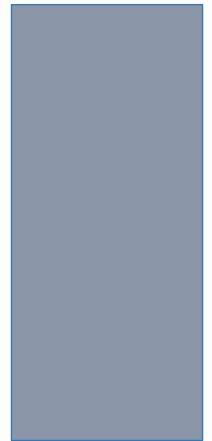




# BEST PRACTICES FOR DIVISIONS FINANCE

Purchase Card Program



# PEF CONTACTS

## 518-785-1900 or 800-342-4306



### PEF Divisions Department

- Nicole Harris – Divisional & Regional Fiscal Analyst
  - Ext. 233, [nharris@pef.org](mailto:nharris@pef.org)
  - Purchase card division questions
- Nicholas Watt – Divisions Assistant
  - Ext 232, [nwatt@pef.org](mailto:nwatt@pef.org)
  - Checkbook division questions
- Cathryn Doraby– Senior Divisions Assistant– Elections
  - Ext. 337, [cdoraby@pef.org](mailto:cdoraby@pef.org)
- Kristie Furman – Assistant Director of Divisions- Elections
  - Ext. 231, [kfurman@pef.org](mailto:kfurman@pef.org)

# OBJECTIVES



- To give divisions the tools and tips in order to remain in good financial standing
- To provide newly elected officers with the basic information needed to run a division
- Insight on the frequent mistakes we come across

# BEST PRACTICES OF DIVISIONS IN GOOD STANDING



1. Completes all of the required forms (budget and audit)- **TIMELY**
2. Maintains a financially responsible council - **SUPPORTIVE**
3. Provides all itemized receipts, attendance lists and proof of approval quarterly - **ORGANIZED**
4. Completes sign offs in Works program on a frequent basis – **FOLLOW-THROUGH**
5. Regularly in contact with division members - **COMMUNICATION**

# DIVISION FUNDING



- Per Capita Payments are deposited every quarter
  - Payments are made at the end of June, September, December, and March
- Reporting needs to be up-to-date in order to receive your divisions quarterly allotment
- You need to have a financially responsible council in order to be eligible for payment
- Your division must not be over the max in order to receive payment
  - Over the max means a Division's balance may not be more than:
    - the sum of the last four quarterly payments
    - or \$5,000 (whichever is greater)

# QUARTERLY DEPOSIT CALCULATION



- The calculation to determine each per capita payment is based upon the members on file as of the prior quarter, which can be found on the “Quarterly Member Counts” listing provided in the quarterly mailing
- Current per PEF Member amount:
  - \$37.87 for first 200 members per year or \$9.47 per member per quarter
  - \$30.31 for members over 200 per year or \$7.76 per member per quarter

# BUDGET



- PEF's Fiscal Year runs from April 1<sup>st</sup> - March 31<sup>st</sup>
- Budget is to be approved by the Division Council on or before April 1<sup>st</sup>
- Approved budget is due to PEF Finance by April 30<sup>th</sup> with meeting minutes showing approval

# BUDGET

- Don't forget to include your estimated April 1<sup>st</sup> beginning balance

	<u>Beginning Fiscal Division balance +</u>	\$ 3,000.00
Current Year Per Capita	Estimated Total 4 payments	+ \$ 4,000.00
Current Year Anticipated Expenses:		
	Meeting and Travel	- \$ 3,000.00
	Office supplies	- \$ 50.00
	Postage	- \$ 100.00
	Convention Stipends	- \$ 500.00
	Programs and Education	-
	Scholarships	-
	Good and Welfare	-
	Donations	-
	Picnic	- \$ 2,000.00
	Holiday Party	-
		-
	Donations	-
	<u>Ending Balance After Expenses =</u>	\$ 1,350.00

Approved by:

PLEASE SIGN HERE

\_\_\_\_\_  
Print Name & Sign  
Division Treasurer

\_\_\_\_\_  
Date signed

PLEASE SIGN HERE

\_\_\_\_\_  
Print Name & Sign  
Council Leader

\_\_\_\_\_  
Date signed

PLEASE SIGN HERE

\_\_\_\_\_  
Print Name & Sign  
Assistant Council Leader

\_\_\_\_\_  
Date signed

PLEASE SIGN HERE

\_\_\_\_\_  
Print Name & Sign  
Secretary

\_\_\_\_\_  
Date signed

# QUARTERLY



- Report and explain all monies received and spent no later than 30 days after the conclusion of each quarterly period
- **Submit all original receipts, proof of approval, and attendance lists where applicable to PEF Finance on a quarterly basis**
  - **Keep copies on file for the annual audit**
- Review division's trial balance within 30 days of receipt from PEF Finance
  - Check for accuracy
  - Make any needed corrections



