

MEA

Michigan Education Association

Local Treasurers

Handbook

2011-12



Building Full Capacity Locals

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INTRODUCTION

The purpose of this handbook is to provide suggestions, ideas and specialized assistance related to budgeting, bookkeeping and reporting for local associations. It is in loose-leaf form so that new information can be inserted as it is developed, and it is divided into seven major sections:

Keeping Your Books

Budget Philosophy and Development

Financial Reporting

Internal Controls

Your Local Constitution

Governmental Reporting

Other

This handbook will be the basis for workshops and seminars for local association treasurers. Each UniServ office will be provided with a copy and your zone director can be contacted for advice and assistance. We strongly urge all local association treasurers to review all sections of this handbook. We also urge you to review and discuss the items in this handbook with your local president. Cooperation and open communications between the president and treasurer are crucial to the financial well-being of your local association. The financial condition of your local association has a direct impact on the local's ability to carry out its programs and achieve its goals.

The MEA hopes this handbook will serve as a useful training aid for local associations. To help us evaluate the effectiveness of the handbook, please forward any recommendations or suggestions for improvement to Kim Toman, MEA controller at 800-292-1934 or ktoman@mea.org.

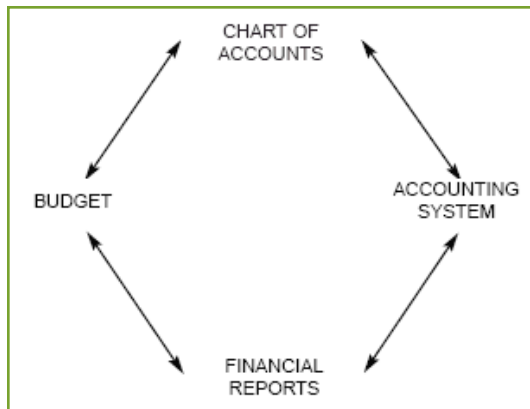
KEEPING YOUR BOOKS

Elements of Bookkeeping

All bookkeeping systems consist of a group of basic elements. The form may vary or some may be combined, depending on the complexity of the system. The most common elements are:

1. Chart of Accounts
2. General Ledger
3. Cash Receipts Journal
4. Expenditure Journal
5. General Journal
6. Checks

The chart of accounts, the bookkeeping system, financial reports and your budget are tied together and should be designed at the same time. They relate to each other as shown in the following diagram:



You may ask, “Since the diagram seems to have no real starting point, where should I begin?” As the diagram indicates, there is no single beginning point. However, it is recommended that you begin by asking yourself (and your organization) what types of programs and services your members want. The answers will be the first steps in developing the chart of accounts and the outline for your budget. Financial reports should flow directly from the accounting system, which in turn will be based on the chart of accounts and the budget. All four phases will evolve over a period of time, so do not be discouraged if the results are less than satisfactory in the beginning.

Local associations should maintain accounting records using an automatic spreadsheet or small business software package (e.g., Excel, Quicken). This helps to ensure complete and mathematical accuracy. It also provides an orderly record to forward to the next treasurer. Sample spreadsheets have been designed and can be found on www.mymea.org under About MEA/Finance & Membership/Information for Local Treasurers.

1. Chart of Accounts

The chart of accounts is a listing of the titles or names of the various asset, liability, income and expense accounts you select to describe your operation. As your system becomes more complex, account numbers can be added to the list of titles. For example:

1. Chart of Accounts	
XYZ Education Association	
<u>Chart of Accounts</u>	
<u>Assets</u>	
Cash	1100
Checking Account	1200
PAC Account	1300
Other Investments	1400
<u>Liabilities & Equity</u>	
MEA/NEA dues payable	2100
MEA PAC/ NEA Fund	2200
Equity	2500
<u>Income/Revenue</u>	
Local Dues Revenue	3100
Financial Responsibility Fees	3200
Interest Income	3300
Misc Income	3400
MEA/NEA Revenue	3500
MEA PAC	3600
NEA PAC	3700
<u>Expenses</u>	
Office Expenses	4100
Governance Activity	4200
Committees	4300
Conferences and Affiliates	4400
Misc.	4500
Contingency	4600
MEA/NEA Dues	4700
MEA PAC	4800
NEA Fund	4900

2. General Ledger

The general ledger is the core of your local's financial records. These constitute the central "books" of your system, and every transaction flows from the various journals (e.g., cash receipts/expenditures) through to the general ledger. These records remain as a permanent track of the history of all financial transactions since day one of the life of your local.

A general ledger also creates an "audit trail," which is a transactional path allowing you to trace any discrepancy (i.e., double billing, or unrecorded payments) through your own system with relative ease. You must be able to find the origin of any transaction in order to verify its accuracy, and the general ledger is where you will do this.

3. Cash Receipts Journal

A cash receipts journal is a spreadsheet used to record any cash receipts for the local. Cash receipts include currency and coins, checks, money orders, credit card receipts, and wire transfers received by mail or in person.

For an example, see Appendix A-1.

4. Expenditure Journal

Your expenditure journal (or expanded check register) provides a record of all cash outflows and what the expense was for.

For examples, see Appendix A-2.

5. General Journal

The general journal is used to record adjustments to the general ledger and for non-cash transactions. It is also used to correct errors after a month of transactions has been completed and closed. It gives the accounting system the flexibility necessary to handle non-routine transactions and provides a systematic, orderly method for following the trail of corrections and adjustments. The general journal format is relatively standard:

General Journal					
Date	Account Title	Doc	Post	Debit	Credit
	<i>Adjusting Entries</i>				
31-Aug	Supplies Expense - Office			\$ 0.00	
	Supplies - Office				\$ 0.00
31-Aug	Insurance Expense			\$ 0.00	
	Prepaid Insurance				\$ 0.00
31-Aug	Depreciation Expense - Office Equipment			\$ 0.00	
	Accumulated Depreciation - Office Equipment				\$ 0.00
31-Aug	Federal Income Tax Expense			\$ 0.00	
	Federal Income Tax Payable				\$ 0.00

6. Checks

The organization should have a supply of pre-numbered checks for making disbursements. You can obtain these from your local bank. The authorization to write checks should be based on a voucher form and require two signatures. Supporting documentation (i.e., vendor invoice, equivalent) should be maintained for each check written. Whenever local officers change, the signature-authorization cards at the bank need to be updated.

Selecting a Bookkeeping System

Bookkeeping systems operate according to a number of fixed rules or principles. Within the rules, however, the range of possible systems is almost limitless. Selecting the best system depends on a number of factors. These include the size of your organization, the size of your budget, the number of transactions, the number and detail of account categories, the background and training of the treasurer, and the amount of time the treasurer has to do the job.

