

U.S. Department of Labor

Office of Labor-Management Standards
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September 28, 2009

Ms. Kelly Christian, Treasurer
Registered Nurses Association
814 Softmeadow Circle
Cincinnati, OH 45231

LM File Number: 543-444
Case Number: [REDACTED]

Dear Ms. Christian:

This office has recently completed an audit of Registered Nurses Association 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 September 10, 2009, 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 Registered Nurses Association's 2008 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

The Registered Nurses Association did not always retain adequate documentation for reimbursed mileage expenses incurred by union officers. For example, on May 12, 2008, you were reimbursed mileage expenses for a trip regarding Delegates Day, but you did not provide a beginning or ending point, making it impossible to verify that you were reimbursed the proper amount. 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 purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

2. Meal Expenses

The Registered Nurses Association did not require officers and employees to submit itemized receipts for meal expenses totalling at least \$1,112.08. 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.

The Registered Nurses Association 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, on October 19, 2008 President Mary Murphy was reimbursed \$334.80, and on December 1, 2008 President Murphy was reimbursed \$203.76, but the receipts she submitted for those meals do not indicate the union business that was conducted, nor do they list the attendees who incurred those expenses. 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. Receipt Dates not Recorded

Entries in the Registered Nurses Association receipts records reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

4. Failure to Record Meeting Minutes

During the audit, Treasurer Kelly Christian advised OLMS that the Registered Nurses Association has quarterly membership meetings, but that the union does not maintain minutes of those meetings. However, Article 6, Section B(3) of the Association's bylaws requires that the secretary keep minutes of all meetings. At the very least, minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

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

Reporting Violations

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 the Registered Nurses Association, for its fiscal year ending December 31, 2008, was deficient in the following areas:

1. Disbursements to Officers

The Registered Nurses Association did not report reimbursements to officers totaling at least \$3,996.15 in Item 24 (All Officers and Disbursements to Officers). It

appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report in Item 24 most direct disbursements to officers and some indirect disbursements made on behalf of its officers. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

On September 28, 2009 the Registered Nurses Association filed an amended Form LM-3, for its fiscal year ending December 31, 2008, that corrected the deficient items discussed above. As a result, the Office of Labor-Management Standards will take no further enforcement action regarding the above violation.

I want to extend my personal appreciation to the Registered Nurses Association 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: Mary Murphy, President