## CUPE_text_bw

## Trustees’ Checklistand

**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)

**TABLE OF CONTENTS**

 Page

Documentation the

Trustees will need from

the Secretary-Treasurer 2

**RECOMMENDATIONS** 3

**SECTION 1:** 4

Books and Records

**SECTION 2:** 6

Banking

**SECTION 3:** 8

Bylaws

**SECTION 4:** 10

Minutes

**SECTION 5:** 12

Revenue

**SECTION 6:** 17

Expenses

**QUESTIONS:**

1-800-363-2873, option 5

or 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

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 [x]  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 [x]  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