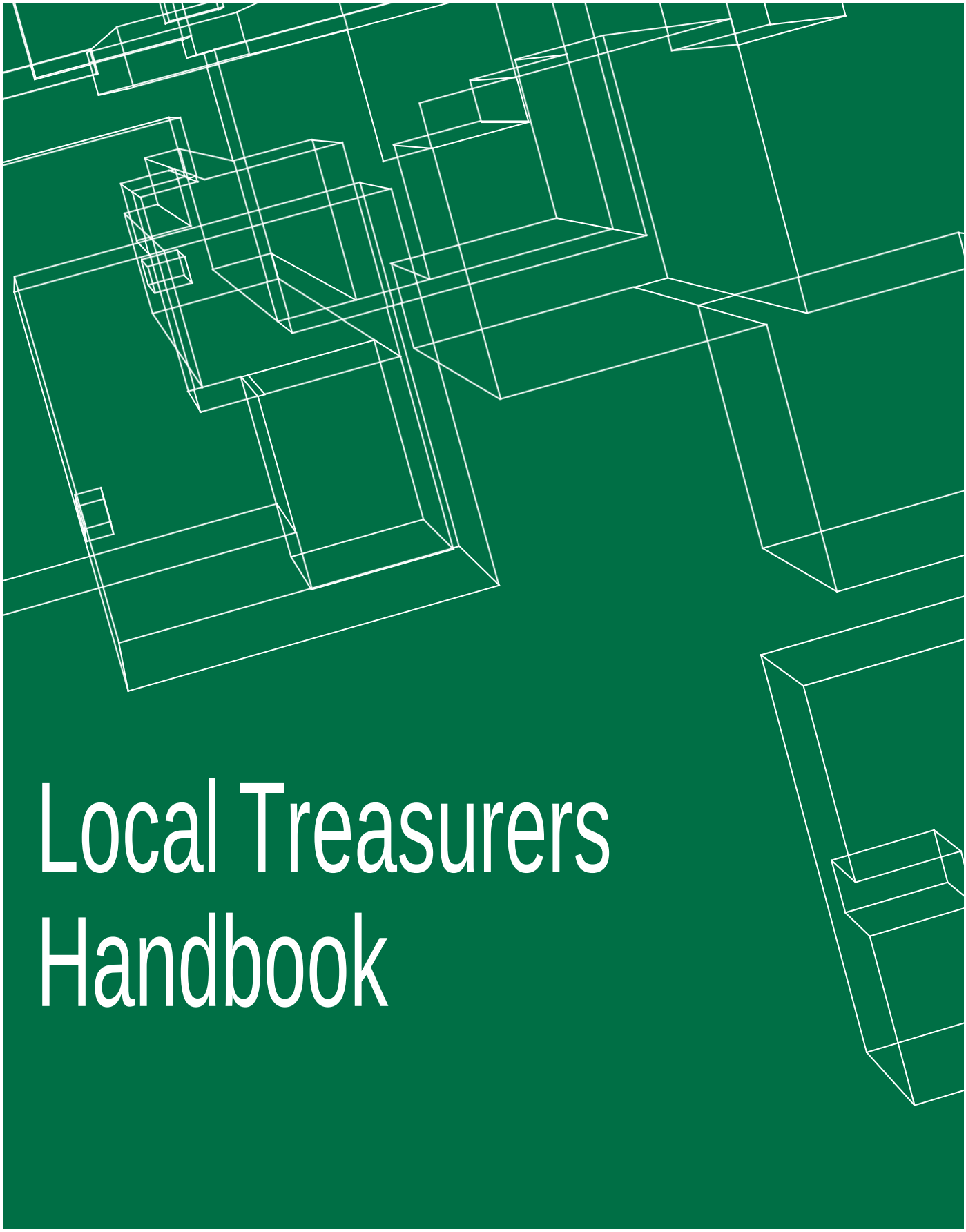

Local Treasurers Handbook

Revised October 2026

MEA
MICHIGAN EDUCATION ASSOCIATION

CONTACTS

Aaron Eling
MEA Secretary-Treasurer

Shannon Alston
Executive Director of MEA Corporate Services

Kelly Cline
MEA Finance Controller

Phone:
MEA Main Switchboard: 800-292-1934
MEA Switchboard (local): 517-332-6551
MEA Treasurer Hotline: 866-468-0001

Fax:
517-333-6230

Website:
www.MyMEA.org

Email:
treasurersquestions@mea.org

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INTRODUCTION

The purpose of this handbook is to provide suggestions, ideas and specialized assistance related to budgeting, bookkeeping and reporting for local associations. It is in loose-leaf form so that new information can be inserted as it is developed, and it is divided into seven major sections:

Keeping Your Books

Budget Philosophy and Development

Financial Reporting

Internal Controls

Your Local Constitution

Governmental Reporting

Other

This handbook will be the basis for workshops and seminars for local association treasurers. Each UniServ office will be provided with a copy and your zone director can be contacted for advice and assistance. We strongly urge all local association treasurers to review all sections of this handbook. We also urge you to review and discuss the items in this handbook with your local president. Cooperation and open communications between the president and treasurer are crucial to the financial well-being of your local association. The financial condition of your local association has a direct impact on the local's ability to carry out its programs and achieve its goals.

The MEA hopes this handbook will serve as a useful training aid for local associations. To help us evaluate the effectiveness of the handbook, please forward any recommendations or suggestions for improvement to Kelly Cline, Controller - Finance at 800-292-1934 or treasurersquestions@mea.org.

Where to Begin?

MEA highly recommends that as a Treasurer you obtain a login and password to myMEA.org. This can be done by going to mymea.org and completing the section 'Never logged on to myMEA.org before? You need to submit the **myMEA.org Local Leader Access Form**'. Once you have access click on the list of departments and select Finance. You can scroll down to see many sections devoted to Treasurers. This is where you will find detailed answers to your questions.

SAMPLE CALENDAR FOR LOCAL TREASURERS

(Fiscal year ending August 31)

Weekly Duties

- Remit all PAC contributions received with signed, dated authorizations and/or appropriate documentation on contributions.

Monthly Duties

- Prepare financial report
- Pay any bills submitted with proper approval
- Remit any state and national dues that were received along with the local portion.
- Deposit all receipts
- Reconcile bank statements
- Attend association meetings
- Prepare payroll tax reports, as needed
- Verify membership records with MEA billings

Annual Duties

September

- Change/update signature cards to reflect new officers
- Get **mymea.org** account set up
- Prepare year-end bank financial report for prior fiscal year and send copies to all members of the executive/representative council
- Arrange for an internal review committee or auditor to receive records of prior year
- File Michigan Annual Report by October 1 (if incorporated)

October

- Compare current year's membership to adopted budget projection
- Report any variance to the president
- Send the internal review committee report to executive/representative council

November

- Contact IRS (1-800-TAX-FORM) to request forms 1096, 1099, W-2, W-3, and 990 or 990EZ (if necessary)

December

- Prepare IRS form 990 or 990EZ or 990N, if required, (see Page 22 for filing thresholds) due January 15 (assuming 8/31 year end)

January

- Prepare 1099s and IRS transmittal form 1096, see Page 20 for filing instructions (if necessary)
- Prepare W-2s and W-3 (if necessary)
- Prepare budget development calendar

February

- Budget committee begins work on new budget
- File state 1099MISC copies.
- File city 1099MISC copies if required.