The basic systems that follow do not represent the only examples that are possible. They are intended to give you a variety of choices so that you can select (and modify) the one that most closely serves your needs. They also indicate the direction your system can take as you find it necessary to expand to meet growing needs.

The simplest form of single entry bookkeeping is the check register included with a regular checking account. This register is used for recording deposits of cash, interest received from the bank, bank account transfers and checks written. If the number of entries during a reporting month is small (fewer than 10 transactions), then the checkbook record may be adequate.

At the close of the reporting period, the transactions can be listed in a report exactly as they appear in the checkbook record. This system is applicable to locals that have a small number of transactions in any given period.

The expanded check register form of bookkeeping combines the features of the various journals and ledger accounts. It can handle a greater volume of transactions than the checkbook register, but presumes a limited number of account categories. It assumes only one asset account, the bank balance. It is based on the most elementary form of double-entry bookkeeping, in that each transaction is entered twice, once showing its impact on the bank account and once distributing it to the proper income or expense category.

The separate journals for receipts and expenses form is a further expansion of the expanded check register. It assumes a larger number of income and expense accounts. It involves a transfer posting from one set of records to another. Reports draw information from two sources.

We have created an Excel workbook and there are several software packages available for use on PCs. These systems are primarily Windows based, easy to use and fairly simple to learn. Quicken would be the computerized version of Example 1 and Example 2 in Appendix A-2. Quickbooks is the business version of this product and is just slightly more detailed and complex. PeachTree is another product that provides various modules for purchase depending on your particular needs (inventory management, accounts receivable, payroll, etc.). These modules are all integrated with the General Ledger package.

Even a simple spreadsheet package like Excel or Lotus will provide for increased accuracy and provide an orderly financial record that can be designed to meet your needs. Any of these bookkeeping systems could be set up on a spreadsheet that will maintain a financial history in a medium that is easily transferred from one officer to the next. These software products, along with a variety of others, are available at most software retail stores for less than \$250.

Recording Your Transactions

1. Review voucher forms submitted for payment (see Expense Vouchers, next section). Be certain that required receipts are attached, expenditures are properly itemized, and the appropriate officer (other than the treasurer) has approved the expenditure as shown with a signature. Under no circumstances should the payee be the sole authorizer of the voucher.
2. Prepare the check and record the check number in the appropriate place on the voucher.
3. Submit the check, voucher and supporting documentation to the president or other authorized signer.*
4. When check and voucher are returned and signed, mail check and post information from voucher to the accounting record.
5. File voucher in numerical order, by month.
6. Close all accounts at the end of each month and reconcile the bank account.
7. Prepare reports as required.

It is **strongly recommended that two signatures be required for checks and this process assumes the need for a second signature. If it is not feasible for your local association to require two signatures on each check, other controls must be established. (See Internal Controls, pg. 13.)*

Expense Vouchers

An expense voucher is used to account for all travel advances and expenses incurred in connection with official local association travel. When properly completed and approved, this form is used to reimburse the traveler for any amounts due. An additional sheet may be attached if more space is required.

In order to qualify as a reimbursable, tax-free business meal, the substantiation provided must include the following elements:

- Date
- Place – name of restaurant or town
- Business purpose – a brief explanation will suffice
- Persons attending – individual names if staff or board members, group name if otherwise. This must be stated even if the employee only paid for their own meal.
- Amount

Most of this data is contained on the receipt or credit card slip. The IRS requires submission of receipts for expenses \$75.00 or greater, as well as the entire folio for hotel charges containing a breakdown of charges for the room, meals and other services.

See Appendix A-3 for a sample expense voucher form.

Direct Pay Option

MEA has a voluntary program that will allow for direct payment of your dues. If you would like to stop dealing with writing checks, stop worrying about getting dues paid on time, avoid interest charges and enhance your record keeping with no extra effort on your part, this voluntary program should be considered.

MEA Membership will print and mail you a copy of your billing every month. However, instead of having to write a check and send it in by the due date, your payment will be automatically deducted from your checking account on the due

date. The amount deducted from your account will equal the total MEA/NEA dues, minus any outstanding credits your local may have. You will never have to pay interest again. Payments for MEA-PAC and NEA Fund for Children will not be deducted automatically and will still need to be sent in with a separate check and detail as required by law. MEA-Retired dues will be deducted in the month of June for the entire year.

If you would like to sign up for direct pay, please fill out the direct pay authorization form, *Appendix A-4*, and send it back with a voided check and your next dues payment.

More detailed information regarding the dues transmittal policy can be found in the MEA Membership Processing Handbook (pg. 16-17).

BUDGET PHILOSOPHY AND DEVELOPMENT

What Is Budgeting?

Budgeting can be defined as “an orderly process used to establish goals and objectives for the allocation of available resources within an organization.” Put simply, it develops the financial plan for the organization. Budgeting attempts to supply answers to the following questions:

- 1) What do we want to achieve?
- 2) How do we plan to pursue our goals?
- 3) What will it cost?
- 4) What resources are available?
- 5) What did it cost?
- 6) Did we achieve our goals? If not:
 - a) Was the goal unrealistic?
 - b) Should an alternate plan be adopted?
 - c) Should we re-allocate more of our resources?
 - d) Should we seek additional resources?
 - e) Were our time and money diverted to other, more critical goals?

Question 6 is the follow-up or evaluation phase and may become the most important part of the process. Budgeting cannot be effective in a poorly structured organization or where leadership and members are not communicating effectively. The budget-building process can help strengthen the organization and provide meaningful internal two-way communication.

What Is a Budget?

A budget is a document that expresses goals and objectives in terms of dollars allocated to their achievement. It is a guideline for spending and should not be considered absolute or inflexible. It is based on estimates of income and expenditures gathered from the best information

available at that time. It is a combination of value judgments, choices and compromises. Often it reflects the limitations of a service rather than the ultimate need for that service. Combined with a financial report, it becomes a program evaluation tool.

A budget should not be considered either a minimum or a maximum spending commitment. It should be based on reasonable, attainable goals. There should be wide participation in its development, especially by those responsible for its implementation. It should be completed before the date it is to become effective.

If the definitions are dealt with too casually, there is a real danger that the budget will be ignored. It becomes easy to lean too heavily on the “flexibility” arguments. If it is a plan, a statement of goals and objectives, and an expression of priorities, then it should be followed, unless changed by the appropriate governing body.