# AUDIT/INVENTORY REPORT

- Three members are required to complete the audit. Only one can be a steward or officer.
- The one steward/officer CANNOT be the Treasurer
- Approved Audit and Inventory forms are due June 30<sup>th</sup>

# ANNUAL AUDIT



## Annual Division Audit – Purchase Card

Fiscal Year

Division #

In accordance with Article IV, Section 2 of the Model Constitution, all Divisions must audit their Financial Records for an annual period beginning on April 1 and ending on March 31. The objectives of an audit are to:

1. Confirm that all assets (ie. cash, equipment, furniture) of the Division are properly protected and accounted for.

[No Title] are that all funds owed to the Division are received by the Division; all funds disbursed by the Division were for proper and approved expenses; and that all financial transactions of the Division have been properly recorded.

3. Determine if the budget adopted by the Division is properly adhered to; and the financial reports prepared by the Division accurately reflect its activities for the past fiscal year and its current fiscal condition.

4. To ensure that the Division membership is kept informed and aware of how Division funds are used and accounted for.

The audit is to be conducted by a committee of at least three Division members appointed by the council no later than April of each year. Only one member of this

committee may be either currently serving as a steward or officer and/or have served as such during the audit period, although there is no requirement that they be part of the committee. The purpose of the rule of "only one steward or officer" is to provide a greater degree of independence and objectivity in the performance of the audit. A Division may not compensate the audit committee for its services, though expenses encountered by the members while performing the audit may be reimbursed.

The following is an Audit report form which is to be used and completed by the audit committee. It is designed to provide a comprehensive review of a Division's finances. You will note that responses to all questions must be made. If a question is not applicable to your Division, this should be indicated in the space provided. A completed audit report must be submitted to the Divisions Finance Office by the date specified in the email that was sent to your treasurer with this report. If this report is late, the deposit of your Division's quarterly funding will be withheld until the report is submitted.

If this report is not filled out properly and completely, it will be returned for proper completion and will be recorded as pending.

1. The questions below are related to the operating guidelines established by the PEF executive board and included in each division constitution. *Explain any questions answered no.*

A. Are minutes of the proceedings of each division and council meeting recorded and made available?

Yes  No

B. Have copies of all approved motions regarding division finances been furnished to the division treasurer?

Yes  No





# PENALTY STRUCTURE EXAMPLE

A portion of a Division's quarterly payment may be forfeited if reports, such as the quarterly report, budget or equipment inventory are more than 30 days late. Penalty schedule is below.

- QTR1 journal register report – due July 31st
  - If received by:
    - August 31 1/3 of the per cap payment may be forfeited
    - September 30 2/3 of the per cap payment may be forfeited
    - October 31 Entire per cap payment may be forfeited
- QTR2 journal register report – due October 31st
  - If received by:
    - November 30 1/3 of the per cap payment may be forfeited
    - December 31 2/3 of the per cap payment may be forfeited
    - January 31 Entire per cap payment may be forfeited
- QTR3 journal register report – due January 31st
  - If received by:
    - February 28 1/3 of the per cap payment may be forfeited
    - March 31 2/3 of the per cap payment may be forfeited
    - April 30 Entire per cap payment may be forfeited
- QTR4 journal register report – due April 30th
  - If received by:
    - May 31 1/3 of the per cap payment may be forfeited
    - June 30 2/3 of the per cap payment may be forfeited
    - July 31 Entire per cap payment may be forfeited



# DETAILED TRIAL BALANCE

System: 5/28/2015 2:01:22 PM  
 User Date: 5/28/2015

DETAILED TRIAL BALANCE FOR 2015  
 Public Employees Federation  
 General Ledger

Page: 1  
 User ID:

