## CUPE_text_bw

## Trustees’ Checklist and

**Suggested Recommendations**

For the audit period:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Enter Period Here\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Local Number

or Organization \_\_\_\_\_\_\_\_\_Enter Local # Here.\_\_\_\_\_\_\_\_\_\_\_\_\_

Date audit completed \_\_\_\_\_\_\_\_Enter Date Audit Completed.\_\_\_\_\_\_\_\_

Prepared by x\_\_\_\_\_\_\_Trustees Signature.\_\_\_\_\_\_\_\_\_\_\_\_\_

Trustee (please sign and print name)

x\_\_\_\_\_\_Trustees Signature.\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Trustee (please sign and print name)

x\_\_\_\_\_\_Trustees Signature.\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Trustee (please sign and print name)

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**QUESTIONS:**

1-800-363-2873, option 5

or [trustees@cupe.ca](mailto:trustees@cupe.ca)

**All three Trustees must be available to work together to complete the audit in a timely manner. It would also be beneficial that prior to the audit they attend the CUPE Financial Officer’s Workshop.**

**Keep a copy of this document and your recommendations for the Trustees’ future reference.**

**Before starting the next audit, the Trustees should review this report, and ensure that your local’s Executive has addressed all recommendations.**

**STEP BY STEP INSTRUCTIONS**

**1 -** Prior to starting the audit, you must request and receive from your Secretary-Treasurer ALL the relevant documents listed on page 2. The review of books will go much smoother if the documents are neatly organized.

If you are having trouble obtaining the needed documentation, you should seek assistance from your President. If they cannot help you, seek assistance from your CUPE National Servicing Representative.

**2 -** Once you have received the material from your Secretary-Treasurer, review and compare the deposits, expense claims and receipts, bylaws, minutes, bank statements, cheques, cancelled cheques and any other related documents with the monthly ledgers provided. During this comparison, the Trustees should note any discrepancies or unexplainable transactions for follow up.

**3 -** All **three** Trustees should complete this document together. At the beginning of each section there is a list of instructions. As you start each section, ensure you read and follow the instructions.

**4 -** Once you have completed all six sections of the audit, and you have finalized your recommendations, please sign and send the originals to CUPE National and a copy of the following to your Servicing Representative:

1. This checklist;
2. The Secretary-Treasurer’s Financial Report to the  
   Trustees;
3. The signed Trustees’ Audit Report;
4. Your written report to the membership;
5. Your written report to the President and Secretary- Treasurer;
6. The written response of the Secretary-Treasurer to the Trustees.

**DOCUMENTATION THE TRUSTEES WILL NEED FROM THE SECRETARY-TREASURER**

1. A completed copy of the “Secretary-Treasurer’s Financial Report to the Trustees”.
2. Copies of all per capita receipts submitted for the period under review.
3. Secretary-Treasurer’s completed ledger, either paper or electronic version.
4. The bank statements including the returned cheques or cheque images; and if applicable, bank books for all the local’s bank accounts.
5. Cheque stubs.
6. Copy of all bank reconciliations completed by the Secretary-Treasurer.
7. Documentation for all expenses incurred during the period (this would include authorization vouchers and/or invoices).
8. Deposits book(s).
9. Minute book excerpts dealing with all expenditures approved by the membership or executive. Check with Recording Secretary.
10. Copy of the local’s bylaws.
11. Employer’s dues check-off list (or  
    similar documentation used by the Secretary-Treasurer to ensure dues   
    are deducted properly).
12. Receipt book (or similar documentation, in addition to the deposit book, used by the Secretary-Treasurer to record money received by the local).
13. Copy of any insurance policy held by the local on assets owned by the local, if applicable.
14. Copy of any financial reports presented by the Secretary-Treasurer to the Executive and/or membership during the period under review.
15. Any T5’s (which show investment income for the local) and copies of all investment statements received for the period under review, if applicable.
16. If the local has rental revenue, copy of any rental agreements, if applicable.
17. Copy of leave of absence request forms submitted to the employer (or other available documentation which enable the Trustees to identify who was on leave for union business and on what days).
18. If the local sells supplies, any documentation or records kept recording these transactions.
19. Copy of your collective agreement.
20. Copy of the CUPE Constitution.

