



August 18, 2014

Ms. Jackie Desmond, President  
Federation of Nurses and Health Professionals  
Local 5075

Case Number: 110-6000548( )  
LM Number: 530-854

Dear Ms. Desmond:

This office has recently completed an audit of Federation of Nurses and Health Professionals Local 5075 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 and Treasurer Kasabuski on August 15, 2014, 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 Federation of Nurses and Health Professionals Local 5075's 2013 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 5075 did not retain adequate documentation for meal/food expenses incurred by union officers and employees totaling at least \$454.22. There were no receipts for meal reimbursements to two union officers totalling \$115. Four other receipts for food for membership meetings totalling \$339.22 were not properly documented with the union purpose. 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 restaurants where the officers or employees incurred meal expenses.

As previously 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. Receipt Dates Not Recorded

Entries in Local 5075's checkbook register reflect the receipt of dues and other income but not the date money was received. The local retained bank deposit slips but those reflect the date the union deposited money and not the date money was received. 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 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays money out. 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.

Based on your assurance that Local 5075 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 LM-3 filed by Federation of Nurses and Health Professionals Local 5075 for fiscal year ending June 30, 2013, was deficient in the following areas:

#### 1. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

2. Cash Receipts

Local 5075 did not properly report cash receipts. The local reported all income as dues in Item 38 (Dues) but actually had income totaling \$50 that should have been reported in Item 43 (Other Receipts).

Federation of Nurses and Health Professionals Local 5075 must file an amended Form LM-3 for fiscal year ending June 30, 2013, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 15, 2014. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Federation of Nurses and Health Professionals Local 5075 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: Suzy Kasabuski, Treasurer