



September 25, 2015

Ms. Marion Bell, Financial Secretary  
Glass Molders Local 376  
773 Ferndale Road  
Mount Joy, PA 17552

Case Number: 140-6004031( )  
LM Number: 005461

Dear Ms. Bell:

This office has recently completed an audit of Glass Molders Local 376 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you on August 3, 2015, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

#### Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 376's 2014 records revealed the following recordkeeping violations:

1. Lack of Backup Documentation for Disbursements

Local 376 did not retain adequate documentation for disbursements totaling at least \$50,000. For example, the local purchased an electronic tablet for \$502.39 to use during contract negotiations; however, no backup documentation was retained for this purchase.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Local 376 did not require officers and employees to submit itemized receipts for meal expenses. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 376 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Reimbursed Auto Expenses

The local reimbursed mileage to officers and employees of the union, but did not keep backup documentation for these disbursements. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

During the exit interview, I provided a sample of an expense voucher Local 376 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for mileage and other officer expenses.

4. Lost Wages

Local 376 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that some required information was written on the check stubs that corresponded to the lost time payments; however, none of the check stubs contained all of the required information.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 376 may use to satisfy this

requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

5. Information not Recorded in Meeting Minutes

During the audit, Ms. Bell advised OLMS that the membership authorized donations and large and/or unusual disbursements; however, membership meeting minutes were vague and did not contain enough information to determine for what membership gave approval. Approval for some disbursements, such as a \$199.99 vacuum for the union hall, could not be found. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

6. Lack of Salary Authorization

Local 376 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 376 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 376 for the fiscal year ended October 31, 2014, was deficient in that:

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Neither Local 376 nor the GMP International could locate a copy of Local 376's most recent bylaws.

Local 376 will draw up new bylaws and go through the process of getting the bylaws approved by membership and the GMP International. As soon as the bylaws are approved, the local will forward a copy to the OLMS Philadelphia Office.

Other Issues

1) Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 376 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

2) Debit Card Policy

Local 376 does not have a clear policy regarding the use of the local's debit card. OLMS recommends that union adopt written guidelines concerning such matters. During the exit interview, I provided a compliance tip sheet, *Union Credit Card Policy*, which can be adapted to assist the local in writing a debit card policy.

I want to extend my personal appreciation to Glass Molders Local 376 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Todd Eisenhaur, President