



Trustee Audit Guide

Congratulations, you are a member of the Board of Trustees! This guide will assist in completing one of your duties as a member of the board. As a Local Trustee, you are your membership's first line of defense against fraud and negligence regarding the Local's business operations and finances. Your oversight helps to ensure financial transparency and that members' dues money is used in accordance with established practices, procedures and the law.

It is important for the responsibilities of the trustee position to not be a rubber stamp of local practices and that activities that are in conflict with Labor Management Reporting and Disclosure Act (LMRDA), Department of Labor (DOL), Internal Revenue Service (IRS) provisions, Article 21B of the SMART Constitution or your Local bylaws are identified.

The SMART constitution says...

Article Twenty-One B (21B) SECTION 67 - DUTIES OF THE LOCAL BOARD OF TRUSTEES

The Board shall meet in the month of January of each year for the purpose of auditing the annual report of the Treasurer and verifying bank balances and cash on hand. If the Treasurer's annual report is found to be correct, the Board members shall endorse the report with their signatures, furnishing copies to the Local and the General Secretary-Treasurer.

The Department of Labor (DOL) states:

Your primary task as a Trustee is to ensure that all union resources (money/assets) are used for legitimate union purposes as authorized by your membership in accordance with your constitution and bylaws. In addition, you should ensure that your union is properly submitting per capita taxes to its parent body and is complying with legal requirements for financial reporting, recordkeeping, bonding, and loans.

This guide outlines a 10-step audit process that will help you complete your annual duty to audit the Local's Treasurer's Annual Report (TAR). Please keep in mind that every audit will be a little different. As a Trustee, you should use your best judgment in completing these steps, then clearly report your findings to the members of your Local and to SMART TD, if necessary.

10-Step Process

Prepare for the Audit

1. Review bank statements, check images and check stubs
2. Review all disbursements
3. Review receipts
4. Review Local assets
5. Review compliance reports
6. Review member records
7. Review LCA fund ledgers
8. Get questions answered and missing documents
9. Review the budget
10. Wrapping up the audit

Submit the TAR to Local and SMART TD

Before digging into the 10-step process, let's get familiar with some of the documents you will be reviewing.

Understanding the Treasurer's Annual Report

The Treasurer's Annual Report (TAR) is a report that Local Treasurers generate using the SMART-TD local bookkeeping system called WinStabs-NMR. The TAR is a constitutional requirement and helps locals meet the requirements set forth by the Department of Labor (DOL) and Internal Revenue Service (IRS). The TAR provides a comprehensive overview of the local's financial standing and performance of business-related duties. The TAR reports on transactions and activity performed from January 1 through December 31st. Any work performed for the reporting year that is performed after December 31 will be reported in the year the work is actually performed. The Local President is responsible for one part of the TAR, and the Local Trustees are responsible for reviewing and confirming the information that is used to generate as well as the information reported on the TAR.

The TAR is made up of 11 sections. The following information will describe each of the sections and explain what officers should be looking for in each of them.

1. Local Fund Overview

This section describes the transactions that occurred for the year in the Local fund. SMART TD locals use a system called fund accounting. The Local fund is used to pay the expenses of the Local. In fund accounting, there is one bank account that holds all the money for all the funds. All money that is receipted flows through the Local fund first before disbursement to the LCA fund(s) (**LCA Committee Receipts**). Because of this, the bank balance(s) should not be used to report on the finances at the Local level. Available fund balances indicate the money that is available in each of the funds. Amounts with parentheses around them are negative amounts. Disbursements cannot be made from funds with negative ending balances.

This section also shows any **saving/investment** balances that the Local may have. If a Local has savings/investments the money in those accounts should belong to the Local fund. Savings balances are not calculated into the Local fund ending available balance.

Last savings/checking statement reconciled tells you what statement the account has been reconciled through as well as the balance of the account. For the TAR these must be reconciled through December. If December is not reported in these boxes, the treasurer must go back and reconcile that bank statement and the TAR must be regenerated.

Dues not collected from member is the amount of money members owe the local. This is typically due to the amount of money received from the member not equaling the amount the member is billed which results in a negative variance. This is also sometimes called arrears. If the number shown here is high in proportion to the number of members, the local should devise a plan to collect money owed to the Local. (See the Treasurer's Checklist section.)

Last eBill processed as of December 31st indicates the last billing worked. The Local is current with their union billing as long as December is listed as the last billing. If December is not listed, the Local was considered behind as of December 31st. When an eBill is behind that means that payroll deduction money has not been properly allocated and member records are not complete for the year. The work that was not completed by December 31st will appear on the TAR for the next year.