Account:	From:	To:	Subtotal By:	No Subtotals	Include:	Posting	
Date:	4/1/2014	3/31/2015	Sorted By:	Fund			
Account:	DV-3400-017-	-0-00000					
<b>Account: DV-3400-017- -0-00000 Description: Divisions-Grant Income-Divisions Staff-DIVISIO- - Beginning Balance: \$0.00</b>							
Trx Date	Jrnl No.	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit	
4/1/2014	348,439			P.C Division 4/1/14 Balance		\$3,588.39	
6/30/2014	348,300	Purchases	2014-15 1st QTR PMT	2014-15 1ST QTR PMT DIVISION PC	\$754.80		
9/30/2014	357,020	Purchases	2014-15 2nd QTR PMT	2014-15 2ND QTR PMT DIVISION PC	\$740.00		
12/31/2014	383,169	Purchases	2014-15 3rd QTR PMT	2014-15 3RD QTR PMT DIVISION PC	\$732.80		
3/31/2015	389,856	Purchases	2014-15 4th QTR PMT	2014-15 4TH QTR PMT DIVISION PC	\$710.40		
<b>Totals:</b>					<b>Net Change</b>	<b>Ending Balance</b>	
					(\$6,526.19)	(\$6,526.19)	
<b>Account: DV-3400-017-181-0-00000</b>					<b>\$0.00</b>	<b>\$6,526.19</b>	
<b>Account: DV-4510-017- -0-00000 Description: Divisions-P/R Mileage Expense-Division-DIVISIO- - Beginning Balance: \$0.00</b>							
Trx Date	Jrnl No.	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit	
6/11/2014	343,987	Purchases	LM 5/29 Mileage	LM 5/29 MILEAGE	\$108.80		
6/11/2014	343,988	Purchases	LM 5/29 Mileage	LM 5/29 MILEAGE	\$108.80		
9/17/2014	353,098	Purchases	DIV CONV14 STIP	DIV181 CONV14 STIP	\$100.00		
3/25/2015	368,106	Purchases	Mileage 3/24/15 M1G	MILEAGE 3/24/15 M1G	\$54.50		
3/30/2015	368,298	Purchases	Mileage Mar11 STEW TR	MLGE MAR11 STEW TR	\$55.45		
<b>Totals:</b>					<b>Net Change</b>	<b>Ending Balance</b>	
					\$427.55	\$427.55	
<b>Account: DV-4510-017-181-0-00000</b>					<b>\$427.55</b>	<b>\$0.00</b>	
<b>Account: DV-4530-017- -0-00000 Description: Divisions-P/R Lodging-Divisions Staff-DIVISIO- - Beginning Balance: \$0.00</b>							
Trx Date	Jrnl No.	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit	
5/23/2014	342,929	Purchases	DOCCS LM CONF	2014 DOCCS PUBLIC EMPLOYEES FEDERATION	\$337.72		
<b>Totals:</b>					<b>Net Change</b>	<b>Ending Balance</b>	
					\$337.72	\$337.72	
<b>Account: DV-4530-017-181-0-00000</b>					<b>\$337.72</b>	<b>\$0.00</b>	
<b>Account: DV-4560-017- -0-00000 Description: Divisions-P/R Meal Expense-Divisions S-DIVISIO- - Beginning Balance: \$0.00</b>							
Trx Date	Jrnl No.	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit	
5/28/2014	346,783	Purchases	Payables Trx Entry	TXN00035435 MACKENZIES RESTAURANT	\$29.84		
5/29/2014	344,199	Bank Transaction Entry	ok47084 John Ballard Return of	RCT000022258		\$337.72	
6/11/2014	343,982	Purchases	Luncheon Lapage, Marocco, Elr	DIV181 LUNCHEON 6/2 GMCF EBF	\$72.00		
6/19/2014	344,543	Purchases	6/20/14 Edu Staff Luncheon	6/20/14 EDUC LUNCHE What's Cookin	\$299.60		
7/31/2014	348,859	Purchases				\$25.00	
8/21/2014	349,815	Purchases			\$100.00		
9/30/2014	354,050	Purchases			\$500.00		
12/30/2014	361,429	Purchases			\$22.68		
12/30/2014	361,563	Purchases				\$22.68	
12/31/2014	361,562	Purchases			\$22.68		
3/30/2015	368,438	Purchases			\$450.00		
<b>Totals:</b>					<b>Net Change</b>	<b>Ending Balance</b>	
					\$1,111.40	\$1,111.40	
<b>Account: DV-4560-017- -0-00000</b>					<b>\$1,496.80</b>	<b>\$385.40</b>	
<b>Grand Totals:</b>							
		<b>Accounts</b>	<b>Beginning Balance</b>	<b>Net Change</b>	<b>Ending Balance</b>	<b>Debit</b>	<b>Credit</b>
		8	\$0.00	(\$2,531.77)	(\$2,531.77)	\$4,048.93	\$6,580.70

