw.net

Keep a signed, dated copy for your files. Your report is an important part of your Local Union's history.

ADDITIONAL INFORMATION FOR TRUSTEES

- A) Bank Signature Cards, Checks, Withdrawal Forms; our Constitution makes it mandatory that the Treasurer (Financial Secretary-Treasurer) sign all checks which must be countersigned by the President. These two signatures must appear on all checks and asset withdrawal forms. The Constitution further provides that the Vice-President (as determined by the Local where there is more than one Vice-President) shall become acting President in case of the absence or incapacity of the President. In this event, the Vice-President countersigns the checks as (acting) President.
- B) There is no constitutional provision, however, for temporarily replacing the Treasurer which means that, in case of the absence or incapacity of the Treasurer, your Local Union must take action.

The general practice is to name one of the Trustees as acting Treasurer for this temporary period. Under no circumstances may the President or Vice-President act in place of the Financial Secretary.

The Trustee temporarily named to replace the Treasurer must be excused from auditing the financial records of the Local Union during the period in which they assumed the duties of the Treasurer.

- C) The signature card for the checking account and all other accounts must be checked periodically by the Trustees to determine their full compliance with our Constitution.

A suggested format for your Bank Signature Card is as follows:

“Two (2) of the following handwritten signatures must be on all checks (or withdrawal forms)”:

- (1) Treasurer _____ *(Signature)*
OR
Acting-Treasurer _____ *(Signature)*
AND
- (2) President _____ *(Signature)*
OR
Vice-President _____ *(Signature)*

Your bank may differ as to this exact format, but **you must insist that the two-signature requirement be in accordance with our Constitution.** If, for any reason, your bank refuses to comply with our Constitution, arrange immediately to change to a bank which will comply.

- D) The correct and official name of your Local Union is **International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), Local number,** and all official business of your Local such as registration of bank accounts, certificates of deposit, bonds, property, etc. must be transacted in that name.

- E) A detailed record must be kept by the Trustees of all bank accounts and other financial investments showing:
- (1) the full name and address of the bank or other financial institution.
 - (2) the complete account number or other identifying number.
 - (3) the date the account was opened and, for certificates of deposit, bonds, etc., the purchase date, cost price, interest rate and maturity date.

A copy of these records must be kept for review by your International Auditor.

- F) Checks should be obtained through your bank that are consecutively numbered, personalized as “Local Union number. UAW” and with one line for the Treasurer’s signature and another line for the President’s countersignature. Additional printing may be added such as City, State or Province, your Local’s complete office address, etc.

You may be able to arrange for your bank to furnish these printed, numbered checks without charge depending on the size of your account. It costs nothing to try.

- G) The added notation “Void after 90 Days,” “Not Negotiable after 90 Days,” etc. on your printed checks should eliminate the problem of outstanding checks for long periods.

- H) **Under no condition should any check be signed blank or in advance by any Officer or Officers. The use of signature stamps are strictly prohibited. The pre-signed check must be voided and the Officer advised that such action jeopardizes the Local Union. Any recurrence of such improper and unnecessary action should be brought to the attention of the UAW Auditing Department immediately in writing setting forth the details.**

- I) The balance in the commercial checking account should be maintained only at the level necessary to sustain the average monthly expenditures of the Local without incurring bank charges.

- J) Certificates of Deposit, available at most banks, merit consideration for long-term and short-term investment purposes. Such investments should not exceed the maximum amounts fully covered against loss by governmental insurance where possible.

- K) The International Union continues to purchase adequate bonding coverage for all UAW Local Unions sufficient to comply with the Constitution and the law without cost to the Local Unions. In accordance with a stipulation of our contract with the Bonding Company, entrance to the dues-collecting office should be limited to Financial Officers and to authorized clerical personnel. This precautionary measure will serve to safeguard Local Union funds and to give necessary protection to office staff.

- L) **Insurance:** The trustees must see that adequate insurance – for example, Burglary and Holdup, Bond, Liability, Workers Compensation, Fire (on furniture and equipment) – is carried for the protection of the Local Union. Information on insurance can be found in Section J of the Duties of Local Union Financial Officers Manual or obtained from the International Union Accounting Department.