***In addition to these documents being provided, the Secretary-Treasurer should also be available to answer questions, but under no circumstances should any local executive member be present during the audit.***

**SUGGESTED RECOMMENDATIONS**

The suggested recommendations are intended as a guide only and may or may not be suitable for your local. If not, these recommendations can serve as a starting point for you to develop recommendations tailored to your local’s circumstances. The objectives of these recommendations are:

* to make the Secretary-Treasurer’s job as easy as possible, by helping to maintain neat, complete and organized records;
* to help the Trustees do their job as quickly and effectively as possible;
* to help ensure that the financial information being reported to the membership is presented fairly and accurately; and
* to reduce the risk of fraud taking place in the local.

As a result of your audit, you may have some recommendations to make regarding how the books, records and finances of your local would be better handled.

**If you do have recommendations, you should:**

1. Sit down and prepare a written report to the local President and Secretary-Treasurer outlining your findings and/or concerns as well as any recommendations;
2. Review the written response from the local Secretary-Treasurer;
3. Prepare a written report to the membership;
4. Once all the written reports have been approved by the membership, please submit them to CUPE National along with all the financial reports;
5. Don’t forget to also send a copy to your servicing representative and keep a copy for the local and one for the Trustees.

MAIL TO: CUPE NATIONAL

Attention: National Secretary-Treasurer

1375 St. Laurent Blvd.

Ottawa, ON K1G 0Z7

EMAIL TO: [trustees@cupe.ca](mailto:trustees@cupe.ca)

FAX TO: (613) 237-5508

**SECTION 1: BOOKS AND RECORDS**

Before completing this section, you should:

1. Spend some time looking through the ledgers maintained by the Secretary-Treasurer.
2. Take a few minutes to review the filing system used to file invoices that have been paid by your local.

**Now you are ready to answer the questions.**

1. Does your local use the CUPE Ledger Paper Book?

Yes  No

or the CUPE electronic ledger?  Yes  No

1.1 If the answer to 1.0 is “no”, is the present  Yes  No

accounting system used by your Secretary-

Treasurer understandable to you?

1.2 Does the present accounting system permit  Yes  No

adequate reporting to the membership?

(i.e., reports at each membership meeting

detailing all income and expenditure items,

not just a report stating the bank balance)

1.3 Is the accounting system used by your local  Yes  No

computerized?

1.4 If the accounting system is computerized, are  Yes  No

procedures in place to ensure that the files

are backed up on a timely basis?

**SECTION 2: BANKING**

Before completing this section, you should:

1. Spend some time sorting through the bank statements given to you by the Secretary-Treasurer. It is their role to provide organized monthly files with all the relevant documentation attached such as deposit slips/expense vouchers/receipts/invoices/per capita forms/motions, etc.

**Now you are ready to answer the questions.**

2.0 a) Are you (the Trustees) aware of all the  Yes  No

banks and/or credit unions that your

local deals with?

b) Were all statements for all accounts,

including investments made available

to you?  Yes  No

c) Was a monthly bank reconciliation prepared

by the local Secretary-Treasurer?  Yes  No

d) If yes, did it balance to the ending ledger balance?  Yes  No

2.1 a) Has there been a change of officers  Yes  No

since the last Trustees’ report?

b) If there has been a change of officers,  Yes  No

have you confirmed with the bank(s)

and/or credit unions that the signing

authorities were changed promptly?

2.2 Are all the bank accounts, term deposits and  Yes  No

investments registered in the name of the

local?

2.3 a) Does your local keep all of its money in  Yes  No

a chequing account?

b) Do you think there is excess money sitting  Yes  No

in the local’s bank accounts that could be

earning more interest if it was invested in

a term deposit or a GIC?

**SECTION 3: BYLAWS**

Before completing this section, you should:

1. Read through the most recent approved (by CUPE National) version of the bylaws for   
    your local.
2. On a separate piece of paper, for your own use, make a quick and brief list of all the bylaws that deal with financial matters (for example, the bylaws that specify the honorarium amounts to be paid to members of the Executive, how and when and to whom per diems and mileage claims are to be paid, etc.).

**Now you are ready to answer the questions.**

3.0 Does your local have bylaws?  Yes  No

3.1 Have the bylaws and all changes to the  Yes  No

bylaws been submitted to and approved

by the CUPE National President?

3.2 Have you reviewed the bylaws, and made  Yes  No

a list of all bylaws with respect to financial

matters? (Note: you will need to refer to this

list of bylaws when answering questions

later in this report).

**SECTION 4: MINUTES**

Before completing this section, you should:

1. Read through the minutes of all meetings held by your local during the period under review.
2. On a separate piece of paper, for your own use, make a quick and brief list of all the motions made and passed that deal with financial matters (for example, approval for donations, approvals for various purchases by the Executive, authorizations to attend conferences or conventions, etc.).

