

RULES FOR DIVISIONS: Formation and Financial Management

A. General Division Guidelines

1. Constituencies shall be logical, cohesive units. They may be departmental or geographically based. Crossing PEF Regional boundaries is permissible. Division by title or community of interest shall not be allowed. Fifty (50) regular PEF members are needed to start a Division.
2. Divisional Constitutions should follow the model guidelines presented herein. Local adaptation and additions may be necessary, but must not negate the intent and purpose of the model. All changes should be indicated. Explanations may be necessary. The first nine articles are to be named and numbered as outlines. Extra articles, if any, would start with Article Ten (10). With the exception of the Audit Committee, Division Committees listed in Constitutions are not considered mandatory.
3. Thirty percent (30%) showing of interest petitions will be required to start the process. When more than one agency and/or location is proposed for a Division, separate petitions for each agency and/or location will be required.
4. The draft constitution will be sent for a constituency ratification vote. Ratification for approval is a majority of those voting. When more than one agency and/or location is proposed for a Division, separate ratification votes of each agency by location will be required. Ratification votes will be done on-site when practical. If by mail, ballot counting will be done in a location as convenient to Division members as possible.

B. Division Structure

1. In order to create uniformity of divisional leadership and reduce confusion due to multiple titles for similar functions, the following terms shall describe Division structure:

The Division Council is the governing body of each division.

The Council Leader is the Chief administrative Officer.

The Assistant Council Leader(s) is the assistant administrative officer(s).

The Secretary is the Chief record keeper.

The Treasurer is the chief financial officer.

- NOTE: Divisions may combine the roles of Council Secretary and Treasurer into one Secretary-Treasurer position.

These officers may be elected either by the Council from among themselves or at-large by the constituency. Divisions composed of less than 175 PEF members must elect a Division officer-at-large, so that the Council has at least 4 members (Article IV, Section 1).

2. Division Officers Elections:

Divisions with less than four (4) stewards elect the officers in the following manner:

If a Division has:

1 Steward, this is the Council Leader

2 Stewards, they are Council Leader and Treasurer (or Secretary-Treasurer- S-T)

3 Stewards, the Council Leader, Treasurer (or S-T), Secretary (or Assistant Council Leader).

3. The Term of Office for all elections shall be between one (1) to three (3) years (Article XX, B, 6).

4. Documents, records and reports related to the Division's financial operations and leadership decisions by the Council Leader, Treasurer, Secretary and Assistant Council Leader shall be considered PEF property, and must be transferred to successors. In the event successors are not yet elected, materials must be transferred by the officers whose terms have ended to PEF Finance.

C. PEF Division Council Standards: Divisional leadership is responsible for ensuring that the following core union functions are provided to benefit PEF members in the Division:

Required Tasks and Responsibilities:

39. Establish required Division Committees*
40. Conduct at least two Division Membership Meetings per year*
41. Provide regular (at least monthly) informational updates by meetings, links to the PEF website, emails, e-bulletin board and physical bulletin board postings.
42. Conduct new Membership Orientations whenever new members join the Division
43. Sponsor two Division events per year (such as picnic, holiday party, MBP promotions, EAP event, scholarship awards, etc.)
44. Ensure all Stewards receive training certification within 6 months after election*
45. Notify Regional Coordinator and Executive Board representatives of all Division meetings*
46. Prepare annual Division Budget, approved by Division and Stewards' Council*
47. Submit Annual Audit and Quarterly Financial Reports (per Rules for Divisions)*

Membership Engagement

48. Recruit stewards and membership mobilizers to fully engage all members.
49. Work with Field Services Organizing to have a fully recommitted and mobilized Division.

Labor/Management

50. Establish a local Labor/Management Committee*
51. Conduct at least two Labor/Management meetings per year*
52. Circulate/share Labor/Management agenda and minutes with to the Division membership and post on local PEF Bulletin Board.

Contract Enforcement

53. Establish a grievance structure and serve as a liaison in grievance filings*
54. Be involved in Disciplines/Discharges and Interrogations

Political Action and Union Solidarity

55. Encourage participation in regional Political Action Committee work, voter registration drives, and overall activism.
56. Recruit COPE contributors by requesting participation during new member orientations and political activism.
57. Join with labor groups and participate in Central Labor Council, Area Labor Federation, and in several local/ regional labor events every year.

** Indicates Mandatory Requirements per PEF Constitution or Policy.*

Division Council Standards adopted 8/2/02, updated November 2018.

