

Financial Report



The UAW Financial Officers Conference was held in New Orleans, Louisiana. As we all remember in late August of 2005, this city was devastated by Hurricane Katrina. There were 1,570 deaths in the state of Louisiana caused by Katrina, most of which were residents of New Orleans. While it has been six years since the hurricane, the signs of recovery are encourag-

ing. By the end of 2010, New Orleans had regained approximately 90% of its population and 85% of its jobs. As in all disasters, the costs are often hidden and underestimated and the true cost of Hurricane Katrina will never be known.

The conference was opened by UAW Secretary-Treasurer Dennis Williams. Brother Williams was elected June 16, 2010 at the UAW 35th Constitutional Convention in Detroit. Prior to that, he served as the Director of Region 4, which includes Illinois, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wisconsin and Wyoming since 2001.

He spoke about the many changes that will be taking place in the next few months, including the strike fund rebate that locals receive on the per capita taxes (62% of monthly dues received) that we pay to the UAW International Union. He also talked about some locals that have a habit of sending their per capita tax in late, that rebates will no longer be flexible and that we will pay our per capita taxes on time or we will not receive our rebate. Another change will be making the per capita payments electronically deducted from our checking account, which will eliminate many of the paper copies that are mailed. It would also enable the local unions to receive their rebates much sooner.

Perhaps the biggest change that the secretary-treasurer spoke of is one that financial secretaries have asked for years, the use of a credit/debit card. Since local unions were not allowed to have a credit/debit card, the financial secretaries have been using their own personal cards to conduct the business of their local unions. This change should take place by this summer, upon review of the Department of Labor.

Day one of the conference was dedicated to the Department of Labor LM-2 Form. This form was the result of the Labor Management Reporting and Disclosure Act (also called Landrum Griffith Act), which was passed in 1959. This act gave the government unprecedented oversight and control over internal union affairs, dictating the conduct of elections and the handling of our finances. The LM-2 is filed annually for those local unions reporting in-

by Joe Hribar

come of \$250,000.00 or more and must be filed electronically 90 days after the end of the fiscal year. This form has changed drastically in the last few years from 12 pages to 38 pages in its present form. We went over some of the new changes and the 20 different schedules page by page filling in the information based on all the printouts that I brought to the conference. This form is public information and is posted on the U.S. Department of Labor website where anyone can find information about any local union's finances.

Day two consisted of per capita taxes/strike assistance in the morning and payroll taxes in the afternoon. The per capita tax form (A-3) is filed monthly and it's the tax that local unions pay to the International Union on the membership's monthly dues. It's taxed at 62% and must be sent to the International Union by the 20th of the month. These forms as mentioned earlier are going to be filed electronically in the next few months.

We went over the Strike Assistance Program Local Union Handbook concerning the UAW Strike Assistance Program and its rules and regulations approved by the UAW International Executive Board. If there would be a need for strike assistance, it will be administered by the UAW International Strike Assistance Department, in cooperation with the local union's Community Services Committee. Sadly, since the government takeover of GM and Chrysler, we are the only ones that still have the right to strike.

The afternoon was spent on payroll taxes. As elected officers of our local union, we have a fiduciary responsibil-

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REMINDER **RETIREE MEETING**

The next meeting is
Thursday, April 7
at 10 a.m.



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ity to be ethical in the manner in which we perform our duties and should always be careful to follow the guidelines that have been set by the UAW International Union. We covered the importance of dealing with payroll taxes, avoiding penalties and interest and why it's vital that all taxes are withheld. We went over some of the forms that the local union is responsible for such as: I-9 Employment Eligibility Verification, W-2 Wage and Tax Statement, 940 Employer's Annual Federal Unemployment (FUTA), 941 Employer's Quarterly Federal Tax Return, 1099 Miscellaneous Income, state withholding forms and state unemployment forms.

Day three was spent covering the Internal Revenue Service Form 990. This form must be filed by local unions that have an annual income of \$200,000.00 or more or total assets of \$500,000.00 or more. We touched on the penalties for late filing against the local union: If your local union's annual receipts are greater than \$1 million, penalties are \$100.00 per day not to exceed \$50,000.00. Also, the penalty against the financial secretary is \$10.00 per day, not to exceed \$5,000.00. If that's not bad enough, the IRS does not consider the form filed unless it's correct and complete and there are also penalties (fines and imprisonment) for willfully not filing returns and/or filing fraudulent returns. Upon request, this form must be made for public inspection. Inspection must be permitted during

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strength is based on numbers that include people from ALL unions, and if our brothers and sisters in the public sector fall, we lose over $\frac{3}{4}$ of total union membership in the state. This would be a terrible blow to ALL of us who value collective bargaining and all the benefits we, as union members, enjoy as a result.

Some of our members went out and voted for these people who cast their votes to destroy our livelihoods. I'm asking each and every one of you to educate yourselves about the parties on the voting ballot and whose interests they will protect before rushing out and voting for people who don't care about your job, you or your family. Because of people voting for politicians who represent corporate America, we lost some really good representatives who looked out for working class people in the Ohio Houses and nationwide in the last election. This has put a hurting on us because the majority's agenda is to de-

by Joe Hribar

regular business hours at the local union's office. If you don't comply with public inspection a penalty of \$20.00 per day, up to a maximum of \$10,000.00, with respect to any one return. Just like the LM-2, this form has gone from 10 pages to 25 in its current form. We processed through parts 1 through 12 and its many different schedules throughout the afternoon.

Day four was spent going over the duties of financial officers. It's a 400 page binder packed with the information to enable us to perform our duties. We went over several chapters covering duties of local union financial officers, including chart of accounts, per capita tax, audit procedures for trustees, strike assistance, local union insurance, trademarks and service marks to ordering supplies. As financial officers, we are responsible for overseeing the funds of our local union, its committees and retiree chapter. We must maintain the integrity of our local union by following the correct policies and procedures set forth in the UAW Constitutions and our local union by-laws.

We would like to thank the membership for giving us the opportunity to attend this conference and enabling us to gain more knowledge to serve this membership in the best capacity we can. Those attending this conference were: Kevin Harmon, Ted Williams Jr., Greg Hamilton, Jim Monday and Joe Hribar.

by Nick Gallogly

stroy us and they're currently working as hard as they can to do just that.

We have to take our country back from the politicians that are hell bent on eliminating the middle class. Please do your part and help to make it happen.