Why is this section important?

This section indicates if the local is on solid financial ground. A version of the section was included in previous versions of the TAR. The revised TAR includes information on member variances and if the Local is current with eBill and banking tasks. Failure to pay attention to and resolve member variances is one of the fastest ways to bankrupt a local. Late eBill can worsen member variances and stunt deposit of dues money to the Local bank account. When eBills are worked late, members' payroll deductions go unchecked and if out of balance can quickly grow a significant variance. If the bank statements are not reconciled, the reports from WinStabs-NMR are not accurate. The revisions to this section also provide a more accurate and understandable accounting of what is available to disburse from the Local fund.

2. LCA Overview

This section describes the transactions that occurred for the year in each of the LCA funds. SMART TD locals use a system called fund accounting. The LCA fund is used to pay the expenses of the LCA. In fund accounting there is one bank account that holds all the money for all the funds. Because of this, the bank balance(s) should not be used to report on the finances at the LCA level. Available fund balances indicate the money that is available in each of the funds. Amounts with parentheses around them are negative amounts. Disbursements cannot be made from funds with negative ending balances.

Details of LCA Committee Receipts

This section shows the total amount allocated to the LCA fund each month once the eBill is processed into WinStabs. There should be an amount listed for each month. If there are any entries with data errors they will show at the top along with an error message in red.

Why is this section important?

This section indicates if each of the local committees are on solid financial ground. A version of this section was included in previous versions of the TAR. The revised TAR provides a more accurate and understandable accounting of what is available to disburse from the LCA fund(s). This section also shows if the LCA funds have been properly allocated in WinStabs each month with the eBill processing.

3. Officer Earning Detail

This section shows compensation and expense reimbursements for all officers for the year and the fund(s) those disbursements were pulled from. Local officers are paid from the Local fund and Local committee officers are paid from the corresponding LCA fund. Some officers hold multiple offices and are paid from multiple funds.

Why is this section important?

Officer earnings are reportable to the IRS, the Department of Labor, and if applicable, the Railroad Retirement Board. It is important that this information is complete and accurate not just for the Local's records, but for the individuals that have received compensation and reimbursements as well. If any of the officer earning detail is incorrect, then it must be fixed in WinStabs-NMR and the TAR must be re-generated. (Reports filed with RRB and IRS may need to be amended as well.) A version of the section was included in previous versions of the TAR. The revised TAR includes the fund each officer was paid from.

4. Outstanding Checks

Outstanding checks are checks that were written and documented in WinStabs-NMR but did not clear the bank as of December 31st. For the purpose of this report, a check is any withdrawal of money from any of the accounts that has not appeared on the bank statement so that it can be reconciled in WinStabs-NMR. The local should take action to resolve any checks that are older than 90 days. Additional explanation for this section is included on the TAR.

Why is this section important?

Outstanding checks are held as a liability against your Local fund until they are cashed. An old outstanding check needs to be researched and resolved for accurate and timely bookkeeping. A version of this section was included in previous versions of the TAR. Now with WinStabs-NMR, data rolls over from year to year. In previous versions of WinStabs, these checks were tricky to handle in the new year. Now they will simply roll forward until they are resolved or reconciled.

5. Taxes

Disbursements to officers that are considered compensation (salary, lost time, committee day) payments generate a two-part tax liability. The first part is the employee portion which is withheld from the employee's earnings. The second is the employer portion which is the amount the Local owes for the compensation. The employer portion is in addition to gross compensation to the employee. The Local is responsible for remitting both parts to the tax authorities.

All taxes shows all liabilities incurred for each tax type each month. **Unpaid taxes** shows any portion of the monthly liability that has not been marked as paid in WinStabs-NMR. (Note: taxes for the last quarter or that have an annual payment obligation are due in January and may show as unpaid.)

EFTPS is the Electronic Federal Tax Payment System, the system all Federal taxes are to be paid through. The EFTPS payment history is to be printed and attached to the TAR for the Trustee review and submission to the TD office.

Match to EFTPS History shows the tax deposits as recorded in WinStabs-NMR. This section should be compared to the EFTPS history to ensure that they all match in tax type and amount. The date on the EFTPS history should typically be within 1 to 3 days of the tax deposit date in WinStabs-NMR. Note: State or Municipal taxes are not paid through EFTPS.