**Now you are ready to answer the questions.**

4.0 Are regular membership meetings being  Yes  No

held by the local?

4.1 Are written financial statements being  Yes  No

presented to the membership at every meeting?

4.2 Are minutes (or electronic minutes) of the executive

and general membership meetings being kept in a  Yes  No

book binder or USB and kept in a safe place?

4.3 Has at least one of the Trustees read the minutes  Yes  No

and made a list of all motions which affect the

finances of the local?

*(Note: You will need to refer to this list when answering questions later in this report.)*

**SECTION 5: REVENUE**

Before completing this section, you should review the deposit (or revenue) section of the ledger, so that you are familiar with the types of revenue your local receives.

**Now you are ready to answer the questions.**

5.0 Does your employer send your union dues  Yes  No

directly to CUPE National?

*If “no” skip question 5.1 and go directly to* YES = DIRECT REMITTANCE

*question 5.2.* NO = REGULAR REMITTANCE

*If “yes” go to question 5.1.*

5.1 a) Does your local receive a rebate  Yes  No

cheque or electronic funds transfer (EFT)

from CUPE National?

(i.e. the rebate from CUPE National represents the difference between the total dues received by CUPE National from your employer and the per capita, initiation fees, bonding premiums, or other monies owed to CUPE National by your local).

b) Go through the monthly bank statements, and  completed

check to ensure that each rebate cheque or EFT   
was deposited in full (i.e. check the amount of each

deposit versus the amount on each per capita form).

c) Within the audit period, were all the per capita  Yes  No

receipts received and rebate cheques cashed?

d) Are there any differences between the amount  Yes  No

of the deposits and the per capita receipts?

e) Was the Secretary-Treasurer able to explain  Yes  No  n/a

to your satisfaction, each of these

differences, if any?

If the answer to 5.1 (e) is “no”, skip 5.2 and go directly to question 5.3.

5.2 a) Examine the ledger for the period under review  completed

and find the first time the local’s dues were

deposited. Note how much the deposit was for.

b) Examine the dues check-off list provided by  completed

the employer and check to ensure that the amount

on the dues check-off list equals the amount

recorded in the ledger.

c) Take a look at the deposit slip (dated on or about  completed

the date of the entry in the ledger in (a) above).

Check to ensure that the amount on the deposit

slip is equal to both the ledger entry and the dues

check-off list.

d) Take a look at the bank statement (dated on or  completed

about the date of the entry in the ledger in (a)

above). Check to ensure that the amount of the

deposit recorded on the bank statement for dues

is equal to the ledger entry, the dues check-off

list, and the deposit slip.

e) Repeat steps (a) to (d) for each dues deposit  completed

received by the local. (The easiest way to do

this is by date order).

5.3 Have all the union dues cheques received from your

employer been deposited in the local’s bank account:

a) in full; and  Yes  No

b) on a timely basis?  Yes  No

5.4 a) With respect to your local’s per capita calculation,  Yes  No

have you verified the calculation of regular wages

by your Secretary-Treasurer?

b) Is the calculation correct?  Yes  No

c) If the calculation is not correct, were you able  Yes  No

to discuss it with your Secretary-Treasurer   
in order to determine the correct way to   
calculate regular wages?

5.5 a) Does the Secretary-Treasurer collect initiation  Yes  No

fees directly from the new members?

b) Are receipts issued?  Yes  No

c) Can you trace these receipts into the bank  Yes  No  n/a

deposit?

d) Are the initiation fees being remitted to  Yes  No  n/a

CUPE National as per Article 14.1(f) of

the CUPE Constitution?

5.6 If the local has rental income, have you been  Yes  No  n/a

able to account for the total received? (i.e.

$xx per month for xx months should be $xx

of total rental income)

5.7 a) Does your local sell supplies (i.e. jackets,  Yes  No  n/a

hats, etc.) to members?

b) If supplies are sold, are there proper receipts  Yes  No  n/a

issued for sales?

5.8 If the local holds a social function were members

pay to attend, are proper records maintained:

a) to track all money received from ticket sales?  Yes  No  n/a

b) to track all money received from food and  Yes  No  n/a

beverage sales?

c) to track all purchases made for the event  Yes  No  n/a

(i.e. food and beverage, entertainment,

supplies, etc.)?

d) Are all these monies deposited?  Yes  No  n/a

**SECTION 6: EXPENSES**

Before completing this section, you should review that all the documentation you received from the Secretary-Treasurer is organized as recommended in the instructions on page 2.

You will also need the lists you made from the bylaws in Section 3 and the list of motions you made from the minute book in Section 4.