March

- Budget survey

April

- Proposed budget sent to executive/representative council

May

- Membership adopts proposed budget

June

- Prepare P.A. 53 union expenditures report due July 1

August

- Remind officers and representatives that all bills must be submitted prior to August 31
- Executive/representative council appoints an internal review committee or hires an auditor

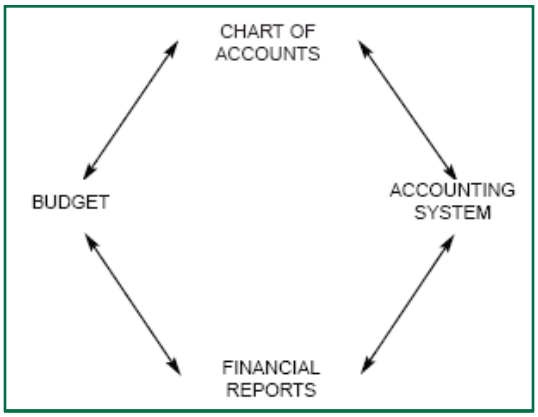
KEEPING YOUR BOOKS

Elements of Bookkeeping

All bookkeeping systems consist of a group of basic elements. The form may vary or some may be combined, depending on the complexity of the system. The most common elements are:

1. Chart of Accounts
2. General Ledger
3. Cash Receipts Journal
4. Expenditure Journal
5. General Journal
6. Checks

The chart of accounts, the bookkeeping system, financial reports and your budget are tied together and



should be designed at the same time. They relate to each other as shown in the following diagram:

You may ask, "Since the diagram seems to have no real starting point, where should I begin?" As the diagram indicates, there is no single beginning point. However it is recommended that you begin by asking yourself (and your organization) what types of programs and services your members want. The answers will be the first steps in developing the chart of accounts and the outline for your budget. Financial reports should flow directly from the accounting system, which in turn will be based on the chart of accounts and the budget. All four phases will evolve over a period of time, so do not be discouraged if the results are less than satisfactory in the beginning.

Local associations should maintain accounting records using an automatic spreadsheet or small business software package (e.g., Excel, Quicken). This helps to ensure complete and mathematical accuracy. It also provides an orderly record to forward to the next treasurer. Sample spreadsheets have been designed and can be found on www.mymea.org under Departments/Finance/Local Treasurer Information/ Treasurer Workbook.

1. Chart of Accounts

The chart of accounts is a listing of the titles or names of the various asset, liability, income and expense accounts you select to describe your operation. As your system becomes more complex, account numbers can be added to the list of titles. For example:

Sample Chart of Accounts - Local Billed Local (LBL)

XYZ Education Association	
Assets	
Cash	1100
Checking Account	1200
PAC Account	1300
Other Investments	1400
Liabilities & Equity	
MEA/NEA dues payable	2100
MEA PAC/NEA Fund	2200
Equity	2500
Income/Revenue	
Local Dues Revenue	3100
Financial Responsibility Fees	3200
Interest Income	3300
Misc Income	3400
MEA/NEA Revenue	3500
MEA PAC	3600
NEA PAC	3700
Expenses	
Office Expenses	4100
Goverance Activity	4200
Committees	4300
Conferences and Affiliates	4400
Miscellaneous	4500
Contingency	4600
MEA/NEA Dues	4700
MEA PAC	4800
NEA Fund	4900

2. General Ledger

The general ledger is the core of your local's financial records. These constitute the central "books" of your system, and every transaction flows from the various journals (e.g., cash receipts/expenditures) through to the general ledger. These records remain as a permanent track of the history of all financial transactions since day one of the life of your local.

A general ledger also creates an "audit trail," which is a transactional path allowing you to trace any discrepancy (i.e., double billing, or unrecorded payments) through your own system with relative ease. You must be able to find the origin of any transaction in order to verify its accuracy, and the general ledger is where you will do this.

3. Cash Receipts Journal

A cash receipts journal is a spreadsheet used to record any cash receipts for the local. Cash receipts include currency and coins, checks, money orders, credit card receipts, and wire transfers received by mail or in person.

For an example, see Appendix A-1.

4. Expenditure Journal

Your expenditure journal (or expanded check register) provides a record of all cash outflows and what the expense was for.

For examples, see Appendix A-2.

5. General Journal

The general journal is used to record adjustments to the general ledger. It is also used to correct errors after a month of transactions has been completed and closed. It gives the accounting system the flexibility necessary to handle non-routine transactions and provides a systematic, orderly method for following the trail of corrections and adjustments. The general journal format is relatively standard:

General Journal

Date	Account Title	Doc	Post	Debit	Credit
	Adjusting Entries				
31-Aug	Supplies Expense - Office			$ 0.00	
	Furniture & fixtures				$ 0.00
31-Aug	Insurance Expense			$ 0.00	
	Prepaid Insurance				$ 0.00
31-Aug	Depreciation Expense - Office Equipment			$ 0.00	
	Accumulated Depreciation - Office Equipment				$ 0.00
31-Aug	Federal Income Tax Expense			$ 0.00	
	Federal Income Tax Payable				$ 0.00

6. New Bank Account

If you are setting up a new bank account, you will be expected to provide a Tax Identification Number (TIN#). Each financial institution will have its own list of requirements. Some examples could be a picture driver's license, proof of incorporation, bylaws, etc.

7. Checks

The organization should have a supply of pre-numbered checks for making disbursements. You can obtain these from your local bank. The authorization to write checks should be based on a voucher form and require two signatures. Supporting documentation (i.e., vendor invoice, equivalent) should be maintained for each check written. Whenever local officers change, the signature- authorization cards at the bank need to be updated.

Selecting a Bookkeeping System

Bookkeeping systems operate according to a number of fixed rules or principles. Within the rules, however, the range of possible systems is almost limitless. Selecting the best system depends on a number of factors. These include the size of your organization, the size of your budget, the number of transactions, the number and detail of account categories, the background and training of the treasurer, and the amount of time the treasurer has to do the job.

The basic systems that follow do not represent the only examples that are possible. They are intended to give you a variety of choices so that you can select (and modify) the one that most closely serves your needs. They also indicate the direction your system can take as you find it necessary to expand to meet growing needs.

The simplest form of single entry bookkeeping is the check register included with a regular checking account. This register is used for recording deposits of cash, interest received from the bank, bank account transfers and checks written. If the number of entries during a reporting month is small (fewer than 10 transactions), then the checkbook record may be adequate.

At the close of the reporting period, the transactions can be listed in a report exactly as they appear in the checkbook record. This system is applicable to locals that have a small number of transactions in any given period.

The expanded check register form of bookkeeping combines the features of the various journals and ledger accounts. It can handle a greater volume of transactions than the checkbook register, but presumes a limited number of account categories. It assumes only one asset account, the bank balance. It is based on the most elementary form of double-entry bookkeeping, in that each transaction is entered twice, once showing its impact on the bank account and once distributing it to the proper income or expense category.

The separate journals for receipts and expenses form is a further expansion of the expanded check register. It assumes a larger number of income and expense accounts. It involves a transfer posting from one set of records to another. Reports draw information from two sources.

There are several software packages available for use on PCs. These systems are primarily Windows based, easy to use and fairly simple to learn. Quicken would be the computerized version of Example 1 and Example 2 in Appendix A-2. Quickbooks is the business version of this product and is just slightly more detailed and complex. Sage 50 (formerly PeachTree) is another product that provides various modules for purchase depending on your particular needs (inventory management, accounts receivable, payroll, etc.) all integrated with the General Ledger package. These software products, along with a variety of others, are available at most software retail stores for less than $350.

Even a simple spreadsheet package like Excel will provide for increased accuracy and provide an orderly financial record that can be designed to meet your needs. Any of these bookkeeping systems could be set up on a spreadsheet that will maintain a financial history in a medium that is easily transferred from one officer to the next. MEA has also developed a workbook in Excel that is available on our website free of charge.

Recording Your Transactions

1. Review voucher forms submitted for payment (see Expense Vouchers, next section). Be certain that required receipts are attached, expenditures are properly itemized, and the appropriate officer (other than the treasurer) has approved the expenditure as shown with a signature. Under no circumstances should the payee be the sole authorizer of the voucher.
2. Prepare the check and record the check number in the appropriate place on the voucher.
3. Submit the check, voucher and supporting documentation to the president or other authorized signer.*
4. When check and voucher are returned and signed, mail check and post information from voucher to the accounting record.
5. File voucher in numerical order, by month.
6. Close all accounts at the end of each month and reconcile the bank account.
7. Prepare reports as required.