Past year taxes/fines lists any prior year taxes and fines paid during the year for prior years. Taxes that are not paid on time or tax returns that are not filed on time are assessed late payment/filing penalties and interest on the amounts owed. (Note: taxes for the last quarter or that have an annual payment obligation are due in January and will show in this section.)

Why is this section important?

This section is new on the revised TAR. Failure to file and pay taxes on time is another way to bankrupt a Local and places the union officers in personal jeopardy with the IRS. This new section allows this area to be reviewed by both the Local Trustees and the SMART-TD office for compliance. When tax issues are caught early, they are much easier to resolve and places less burden on the Local.

6. Meeting Records

This section documents that monthly or special meetings were held, whether a quorum was present, and that minutes were recorded.

Why is this section important?

Monthly meetings are required by the SMART Constitution. Meeting minutes are required even if there is not a quorum of members present at the meeting to conduct business. Meeting records are part of the Local's permanent record and are vital in documenting membership approval for a variety of actions. This new section allows this area to be reviewed by both the Local Trustees and the SMART-TD office for compliance and will help to ensure the records are available to the IRS, DOL and SMART-TD in the event of an audit.

7. Assets

WinStabs-NMR allows treasurers to track the Local's physical assets. Those are reported here. Assets must be tracked and monitored to prevent misappropriation, loss and theft. Locals are to report their assets to the Department of Labor.

Why is this section important?

Physical assets that are purchased with Local/LCA funds or that are donated to the Local belong to the Local/LCA until the membership approves to dispose of them. This new section allows for monitoring assets from year to year.

8. Required Reporting

This section lists each report that the Local is required to file, the date it is due and the date it was completed. Note: certain reports are only required if the local is either rail or bus.

Why is this section important?

Locals are required to file many reports throughout the year that report on activity to a variety of bodies. On time filing is critical to avoid penalties and fines. This new section allows this area to be reviewed by both the Local Trustees and the SMART-TD office for compliance. (The Local President should be reviewing the task list from WinStabs-NMR every month for compliance.)

9. Local President Financial Oversight

Local Presidents have a fiduciary responsibility in overseeing the finances of the Local. The Local President is to verify that he/she has access to all Local accounts and to affirm each statement on the oversight page.

Why is this section important?

The Local Treasurer job is vital to the success and stability of the Local. There are many tasks related to the job, and the Local President has a constitutional duty to see that the tasks are complete, and that enough oversight of the Local Treasurer role is given to prevent fraud and negligence. In previous years, this was a separate report that Local Presidents and S&Ts had to submit to the TD office. It has been incorporated into the revised TAR.

10. Treasurer Checklist/Explanations

The treasurer checklist assists the treasurer in preparing records necessary for the trustees to evaluate the TAR using the Trustees Guide to the TAR. In addition to gathering the records, the treasurer is to provide explanation for non-use of EFTPS, amounts members owe the Local that are greater than \$500, unpaid taxes, negative fund balances, and lastly, when fund disbursements are greater than fund receipts.

Why is this section important?

Previously the information in this checklist was implied or available in the guide to the TAR for treasurers or trustees. This new section attempts to simplify the process and walk the treasurers through prepping for the trustee audit.

11. Trustee Review

This section is where the trustees initial that each section of the TAR and the associated local records have been reviewed in accordance with the Trustees Guide to the TAR and that the TAR is ready for submission to the SMART-TD office.

Why is this section important?

Previously the information in this checklist was implied or available in the guide to the TAR for treasurers or trustees. This new section attempts to simplify the process and walk the trustees through performing the audit of the TAR and Local books.