Budget Development Process

The development of a budget for guiding your local association program is probably the most difficult and yet the most vital project you can undertake. It is difficult because it requires a positive effort and forces the making of value judgments. It is vital because it provides the means by which you can make the most effective use of your resources.

The steps and organizational set-up that follow are suggestions for your consideration. Evaluate them as they relate to your association and the needs of your members.

1. Select a budget committee. The members could include the treasurer, president-elect and one or two at-large members of your association. Keep this committee fairly small, even if your association is large, since later steps in the budget process will involve the rest of your members.
2. Establish a timetable for completing the various stages of the development process. Work back from the date the budget must

be adopted by your delegate body. The body authorized to adopt should be specified in your local constitution (total membership or assembly, or executive board, etc.). The following is a sample calendar:

- Feb. 15 -
Budget committee begins work on a new budget.
- March 1 -
Membership survey completed by budget committee and prepared for distribution to membership.
- March 8 -
Surveys sent to membership.
- March 22 -
Surveys due back from area representatives.
- March 24 -
Survey details given to committees by budget committee.
- April 1 -
Deadline for committees to have budget recommendations to the budget committee.
- April 19 -
Proposed budget sent to representative council members by budget committee.
- May 3 -
Representative council reviews proposed budget and makes recommendation to membership.
- May 10 -
Recommended budget distributed and discussed with general membership by ARs.
- May 24 -
Membership meeting to adopt budget and dues.

3. Develop a method for determining the general desires and needs of your members. This may be best accomplished through a general membership meeting, building meeting, an every-member questionnaire, a small sample questionnaire, informal meetings, or a combination of some or all of these.

4. Compile the results of the survey conducted in Step 3. Distribute the results to the appropriate officers and chairpersons of local committees. Request that these individuals develop programs that reflect the survey results and submit budget requests to the budget committee within the timetable established in Step 2.
5. Compile the requests as submitted by those individuals assigned this task in Step 4 above. Categorize the requests under headings as suggested for the Chart of Accounts (see pg. 5).
6. Submit the compiled requests to the officers and executive board for consideration and evaluation. Projected income now becomes significant because it relates to your association's ability to finance the proposed program. It is suggested that the president-elect chair the budget committee and the evaluation session conducted by the executive board, since the recommended budget will be the president-elect's to administer when that person becomes president.
7. Take the recommended budget back to the members for their information and reaction. If a local dues increase is necessary, this is the time to explain the programs that can be provided by the increase.
8. Following adoption of the budget, adapt the local's bookkeeping system to conform to the approved budget.

See Appendix A-5 for a suggested budget and financial report form.

FINANCIAL REPORTING

The treasurer has a number of financial reporting responsibilities, including the periodic submission of regular financial reports to officers, governing bodies and members. Three of these basic reports include the following:

Balance Sheet

A balance sheet is a documented report of your local's assets and obligations, as well as a cumulative record that reflects the result of all recorded accounting transactions since your local was formed. You need a balance sheet to specifically know what your local's financial position is on any given date.

[Your Local's Name]			
Balance Sheet			
[MM DD, YYYY]			
Assets			
Current Assets:			
Cash	0.00		
Checking	0.00		
PAC account	0.00		
Other Investments	0.00		
Total Assets			\$0.00
Liabilities and Equity			
Current Liabilities:			
MEA/NEA dues payable	0.00		
MEA-PAC/NEA Fund payable	0.00		
Total Liabilities		\$0.00	
Equity		\$0.00	
Total Liabilities and Equity			\$0.00

Income Statement

An income statement is a standard financial document that summarizes your local's revenue and expenses for a specific period of time. The income statement indicates whether a business has earned money or suffered a loss. It also helps to evaluate past performance so that improvements can be made as needed. It is very important to keep good records throughout the year to help ease the burden of financial statement preparation and planning.

[Your Local's Name]			
Income Statement			
For the Year Ended [MM DD, YYYY]			
Revenue:			
Local Dues Revenue	\$0.00		
Financial Responsibility Fees	\$0.00		
Interest Income	\$0.00		
Misc. Income	\$0.00		
MEA/NEA Revenue	\$0.00		
MEA-PAC	\$0.00		
NEA Fund	\$0.00		
Total Revenue			\$0.00
Expenses:			
Office Expenses	\$0.00		
Governance Activity	\$0.00		
Committees	\$0.00		
Conferences and Affiliates	\$0.00		
Misc.	\$0.00		
Contingency	\$0.00		
Total Expenses			\$0.00
Net Income (Loss)			\$0.00

Bank Reconciliation

A manually prepared bank reconciliation forces you to familiarize yourself with the deposits, checks, bank charges, outstanding checks, outstanding deposits, mistakes, bank errors, and other phenomenon that occur occasionally during a month's bookkeeping transactions. This information is invaluable when problem-solving later on. The completed bank reconciliation form is a great reference for you when trying to figure out why your cash account is out of balance.

Once you have a reconciled balance, you can check to see if your local's cash account balance is the same as that found on the bank reconciliation. If so, you have a green light to continue. If not, the first step is to review the detail of the cash account to determine the discrepancy. Use that information to compare what is on the bank reconciliation form. It should be the same, and, if not, the discrepancy will stand out like a sore thumb.

Monthly Bank Reconciliation				
[MM DD, YYYY]				
Bank Statement Date:				
Ending Balance from Bank Statement				\$0.00
Add Deposits in Transit:				
Deposit Date	Amount	Deposit Date	Amount	
	\$0.00		\$0.00	
	\$0.00		\$0.00	
Total Deposits in Transit				\$0.00
Subtotal				\$0.00
Subtract Outstanding Checks:				
Check Number	Amount	Check Number	Amount	
	\$0.00		\$0.00	
	\$0.00		\$0.00	
	\$0.00		\$0.00	
	\$0.00		\$0.00	
	\$0.00		\$0.00	
Total Outstanding Checks				\$0.00
Computed Book Balance				\$0.00
Balance per Your Books				\$0.00
Difference				\$0.00

INTERNAL CONTROLS

A solid system of internal controls is an essential part of any well run organization. Listed below are some controls that should be in place for your local association. Some of these controls have been discussed in earlier sections of this handbook.

Cash Disbursements

- Pre-numbered checks should be used for all disbursements. Pre-numbered checks can be obtained from your bank.
- Two signatures should be required on all checks.
- Supporting documentation must accompany all disbursements. Attach the vendor invoice or other documentation to the voucher form.
- All disbursements should be approved by someone other than the member requesting the check. Approval should be clearly indicated on the voucher.
- Do not issue a check to yourself. If reimbursement to you is necessary, have another authorized check signer sign.