- Credits are funds coming into your division
- Debits are funds going out of your division

**Note:** The ending balance will show with parenthesis if you have a positive balance

# MAKING CHECK REQUESTS



- If your division needs a check rather than using the purchase card, a request can be made to PEF Finance via email to Nicole Harris, [Nharris@pef.org](mailto:Nharris@pef.org). Check requests can take 7-10 for processing.
- In the email you should provide who the check should be made payable to, the amount, the purpose for the check request and the address of where the check should be mailed to.
- Where applicable - supporting documentation including but not limited to, attendance lists, receipts, proof of approval (meeting minutes/email chain of approval), and event fliers, will be required to be submitted.
- Check requests may only be made by the Division Treasurer or Council Leader.

# BOA WORKS SIGN OFFS



- It is important that two users consistently review and sign off on transactions in Bank of America Works.
- BOA website:  
<https://spacardportal.works.com/gar/login>
- Sign offs are a two-step process:
  1. The person who made the purchase logs in and signs off on the transaction leaving a comment/description as to what the purchase was for. **This must be completed within 10 days following the end of the month.**
  2. The second user reviews the transaction and comment. If everything is accounted for the second user, then closes the transaction. **This must be completed within 10 days following the end of the month.**
- Timely review will allow you to notice any unauthorized or fraudulent purchases as they happen and not several months later.
- It is highly recommended that the Division Treasurer not have a purchase card and only act as the second reviewer in the sign off process.

# ALLOWABLE EXPENSES



All expenses must be approved by the Division Council and have a union purpose!

- Membership Meeting Expenses (food, room, supplies, etc.)
- Operating Expenses (postage, printing, etc.)
- Steward traveling expenses (meals/mileage, etc.)
- Scholarship Fund
- Convention Stipend for Delegates (up to the max allowed by policy)
- Tickets and contributions for local functions where the division should be represented
- Donations (Charitable contributions)
- Membership engagement and seasonal events
- Gifts to Members - (non-cash only gifts)
  - What is done for one member needs to be financially possible and made available for all members if requested

# PROHIBITED EXPENSES



- Expenses not directly funded by a Divisions Budget
  - Statewide Committees such as LM or H&S
- Political activities
- Reimbursement of members dues
- Expenses already reimbursed by PEF
- Internal caucus/partisan union activities
- Direct payment to members in excess of actual expenses
- Salaried employees
- Legal fees
- Cash gifts this includes Visa/Amex gift cards

# GIFT CARDS



- No Visa/Amex gift cards allowed
- Gift cards can be given out as door prizes, raffle items, and retirement gifts
  - Providing gift cards to the entire membership is essentially a rebate of dues and is prohibited
- Keep list of recipients for gift cards

# GIVEAWAYS



- Can be used to encourage membership engagement
  - Raffle items at membership meetings, door prizes at picnics and holiday parties, union trivia contest prizes
- Required Documentation
  - Must be in the budget or voted on by the Steward Council
  - Specification of the union purpose/event and the date and time where items are distributed
  - Itemized receipt for the purchased items
  - List of recipients for items valued at \$30.00 or more each

# BENEFICIAL ASSISTANCE



- PEF Finance manages division receipts and expenditures directly
- The division does not have access to a checkbook or purchase card
- All payment requests would be handled by PEF Finance
  - Payment to vendors can be made by check with 7 business days notice or via credit card payment over the phone with 2 business days notice
  - Supporting documentation would need to be submitted prior to the payment being made
  - Attendance lists will need to be submitted no later than 7 calendar days after the conclusion of the event
- Budget and Audit reports still need to be completed and submitted to PEF Finance
  - PEF Finance will have all documentation already, so this will act as a checks and balances

# BEFORE WE FINISH...



- We are not sales tax exempt. Any product or service that you purchase for your division should include sales tax
- Only members with a completed Application for Purchasing Authority on file can make internal PEF charges
- All financial forms can be found at <https://www.pef.org/departments/divisions/division-finance/>

# THANK YOU!



We thank you for your contributions to PEF and for taking an active role in your division. Working together we can remain **UNION STRONG!**