Understanding the End of Year Records from WinStabs-NMR and TD Connect

- End of Year record report from WinStabs-NMR:
 - **Checkbook register & balance** – lists all activity in the checking account for the year. The checkbook holds all the money for all the funds controlled by the Local and LCA(s)
 - **Savings register & balance** (if Local has one) – lists all activity in the savings account for the year. Savings balances should belong only to the Local fund
 - **Cash receipts control ledger** – lists all deposits into the Local checking and savings accounts. Deposits received are initially allocated to the Local fund.
 - **LCA committee receipts** – since all deposits are initially allocated to the Local fund, additional processing must occur to re-allocate the money intended for the LCA fund(s). This report lists each of the re-allocated receipts into each LCA fund.
 - **Local fund account balance ledger** – this ledger lists all activity for just the money belonging to the Local fund. Here you will see disbursements to the LCA committee funds. You should only see payments to individuals performing Local officer work from this fund.
 - **LCA fund account balance ledger(s)** – this ledger lists all activity for just the money belonging to the LCA funds. You should only see payments to individuals performing LCA officer work from this fund.
- End of Year reports from TD Connect:
 - **Officers report** – lists all past and present Local and LCA officers that held office during the year
 - **Member dues receipts** – lists money processed by the Local during the year for each member. If the Local is behind with working the eBill, then the dues for the outstanding month(s) have not been processed at the Local level during the report period and will not show on the receipt. The outstanding month(s) dues will show on the receipt the following year since it is during that report period the dues were processed.
 - **Member payments/refunds report** – lists all payments directly from members to the Local and all refunds directly from the Local to its members. Every entry aside from those listed in the auditor section must have either a check number or a receipt number that can be reconciled against the WinStabs-NMR Checkbook register and the Local's bank statements. There should never be payment/refund entries on member records made by Locals that do not reflect actual checks from or to members. Entries listed in the Auditor section will not have check numbers or receipt numbers. These entries reflect audited adjustments to member balances made by the SMART TD office that offset billing data errors.
 - **End of year variance report** – lists the members that have positive or negative balances on their account as of December 31st. The report is divided into two sections. The first section lists each member that the Local owes money to and sums the total amount. The second section lists each member that owes money to the Local and sums the total amount. These are the sums that are to be used by the Local Treasurer in generating the TAR.
 - **eBill status summary** – lists the date each eBill was submitted by the Local Treasurer, the date it was certified by the TD office, the amount of Local surplus owed to the Local by the TD office, the date the Local surplus payment was made by the TD office to the Local, the amount sent by the TD office to the Local, the amount owed to the TD for dues or PAC, the amount received by the TD office and the date it was received. The amount sent by the TD office and the amount received by the TD office are the amounts that should be reconciled against the WinStabs-NMR Checkbook register and the Local's bank statements. On rare occasions the amounts listed on this report need to be adjusted by the TD office for extenuating circumstances. When this happens notice is sent to the Local in the form of an accounting memo or email.

These notices must be kept with the Locals bank statement records for proper reconciliation of eBill statements.

- **Local pay receipts (page 2 of the eBill status summary for applicable Locals)**– lists amounts reported on the eBills that were received by Locals directly from the carrier(s) for members’ payroll deduction monies.

Preparing for the Audit

1. The SMART Constitution requires three Trustees in every Local; make sure you know who the other two are and their telephone numbers.
2. This audit will be for work performed during the previous year, running Jan. 1- Dec. 31
3. Plan to speak to the other two Trustees in person or by phone to discuss preparing for the audit in January.
4. Prepare for the audit by reviewing and understanding this guide in its entirety prior to the audit date.
5. Meet in person or confer by telephone with the other Trustees before the audit date, discuss prior audit results and make a list of records you want to review. Submit the list to the Secretary /Treasurer and send a copy to the Local President.

Along with the TAR the Secretary/Treasurer should provide:

- All bank statements with all front and back check images dated Jan. 1- Dec. 31
- 12 months of the Local’s EFTPS (*Electronic Federal Tax Payment System*) payment history
- End of Year record report from WinStabs-NMR, which includes:
 - Checkbook register & balance
 - Savings register & balance (if Local has one)
 - Cash receipts control ledger
 - LCA committee receipts
 - Local fund account balance ledger
 - LCA fund account balance ledger(s)
- Meeting minutes for the previous year
- Local bylaws and any minutes memorializing LCA salaries (if any) or LCA procedure documents
- Expense claim forms with corresponding documentation and records for the previous year
- End of Year reports from TD Connect
 - Officers report
 - Member dues receipts
 - Member payments/refunds report
 - End of year variance report
 - eBill status summary
 - Local pay receipts report

Additional records you may want to review include:

- Previous TAR (make sure it is a signed TAR)
 - The Local’s checkbook with all check stubs dated Jan. 1- Dec. 31
 - The Local’s receipt book
6. Set a time and place where all three Trustees can review all documents for the audit.

Step 1: Review bank statements, check images and check stubs

1. Make sure all the information on the check stub, check image, Checkbook register & balance and bank statement is the same for every check. Make sure all four items have the same amount, who it was written to and date for each check. The signature on the back should match who it was written to.
2. On the bank statements, look for electronic withdrawals. You should find electronic payments to the IRS (and possibly State or municipal tax authorities) and to no one else. If you find electronic payments to anyone else, question it and ask why the disbursement wasn't made by check signed by both the S&T and Local President as the SMART TD Constitution requires.
3. On the bank statements, look for bank charges that have not been reported to members. Anything other than a monthly bank charge should be questioned and reported to members.
4. Make sure that every check is accounted for. If the ledger indicates that there is a voided check, then make sure you see the actual voided check with the word "VOID" written across it.
5. Make sure you have an image of every cashed check (front and back). The image should be legible.