Cash Receipts

- All checks received should be endorsed “for deposit only” immediately upon receipt.
- Deposits should be made in a timely manner, and any receipts on hand kept in a secure place until deposit.
- Ideally, receipts should be collected by someone other than the treasurer. That independent person would make a “pre-list” of all receipts prior to giving funds to the treasurer for recording and depositing. That pre-list would then go to the president (or his/her designee) who could compare pre-lists to actual deposits made.
- This process is highly recommended for local associations with substantial receipts

collected outside of payroll deduction dues forwarded by the school district.

Other Controls

- Bank statements should be sent, unopened, to the president or other independent designated official for review prior to being forwarded to the treasurer for reconciliation.
- Monthly or quarterly financial reports should be distributed to the board for its review.
- A list of all members and fee payers should be maintained, with the amount of dues collected to date and any amount outstanding. The list should be reviewed periodically by the president or membership chairperson, and an attempt should be made to collect any delinquent amounts.

Records Retention Schedule

Periodically staff and leaders request a recommended retention schedule for important local records. Following is a recommended retention schedule for those records. This schedule has been updated from that sent previously.

The following documents should be permanently retained by the local:

- Annual Incorporation Reports (Michigan annual report, etc.)
- Arbitration awards
- Articles of Incorporation (local governance documents)
- Audited financial statements
- Bargaining notes/goals
- Balance sheets – year end
- Board of Reference decisions
- Chart of accounts
- Deeds
- Depreciation schedules
- Executive correspondence
- Fact Finding records/reports
- General ledgers
- Government filings (LM-3, etc.)
- Grievance files
- Job action records

- IRS audits/any IRS correspondence
- IRS notice of tax exemption
- Letters of Agreement
- Labor contracts
- Meeting minutes
- Member dues deduction forms
- PAC deduction forms
- Records retention schedule (most current)
- Systems/procedures/policy/current equipment manuals
- Tax returns, bills and statements (includes forms 1099, 1096 and 990)

These types of permanent local records should be kept in a safe, secure location that is known to all officers. In addition, such records should be turned over promptly by the outgoing officer to their successor.

We recommend that the following records be retained for the specified period of time:

- Wage/Independent contractor records15 years
- Canceled checks7 years
- CAP records7 years
- Check receipts7 years
- Check register7 years
- Dues deduction membership lists ..7 years
- Expense vouchers.....7 years
- Journal entries.....7 years
- Petty cash records7 years
- Payroll registers7 years
- Payroll tax & withholding.....7 years
- Bank statements6 years
- Bank reconciliations6 years
- Job action investigations 6 years after agreement ends
- Terminated leases.....6 years
- Financial statements/monthly detail 5 years
- General correspondence.....3 years
- Newsletters3 years

Internal Review

To further enhance the internal controls, it is strongly recommended that an independent review of the financial records of the local association occur at the end of every fiscal year. This

review should be conducted by establishing an internal review committee.

The local association should appoint an internal review committee to review the financial records. This review should take place shortly after the close of the association's fiscal year. Some of the steps that follow can be undertaken before the closing, but the tests need not be so burdensome that a great deal of time is consumed.

The internal review committee should have two or three members, and none of the members should have any direct contact with the financial operations of the association. That is, no member of the internal review committee should be authorized to approve expenditures, sign checks or keep the financial records of the association. The committee should be, and should remain, independent and objective. The committee members may be elected or appointed, but it is recommended that they be chosen because of their familiarity with basic bookkeeping or accounting procedures.

The internal review process should consist of the following steps:

1. Test the mathematical accuracy of journals and the ledger.
 - This test consists simply of re-adding the journal pages for two or three randomly selected months and 10 percent of the ledger accounts. If errors are found, additional months (or ledger accounts) should be checked.
2. Test postings from journal to ledger (if used).
 - Randomly select one or two months and trace each transaction from the journal to the ledger. If errors are found, additional months should be checked.
3. Compare financial statements to the ledger (or journals/check register if no ledger).

- A complete set of financial statements should be available. Randomly select two or three months and compare the information on the financial statement with the recorded information in the ledger (or journals). If they do not agree, attempt to reconcile the difference and expand the test.
4. Review journal entries for documentation and propriety.
 - Journal entries are usually made to adjust information previously recorded through receipts or disbursements journals. Each such entry should have documentation attached that adequately supports the propriety and indicates the authority for its implementation.
 5. Reconcile the bank account and, if possible, receive the bank statement unopened for the last month in the fiscal year.
 - Most bank statements include instructions for reconciling the balance indicated on the statement to the balance recorded in the association's books. The usual method is to begin with the balance on the bank statement, subtracting outstanding checks (checks issued but not yet appearing on the bank statement) and adding deposits in transit (deposits recorded on association records but not yet appearing on the bank statement).
 6. Account for numerical sequence of checks.
 - Checks should be prenumbered, in sequence, when ordered from the bank. Every number in the sequence must be accounted for, whether issued or voided.
 7. Verify cash disbursements for supporting documentation and proper approval.
 - Select two or three months and check each disbursement for evidence of supporting documentation (copy of invoice, signed voucher for expenses with receipts attached, etc.) and for signature by authorized personnel.
 8. Account for investment transactions and earnings thereon.
 - If the association, for example, purchased certificates of deposit or bonds with fixed time limitations and fixed interest income rates, their existence should be confirmed and checked to be certain that interest has been added and properly recorded.
 9. Verify receipt of all payroll deduction amounts from the school payroll office by comparing to payroll listing and calendar of pay dates.
 10. Determine outstanding receivables and evaluate ability to be collected.
 - If the association has recorded any amounts as receivable such as unpaid dues, rents, loans, etc., then these should be confirmed by the individual listed as owing them and the probability of collection. If deemed uncollectible, then the records should be adjusted accordingly.
 11. Reconcile fixed asset detail to total assets shown on balance sheet if applicable and review depreciation policy.
 - If the association carries fixed assets (desks, chairs, office equipment) on its records, the list of items should be checked against a physical inventory. These items should be depreciated (reduced in book value) over 10 years for furniture (desks, chairs), 15 years for filing cabinets and 3 to 5 years for equipment (calculators, typewriters, duplicators, copiers, computers).
 12. Determine outstanding liabilities.