D. PEF Divisions: Funding, Budgeting and Financial Management

In accordance with the PEF Constitution (Article XX, Section B), the following guidelines deal with Division Financial activity:

1. Funding

- k. Approved Divisions shall be funded based on their membership in Division accounts maintained at PEF. No other bank accounts for Divisions are permitted, nor shall PEF's Tax ID number be made available for Division use. The funds shall be provided on a quarterly basis, for the first 200 members, and for 201+ members, at rates to be determined by the Executive Board in connection with the PEF annual budget.
- l. The fiscal year shall be April 1 to March 31.
- m. At inception, and once the new, approved Division has elected officers, a \$500 advancement start-up funds shall be provided from per capita funds. Thereafter, funding shall be quarterly to Divisions in good standing.
- n. Each Division shall receive a quarterly Division membership list from PEF, which shall be the basis of the quarterly per capital payment.
- o. Divisions may request that PEF Finance manage their receipts and expenditures directly, in the event that circumstances warrant such beneficial assistance for operations. In the event that Divisional leadership is not able or willing to implement PEF Division Council Standards, the Secretary-Treasurer may have PEF Finance manage divisional finances through direct beneficial assistance.

2. Expenditures

IMPORTANT NOTES:

- Approved Divisions are allowed to spend monies on any activity that serves a PEF union purpose, is consistent with the Labor-Management Reporting and Disclosure Act (LMRDA), is pre-approved by the Division Council, and is not contrary to PEF goals and policies, including the Code of Conduct.
- Documentation **MUST BE MAINTAINED** and **SUBMITTED** to PEF Finance specifying the members participating in meetings and events, and specifying the value of, and members in receipt of, any gifts or giveaways purchased by the Division (see attached Documentation Requirements).
- q. All spending must be explained, receipted, and in accordance with the Division Budget as approved by the majority vote of the Division Council and in compliance with other provisions of the specific Division's constitution.

Spending in the following areas is strictly prohibited:

1. Political activities
 2. Internal caucus activities
 3. Salaried employees
 4. Honoraria to members
 5. Direct payment to members in excess of actual expenses
 6. Reimbursement of member's dues
 7. Rebates or gifts to members (via cash, check, credit card)
 8. Legal fees.
- r. Examples of permitted Divisional expenditures include, but are not limited to:

1. Expenses for Division members' meetings (food, room, supplies, etc.)
NOTE: Food purchased for PEF meetings and events MUST be from a licensed restaurant/supplier/caterer, for liability and health & safety reasons.
 2. Expenses for Division operation (postage, printing, etc.)
 3. Mileage for Division purposes- consistent with PEF travel policy and specifying union purpose, meeting notice, etc.
 4. Tickets and contributions for local functions where the Division should be represented
 5. Membership engagement and seasonal events
 6. Good & welfare, scholarships.
- s. All STATEWIDE Divisions must ensure that resources are shared fairly with members located across the State, ideally on a pro-rata basis.
- t. Convention expenditures: Approved Divisions have the discretion to allocate up to \$100.00 to each delegate attending PEF Conventions, provided that such allocations are approved in advance by the Division Council, as evidenced by meeting minutes prior to the given Convention. No Division may reimburse any delegate for a single room supplement.
- u. No double reimbursements are permitted: Divisions may NOT reimburse for expenses vouchered for payment by other entities or PEF departments.
- v. No 'discretionary' or 'petty cash' funding amounts allocated to Division Council officers, stewards or members are permitted under any circumstances.
- w. Expenses for Labor-Management meetings should be charged to the Division's LM budget, unless there is an MOU with NYS with other provisions related to expenses.
- x. Expenses for Health & Safety meetings should be charged to the Division's H&S budget, unless there is an MOU with NYS with other provisions related to expenses.

3. Division Responsibilities

Approved Divisions Shall:

- u. Develop an annual budget to be approved by the Division Council on or before April 1 and forward it to the PEF Finance Department by April 30th.
- v. Establish an Audit Committee to be composed of at least 3 persons, with no more than one being a steward and/or officer (cannot include the Treasurer) of the Division. This Committee shall do a yearly audit of the Division's financial activities and report to the Council, membership and to PEF Central within 90 days after the end of the fiscal year by completing the Annual Division Audit.
- w. At the conclusion of each fiscal year have the Division Audit Committee conduct and maintain an inventory of the assets (e.g. furniture, electronics, fixtures) owned by the Division, using the Guidelines for Maintaining an Equipment Inventory. The inventory report will be submitted by the Division to PEF Finance with the Annual Division Audit.
- x. Report and explain all monies received and spent no later than 30 days after the conclusion of each quarterly period, for both checkbook and purchase card Divisions.
- y. Submit original receipts to PEF Central on a quarterly basis, keeping copies on file for the annual audit.