**Now you are ready to answer the questions.**

6.0 a) Does your local use vouchers (i.e. an  Yes  No

authorization form, such as the CUPE voucher)

which records all the details for every expense

including date, amount, reason, and who

approved the disbursement?

b) Were any of the local’s expenses or a credit  Yes  No

card account paid through pre-authorized

bank payments?

**(THIS PROCESS IS NOT RECOMMENDED)**

c) Were any of the local’s expenses paid by  Yes  No

electronic funds transfer instead of a cheque?

d) If yes, are you satisfied that the authorization for

EFT was attached to the voucher, ie. an email   
exchange between the two signing officers.  Yes  No

6.1 Are vouchers for personal expenses completed  Yes  No  n/a

in full, with proper descriptions for the expense,

details of the days claimed, mileage claimed,

a signature authorizing the expense, etc.?

6.2 Does your local’s bank/credit union return the  Yes  No

cancelled cheques or cheque images with the monthly bank statement?

6.3 For every cancelled cheque (or cheque image), do the following:

a) **Compare it to the bank statement**  completed

(i.e., check to ensure that the amount written on each cheque is equal to the amount that

was recorded on the bank statement).

b) **Compare it to the entry made in the ledger**  completed

(i.e. check to ensure that the date, cheque number, amount and payee recorded on the cheque is equal to the same information recorded in the ledger).

c) **Compare it to the voucher, invoice, or other**  completed

**supporting documentation** (i.e. check to ensure that the date, cheque number, amount and payee

recorded on the cheque is equal to the same information

recorded on the voucher, invoice, or other supporting documentation).

d) As you examine each cheque, look at it to  completed

ensure that it has been **signed by the proper**

**two signing officers**.

e) Was the cheque made payable to the same  Yes  No

person that also signed the cheque?

6.4 Are all cheques recorded in the ledger  Yes  No

in the month they are issued?

6.5 a) Does your local send members to conferences,  Yes  No

seminars, education training, or conventions?

b) If yes, does the employer continue the  Yes  No

members’ wages (and then is reimbursed

by the local)? or

c) Does your local pay lost wages directly  Yes  No

to members? **(NOT RECOMMENDED)**

6.6 The local is responsible for deducting and

remitting income tax, EI, QPIP and CPP/QPP

when the local pays members’ wages directly to them.

a) Are these amounts being deducted from, and  Yes  No  n/a

remitted by your local to the appropriate

taxation office(s) on a regular basis?

6.7 a) Do any members of the Executive receive an  Yes  No

honorarium from the local, in recognition of

their services, which was not a direct expense

reimbursement?

b) If yes, was the amount of the honorarium  Yes  No

pre-authorized by the membership, either by

motion, or as set out in the approved bylaws?

c) If an honorarium was paid to an individual,  Yes  No

then in accordance with the Income Tax Act,

the local is responsible for withholding and remitting income taxes, EI, QPIP, and CPP/QPP payments to the government. The local is also required to issue a T4 at year-end. Were the proper remittances made?

6.8 a) Have any members of your local been elected  Yes  No

to sit on boards, or selected to work for a

CUPE division, council, or CUPE National?

b) If yes, are any of their expenses paid for by  Yes  No

your local?

c) If some of the expenses have been paid by  Yes  No

the local, should the local be reimbursed for

these expenses from the division or council

or other organization?

d) If yes, has the local been reimbursed yet?  Yes  No

e) If your local has not been reimbursed, have you  Yes  No

received a satisfactory explanation from the

organization as to why the funds have not yet

been received by your local?

6.9 Please examine the supply of unused cheques on hand.

a) Are any of the unused cheques not filled out,  Yes  No

but already signed by one or more of the

signing officers?

* 1. Refer to the summary of motions (financial related

ones only) you wrote out in Section 4 (Page 10):

a) Were all of the motions to purchase or pay for  Yes  No  n/a

something, that were approved of by the

membership, carried out?

b) Were there any expenditures made which  Yes  No

were not approved by a motion in the minutes,

which do not appear to have been authorized

by the local’s bylaws?

6.11 a) Were any cheques made payable to cash?  Yes  No

b) If cheques have been made payable to cash,  Yes  No

are there supporting vouchers and receipts

to justify the payment?

6.12 a) Does your local have any assets such as office  Yes  No

furniture, computers, equipment, buildings, etc.?

b) Have you checked to ensure that these assets  Yes  No

still exist, and did you physically inspect the assets?

c) If your local does have assets, does it carry  Yes  No

adequate insurance against potential loss?

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January 2023