- Expenses and related income must be recorded in the same accounting period. Therefore, invoices or vouchers received after the end of the fiscal year for expenses incurred before the end of the fiscal year must be recorded as a payable at the close of the fiscal year. All MEA/NEA dues outstanding should be properly recorded, remitted and reconciled.
13. Test the reasonableness of dues income.
 - Multiply the number of members in each dues category times the dues rate to determine the expected dues income. Compare that calculation to the dues income recorded. Reconcile any variance that exceeds 1 or 2 percent.
 14. Review miscellaneous income sources.
 - Test for the accuracy and propriety of miscellaneous income. Determine whether or not it is properly classified and recorded.
 15. Review insurance coverage, including bonding. (See Other, pg. 22.)
 - Check policies for adequacy of coverage, whether currently in effect (not lapsed), compliance with requirements (coinsurance) and amount prepaid, if any. If bonding requires naming of individuals covered, be sure the list is current.
 16. Review various reports filed with governmental units. (See Form 990 or 990EZ or 990N; pg. 19.)
 - Form 990 (Report of tax exempt organizations): Has it been filed on time and accurately? This form is required if the association has average receipts of \$25,000 or more for the past three fiscal years.
 17. Determine compliance with governing board action and/or constitution regarding financial matters.
 - State nonprofit annual report: If the association is incorporated, has the annual report been filed?
 - City personal property tax report: If required, has it been updated to reflect accurately the value of personal property (furniture and equipment)? (See Step 11 above.)
 - Payroll tax forms: Have all appropriate forms been filed in a timely manner—941s/944s, W-2s, W-3s, 1096s, 1099s? (These forms may or may not be required to be submitted by your local association. Please refer to Governmental Reporting, pg. 18.)
 - Review the minutes of those bodies authorized to affect the financial affairs of the association. Confirm that directives have been followed. Note any transactions not covered by action of the authorizing body or bodies. Note actions or transactions not in compliance with constitutional requirements.

The internal review committee report should include a copy of the year end financial statement with accompanying commentary related to each of the steps listed above.

YOUR LOCAL CONSTITUTION

The purpose of this section is to suggest some language for the local association constitution that will clarify the roles, responsibilities and authority related to the handling of financial affairs. If your constitution already contains language that accomplishes the intent, then do not amend it.

1. Who adopts the budget and dues?

“The recommended budget shall be prepared by the budget committee. This budget shall be presented to the (representative council) for the review and adoption at its (May) meeting. The (representative council) shall establish a recommended dues level and submit it to a general membership vote during the first week in June.”

2. Who administers the budget?

“The (executive board) shall be responsible for the management of the association and shall approve all expenditures.”

3. Who can adjust the budget?

“The budget may be adjusted by the (executive board), subject to review by the (representative council), to compensate for changing association priorities. Any such adjustment must be within the approved dues level unless membership approval is given.”

4. Who is on the budget committee?

“The members could include the treasurer, president-elect and one or two at-large members of your association. Keep this committee fairly small, even if your association is large, since later steps in the budget process will involve the rest of your members.”

5. Who is on the internal review committee?

“The internal review committee should have two or three members, and none of the members should have any direct contact with the financial operations of the association. That is, no member of the internal review committee should be authorized to approve expenditures, sign checks or keep the financial records of the association. The committee should be, and should remain, independent and objective. The committee members may be elected or appointed, but it is recommended that they be chosen because of their familiarity with basic book-keeping or accounting procedures.”

GOVERNMENTAL REPORTING

Employer Identification Number

Every local should have an EIN, which contains the same number of digits as a Social Security Number and typically, but not always, begins with either 38- or 26-. If an EIN has already been granted, it can most readily be found on the computer-generated notice issued by the IRS when the application was submitted or the bank statements of the local. If it cannot be located by either means, the IRS can search for an EIN that has been misplaced and provide the number over the telephone to an authorized individual by calling the Business & Specialty Tax toll-free line at (800) 829-4933.

An appropriate EIN is a must have because it acts as the identifying number for the local with respect to IRS and banking activities—much like a Social Security Number functions for individuals. If the bank accounts of the local were opened using a SSN, any reporting required by the institution, such as interest income earned on a Form 1099-INT, would be issued and reported to the IRS as the responsibility of an individual rather than the local business entity.

There is no cost to file for an EIN and, once it has been issued, need not be filed again regardless of leadership or staff changes. The necessary forms can be downloaded or printed from the IRS website at www.irs.gov. Once completed, they can be submitted by fax to (859) 669-5760 or by mail to:

Internal Revenue Service
Attn: EIN Operation
Cincinnati OH 45999

For immediate processing, taxpayers can also apply directly online or over the telephone at (800) 829-4933.

Once obtained, the local should retain a copy of the EIN confirmation letter from the IRS with the permanent association records. We further recommend that copies also be on file with your UniServ office.

Incorporation

If you incorporate, you will be seeking nonprofit corporation status—this does NOT mean you are tax exempt! Tax exemption can only be obtained by filing a separate application (See Application for Tax Exemption, pg. 19).

Incorporation is a function of the Michigan Department of Consumer and Industry Services, not the IRS. Incorporation generally protects the personal assets of local association officers in the event of lawsuit. As a general rule, the officer of an incorporated local who acts in good faith and responsibly performs the duties of the offices is personally protected.

In order to incorporate in Michigan, the local association has to complete an application for incorporation and submit it with the proposed local articles of incorporation and a \$20 check for the initial filing fee (see www.michigan.gov/cis for more information).

Once your local association becomes incorporated, an annual report provided by the state must be filed in order to keep the corporation active and current; there is also a \$20 fee for filing the annual report. The annual report is short, very simple and basically seeks to learn the value of the corporation and the name and addresses of the principle officers.

As indicated earlier, probably the main reason to incorporate is to obtain the added liability protection that it affords. By incorporating properly, the local association's officers can be provided legal protection should someone sue the local. As a general rule, if the officers are acting in good faith and doing the job they were elected to perform, the officers are personally protected in the case of a lawsuit. Therefore, a suit can be filed against the local and a money judgment entered against it, but because the local is incorporated, the personal assets of the officers would be provided protection. Only the assets of the local could be used to satisfy the judgment.

It should be noted that officers of a corporation are fiduciaries of the corporation and therefore

owe a strict duty of good faith to the corporation they serve. A breach of those duties may indeed result in liability to the officers. For example, an officer who commits a tort or criminal act, even in good faith, could be subject to personal liability.

1099s for Payments to Officers and Members

The 1099 serves to inform the IRS that an individual has received income from, in our case, the local association. The 1099 is, in this way, like a W-2 with the exception that there is no implied “employer/employee” relationship between the member and the local. The 1099 indicates an independent contractor relationship. It should be noted that if locals are currently filing W-2s for their officers and/or members, they must continue with those filings. They may not switch over to 1099s.