- M) **Furniture and Equipment Inventory List:** The Trustees must maintain, in triplicate, an inventory of all furniture and equipment, showing the date of purchase, cost price and description, leaving a copy in the Local Union office, one copy for the President and one copy for the chairperson of Trustees (or safety deposit box).

AUDIT NEEDS

___ CONSTITUTION

___ LOCAL UNIONS BY-LAWS

___ BASIC PROCEDURAL INSTRUCTIONS FOR TRUSTEES

___ ANY EMPLOYEE CONTRACTS:

- SECRETARIAL
- MAINTENANCE

___ OFFICIAL RECEIPT BOOK

___ BANK DEPOSIT BOOK

___ BANK STATEMENTS (COMMERCIAL & INVESTMENT ACCOUNTS)

___ DUES CHECK OFF LISTS

___ MONTHLY FINANCIAL REPORTS

___ ALL LEDGERS:

- A-42 SUMMARY OF INCOME
- A-44 SUMMARY OF INCOME BY MONTHS
- A-40 ½ SUMMARY OF EXPENDITURES
- A-41 SUMMARY OF EXPENDITURES BY MONTHS
- A-43 CASH & FUND SUMMARY

___ PER CAPITA TAX FORMS:

- A-3 STATEMENT OF MONTHLY PER CAPITA TAXES
- A-3A SUMMARY OF DUES MEMBERS BY WORKSITE UNITS
- REGIONAL CAP COUNCIL DUES
- AFL-CIO (IF APPLICABLE)

___ VOUCHERS WITH ATTACHED INVOICES

___ GOVERNMENT REPORTS:

- I-9 EMPLOYMENT ELIGIBILITY VERIFICATION
- W-4 EMPLOYEE WITHHOLDING ALLOWANCE CERTIFICATE
- LM LABOR ORGANIZATION ANNUAL REPORT
- 990 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
- 941 EMPLOYER'S QUARTERLY FEDERAL TAX RETURN

- 940 FEDERAL UNEMPLOYMENT TAX RETURN (FUTA)
- STATE UNEMPLOYMENT
- NP-20 NON-PROFIT ORGANIZATIONAL ANNUAL REPORT (INDIANA ONLY)
- CITY, COUNTY, SCHOOL (AS APPLICABLE)

___ MINUTE MEETINGS:

- EXECUTIVE BOARD
- MEMBERSHIP
- UNIT
- RETIREES

___ INVENTORY SHEETS:

- FURNITURE & EQUIPMENT
- PERPETUAL

___ RAFFLE SHEETS

___ INSURANCES:

- FIRE, THEFT, GENERAL LIABILITY
- WORKERS COMPENSATION
- UNION LIABILITY

AUDIT CHECKLIST

INCOME:

- ___ Verify the total dues receipted matches the amount of dues the company forwarded.
- ___ Verify receipts to the bank deposit slips.
- ___ Verify receipts to the direct deposits on the bank statement.
- ___ Verify deposit slips equal bank deposits on the bank statement.

EXPENDITURES:

- ___ Verify that each expenditure is authorized (Constitution, Bylaws, and Minutes).
- ___ Verify that each voucher is filled out correctly and properly executed.
- ___ Verify that you have a voucher for each expenditure.

RECONCILE BANK STATEMENTS:

- ___ Compare the starting balance with the ending balance of the previous statement.
- ___ Verify that the correct amount of bank deposits are credited to your account.
- ___ Compare cancelled checks against Form A-40 ½ Summary of Expenditures.
- ___ Be sure all debits, credit memos, and service charges have vouchers and checks.
- ___ Verify that all voided checks are kept.
- ___ List all outstanding checks.
- ___ Subtract the outstanding checks from the ending balance. This is your Actual Bank Balance for the end of the month.
- ___ Notify your bank immediately of any discrepancies.
- ___ Verify that all check numbers are used numerically and not omitted.
- ___ Compare the actual amount the check was cashed for equals the amount the check was written for.
- ___ Check all checks for actual signatures of the Treasurer and the President.
Notify the bank and the UAW Auditing Department immediately of any forgeries and the specific details involved.
- ___ Verify the monthly total of all checks and service fees listed on the A-40 ½ Summary of Expenditures is equal to the sum of all the different classification accounts. (Verify the total matches both vertically and horizontally).