- z. Review Division's trial balance info within 30 days of receipt from PEF Finance, to check for accuracy and make any needed corrections or clarifications in a timely fashion.
- aa. Make all financial reports, especially the Annual Budget and the Audit Report, available to the Council, Division membership, Regional Coordinator, Executive Board and Internal Auditor.
- bb. Provide current personal email and cell phone contact information for the Division's Council Leader and Treasurer or Secretary-Treasurer to Finance.
- cc. Require that the Division have at least one officer who assumes financial leadership, with the responsibility for communicating with Finance (Council Leader and/or Treasurer or Secretary-Treasurer).
- dd. Ensure that any Division officer with spending authority complete and submit an approved Application for Purchasing Authority, within 30 days, or the deadline set by Finance, (available online at:
http://www.pef.org/pef_files/docs/forms/Application_for_Purchasing_Authority.pdf)

NOTE: the Division Financial Management Timeline spreadsheet (attached) is designed to be a helpful planning guide.

4. Account Deposits

- g. Division funds shall be deposited at the end of each quarterly period in the Division's account at the bank designated by PEF. This deposit may be withheld if a Division is delinquent in submitting any one of the above stated reports.
- h. All accounts require at least two signatures, or dual purchase card approval, to spend funds.
- i. No more than one (1) year's reimbursement, or \$5,000, whichever is greater, can be accumulated by a Division. One year's reimbursement is defined as the sum of the last four quarterly per capital payments. The Division Treasurer will receive written notice of the maximum.

5. Accounting for Expenditures

NOTE: All Division expenditures must be pre-approved by the Division Council and properly documented via original invoices, PEF Works entries, participant sign-in sheets and/or on the appropriate forms provided by PEF such as:

- i. Emails and/or minutes documenting Division Council approvals,
- j. Lists of meeting participants (using PEF sign-in sheet form) and giveaway recipients.
- k. Division expense vouchers or PEF Works entries, which need to be submitted with the vendor's detailed and itemized receipts,
- l. Quarterly: Journal Register Reports (checkboxbook Divisions only) along with itemized receipts and supporting documentation (all divisions).

6. Penalties

NOTE: When a Division is delinquent in submitting the required annual budget or audit, or quarterly reports for one or more consecutive quarters, or is missing significant required financial documentation, deposits of Division funds into the Division's account shall be withheld, and penalties may be assessed, until all Division reports are brought current. Exceptions to imposing penalties and/or withholding funds may be made if the Office of the Secretary-Treasurer has knowledge of Division circumstances which explain and excuse the delinquency. Such delinquencies and circumstances shall be included in the Secretary- Treasurer's next report to the Executive Board.

- k. Division quarterly payments shall be withheld until all outstanding reports and accounting entries are submitted.
- l. A portion of a Division's quarterly payment may be forfeited if reports, such as the quarterly report, budget, audit or inventory list, are more than 30 days late (e.g. if 60 days late, one-third of funds may be forfeit, at 90 days, two-thirds, or after 120 days, the entire quarterly amount).
- m. Prior to restoring withheld quarterly payments, a revised budget reflecting such restored funding must be submitted to Finance. Once such a budget is in place, along with the required outstanding documents, funding may then be restored.
- n. Divisions will reimburse PEF for all fees associated with bounced checks written by the division.
- o. Expenses lacking detailed receipts/documentation will be charged against future per caps. Funding for such deductions may be restored if the Division Council leadership provides a full explanation at a membership or stewards' meeting, wherein the participants vote their approval to excuse the error and approve the un-receipted expense. Documentation requesting restoration, including the Division meeting minutes and participant list for such approval, and proof that the action was disclosed to the full Division membership, must be provided to Finance within 90 days of the deduction.

7. Purchase Cards

- m. One purchase card (pcard) will be designated to each Division, per the Division Council request. Council requests for additional cards must be approved by the PEF Secretary-Treasurer.
- n. All Division expenses must be approved/signed off within 30 days of the purchase by two Divisional officers. Failure to sign-off on card purchases within 30 days will result in a temporary freeze of the Division's account.
- o. The Division Treasurer shall be the final reviewer and approver of all purchases. ***It is required that one of the Division Council officers (Treasurer, Council Leader, Assistant Council Leader, or Secretary), who does NOT have a purchase card, be empowered to sign-off on all Division expenditures by any other cardholders, in order to ensure a virtual dual sign-off. It is strongly recommended that the Treasurer take on this role and not have a pcard.*** Purchases by the Council Leader and any other officer shall be reviewed and approved by the Treasurer, or other officer without a pcard. In the event that purchases are made by the Treasurer, they shall be reviewed and approved by the Council Leader, or other officer without a pcard.
- p. Purchase cards will be temporarily shut off when a zero balance is reached.