Payments for services, honorariums, stipends, etc., to a member totaling \$600 or more per calendar year must be reported by the local on Form 1099. Expense reimbursements for which a detailed accounting (i.e., receipts featuring date, place, amount and business purpose) has been submitted and paid are not considered payments and are not currently reportable on a 1099.

In addition, reimbursements for association dues, where appropriate documentation exists, may or may not be considered payments reportable on a 1099. Payments received by officers/members from the local that are not for reimbursement of expenses or association dues would be subject to self-employment tax.

Payments to a member totaling less than \$600 in a calendar year are not required to be reported by the local—however, members have a responsibility to report these payments on their individual tax return regardless of whether the local is required to or fails to file a 1099.

Copies of completed 1099 forms must be sent to the taxpayer (e.g., officers/members) by January 31 and then forwarded to the IRS by February 28 together with cover Form 1096. There is no cost in filing a 1099.

To obtain forms please go to the IRS web site at www.irs.gov.

Application for Tax Exemption

The application for tax exemption, IRS Form 1024, is required of any local wishing to be tax exempt. As indicated in the prior section (Incorporation), although you may be incorporated as a nonprofit, you will not be tax exempt without applying for exemption directly with the IRS.

Proper filing and IRS approval of your application means the local is exempt from having to pay federal income taxes—it does not exempt the local from state and local sales, use and property taxes, where applicable.

The fee for filing for tax exemption is based on the yearly receipts of the local and can run from \$400 to \$850. This is a one-time payment made at the time of filing the application.

The MEA recommends that locals file for tax exemption. Locals that are not tax exempt are subject to federal income taxes. If tax exempt status is not obtained, taxes will be assessed on the first dollar of earnings with returns required annually.

Please continue reading to the following section (IRS Form 990-990EZ-990N - Federal Return) to review the tax return required of exempt organizations.

Forms are available online at www.irs.gov/pub/irs-pdf/k1024.pdf. Adobe Reader Software (free) is required to download the pamphlet.

NOTE: When tax exemption is granted by the IRS, it will notify the local in a letter known as “Exemption Letter.” This letter should be kept with the permanent records of the local and a copy sent to the UniServ office.

IRS Form 990/990EZ/990N - Federal Return

The following applies to tax exempt organizations:

- For the 2010 tax year, all tax exempt locals with annual gross receipts in excess of \$50,000 (excluding MEA/NEA dues) must file an annual report to the IRS using Form 990EZ. If your local receipts are more than \$200,000 and total assets are more than \$500,000 you must file a Form 990.
- Locals with an average of \$50,000 or less in gross receipts (excluding MEA/NEA dues) for the immediately preceding three tax years, including the year for which the return would be filed, are required to file Form 990N, Electronic Notice for Tax-Exempt Organizations not Required To File Form 990 or 990EZ, for tax periods beginning after December 31, 2010. Also known as the e-Postcard, the 990N is due every year by the 15th day of the 5th month after the close of your tax year. Filing must be done electronically, and can be accessed by typing the following address into your internet browser: <http://epostcard.form990.org>. There is no paper form. There is no penalty for late filing the e-Postcard, but an organization that fails to file for three consecutive years will lose its tax-exempt status.
- Corporate status makes no difference with respect to filing requirements. If a non-tax exempt local attempts to file a 990 or 990EZ, the IRS may reject the filing and request either a Form 1120 (pursuant to which the local would be assessed on the first dollar of earnings) OR request that an application for tax exemption be completed and filed by the local.
- You will be required to make your Form 990, 990EZ or 990N available for public inspection upon request for three years after the filing date, so make sure to keep copies of all forms submitted.

The IRS carries 990, 990EZ and 990N forms and instructions online at www.irs.gov. Follow the links under Charities and Nonprofits, located towards the top of the Web page.

Other Reporting Requirements

Lobby Registration and Reporting Act

Your state association is required to report expenditures made in behalf of state public officials twice each year: January 31 and August 31. Expenditures include those funds and resources used to influence state policy—lobbying.

Members of MEA and its affiliates are exempt from the requirements of the Lobby Registration and Reporting Act. MEA staff members are not.

Under the Lobby Registration and Reporting Act you, as a member, can entertain a state public official and not be required to report your expenditures. However, you may be reimbursed by your association. When that reimbursement takes place, MEA is required to report the amount in its semiannual reports. If your local association is the reimbursing agent, be sure the amount is reported to MEA Government Affairs. If you are reimbursed by the MEA, your reporting requirements will be covered by MEA accounting procedures.

Should you have questions about the requirements of the Lobby Registration and Reporting Act, contact MEA Government Affairs in East Lansing.

Personal Property Taxes

All organizations that own any tangible property, (calculators, typewriters, furniture, etc.) are required to file an annual personal property tax return with their local taxing authority (city or township). Contact your city or county treasury office for more detail.

Michigan Sales Tax License and Reporting

If you sell goods in the state of Michigan you may be required to have a Michigan sales tax license and file regular reports with the Michigan Department of Treasury. MEA and its local affiliates are not exempt from paying Michigan sales or use tax on purchases.

Elections

Any involvement of a local association in any election should be carefully monitored by the local treasurer in conjunction with your UniServ office. PAC monies can only be used for supporting candidates for elected offices. Dues monies may be used for millage and bond elections. Because of the state Campaign Finance Act and Federal Election Commission rules, no dues monies may be used in any election for a candidate. Millage and bond issue elections may require filing with the state or county clerk. Please contact your UniServ office or MEA Government Affairs Department for clarification, if needed. Prior to your local association's involvement in any election, please contact your UniServ office.

Raffles

Gaming activities such as raffles and bingo are regulated by the Bureau of State Lottery, Department of Management and Budget. Before sponsoring a raffle, giveaway or similar gaming activity, contact the MEA's Department of Legal Services for information about licensing requirements and/or restrictions. Please note that Political Action Committees are barred from holding raffles or other charitable gaming activities.

Liquor Licenses

Occasionally local associations wish to engage in the sale of alcoholic beverages in connection with an association event or activity. The Michigan Liquor Control Commission has established a licensing procedure to handle these situations. Contact the MEA's Department of Legal

Services for information about current licensing requirements.

Payroll Returns

As an employer, you are required under federal law to withhold taxes from your employees' paychecks. Each time you pay wages, you must withhold a certain amount for federal income tax, Social Security tax and Medicare tax. These taxes, as well as the liability for the employer's portion of Social Security and Medicare taxes, must be reported to the Internal Revenue Service on a periodic and timely basis. Beginning with calendar year 2006, certain small employers will be qualified to file Form 944, Employer's ANNUAL Federal Tax Return, rather than Form 941, Employer's QUARTERLY Federal Tax Return to report their employment taxes. The IRS will notify those who qualify to file Form 944. For more information, you can visit the IRS Web site at www.irs.gov and do a search for the Form 944 instructions.

