



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
 - Purchase card division questions
- Susan Dunckle– Divisions Assistant
 - Ext 232, sdunckle@pef.org
 - Checkbook division questions
- Tara Bentley – Senior Divisions Assistant– Elections
 - Ext. 337, tbentley@pef.org
- Kristie Furman – Assistant Director of Divisions- Elections
 - Ext. 231, 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 (November 2018):
 - \$31.40 for first 200 members per year or \$7.85 per member per quarter
 - \$25.12 for members over 200 per year or \$6.28 per member per quarter

BUDGET



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

BUDGET

- Don't forget to include your estimated April 1st 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

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												
DV-3400-017-	4/1/2014	3/31/2015	Sorted By:	Fund														
Account: DV-3400-017- -0-00000	Description: Divisions-Grant Income-Divisions Staff-DIVISIO- -					Beginning Balance:	\$0.00											
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												
8/30/2014	346,300	Purchases	2014-15 1ST QTR PMT	DIVISION PC	\$754.80													
9/30/2014	357,020	Purchases	2014-15 2ND QTR PMT	DIVISION PC	\$740.00													
12/31/2014	383,169	Purchases	2014-15 3RD QTR PMT	DIVISION PC	\$732.80													
3/31/2015	389,856	Purchases	2014-15 4TH QTR PMT	DIVISION PC	\$710.40													
					Net Change	Ending Balance												
Account: DV-3400-017-181-0-00000					Totals: (\$6,526.19)	(\$6,526.19)	\$0.00 \$6,526.19											
Account: DV-4510-017- -0-00000	Description: Divisions-P/R Mileage Expense-Division-DIVISIO- -					Beginning Balance:	\$0.00											
Trx Date	Jrnl No.	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit												
8/11/2014	343,987	Purchases	LM 5/29 Mileage	LM 5/29 MILEAGE	\$108.80													
8/11/2014	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	388,106	Purchases	Mileage 3/24/15 MTG	MILEAGE 3/24/15 MTG	\$54.50													
3/30/2015	388,298	Purchases	Mileage Mar11 STEW TRG	MLGE MAR11 STEW TR	\$55.45													
					Net Change	Ending Balance												
Account: DV-4510-017-181-0-00000					Totals: \$427.55	\$427.55	\$427.55 \$0.00											
Account: DV-4530-017- -0-00000	Description: Divisions-P/R Lodging-Divisions Staff-DIVISION- -					Beginning Balance:	\$0.00											
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													
					Net Change	Ending Balance												
Account: DV-4530-017-181-0-00000					Totals: \$337.72	\$337.72	\$337.72 \$0.00											
Account: DV-4560-017- -0-00000	Description: Divisions-P/R Meal Expense-Divisions S-DIVISIO- -					Beginning Balance:	\$0.00											
Trx Date	Jrnl No.	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit												
5/28/2014	348,783	Purchases	Payables Trx Entry	TXN00035435 MACKENZIES RESTAURANT	\$29.84													
5/29/2014	344,199	Bank Transaction Entry	ck47084 John Ballard Return dt	RCT000022258		\$337.72												
8/11/2014	343,982	Purchases	Luncheon Lapage, Marocco, Elr	DIV181 LUNCHEON 8/2 GMCF EBF	\$72.00													
8/19/2014	344,543	Purchases	8/20/14 Edu Staff Luncheon	8/20/14 EDUC LUNCHE What's Cookin	\$299.80													
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	381,429	Purchases			\$22.88													
12/30/2014	381,583	Purchases				\$22.88												
12/31/2014	381,582	Purchases			\$22.88													
3/30/2015	388,436	Purchases			\$450.00													
					Net Change	Ending Balance												
Account: DV-4560-017- -0-00000					Totals: \$1,111.40	\$1,111.40	\$1,496.80 \$385.40											
<table border="1"> <thead> <tr> <th>Accounts</th> <th>Beginning Balance</th> <th>Net Change</th> <th>Ending Balance</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Grand Totals: 8</td> <td>\$0.00</td> <td>(\$2,531.77)</td> <td>(\$2,531.77)</td> <td>\$4,048.93</td> <td>\$6,580.70</td> </tr> </tbody> </table>							Accounts	Beginning Balance	Net Change	Ending Balance	Debit	Credit	Grand Totals: 8	\$0.00	(\$2,531.77)	(\$2,531.77)	\$4,048.93	\$6,580.70
Accounts	Beginning Balance	Net Change	Ending Balance	Debit	Credit													
Grand Totals: 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.
- In the email you should provide who the check should be made payable to, the amount, and the purpose for the check request
- 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 requested
- 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
- 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
 2. The second user reviews the transaction and comment. If happy with the purchase the second user, then closes the transaction
- 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 (max of \$100)
- Tickets and contributions for local functions where the division should be represented
- Donations (Charitable contributions)
- Membership engagement and seasonal events

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 valued at \$20.00 or more

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 \$20.00 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

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!**