Records used in Step 1

- CHECK STUBS
- BANK STATEMENTS WITH FRONT/BACK CHECK IMAGES
- WINSTABS CHECKBOOK REGISTER AND BALANCE
- WINSTABS SAVINGS REGISTER AND BALANCE
- VOIDED CHECKS

Step 2: Review all disbursements

1. Review every disbursement voucher -- Using the ***SMART TD guide to Required Documentation for Disbursements*** and the ***SMART TD guide to Properly Recording Disbursements in Local Meeting Minutes***, make sure that each disbursement has proper approval and that all required documentation is attached.
2. Using the Local and LCA fund account balance ledgers, make sure that each payment to each officer was disbursed from the proper fund.
3. Remember that payments to SMART TD for dues, PAC and bond certificate coverage do not need authorization. (Payments to SMART TD for supply orders do need authorization.)
4. Remember that payments to the IRS, State and Municipal authorities for payroll taxes do not need authorization.
5. Remember that refunds to members when they have been over collected on do not need authorization.
6. Review the outstanding checks as reported on the TAR. Items generated prior to October 1 should be researched and the payees contacted. Tax payments generated prior to December 1 indicate that the payment was not actually made to the tax authority (see Step 5).

Records used in Step 2

- DISBURSEMENT VOUCHERS/ DOCUMENTATION
- MEETING MINUTES
- LOCAL BYLAWS
- EBILL STATUS SUMMARY
- WINSTABS CHECKBOOK REGISTER AND BALANCE
- CHECKING ACCOUNT STATEMENT
- OUTSTANDING CHECKS SECTION OF TAR
- LOCAL FUND ACCOUNT BALANCE LEDGER
- LCA FUND(S) ACCOUNT BALANCE LEDGER(S)

Step 3: Ensure all receipts were deposited

1. Ensure every receipt from SMART TD or the carrier was deposited into the Local's bank account and recorded in WinStabs-NMR.
2. Make sure any Local pay carrier receipts match what is deposited in the bank account, recorded in WinStabs-NMR and recorded in TD Connect on the eBill.
3. The S&T should not handle cash. If you find cash deposits or withdrawals, then they should be questioned and reported.
4. If any member pays dues by check, then make sure all checks received were deposited and applied to the member's account in TD connect.

Records used in Step 3

- EBILL STATUS SUMMARY
- LOCAL PAY CARRIER RECEIPTS REPORT
- LOCAL RECEIPT BOOK
- WINSTABS CHECKBOOK REGISTER AND BALANCE
- MEMBER PAYMENTS/REFUNDS REPORT
- BANK STATEMENT

Step 4: Review the Local physical asset record and financial account listing

1. All bank accounts should be listed in the Local Presidential Oversight section of the TAR. There must be a corresponding December bank statement for each account as listed attached to the TAR. An attempt should be made to compare the previous years records to ensure the same accounts are listed. Any accounts that were closed or added during the year should be documented in this section.
2. Ensure that all equipment purchased with Local or LCA funds, the date acquired, and the location of the asset is recorded in the List of Local Physical Assets.
3. If any equipment was disposed of during the year being audited, membership approval for the disposal should be documented in the Local meeting minutes.
4. Verify the location for the files of previous years' records, including what years, how many boxes of files there are and who has them. Reference the ***SMART TD Document Retention Policy and Records Inventory*** for guidance.

Records used in Step 4

- DECEMBER BANK STATEMENTS
- PRESIDENTIAL OVERSIGHT SECTION OF TAR
- LIST OF PHYSICAL ASSETS FROM TAR

Step 5: Review required reporting & tax payment information

1. Review the taxes by month and the unpaid taxes information on the TAR. The Local Treasurer is to provide any explanation for unpaid taxes in the Treasurer checklist section of the TAR. Outstanding taxes without a valid explanation should be reported to the Local and a plan should be put in place to pay them quickly.
2. Match Section G (Taxes Deposited) of the TAR to the Local's EFTPS history and bank statements. If an item is listed in Section G but does not have a corresponding entry on EFTPS it indicates that the tax liability was not paid. If this is found the WinStabs-NMR data should be corrected and the TAR must be re-generated.