- q. Per Capita shall be available for spending on the first business day of the quarter.
- r. All detailed/itemized original receipts for card purchases made during the fiscal year, as well as relevant original participant lists, must be submitted quarterly for review and retention by PEF, or may be submitted more frequently (monthly) to ensure such documentation is not lost as it is essential to the annual audit. It is strongly recommended that Divisions retain copies of receipts and related materials.

8. Division Status as “Not in Good Standing” or “Improving”

- i. Determinations that Divisions are Not in Good Standing (NGS) or Improving (I) are made quarterly or as needed.
- j. Factors involved in a determination that a Division is “Not in Good Standing” (NGS) include:
 - 5. Missing financial and required documentation, such as an absence of an approved budget, audit, receipts, attendance lists with participant sign-offs, specification of the union purpose of the expense, and/or,
 - 6. Absence of financially responsible leadership.
- k. Factors for a determination that a Division is Improving consist of active work underway with Finance and Divisions staff on the part of Division officers and leaders in order to return the Division to good standing,
- l. The Finance Office will reach out to Division officers (and Executive Board representatives for such divisions) at risk of being listed as NGS prior to the final determination, in order to provide assistance to resolve the factors of concern whenever possible.

E. Authority

The Secretary-Treasurer and the Divisions Committee shall have the authority to adopt rules, procedures and forms necessary to implement these policies.

TIMELINE FOR DIVISIONAL FINANCIAL REPORTING AND RESPONSIBILITIES

	Quarter I: Apr 1-June 30	Quarter II: July 1-Sept 30	Quarter III: Oct 1- Dec 31	Quarter IV: Jan1-Mar 31
PEF Fiscal Year: 4/1 to 3/31 -- Quarters:				
REPORT/ ACTIVITY:				
Application for Purchasing Authority Completion:				
Submission by PEF members with any spending authority, by pcard and/or check: within 30 days, or deadline set by Finance				
	Due Dates	Due Dates	Due Dates	Due Dates
Quarterly Report on Monies received and spent	for Q IV	for Q I	for Q II	for Q III
Provide original receipts to Finance, keep copies in Division	30-Apr	30-Jul	30-Oct	30-Jan
Annual Budget	Due Dates	Due Dates	Due Dates	Due Dates
Create Annual Budget: Treasurer with Division Council	1-Apr			
Submission of Annual Budget to PEF Finance, no later than:	30-Apr			
Share budget with Council, Division membership, Regional Coordinator, Executive Board and Internal Auditor	30-Apr			
Annual Audit:				
Convene Committee, conduct Equipment Inventory after FYE	suggest 15-Apr			
Complete and submit annual audit to PEF Finance, with Asset Inventory, within 90 days of 3/31 FYE	before 30-Jun			
Share audit with Council, Division membership, Regional Coordinator, Executive Board and Internal Auditor	30-Jun			
NOTE: Risk of Penalties if Annual Audit and Inventory not submitted after 30 day grace period ending:			30-Jul	

SUPPORTING DOCUMENTATION REQUIREMENTS

<u>EVENT or ACTIVITY using DIVISIONAL FUNDS</u>	Itemized, Original Receipt for Meals, Purchases, Donations or Contributions	List of all PEF Participants/ Recipients, including their signatures per PEF format	Expense Voucher or PEF Works Entry with details on purpose, rationale	Notes
<i>NOTE: The PEF Union Purpose for Expenditure, and Good or Service Purchased, Must ALWAYS be Specified in Detail</i>				Submit required documentation within 30 days
Holiday Party	x	x	x	
Summer Picnic	x	x	x	
Members' and Stewards' Meetings, Membership Engagement Session, other	x	x	x	
Travel: MUST comply with applicable PEF travel policies	x	x	x	Describe what, where, when, why
Good & Welfare: e.g. sympathy, get well, retirement plaque, commendation, scholarship	x	x	x	All members to be provided same benefit in same situation, specify names
Giveaways: refer to policy document for guidance	x	x	x	NEVER cash or equivalent