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BEST FINANCIAL PRACTICES & REGULATORY COMPLIANCE

EXCERPTS FROM OCT 26, 2022 WORKSHOP

Every union official and union employee has a fiduciary responsibility to safeguard the union's assets.

Yes, that means you!

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BEST PRACTICES

- **Require two signatures** on union checks & bank accounts.
- Written **financial reports** at council/board meetings.
- Annual financial **review**—and provide bank statements to UFF HQ with “chapter essential activities report.”
- **Annual budget** prepared, adopted & approved by the full Executive Board or membership.

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BEST PRACTICES

- Monthly bank reconciliations.
- Monthly membership reconciliations.
- **NO** union credit cards or bank cards!
- Documentation required for all disbursements & expenses.
- **DO NOT** make checks payable to “cash.”
- Secure checkbooks & financial records.
- Maintain Executive Board minutes of financial decisions.

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Regulatory Compliance

- Annual **PERC** reports. (FL Public Employees Relations Commission)
- Annual **IRS** filings. (Internal Revenue Service)
 - Many chapters are under UFF group for PERC and IRS. Staff need chapter “essential activities” report to accurately and timely file.
 - Some chapters are **not** under our UFF group filing. Check with UFF HQ if you are unsure. uff@floridaea.org
 - Rebates can be withheld due to non-compliance.
- **DOL legally** requires their guidelines be followed for union elections. (Department of Labor, Landrum Griffin act)
- There can be legal consequences for union mismanagement, even if elected leaders are “unaware.”

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IRS 990 Filing Thresholds:

2010 Tax Year and later (Filed in 2011 and later)	Form to File	Instructions
Gross receipts normally ≤ \$50,000 <i>Note: Organizations eligible to file the e-Postcard may choose to file a full return</i>	990-N	n/a
Gross receipts < \$200,000, and Total assets < \$500,000	990-EZ or 990	Instructions
Gross receipts ≥ \$200,000, or Total assets ≥ \$500,000	990	Instructions
Private foundation	990-PF	Instructions

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Annual Audit Guidelines

Membership	Report Required	Prepared by
<1000	Audit/Review/Compilation	Internal Review Committee
1000-2499	Audit/Review	External CPA
2500+	Audit	External CPA

Local chapters are here.

UFF statewide is here.

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Top 10 things **NOT** to do

1) Do not budget liberally with income and conservatively with expenses!

2) Do not “failure to File” for 3 consecutive years with the IRS – loss of exempt status!

PENALTIES-INTEREST-FINES

(It is very hard to get back into good standing with the IRS once you lose it.)

3) Do not withdraw cash or make a check payable to CASH!

4) Do not pre-sign a check!

5) Do not fail to file 1099s or W-2s

6) Do not fail to adopt a budget and regularly review it.

7) Do not fail to distribute budget and reports.

8) Do not allow debit cards or union credit cards! **Do not** give out gift cards or cash!

Do not invite fraud or the remote appearance of fraud!

9) Do not reimburse expenses without proper documentation.

10) Do not ignore your membership records.

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Do

Be transparent.

Be intentional.

Make spending decisions a group priority.

Ask for help!