**It is strongly recommended that two signatures be required for checks and this process assumes the need for a second signature. If it is not feasible for your local association to require two signatures on each check, other controls must be established. (See Internal Controls, pg. 14.)*

Expense Vouchers

An expense voucher is used to account for all travel advances and expenses incurred in connection with official local association travel. When properly completed and approved, this form is used to reimburse the traveler for any amounts due. An additional sheet may be attached if more space is required.

In order to qualify as a reimbursable, tax-free business meal, the substantiation provided must include the following elements:

- Date
- Place – name of restaurant or town
- Business purpose – a brief explanation will suffice
- Persons attending – individual names if staff or board members, group name if otherwise. This must be stated even if the employee only paid for their own meal.
- Amount

Most of this data is contained on the receipt or credit card slip. The U.S. Department of Labor requires submission of receipts for ALL expenses, as well as the entire folio for hotel charges containing a breakdown of charges for the room, meals and other services. ***See Appendix A-3 for a sample expense voucher form.***

Direct Pay Options

MEA has a voluntary program that will allow for direct payment of dues. Locals or members who would like to stop dealing with writing checks, stop worrying about getting dues paid on time, avoid interest charges and enhance their record keeping with no extra effort should consider this option.

If you are a Local-Billed Local (LBL), MEA Membership will e-mail you a copy of your billing every month. However, instead of having to write a check and send it in by the due date, your payment will be automatically deducted from your checking or savings account on the due date. The amount deducted from your account will equal the total of all MEA/NEA dues products, minus any outstanding credits your local may have. You will never have to pay interest again. MEA-Retired dues will be deducted in the month of June for the entire year.

If you would like to sign up for direct pay, please fill out the direct pay authorization form, ***Appendix A-4***, and send it back with a voided check and your next dues payment.

If you are an Individual-Billed Local (IBL), member billings will be made available online. Members will receive a monthly statement by email (providing MEA has an active member email address on file). Members can choose to pay dues automatically every month where MEA will deduct the current month's dues from a designated bank account or credit card. Members can pay manually, too, online, by an automated phone call, or by writing a check.

To obtain an eDues form and choose one of these payment options, please go to **mea.org** and click on "Members Only", or contact your UniServ field office.

More detailed information regarding dues can be found in the MEA Membership Processing Handbook. You can access it online at www.mymea.org and click on "Departments", "Membership", and then "Membership Processing Handbook". You may also contact MEA Membership at MEAMembership@mea.org to have one mailed to you.

Individual-Billed Local Local Dues Repayment

If your bargaining unit assesses local, region or MABO dues you may receive a monthly repayment from the MEA.

Reports are available on the LMC website that reflect amounts MEA has collected from your members. If a member's name is not listed in the report, then we did not receive a payment during the billing period.

If a member made a lump sum payment, you will see the payment applied to future dates in the report. Any payments that have been made in advance are included in the current repayment. Please be aware that if a member made a dues payment on a prior year outstanding balance, that payment will also be reflected in the current month deposit.

Beginning in the 2015-16 school year, all bargaining units which have local, region and/or MABO dues collected by MEA must be enrolled in direct deposit (ACH) in order to receive their monthly repayment proceeds. Paper checks are no longer issued.

In order to sign up for direct deposit, please send an email to Jill Brown at jbrown@mea.org with the following information:

Bank name
Type of account – checking or savings
Bank routing number – 9 digits
Bank account number

If you need assistance in determining what is generally required to establish a bank account, please contact Kelly Cline, Controller - Finance, at 800-292-1934. She can provide detail on the necessary documentation you'll need to have as a local officer.

BUDGET PHILOSOPHY AND DEVELOPMENT

What Is Budgeting?

Budgeting can be defined as “an orderly process used to establish goals and objectives for the allocation of available resources within an organization.” Put simply, it develops the financial plan for the organization. Budgeting attempts to supply answers to the following questions:

1) What do we want to achieve?

2) How do we plan to pursue our goals?

3) What will it cost?

4) What resources are available?

5) What did it cost?

6) Did we achieve our goals? If not:

   a) Was the goal unrealistic?

   b) Should an alternate plan be adopted?

   c) Should we re-allocate more of our resources?

   d) Should we seek additional resources?

   e) Were our time and money diverted to other, more critical goals?

Question 6 is the follow-up or evaluation phase and may become the most important part of the process. Budgeting cannot be effective in a poorly structured organization or where leadership and members are not communicating effectively. The budget-building process can help strengthen the organization and provide meaningful internal two-way communication.

What Is a Budget?

A budget is a document that expresses goals and objectives in terms of dollars allocated to their achievement. It is a guideline for spending and should not be considered absolute or inflexible. It is based on estimates of income and expenditures gathered from the best information available at that time. It is a combination of value judgments, choices and compromises. Often it reflects the limitations of a service rather than the ultimate need for that service. Combined with a financial report, it becomes a program evaluation tool.

A budget should not be considered either a minimum or a maximum spending commitment. It should be based on reasonable, attainable goals. There should be wide participation in its development, especially by those responsible for its implementation. It should be completed before the date it is to become effective.

If the definitions are dealt with too casually, there is a real danger that the budget will be ignored. It becomes easy to lean too heavily on the “flexibility” arguments. If it is a plan, a statement of goals and objectives, and an expression of priorities, then it should be followed, unless changed by the appropriate governing body.

Budget Development Process

The development of a budget for guiding your local association program is probably the most difficult and yet the most vital project you can undertake. It is difficult because it requires a positive effort and forces the making of value judgments. It is vital because it provides the means by which you can make the most effective use of your resources.

The steps and organizational set-up that follow are suggestions for your consideration. Evaluate them as they relate to your association and the needs of your members.

1. Select a budget committee. The members could include the treasurer, president-elect and one or two at-large members of your association. Keep this committee fairly small, even if your association is large, since later steps in the budget process will involve the rest of your members.

2. Establish a timetable for completing the various stages of the development process. Work back from the date the budget must be adopted by your delegate body. The body authorized to adopt should be specified in your local constitution (total membership or assembly, or executive board, etc.). The following is a sample calendar:

Feb. 15 –
Budget committee begins work on a new budget.

March 1 –
Membership survey completed by budget committee and prepared for distribution to membership.

March 8 –
Surveys sent to membership.

March 22 –
Surveys due back from area representatives.

March 24 –
Survey details given to committees by budget committee.

April 1 –
Deadline for committees to have budget recommendations to the budget committee.

April 19 –
Proposed budget sent to representative council members by budget committee.

May 3 –
Representative council reviews proposed budget and makes recommendation to membership.

May 10 –
Recommended budget distributed and discussed with general membership by ARs.

May 24 –
Membership meeting to adopt budget and dues.

3. Develop a method for determining the general desires and needs of your members. This may be best accomplished through a general membership meeting, building meeting, an every-member questionnaire, a small sample questionnaire, informal meetings, or a combination of some or all of these.

4. Compile the results of the survey conducted in Step 3. Distribute the results to the appropriate officers and chairpersons of local committees. Request that these individuals develop programs that reflect the survey results and submit budget requests to the budget committee within the timetable established in Step 2.

5. Compile requests as submitted by those individuals assigned this task in Step 4 above. Categorize the requests under headings as suggested for the Chart of Accounts (see pg. 7).

6. Submit the compiled requests to the officers and executive board for consideration and evaluation. Projected income now becomes significant because it relates to your association's ability to finance the proposed program. It is suggested that the president-elect chair the budget committee and the evaluation session conducted by the executive board, since the recommended budget will be the president-elect's to administer when that person becomes president.