LM-2, 3 or 4

Labor Management (LM) reports are required by the U.S. Department of Labor from labor unions of private employers.

Filing requirements and thresholds:

	Due date	Annual Receipt Threshold
LM-2	90 days after the end of your organization's fiscal year (12-month reporting period)*	\$250,000 or more
LM-3		less than \$250,000
LM-4		less than \$10,000

** If your organization went out of existence during its fiscal year, a terminal financial report must be filed within 30 days after the date it ceased to exist.*

OTHER

Insurance Coverage

The following is a list of insurance policies issued to the MEA and/or NEA that provides protection to your local under certain circumstances:

- The NEA provides a bonding policy that provides protection to the MEA and local affiliates. The coverage is provided without any additional fees or premiums. In general, the policy provides up to \$500,000 coverage per individual per occurrence for loss of funds due to fraud or dishonesty of officers or staff. Coverage for loss of funds in transit, robbery or burglary on the premises, and computer theft is limited to \$25,000 per occurrence. Coverage for forgery is limited to \$400,000. The bond does not cover insurance trusts, pension plans or other such funds created by the affiliate. Most scholarship funds or similar funds created or controlled by the local would not be covered.
- Claims are to be filed as soon as possible with the MEA director of Legal Services. Since claims must be reported to the carrier not later than 60 days following the discovery of the loss, it is critical to file a timely claim.
- The MEA has coverage for itself and its local affiliates under an association professional liability policy. The local, its officers and its members are covered for only authorized association activities. These are activities approved by a governing body for the purposes of carrying out objectives set forth in its governing documents. This policy provides coverage for breach of duty (including the duty of fair representation), neglect, error, misstatement, misleading statement, act or omission by an insured in the course of authorized association activities. This policy does not provide coverage for unauthorized activities or claims between and among insured parties.
- The MEA is covered by a multi-peril policy. This policy covers only MEA-owned and/or MEA-occupied property. This policy does

not provide coverage for local association-owned property. Your local should consider obtaining its own coverage if it has its own property.

PAC Accounts

Federal and State Campaign Finance Laws (CFLs) have become very strict. In order to comply with CFLs, it is necessary for every local to follow very carefully, the following instructions:

First, make sure all PAC pledge forms are signed and forwarded immediately to MEA Membership. We are not allowed to accept PAC contributions without a signed PAC form for any member.

Second, when you receive a check from a school district that includes PAC funds, you should deposit the MEA-PAC/NEA Fund amount into a separate non-interest bearing account. It is important to not commingle dues dollars and PAC funds.

Third, you need to write and send MEA a separate PAC check out of this account immediately. MEA will not accept PAC funds included in the same check as dues payments. Along with every PAC check you send, we will need a detailed list of every member who contributed and the amount they contributed to MEA-PAC and NEA Fund. Be sure that the total of the detailed list adds up to the amount of the check you are sending to MEA.

Fourth, it is important to keep a running year-to-date total in your own records of members and amounts they have contributed to date to MEA-PAC and the NEA Fund, and check your records monthly against your billing invoice.

Remember: We need PAC dollars, but must keep accurate reports on every dollar contributed—and submit timely in order to use the funds. Your help is needed and appreciated! Contact the Membership Department staff for more information at: 800-358-8536.

Manual of Procedures

One of the most important things a treasurer can do for the local is review all the sections of this handbook and put together a manual of systems and procedures that deals with these topics. This manual should be as all-inclusive as possible.

Those of you who had to wonder as you read this handbook if a budget had been adopted for this year or if your local has ever received an I.D. number from the IRS can appreciate the importance of having all of the procedures in one place so you know the answers to these questions. Those of you who have received some form of a procedures manual should thank your predecessor.

Sample Calendar for Local Treasurers

(Fiscal year ending August 31)

Weekly Duties

- Remit all PAC contributions received with signed, dated authorizations and/or appropriate documentation on contributions.

Monthly Duties

- Prepare financial report
- Pay any bills submitted with proper approval
- Remit any state and national dues that were received along with the local portion.
- Deposit all receipts
- Reconcile bank statements
- Attend association meetings
- Prepare payroll tax reports, as needed
- Verify membership records with MEA billings

Annual Duties

September

- Change/update signature cards to reflect new officers

- Prepare year-end bank financial report for prior fiscal year and send copies to all members of the executive/representative council
- Arrange for an internal review committee or auditor to receive records of prior year
- File Michigan Annual Report by October 1 (if incorporated)

October

- Compare current year's membership to adopted budget projection
- Report any variance to the president
- Send the internal review committee report to executive/representative council

November

- Contact IRS (1-800-TAX-FORM) to request forms 1096, 1099, W-2, W-3, and 990 or 990EZ (if necessary)

December

- Prepare IRS form 990 or 990EZ, if required, (see Page 19 for filing thresholds) due January 15

January

- Prepare 1099s and IRS transmittal form 1096, see Page 19 for filing instructions (if necessary)
- Prepare W-2s and W-3 (if necessary)
- Prepare budget development calendar

February

- Budget committee begins work on new budget

March

- Budget survey

April

- Proposed budget sent to executive/representative council

May

- Membership adopts proposed budget

August

- Remind officers and representatives that all bills must be submitted prior to August 31
- Executive/representative council appoints an internal review committee or hires an auditor

Helpful Web Links

MEA

<http://www.mea.org>

This is the MEA's "all purpose" Web site designed for use by any user group. For members, the site contains information concerning professional development opportunities, certification requirements, new member tips, finding a job in education, and awards and grants available. For leaders, the site provides information regarding conferences held, privatization, bargaining, legal resources, financial and membership records, commissions, committees and task forces. The public can access the site to obtain recent press releases and information for parents and students and about the MEA and how to become a member. The site also holds contact information for MEA staff, officers and board of directors.

<http://www.mymea.org>

This site is for leaders and staff of the MEA. It contains a lot of the same information as the general site, but includes some publications and resources that are specific to the intended users, such as organization charts for MEA, MESSA and MEA-Financial Services, a calendar of meeting dates for the current fiscal year, and staff birthday lists.