PER CAPITA TAXES:

- ___ Verify that your Financial Secretary has filed Form A-3 (Statement of Per Capita Taxes) along with the correct amount of money due the International Union by the 20th of each month following the collection of dues.

- ___ Verify the local is paying the correct amount of per capita taxes
 - Total dues received, less any refunds, times proper percentage rate.
 - Retirees Dues @ \$1.00/2.00 times 65%.
 - \$1.00 of each Initiation / Reinstatement Fee.
- ___ Verify the local is paying the correct amount of Regional CAP dues.

SUMMARIES OF INCOME AND EXPENDITURES BY MONTHS:

- ___ Verify the Financial Secretary has transferred all monthly totals for each income classification from the A-42 (Summary of Income) to A-44 (Summary of Income by Months).
- ___ Verify the Financial Secretary has transferred all monthly totals for each expenditure classification from the Form A-40 ½ (Summary of Expenditures) to Form A-41 (Summary of Expenditures by Months).

CASH AND FUND SUMMARIES (BALANCING THE BOOKS):

___ Balance to Account for = Balance on Hand (End of the previous period)

Plus the Total Income for the period

Less the Total Expenditures for the Period

___ Total Cash Assets are the total of the local's accounts

- Checking Account (actual bank balance)
- Cash on Hand
- Savings Accounts
- Certificates of Deposits
- Utility Deposits
- Petty Cash Accounts (total of Cash plus Receipts)
- Bonds (recorded as cost price)

___ Total of All Funds (General Fund, Education Fund, Recreation Fund, New Member Orientation Fund and any other funds set up within the local's bylaws). Verify that the proper amount of income has been allocated and that expenditures have been correctly charged for each fund.

___ **VERIFY that the Balance to Account for, the Total of All Funds, and the Total Cash Assets all equal.**

___ **Verify** the Local has adequate Insurance – Workers Compensation, Fire & Theft, Union Liability, etc.

___ Complete Furniture and Equipment Inventory

___ Complete Perpetual Inventory

FORM A-20 TRUSTEES REPORT INSTRUCTIONS

INCOME:

After verifying the figures are correct on Form A-44 Summary of Income by Months, transfer the income figures directly onto the Form A-20. Summarize any remaining classifications on line "Other" (attach a list giving a breakdown of the accounts).

EXPENDITURES:

After verifying the figures are correct on Form A-41 Summary of Expenditures by Months, transfer the expenditure figures directly onto the Form A-20. Summarize any remaining classifications on line "Other" (attach a list giving a breakdown of the accounts).

RECAPITULATION:

Enter Balance Previous Period (Total Cash Assets) – Page 1, Line 3.

(This is taken from the previous audit).

Plus Total Income for the period – Page 1, Line 4.

Total of Line 3 + Line 4 – Page 1, Line 5.

Less Total Expenditures for the period – Page 1, Line 6.

Equals Balance to Account for (end of six month period) – Page 1, Line 7.

FUND BALANCES:

After proper verification of all funds on the A-43 Cash and Fund Summary, transfer these 6 month totals onto the A-20.

ALLOCATION OF ASSETS:

After proper verification of all assets on the A-43 Cash and Fund Summary, transfer the totals into the proper sections.

FOR FIRST SIX MONTH AUDIT:

Verify Government Forms Checklist (located in the upper right corner of A-20).

- Quarterly Tax Forms
 - 941
- Annual Tax Forms
 - Unemployment (Federal & State)
 - LM
 - 990/990-EZ

SIGN AND DATE THE FORM

SEND COPIES TO:

Auditing Department (auditforms@uaw.net)
Regional Director
Financial Secretary
Chairperson of the Trustees