7. Take the recommended budget back to the members for their information and reaction. If a local dues increase is necessary, this is the time to explain the programs that can be provided by the increase.

8. Following adoption of the budget, adapt the local's bookkeeping system to conform to the approved budget.

See Appendix A-5 for a sample budget and financial report form.

FINANCIAL REPORTING

The treasurer has a number of financial reporting responsibilities, including the periodic submission of regular financial reports to officers, governing bodies and members. Three of these basic reports include the following:

Balance Sheet

A balance sheet is a documented report of your local's assets and obligations, as well as a cumulative record that reflects the result of all recorded accounting transactions since your local was formed. You need a balance sheet to specifically know what your local's financial position is on any given date.

[Your Local's Name]			
Balance Sheet			
[MM DD, YYYY]			
Assets			
Current Assets:			
Cash		0.00	
Checking		0.00	
PAC account		0.00	
Other Investments		0.00	
Total Assets			$0.00
Liabilities and Equity			
Current Liabilities:			
MEA/NEA dues payable	0.00		
MEA-PAC/NEA Fund payable	0.00		
Total Liabilities		$0.00	
Equity		$0.00	
Total Liabilities and Equity			$0.00

Income Statement

An income statement is a standard financial document that summarizes your local's revenue and expenses for a specific period of time. The income statement indicates whether a business has earned money or suffered a loss. It also helps to evaluate past performance so that improvements can be made as needed. It is very important to keep good records throughout the year to help ease the burden of financial statement preparation and planning.

[Your Local's Name]		
Income Statement		
For the Year Ended [MM DD, YYYY]		
Revenue:		
Local Dues Revenue	$0.00	
Financial Responsibility Fees	$0.00	
Interest Income	$0.00	
Misc. Income	$0.00	
MEA/NEA Revenue	$0.00	
MEA-PAC	$0.00	
NEA Fund	$0.00	
Total Revenue		$0.00
Expenses:		
Office Expenses	$0.00	
Governance Activity	$0.00	
Committees	$0.00	
Conferences and Affiliates	$0.00	
Miscellaneous	$0.00	
Contingency	$0.00	
Total Expenses		$0.00
Net Income (Loss)		$0.00

Bank Reconciliation

A manually prepared bank reconciliation forces you to familiarize yourself with the deposits, checks, bank charges, outstanding checks, outstanding deposits, mistakes, bank errors, and other activity that occur occasionally during a month's bookkeeping transactions. This information is invaluable when problem-solving later on. The completed bank reconciliation form is a great reference for you when trying to figure out why your cash account is out of balance.

Once you have a reconciled balance, you can check to see if your local's cash account balance is the same as that found on the bank reconciliation. If so, you have a green light to continue. If not, the first step is to review the detail of the cash account to determine the discrepancy. Use that information to compare what is on the bank reconciliation form. It should be the same, and, if not, the discrepancy will likely stand out.

Monthly Bank Reconciliation ***[MM DD, YYYY]***				
Bank Statement Date:				
Ending Balance from Bank Statement				$0.00
Add Deposits in Transit:				
Deposit Date	Amount	Deposit Date	Amount	
	$0.00		$0.00	
	$0.00		$0.00	
Total Deposits in Transit				$0.00
Subtotal				$0.00
Subtract Outstanding Checks:				
Check Number	Amount	Check Number	Amount	
	$0.00		$0.00	
	$0.00		$0.00	
	$0.00		$0.00	
	$0.00		$0.00	
	$0.00		$0.00	
Total Outstanding Checks				$0.00
Computed Book Balance				$0.00
Balance per Your Books				$0.00
Difference				$0.00

INTERNAL CONTROLS

A solid system of internal controls is an essential part of any well run organization. Listed below are some controls that should be in place for your local association. Some of these controls have been discussed in earlier sections of this handbook.

Cash Disbursements

- Pre-numbered checks should be used for all disbursements. Pre-numbered checks can be obtained from your bank.
- Two signatures should be required on all checks.
- Supporting documentation must accompany all disbursements. Attach the vendor invoice or other documentation to the voucher form.
- All disbursements should be approved by someone other than the member requesting the check. Approval should be clearly indicated on the voucher.
- Do not issue a check to yourself. If reimbursement to you is necessary, have another authorized check signer sign.

Cash Receipts

- All checks received should be endorsed "for deposit only" immediately upon receipt.
- Deposits should be made in a timely manner, and any receipts on hand kept in a secure place until deposit.
- Ideally, receipts should be collected by someone other than the treasurer. That independent person would make a "pre-list" of all receipts prior to giving funds to the treasurer for recording and depositing. That pre-list would then go to the president (or his/her designee) who could compare pre-lists to actual deposits made.
- This process is highly recommended for local associations with substantial receipts collected outside of payroll deduction dues forwarded by the school district.

Other Controls

- Bank statements should be sent, unopened, to the president or other independent designated official for review prior to being forwarded to the treasurer for reconciliation.
- Monthly or quarterly financial reports should be distributed to the board for its review.
- A list of all members and fee payers should be maintained, with the amount of dues collected to date and any amount outstanding. The list should be reviewed periodically by the president or membership chairperson, and an attempt should be made to collect any delinquent amounts.

Records Retention Schedule

Periodically staff and leaders request a recommended retention schedule for important local records. Following is a recommended retention schedule for those records. This schedule has been updated from that sent previously.

The following documents should be permanently retained by the local:

- Annual Incorporation Reports (Michigan annual report, etc.)
- Arbitration awards
- Articles of Incorporation (local governance documents)
- Audited financial statements
- Bargaining notes/goals
- Balance sheets – year end
- Board of Reference decisions
- Chart of accounts – year end
- Deeds
- Depreciation schedules
- Executive correspondence
- Fact Finding records/reports
- General ledgers – year end
- Government filings (LM-3, etc.)
- Grievance files
- Job action records
- IRS audits/any IRS correspondence
- IRS notice of tax exemption
- Letters of Agreement
- Labor contracts
- Meeting minutes
- Member dues deduction forms
- PAC deduction forms
- Records retention schedule (most current)
- Systems/procedures/policy/current equipment manuals
- Tax returns, bills and statements (includes forms 1099, 1096 and 990)

These types of permanent local records should be kept in a safe, secure location that is known to all officers. In addition, such records should be turned over promptly by the outgoing officer to their successor.

We recommend that the following records be retained for the specified period of time:

- Wage/Independent contractor records ..... 15 years
- Canceled checks ..... 10 years
- CAP records ..... 7 years
- Check receipts ..... 10 years
- Check register ..... 7 years
- Dues deduction membership lists .... 7 years
- Expense vouchers ..... 7 years
- Journal entries ..... 7 years
- Petty cash records ..... 7 years
- Payroll registers ..... 7 years
- Payroll tax & withholding ..... 7 years
- Bank statements ..... 7 years
- Bank reconciliations ..... 3 years
- Job action investigations 6 years after agreement ends
- Terminated leases ..... 10 years
- Financial statements/monthly detail 5 years
- General correspondence ..... 3 years
- Newsletters ..... 3 years

Internal Review

To further enhance the internal controls, it is strongly recommended that an independent review of the financial records of the local association occur at the end of every fiscal year. This review should be conducted by establishing an internal review committee.

The local association should appoint an internal review committee to review the financial records. This review should take place shortly after the close of the association's fiscal year. Some of the steps that follow can be undertaken before the closing, but the tests need not be so burdensome that a great deal of time is consumed.

The internal review committee should have two or three members, and none of the members should have any direct contact with the financial operations of the association. That is, no member of the internal review committee should be authorized to approve expenditures, sign checks or keep the financial records of the association. The committee should be, and should remain, independent and objective. The committee members may be elected or appointed, but it is recommended that they be chosen because of their familiarity with basic bookkeeping or accounting procedures.

