



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 Emerson College Chapter's 2005 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Emerson College Chapter did not retain adequate documentation for reimbursed expenses incurred by use union officers and employees totaling at least \$23,410.79. For example, the chapter did not maintain any documentation for at least \$13,859.46 in professional fees, \$364.11 in office and administrative expensives and \$12,441.25 in per capita expenses. The chapter also did not maintain at least \$1,181.29 in officer reimbursed expenses including reimbursements for office supplies and traveling.

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. Failure to Record Receipts

Emerson College Chapter did not record in its receipts records some employer dues checkoff checks and dues collected by the chapter totaling at least \$2,236.71. The chapter also did not maintain adequate documentation for at least \$18,469.80 in receipts collected by the chapter during the audit year. Union receipts records must include an adequate identification of all money the union receives and adequate documentation must be maintained for receipts collected by the chapter. The records should show the date and amount received, and the source of the money.

3. Information not Recorded in Meeting Minutes

During the audit, ||| and Mr. Satake advised OLMS that the executive board authorized all payments made at its monthly meetings, and during a monthly membership meeting a vote was taken to assess members \$100 each. However, no meeting minutes were maintained by the chapter. Minutes of all membership or executive board meetings must report any disbursement or assessment authorizations made at those meetings.

4. Lack of Salary Authorization

Emerson College Chapter 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.

5. Failure to Maintain Bank Statements

Emerson College Chapter did not maintain nine months of bank statements for both their check and savings account for the fiscal year ending August 31, 2005. The union must maintain all bank statements.

6. Failure to Record Disbursements

Emerson College Chapter did not record in its disbursement records payments made by the Chapter totaling at least \$1,446.01. According the Chapter's bylaws, Article IV, Section 4.4 the "Treasurer shall keep an accurate record of all income and expenditures..." Union disbursement records must include an adequate identification of all money the union expends. The records should show the date and amount paid, and the source receiving the money.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Emerson College Chapter's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

Based on the assurance that Emerson College Chapter will retain adequate documentation in the future, we 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 Emerson College Chapter for fiscal year ending August 31, 2005, was deficient in the following areas:

1. Disbursements to Officers

Emerson College Chapter did not include some reimbursements to officers totaling at least \$2,414 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Emerson College Chapter officers and some indirect disbursements made on behalf of its officers in Item 24. 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. 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).

2. 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.

3. Reporting of Cash Receipts

It appears that the cash figures reported in Items 38 (Dues), 40 (Fees, Fines, Assessments and Work Permits), 41 (Interest and Dividends), and 44 (Total Receipts) are not the receipt figures according to the union's books. The Chapter over-reported

dues collected by at least \$7,152, and omitted reporting the assessment collected during the fiscal year totaling \$8,900. The Chapter also over-reported interest received during the fiscal year ending August 31, 2005. Total receipts received by the union were underreported by \$1,733.

#### 4. Reporting of Cash Disbursements

It appears that the cash figures reported in Items 47 (Per Capita Tax), 48 (Office and Administrative), 49 (Professional Fees), and 54 (Other Disbursements) are not the disbursement figures according to the union's books. The Chapter did not report at least \$12,341 in per capita payments made in Item 47 or at least \$5,620 in office and administrative expenses in Item 48. These disbursements appear to have been inaccurately reported in Item 49 (Professional Fees) and Item 54 (Other Disbursements). Total disbursements made by the union were underreported by \$3,352.

I am not requiring that Emerson College Chapter file an amended LM report for 2005 to correct the deficient items, but the chapter has agreed to properly report the deficient items on all future reports it files with the Department of Labor.

#### Other Violations

The audit disclosed the following other violation(s):

##### 1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year. Only the vice president and treasurer of Emerson College Chapter are currently bonded, however, the president also handles funds and needs to be bonded.

Emerson College Chapter should obtain adequate bonding coverage for all of its officers and employees that handle funds immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than March 1, 2008.

#### Other Issues

##### 1. Expense Policy

As I discussed during the exit interview, the audit revealed that Emerson College Chapter does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union debit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

2. LM-30 Report

As I discussed during the exit interview with Emerson College Chapter, the audit revealed that the Emerson College Chapter President must begin filing an LM-30 report under the Final Rule for fiscal years beginning August 16, 2007 and thereafter. Emerson College Chapter Presidents receive more than 250 hours a year for work done on the union's behalf paid by Emerson College as part of the union's contract with Emerson College. The Emerson College Chapter's Local's President must file an LM-30 report within ninety days of the fiscal year ending August 31, 2008 and each fiscal year thereafter.

I want to extend my personal appreciation to University Professors Emerson College Chapter 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,

Mark Letizi  
District Director

cc: |||||, Past Treasurer  
Mr. Eiki Satake, Current Treasurer