

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 30,2008

Ms. Susan Wagner, Treasurer
Missouri Professional Staff Organization
4424 South Hocker Drive
Independence, MO 64055

LM File Number 541-914
Case Number: [REDACTED]

Dear Ms. Wagner:

This office has recently completed an audit of Missouri Professional Staff Organization 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 2nd Vice President Yvonne McCarty and you on July 25,2008, 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 Violation

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 Missouri Professional Staff Organization's 2007 records revealed the following recordkeeping violation:

Meal Expenses

Missouri Professional Staff Organization's 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. For example, a disbursement for \$638.80 did not include a reason for the dinner or a list of attendees. 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.

Based on your assurance that Missouri Professional Staff Organization will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 Missouri Professional Staff Organization for fiscal year ending August 31, 2007 was deficient in the following area:

Receipts

The amount reported in Item 44 for Total Receipts was not accurately calculated. Figures reported on the LM-3 should be determined on a cash basis, not using the accrual method of accounting. Missouri Professional Staff Organization reported checks for \$1,999.52 as receipts on the 2007 LM-3 report. The checks were collected and recorded as receipts in the 2006 fiscal year and should have been reported as receipts on the 2006 LM-3 report.

Ms. Susan Wagner

July 28, 2008

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I am not requiring that Missouri Professional Staff Organization file an amended LM report for 2007 to correct the deficient items, but Missouri Professional Staff Organization has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Missouri Professional Staff Organization 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: Yvonne McCarty, 2nd Vice President