The internal review process should consist of the following steps:

1. Test the mathematical accuracy of journals and the ledger.
   - This test consists simply of re-adding the journal pages for two or three randomly selected months and 10 percent of the ledger accounts. If errors are found, additional months (or ledger accounts) should be checked.
2. Test postings from journal to ledger (if used).
   - Randomly select one or two months and trace each transaction from the journal to the ledger. If errors are found, additional months should be checked.
3. Compare financial statements to the ledger (or journals/check register if no ledger).
   - A complete set of financial statements should be available. Randomly select two or three months and compare the information on the financial statement with the recorded information in the ledger (or journals). If they do not agree, attempt to reconcile the difference and expand the test.
4. Review journal entries for documentation and propriety.
   - Journal entries are usually made to adjust information previously recorded through receipts or disbursements journals. Each such entry should have documentation attached that adequately supports the propriety and indicates the authority for its implementation.
5. Reconcile the bank account and, if possible, receive the bank statement unopened for the last month in the fiscal year.
   - Most bank statements include instructions for reconciling the balance indicated on the statement to the balance recorded in the association's books. The usual method is to begin with the balance on the bank statement, subtracting outstanding checks (checks issued but not yet appearing on the bank statement) and adding deposits in transit (deposits recorded on association records but not yet appearing on the bank statement).
6. Account for numerical sequence of checks.
   - Checks should be prenumbered, in sequence, when ordered from the bank. Every number in the sequence must be accounted for, whether issued or voided.

7. Verify cash disbursements for supporting documentation and proper approval.
   - Select two or three months and check each disbursement for evidence of supporting documentation (copy of invoice, signed voucher for expenses with receipts attached, etc.) and for signature by authorized personnel.
8. Account for investment transactions and earnings thereon.
   - If the association, for example, purchased certificates of deposit or bonds with fixed time limitations and fixed interest income rates, their existence should be confirmed and checked to be certain that interest has been added and properly recorded.
9. If applicable, verify receipt of all payroll deduction amounts from the school payroll office by comparing to payroll listing and calendar of pay dates.
10. Determine outstanding receivables and evaluate ability to be collected.
    - If the association has recorded any amounts as receivable such as unpaid dues, rents, loans, etc., then these should be confirmed by the individual listed as owing them and the probability of collection. If deemed uncollectible, then the records should be adjusted accordingly.
11. Reconcile fixed asset detail to total assets shown on balance sheet if applicable and review depreciation policy.
    - If the association carries fixed assets (desks, chairs, office equipment) on its records, the list of items should be checked against a physical inventory. These items should be depreciated (reduced in book value) over 7 years for furniture (desks, chairs), 7 years for filing cabinets and 3 to 5 years for equipment (calculators, typewriters, duplicators, copiers, computers).
12. Determine outstanding liabilities.
    - Expenses and related income must be recorded in the same accounting period. Therefore, invoices or vouchers received after the end of the fiscal year for expenses incurred before the end of the fiscal year must be recorded as a payable at the close of the fiscal year. All MEA/NEA dues outstanding should be properly recorded, remitted and reconciled.
13. Test the reasonableness of dues income.
    - Multiply the number of members in each dues category times the dues rate to determine the expected dues income. Compare that calculation to the dues income recorded. Reconcile any variance that exceeds 1 or 2 percent.
14. Review miscellaneous income sources.
    - Test for the accuracy and propriety of miscellaneous income. Determine whether or not it is properly classified and recorded.
15. Review insurance coverage, including bonding. (See Other, pg. 26.)
    - Check policies for adequacy of coverage, whether currently in effect (not lapsed), compliance with requirements (coinsurance) and amount prepaid, if any. If bonding requires naming of individuals covered, be sure the list is current.
16. Review various reports filed with governmental units.
    - Form 990 or 990EZ or 990N (Report of tax exempt organizations): Has it been filed on time and accurately? This form is required if the association has average receipts of $50,000 or more for the past three fiscal years. (See pg. 22)
    - State nonprofit annual report: If the association is incorporated, has the annual report been filed?
    - City personal property tax report: If required, has it been updated to reflect accurately the value of personal property (furniture and equipment)? (See Step 11 above.)
    - Payroll and independent contractor tax forms: Have all appropriate forms been filed in a timely manner—941s/944s, W-2s, W-3s, 1096s, 1099s? (These forms may or may not be required to be submitted by your local association. Please refer to Governmental Reporting, pg. 20.)
17. Determine compliance with governing board action and/or constitution regarding financial matters.
    - Review the minutes of those bodies authorized to affect the financial affairs of the association. Confirm that directives have been followed. Note any transactions not covered by action of the authorizing body or bodies. Note actions or transactions not in compliance with constitutional requirements.

The internal review committee report should include a copy of the yearend financial statement with accompanying commentary related to each of the steps listed above.

YOUR LOCAL CONSTITUTION

The purpose of this section is to suggest some language for the local association constitution that will clarify the roles, responsibilities and authority related to the handling of financial affairs. If your constitution already contains language that accomplishes the intent, then do not amend it.

1. Who adopts the budget and dues?

   "The recommended budget shall be prepared by the budget committee. This budget shall be presented to the (representative council) for the review and adoption at its (May) meeting. The (representative council) shall establish a recommended dues level and submit it to a general membership vote during the first week in June."

2. Who administers the budget?

   "The (executive board) shall be responsible for the management of the association and shall approve all expenditures."

3. Who can adjust the budget?

   "The budget may be adjusted by the (executive board), subject to review by the (representative council), to compensate for changing association priorities. Any such adjustment must be within the approved dues level unless membership approval is given."

4. Who is on the budget committee?

   "The members could include the treasurer, president-elect and one or two at-large members of your association. Keep this committee fairly small, even if your association is large, since later steps in the budget process will involve the rest of your members."

5. Who is on the internal review committee?

   "The internal review committee should have two or three members, and none of the members should have any direct contact with the financial operations of the association. That is, no member of the internal review committee should be authorized to approve expenditures, sign checks or keep the financial records of the association. The committee should be, and should remain, independent and objective. The committee members may be elected or appointed, but it is recommended that they be chosen because of their familiarity with basic bookkeeping or accounting procedures."

GOVERNMENTAL REPORTING

Employer Identification Number

Every local should have an EIN, which contains the same number of digits as a Social Security Number and typically, but not always, begins with either 38- or 26-. If an EIN has already been granted, it can most readily be found on the computer-generated assignment notice issued by the IRS when the application was submitted or the bank statements of the local. If it cannot be located by either means, the IRS can search for an EIN that has been misplaced and provide the number over the telephone to an authorized individual by calling the Business & Specialty Tax toll-free line at (800) 829-4933.

An appropriate EIN is a must-have. It acts as the identifying number for the local with respect to IRS and banking activities—much like a Social Security Number functions for individuals. If the bank accounts of the local were opened using a SSN, any reporting required by the institution, such as interest income earned on a Form 1099-INT, would be issued and reported to the IRS as the responsibility of an individual rather than the local business entity.

There is no cost to obtain an EIN. Form SS-4, Application for Employer Identification Number, can be downloaded or printed from the IRS website at www.irs.gov. Once completed, it can be submitted by fax to (855) 641-6935 or by mail to:

Internal Revenue Service
Attn: EIN Operation
Cincinnati OH 45999

For immediate processing, taxpayers can also apply directly online by going to www.irs.gov/businesses and clicking on the Employer ID Number tool.

Once obtained, the local should retain a copy of the EIN confirmation letter from the IRS with the permanent association records. We further recommend that copies also be on file with your UniServ office or MEA Finance.