Government Resources – Federal and State

<http://www.irs.gov>

<http://www.dol.gov>

<http://www.michigan.gov>

Basic Guide to Nonprofit Administration

http://www.managementhelp.org/finance/np_fnce/np_fnce.htm

<http://www.iknow.org/listing.cfm?main=14&sub=98>

<http://foundationcenter.org/getstarted/tutorials/establish/>

Accounting, Bookkeeping & Tax Links

<http://www.dwmbeancounter.com/acctg.html>

http://www.aipb.org/accounting_bookkeeping_tax_links.php

<http://www.toolkit.com>

Nonprofit Financial Guides and Training

<http://www.michigan.gov/cis/0,1607,7-154-35299---,00.html>

<http://bizzer.com/images/Financial/index.htm>

Small Business Administration – online courses

<http://www.sba.gov>

APPENDIX A-1

Cash Receipts Journal

EXAMPLE: On 1/10/XX, you receive a check from School District A for \$100 for a member's payroll withholdings. The school district has included the following breakdown with the check:

\$20.00 = Local Dues

\$65.00 = MEA/NEA Dues

\$10.00 = MEA-PAC Contributions

\$ 5.00 = NEA Fund For Children Contributions

You record the receipt in your spreadsheet as:

			DISTRIBUTION					
			3100	3200	3500	3600	3700	3400
Date	Received From	Amount	Local Dues	FR Fees	MEA/NEA	MEA PAC	NEA Fund	Other
01/10/XX	School District A	\$100	\$20		\$65	\$10	\$5	

You would then take the check to your local's bank and deposit \$85.00 (\$65.00 MEA/NEA dues + \$20.00 local dues) into your general checking account. The \$15.00 PAC/NEA Fund for Children contributions would be deposited into your local's PAC checking account.

NOTE: If you do not have a separate bank account for PAC, you should open one. You MUST submit a separate PAC check; MEA dues checks will not be accepted with PAC dollars included.

APPENDIX A-2

Expenditure Journal

EXAMPLE 1: On 1/10/XX, you recorded the receipt of cash from School District A. You should then write two checks to MEA – one for MEA/NEA dues (\$65.00) and one for PAC/NEA Fund for Children (\$15.00). Record the disbursements as shown below:

				DISTRIBUTION						
				4700	4800	4900	4100	4200	4400	4500
Date	Check No.	Description	Amount	MEA/NEA	MEA PAC	NEA Fund	Office Exp	Gov Act	Com/Conf	Misc
01/10/XX	001	MEA Dues	\$65	\$65						
01/10/XX	002*	MEA PAC/NEA Fund	\$15		\$10	\$5				

* This check should be written out of your separate PAC checking account and recorded in a separate expenditure journal.

EXAMPLE 2: On 1/15/XX, you send in your registration for the March bargaining conference with a check for the fee of \$165.00

				DISTRIBUTION						
				4700	4800	4900	4100	4200	4400	4500
Date	Check No.	Description	Amount	MEA/NEA	MEA PAC	NEA Fund	Office Exp	Gov Act	Com/Conf	Misc
01/15/XX	003	MEA Registration Fees Bargaining Conference	\$165						\$165	

APPENDIX A-3

Sample Expense Voucher Form

Date

XYZ Education Association, MEA/NEA Expense Voucher

Issue check to:

Name		
Address		
City	State	Zip

Itemized list of actual expenditures:

Attach paid receipts or other supporting documents.

Miles traveled _____ @ current IRS rate <i>(Authorized travel only)</i>	\$
Lodging (give name of hotel/motel)	
	\$
	\$
Food (list meals and cost)	
	\$
	\$
Other	
	\$
	\$
Total expenditures	\$
Requested by	
Title	
Approved by president or other authorized officer	
Date	Check no.
Account no.	

Each voucher should be approved by someone other than the individual requesting the check.

APPENDIX A-4

Authorization for Direct Pay

We authorize the Michigan Education Association (MEA) to deduct our monthly payment of dues for MEA/NEA and MEA-Retired from the checking account listed below. We understand that we are able to withdraw our authorization at any time by notifying MEA in writing 30 days in advance. If there are insufficient funds to cover the amount due for payment of these dues, we will be responsible for fees involved in addition to any interest assessed for non-payment of dues.

Name of Bargaining Unit: _____

Bargaining Unit ID _____
(found in upper left corner of your billing statement)

Name of Authorized signer and title:

(Print Name and Title)

Signature: _____

Name of Financial Institution: _____

Address: _____

Account number: _____

NOTE: In order to process your request, we will need a copy of your last billing invoice and a voided check from the checking account you want you payment deducted from each month, or a current check for payment of dues. Please be aware that it may take up to 30 days to process your request. The membership department will notify you when your request has been received and when your first deduction for dues will take place. Local Bargaining Units are responsible for late payments and/or interest assessed up until Direct Pay is in effect. Thank you.

PLEASE complete the above information and return to:

Michigan Education Association
Finance/Membership Department
PO Box 2573
East Lansing, MI 48826-2573

APPENDIX A-5

Suggested Budget and Financial Report Form

Date:	March 31, 20XX					
		Budget	Actual monthly activity	Actual year to date		Budget balance
	<i>Beginning bank balances</i>					
1100	Checking			500		
1200	Savings			1,500		
1400	Other investments			5,000		
	Subtotal			7,000	A	
	<i>Income</i>					
	Total dues collected	55,000	5,500	38,500		16,500
	Less dues paid to MEA/NEA	(22,000)	(2,200)	(15,400)		(6,600)
3100	Local dues	33,000	3,300	23,100		9,900
3300	Interest	400	45	320		80
3400	Other	100		75		25
	Total receipts - net of dues paid to MEA/NEA	33,500	3,345	23,495	B	10,005
	<i>Expenses</i>					
4100	Office	7,500	625	4,375		3,125
4200	Governance	15,000	1,500	10,500		4,500
4300	Committees	3,000		1,700		1,300
4400	Conferences and affiliates	3,500		750		2,750
4500	Miscellaneous	1,000	200	250		750
4600	Contingency	2,000		1,800		200
	Total disbursements	32,000	2,325	19,375	C	12,625
	<i>Ending bank balances</i>					
1100	Checking			1,500		
1200	Savings			4,620		
1400	Other investments			5,000		
	Total			11,120	D	
NOTE: A + B - C should equal D						

MEA

Michigan Education Association

PO Box 2573, East Lansing, MI 48826-2573

517-332-6551 or 800-292-1934

www.mea.org

Steven B. Cook, President • Nancy L. Strachan, Vice President • Rick Trainor, Secretary-Treasurer • Lu Battaglieri, Executive Director

*The mission of the MEA is to ensure that the education of our students and
the working environments of our members are of the highest quality.*