In an effort to avoid making disclosures about an entity to an unauthorized party, the IRS has provided Form 8822-B Change of Address or Responsible Party–Business. Any entity with an EIN is required to complete the form and file it within 60 days of the change to the following address:

Department of the Treasury
Internal Revenue Service
Kansas City MO 64999

Incorporation

If you incorporate, you will be seeking nonprofit corporation status—this does NOT mean you are tax exempt! Tax exemption can only be obtained by filing a separate application (See Application for Tax Exemption, pg. 21).

Incorporation is a function of the Michigan Department of Licensing & Regulatory Affairs, not the IRS. Incorporation generally protects the personal assets of local association officers in the event of lawsuit. As a general rule, the officer of an incorporated local who acts in good faith and responsibly performs the duties of the offices is personally protected.

In order to incorporate in Michigan, the local association has to complete an application for incorporation and submit it with the proposed articles of incorporation and a $20 check for the initial filing fee payable to "State of Michigan". For forms and instructions, see www.michigan.gov/corporations and click on Forms & Publications, then Corporation Forms. The application can also be submitted online at www.michigan.gov/corpfileonline.

Once your local association becomes incorporated, an annual report provided by the state must be filed along with a $20 renewal fee in order to keep the corporation active and in good standing. The report is short, very simple and basically seeks to maintain and up-to-date record of the name and addresses of the principle officers.

As indicated earlier, the main reason to incorporate is to obtain the added liability protection that it affords. By incorporating properly, the local association's officers can be provided legal protection should someone sue the local. As a general rule, if the officers are acting in good faith and doing the job they were elected to perform, they are personally protected in the case of a lawsuit. Therefore, a suit can be filed against the local and a money judgment entered against it, but because the local is incorporated, the personal assets of the officers would be provided protection. Only the assets of the local could be used to satisfy the judgment.

It should be noted that officers of a corporation are fiduciaries of the corporation and therefore owe a strict duty of good faith to the corporation they serve. A breach of those duties may indeed result in liability to the officers. For example, an officer who commits a tort or criminal act, even in good faith, could be subject to personal liability.

Payments to Officers and Members (Form 1099s)

Beginning in 2020, Form 1099-NEC will replace the 1099-MISC as the reporting mechanism to inform the IRS that an individual has received income from the local association (rent amounts paid will still be reported on 1099-MISC). The 1099-NEC is like a W-2 with the exception that there is no implied "employer/ employee" relationship between the member and the local. The 1099-NEC indicates an independent contractor relationship, which can be defined if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. An employee is anyone who performs services for you and you control what will be done and how it will be done.

Payments for services, honorariums, stipends, etc., to a member totaling $600 or more per calendar year must be reported by the local on Form 1099-NEC. Expense reimbursements for which a detailed accounting (i.e., receipts featuring date, place, amount and business purpose) has been submitted and paid are not considered payments and are not currently reportable. In addition, reimbursements for association dues, where appropriate documentation exists, may or may not be considered payments reportable on a 1099-NEC. Payments received by officers/members from the local that are not for reimbursement of expenses or local association dues would be subject to additional tax.

Payments to a member totaling less than $600 in a calendar year are not required to be reported by the local—however, members have a responsibility to report these payments on their individual tax return regardless of whether the local is required to or fails to file a 1099-NEC.

Copies of the completed 1099 forms must be distributed as follows:

- Copy A – This should be filed with the Internal Revenue Service (IRS). Do NOT separate the top and bottom halves of this page. If one of the forms is blank, check the box for "VOID" above the payer's name at the top, and mail to:

  Department of the Treasury
  Internal Revenue Service Center
  P. O. Box 219256
  Kansas City MO 64121-9256

The IRS requires Copy A of Form 1099-NEC to be filed by January 31st. Otherwise, by February 28th if filed on paper and March 31st if filed electronically.

Form 1096 is essentially the cover form that must accompany Copy A to the Internal Revenue Service. It is not required for state or city filings. Only one 1096 needs to be completed, and summarizes the information being submitted on Copy A returns. A copy of the 1096 should be retained for your records.

- Copy 1 – This should be filed with the State of Michigan by February 28th. Again, do NOT separate the top and bottom halves of this page. If you are registered as a business that has employees or makes retail sales in the state, you are required to file Form 5081 Sales, Use and Withholding Taxes Annual Return, and Copy 1 should be sent with this return to:

  Michigan Department of Treasury
  P O Box 30401
  Lansing MI 48909-7901

If you are not registered, Copy 1 still needs to be sent with a letter that includes your local name, address and EIN or MI Treasury-assigned account number to:

Michigan Department of Treasury
Lansing MI 48930

(Note: If you receive a letter requesting that you file Form 5081 and you do not have employees or retail sales, Form 163 Notice of Change or Discontinuance needs to be filed so the state is informed of your change of status. To verify your status, you can call the Department of Treasury at 517-636-6925)

- Copy B – This is for the recipient, and must be mailed by January 31st. The page should be separated and mailed individually to the taxpayers (e.g., officers/ members) named on each form.
- Copy 2 – This should be mailed to the recipient for including with their state income tax return, if required. Again, the page should be separated.
- Copy C – This should be retained by the local. The page does not need to be separated.

If the payee's address on the form contains a city that imposes an income tax, the local should make a copy of the recipient 1099 (Copy B or 2) and mail it to the appropriate city treasurer. The due date is January 31st or the date required by the federal government (Copy A), whichever is later.

Online forms are available for informational purposes only. To order official forms for filing, call (800) 829-3676 or order online at www.irs.gov/businesses/online-ordering/for-information-returns-and-employer-returns.

Application for Tax Exemption

MEA encourages local associations to apply to the IRS for tax-exempt status as a 501 (c) (5) labor organization. This means the income-producing activity of the local is excluded from federal income taxes. Even if tax exempt, locals will still be responsible for sales and property taxes. The usual requirement for this is to submit IRS Forms 1024 and 8718 and to pay a one-time filing fee of $600. Many smaller locals (those with local receipts of $50,000 or less) have opted not to file because of the prohibitive cost. As indicated in the prior section (Incorporation), although you may be incorporated as a nonprofit, you will not be tax exempt without applying for exemption directly with the IRS.

Locals that are not tax exempt are subject to federal income taxes. If tax exempt status is not obtained, taxes will be assessed on the first dollar of earnings with returns required annually.

When tax exemption is granted by the IRS, it will notify the local in a letter known as "Exemption Letter." This letter should be kept with the permanent records of the local and a copy sent to the UniServ office.

Revoked Tax Exemption

If you tax exemption is revoked, the fee to reapply for tax exemption is $600. Payment is made at the time of filing the application using IRS Form 1024.

Forms and instructions are available online at www.irs.gov/charities-and-nonprofits under the heading Tax Exemption. Adobe Reader Software (free) is required to download the pamphlet.

Please continue reading the following section (IRS Form 990-990EZ-990N - Federal Return) to review the tax return required of exempt organizations.

Federal Return (Form 990/990EZ/990N)

The following applies to tax exempt organizations:

- All tax exempt locals with annual gross receipts in excess of $50,000 (excluding MEA/NEA dues) must file an annual report to the IRS using Form 990EZ. If your local receipts are greater than $199,000 or total assets are more than $499,000 you must file a Form 990.
- Locals with "normal" gross receipts of $50,000 or less (excluding MEA/NEA dues) are able to file Form 990N, Electronic Notice for Tax-Exempt Organizations not Required To File Form 990 or 990EZ. An organization's gross receipts are considered normally to be $50,000 or less if the organization is:
    - Up to a year old and has received, or donors have pledged to give, $75,000 or less during its first tax year;
    - Between one and three years old and averaged $60,000 or less in gross receipts during each of its first two tax years; or
    - Three years old or more and averaged $50,000 or less in gross receipts for the immediately preceding three tax years (including the year for which the return would be filed).

Also known as the e-Postcard, the 990N is due every year by the 15th day of the 5th month after the close of your tax year. Filing must be done electronically. There is no paper form. All filers must register for a user ID prior to submitting the form. It is a one-time requirement.

- Corporate status makes no difference with respect to filing requirements. If a local who has not obtained tax-exempt status attempts to file a 990 or 990EZ, the IRS may reject the filing and request that either a Form 1120 be prepared (pursuant to which the local would be assessed income tax on the first dollar of earnings) OR request that an application for tax exemption be completed and filed by the local.
- You will be required to make your Form 990, 990EZ or 990N available for public inspection upon request for three years after the filing date, so make sure to keep copies of all forms submitted.
- Failure to file an annual return or notice as required for three consecutive years will result in the revocation of tax- exempt status.

The IRS carries 990, 990EZ and 990N forms and instructions online at www.irs.gov/charities-and-nonprofits/annual-filing-and-forms.

Public Act 53

Annually by July 1, each bargaining unit needs to file P.A. 53 with Michigan Employment Relations Commission (MERC). The report requires an independent

audit of all expenditures attributed to the costs of collective bargaining, contract administration, and grievance adjustment during the prior calendar year. Beginning on March 4, 2019, filing must be done electronically. MERC makes available completed audits to the public on their website.

If your local is a member of a MABO, or Multiple Association Bargaining Organization, that acts as the exclusive bargaining agent, the MABO can file one audit form for all of the units it represents. A declaration will need to be submitted along with the audit report that identifies the units being represented. In this scenario, the individual units are not required to file separately. Your Uniserv Director should be able to determine who has exclusive bargaining rights for the local.

To begin, each bargaining representative or audit designee must register with the commission prior to filing their "audit". This can be done by completing the union audit registration form and emailing a pdf copy to MERC at unionaudits@michigan.gov. MERC will then provide each bargaining unit representative with a unique identifying number that must accompany any future communications or filings. Obtaining the number is done only one time. The registration form requires you to provide the following: Organization name, address and phone number, information regarding the audit designee including name, title, phone & fax numbers, and email address.

The audit designee, normally the treasurer for the local, will be responsible for filing the audit. Expenses related to collective bargaining, contract administration and grievance adjustment should be subtotaled by category on the form. If necessary, stipend or conference registration reimbursements should be broken down by time spent on each category. Once the audit designee completes the form it needs to be reviewed by an independent reviewer. Examples of a reviewer could be the officer of a different bargaining unit, an accountant, or anyone else who is not affiliated with the bargaining unit and has access to review the details surrounding the category totals.

The report needs to be filed even if the local has no expenditures in the areas of collective bargaining, contract administration or grievance adjustment. If you need assistance with P.A. 53 you can email treasurersquestions@mea.org. If necessary, we can also review and approve your completed union audit filing coversheet.

Other Reporting Requirements

Lobbyist Registration and Reporting Act

Your state association is required to report expenditures made on behalf of state public officials twice each year: January 31 and August 31. Expenditures include those funds and resources used to influence state policy—lobbying.

Members of MEA and its affiliates are typically exempt from the requirements of the Lobby Registration and Reporting Act. MEA staff members are not.

Under the Lobby Registration and Reporting Act you, as a member, can entertain a state public official and not be required to report your expenditures. However, if you are reimbursed by your local association, MEA is required to report the amount in its semiannual reports. Be sure the amount is reported to MEA Public Affairs. If you are reimbursed by the MEA, your reporting requirements will be covered by MEA accounting procedures.

Should you have questions about the requirements of the Lobby Registration and Reporting Act, contact MEA Communications and Public Policy in East Lansing.

Personal Property Taxes

All organizations that own tangible property, (calculators, typewriters, furniture, etc.) are required to file an annual personal property tax return with their local taxing authority (city or township). Contact your city or county treasury office for more detail.

Michigan Sales Tax License and Reporting

If you sell goods in the state of Michigan you may be required to have a Michigan sales tax license and file regular reports with the Michigan Department of Treasury. MEA and its local affiliates are not exempt from paying Michigan sales or use tax on purchases.

Elections

Any involvement of a local association in any election should be carefully monitored by the local treasurer in conjunction with your UniServ office. PAC monies can only be used for supporting candidates for elected offices. Dues monies may be used for millage and bond elections. Because of the state Campaign Finance Act and Federal Election Commission rules, no dues monies may be used in any election for a candidate. Millage and bond issue elections may require filing with the state

or county clerk. Please contact your UniServ office or MEA Public Affairs Department for clarification, if needed. Prior to your local association's involvement in any election, please contact your UniServ office.

Raffles

Gaming activities such as raffles and bingo are regulated by the Bureau of State Lottery, Department of Management and Budget. Before sponsoring a raffle, giveaway or similar gaming activity, contact the MEA's Department of Legal Services for information about licensing requirements and/or restrictions. Please note that Political Action Committees are barred from holding raffles or other charitable gaming activities.

Liquor Licenses

Occasionally local associations wish to engage in the sale of alcoholic beverages in connection with an association event or activity. The Michigan Liquor Control Commission has established a licensing procedure to handle these situations. Contact the MEA's Department of Legal Services for information about current licensing requirements.

Payroll Returns

As an employer, you are required under federal law to withhold taxes from your employees' paychecks. Each time you pay wages, you must withhold a certain amount for federal income tax, Social Security tax and Medicare tax. These taxes, as well as the liability for the employer's portion of Social Security and Medicare taxes, must be reported to the Internal Revenue Service on a periodic and timely basis. Beginning with calendar year 2006, certain small employers will be qualified to file Form 944, Employer's ANNUAL Federal Tax Return, rather than Form 941, Employer's QUARTERLY Federal Tax Return, to report their employment taxes. The IRS will notify those who qualify to file Form 944. For more information, you can visit the IRS Web site at www.irs.gov and do a search for the Form 944 instructions.

LM-2, 3 or 4

Labor Management (LM) reports are required by the U.S. Department of Labor from labor unions of private employees.

Filing requirements and thresholds:

	Due date	Annual Receipt Threshold
LM-2	90 days after the end of your organization's fiscal year (12-month reporting period)*	$250,000 or more
LM-3		less than $250,000
LM-4		less than $10,000

** If your organization went out of existence during its fiscal year, a terminal financial report must be filed within 30 days after the date it ceased to exist.*

OTHER

Insurance Coverage

The following is a list of insurance policies issued to the MEA and/or NEA that provide protection to your local under certain circumstances:

- The NEA provides a bonding policy that provides protection to the MEA and local affiliates. The coverage is provided without any additional fees or premiums. In general, the policy provides up to $500,000 coverage per individual per occurrence for loss of funds due to fraud or dishonesty of officers or staff. Coverage for loss of funds in transit, robbery or burglary on the premises, and computer theft is limited to $25,000 per occurrence. Coverage for forgery is limited to $400,000. The bond does not cover insurance trusts, pension plans or other such funds created by the affiliate. Most scholarship funds or similar funds created or controlled by the local would not be covered.
- Claims are to be filed as soon as possible with the MEA director of Legal Services. Since claims must be reported to the carrier no later than 60 days following the discovery of the loss, it is critical to file a timely claim.
- The MEA has coverage for itself and its local affiliates under an association professional liability policy. The local, its officers and its members are covered for only authorized association activities. These are activities approved by a governing body for the purposes of carrying out objectives set forth in its governing documents. This policy provides coverage for breach of duty (including the duty of fair representation), neglect, error, misstatement, misleading statement, act or omission by an insured in the course of authorized association activities. This policy does not provide coverage for unauthorized activities or claims between and among insured parties.
- The MEA is covered by a multi-peril policy. This policy covers only MEA-owned and/or MEA-occupied property. This policy does not provide coverage for local association-owned property. Your local should consider obtaining its own coverage if it has its own property.

PAC Accounts

Make sure all PAC pledge envelopes are signed and forwarded immediately to MEA Finance. We are not allowed to accept PAC contributions without a signed PAC form from any member.

Members may elect to have their PAC pledges automatically deducted monthly using their bank account or credit card, or contribute online via credit card at meavotes.org.

The PAC Power! booklet was developed to help locals engage their members in political action, and is available online or by request.

Remember: We need PAC dollars, but must keep accurate reports on every dollar contributed and submit contributions timely in order to use the funds. Your help is needed and appreciated! Contact MEA Public Engagement for more information at 517-337-5508.

Manual of Procedures

One of the most important things a treasurer can do for the local is review all the sections of this handbook and put together a manual of systems and procedures that deals with these topics. This manual should be as inclusive as possible.

Those of you who had to wonder as you read this handbook if a budget had been adopted for this year or if your local has ever received an EIN from the IRS can appreciate the importance of having all of the procedures in one place so you know the answers to these questions. Those of you who have received some form of a procedures manual should thank your predecessor.

Helpful Web Links

MEA

www.mea.org

This is the MEA's "all purpose" Web site designed for use by any user group. For members, the site contains information concerning professional development opportunities, certification requirements, new member tips, finding a job in education, and awards and grants available. For leaders, the site provides information regarding conferences held, privatization, bargaining, legal resources, financial and membership records, commissions, committees and task forces. The public can access the site to obtain recent press releases and information for parents and students and about the MEA and how to become a member. The site also holds contact information for MEA staff, officers and board of directors.

www.mymea.org

This site is for leaders and staff of the MEA. It contains a lot of the same information as the general site, but includes some publications and resources that are specific to the intended users, such as organization charts for MEA, MESSA and MEA-Financial Services, a calendar of meeting dates for the current fiscal year, and staff birthday lists.

Government Resources – Federal and State

www.irs.gov

www.dol.gov

www.michigan.gov

Basic Guide to Nonprofit Administration

managementhelp.org/nonprofitfinances/basics.htm

www.raffa.com/newsandresources/resourcecenter/npo_essentials/default.html

grantspace.org/topics/

Accounting, Bookkeeping & Tax Links

www.dwmbeancounter.com

www.aipb.org

www.notforprofitaccounting.net

Small Business Administration

www.bizfilings.com/toolkit.com

www.sba.gov

APPENDIX A-1

Cash Receipts Journal – Individual Billed Local (IBL)

EXAMPLE: On 1/10/XX, you receive a check from Michigan Education Association in the amount of $100 as a repayment of local dues.

You record the receipt in your spreadsheet as:

			DISTRIBUTION			
			3100	3200	3400	3700
Date	**Received From**	**Amount**	**Local Dues**	**FR Fees**	**Other**	**NEA Fund**
01/10/XX	MEA	$100	$100			

You would then deposit the check at your local's bank.

APPENDIX A-2

Expenditure Journal – Local Billed Local (LBL)

EXAMPLE 1: On 1/10/XX, you recorded the receipt of cash from School District A. You should then write two checks to MEA – one for MEA/NEA dues ($65.00) and one for PAC/NEA Fund for Children ($15.00). Record the disbursements as shown below:

				DISTRIBUTION						
				4100	4200	4400	4500	4700	4800	4900
Date	**Check No.**	**Description**	**Amount**	**Office Exp**	**Gov Act**	**Com/Conf**	**Misc**	**MEA/NEA**	**MEA PAC**	**NEA Fund**
01/10/XX	001	MEA Dues	$65					$65		
01/10/XX	002*	MEA PAC/NEA Fund	$15						$10	$5

** This check should be written out of your separate PAC checking account and recorded in a separate expenditure journal.*

EXAMPLE 2: On 1/15/XX, you send in your registration for the March bargaining conference with a check for the fee of $165.00

				DISTRIBUTION				
				4100	4200	4400	4500	4900
Date	**Check No.**	**Description**	**Amount**	**Office Exp**	**Gov Act**	**Com/Conf**	**Misc**	**NEA NEA**
01/15/XX	003	MEA Registration Fees Bargaining Conference	$165			$165		

APPENDIX A-3

Sample Expense Voucher Form

Date

XYZ Education Association, MEA/NEA Expense Voucher

Issue check to:

Name	Personal Email Address	
Address		
City	State	Zip

Itemized list of actual expenditures:

Attach paid receipts or other supporting documents.

Miles traveled_____@ current IRS rate *(Authorized travel only)*	$
Lodging (give name of hotel/motel)	
	$
	$
Food (list meals and cost)	
	$
	$
Other	
	$
	$
Total expenditures	$
Requested by	
Title	
Approved by president or other authorized officer	

Date	Check no.	Account no.

Each voucher should be approved by someone other than the individual requesting the check.

APPENDIX A-4

Authorization for Direct Pay

We authorize the Michigan Education Association (MEA) to deduct our monthly payment of dues for MEA/NEA and MEA-Retired from the checking or savings account listed below. We understand that we are able to withdraw our authorization at any time by notifying MEA in writing 30 days in advance. If there are insufficient funds to cover the amount due for payment of these dues, we will be responsible for fees involved in addition to any interest assessed for non-payment of dues.

Name of Bargaining Unit: _____

Bargaining Unit ID _____
(found in upper left corner of your billing statement)

Name of Authorized signer and title:

_____
(Print Name and Title)

Signature: _____

Name of Financial Institution: _____

_____

_____

Account number: _____

Routing number: _____

NOTE: Please be aware that it may take up to 30 days to process your request. The Membership department will notify you when your request has been received and when your first deduction for dues will take place. Local Bargaining Units are responsible for late payments and/or interest assessed up until Direct Pay is in effect. Thank you.

PLEASE complete the above information and return to:

Michigan Education Association
Membership Department 1350
Kendale Blvd., PO Box 2573 East
Lansing, MI 48826-2573

APPENDIX A-5

Example Budget and Financial Report Form – LBL

Date:	March 31, 20XX					
		Budget	**Actual monthly activity**	**Actual year to date**		**Budget balance**
	Beginning bank balances					
1100	Checking			**500**		
1200	Savings			**1,500**		
1400	Other investments			**5,000**		
	Subtotal			**7,000**	**A**	
	Income					
	Total dues collected	**55,000**	**5,500**	**38,500**		**16,500**
	Less dues paid to MEA/NEA	**(22,000)**	**(2,200)**	**(15,400)**		**(6,600)**
3100	Local dues	**33,000**	**3,300**	**23,100**		**9,900**
3300	Interest	**400**	**45**	**320**		**80**
3400	Other	**100**		**75**		**25**
	Total receipts - net of dues paid to MEA/NEA	**33,500**	**3,345**	**23,495**	**B**	**10,005**
	Expenses					
4100	Office	**7,500**	**625**	**4,375**		**3,125**
4200	Governance	**15,000**	**1,500**	**10,500**		**4,500**
4300	Committees	**3,000**		**1,700**		**1,300**
4400	Conferences and affiliates	**3,500**		**750**		**2,750**
4500	Miscellaneous	**1,000**	**200**	**250**		**750**
4600	Contingency	**2,000**		**1,800**		**200**
	Total disbursements	**32,000**	**2,325**	**19,375**	**C**	**12,625**
	Ending bank balances					
1100	Checking			**1,500**		
1200	Savings			**4,620**		
1400	Other investments			**5,000**		
	Total			**11,120**	**D**	
NOTE: A + B - C should equal D						

Michigan Education Association

1216 KENDALE BLVD, PO BOX 2573, EAST LANSING, MI 48826-2573 • (517) 332-6551 OR (800) 292-1934 • MEA.ORG

CHANDRA A. MADAFFERI, PRESIDENT • ROBERT CALLENDER, VICE PRESIDENT
AARON ELING, SECRETARY-TREASURER • ERIK EDOFF, EXECUTIVE DIRECTOR

The mission of the MEA is to protect, advocate and advance the rights of all education professionals to promote quality public education for all students.