Records used in Step 5

- TAX SECTION OF TAR
- TREASURER CHECKLIST SECTION OF TAR
- EFTPS PAYMENT HISTORY FOR AUDIT PERIOD
- BANK STATEMENTS
- REQUIRED REPORTING SECTION OF TAR
- EBILL STATUS SUMMARY

3. The IRS requests payment via EFTPS. If EFTPS is not used the IRS assesses a percentage of the payment as a penalty fee. If the Local is not using EFTPS, the Treasurer must provide the reason why. Locals not using EFTPS must reconcile Section G to bank statements.
4. Using the Required Reporting section of the TAR, make sure all annual reports were filed on time. Use the eBill status summary to make sure eBills were submitted by the 20th of each month.

Step 6: Review member records

1. Review the list of members that the Local owes money to and the members that owe money to the Local. The treasurer is to provide an explanation for a variance total greater than \$500. A plan should be in place to fix variances as quickly as reasonably possible for both the Local and the affected member(s).
2. Review the Member payments/refunds report and compare it to the bank statements and WinStabs-NMR checkbook register & balance report. Make sure that every entry on the payments/refunds report has a corresponding entry on the check book register and on the bank statements. Any entry in the checkbook register for the payment/refund of dues and/or voluntary benefits must have an entry on the Member payments/refunds report as well.
3. Review the list of officers from TD Connect. Make sure the list is accurate and that a telephone number and email address is listed for every officer.

Step 7: Review LCA ledger(s)

1. Look for receipts or disbursements that don't look right in the LCA ledgers. The LCA ledger should list payments made to the Local Chairman and Vice Local Chairman to represent the LCA members. Other payments should be questioned.
2. Make sure every LCA ledger has a deposit every month. The deposit should be for the number of active LCA members times the LCA dues amount.

Step 8: Get all questions answered and missing documents provided

1. Make a list of any missing documents and write a request to the S&T that these documents be made available for review ASAP. Give a copy of the request to the Local President.
2. If any documents can't be produced, call SMART TD for advice on what to do next.
3. If documents are not made available by the S&T to the Board of Trustees after they have been requested, it should be reported to the Local members every month until the documents are produced and reviewed. A report should also continue to be made to SMART TD if the documents are not produced.

Step 9: Review the budget and recommend changes

1. Using the Fund Balance Summary and the Fund Received/Disbursed Summary in the Treasurer Checklist section of the TAR, review each fund to make sure it is not negative and/or it is not spending more money than is coming in every month.
2. If a cash flow problem is identified (or expected in the upcoming year) it is recommended that Local officers work together to develop a budget. Use of the

Records used in Step 6

- END OF YEAR VARIANCE REPORT
- TREASURER CHECKLIST SECTION OF THE TAR
- MEMBER PAYMENTS/REFUNDS REPORT
- CHECKBOOK REGISTER & BALANCE REPORT
- BANK STATEMENTS
- OFFICERS REPORT

Records used in Step 7

- LCA FUND(S) ACCOUNT BALANCE LEDGER(S)
- DETAILS OF LCA COMMITTEE RECEIPTS SECTION OF TAR
- EBILL FINAL STATEMENTS

Records used in Step 9

- TREASURER CHECKLIST SECTION OF TAR

WinStabs-NMR budget data worksheet and the *SMART TD Local/LCA budgeting workbook* (available on the website) are recommended.

3. If the Board of Trustees finds a cash flow problem with any of the funds, Trustees should recommend to members that the Local increase its dues or cut back on salaries and/or expenses as part of their report.

Step 10: Wrapping up, sign the Treasurer's Annual Report (TAR) and report to members

1. After the steps above are complete, have a final discussion about your findings. One Trustee should write the report with findings and recommendations and read the report to members at the Local's next meeting. The report should become part of the record along with a copy of the signed TAR. The Trustee report should be made available to the Board of Trustees the next year.
2. Sign the TAR only if everything has been found to be correct and if all your questions have been answered. Do not sign the report if you are not satisfied with any part of the process. Call the SMART TD Field Support Help Desk at 216-227-5444 or email fshelpdesk@group.smart-union.org to discuss your findings.
3. If the audit process is not complete or issues were found by the Trustees that prevent approval of the TAR, one Trustee should report that to Local members and detail what steps are being taken to resolve the issues. These issues should remain on the Local meeting agenda with updates at every meeting until the final resolution is reached.
4. **Submit TAR to Local and SMART TD (after trustee meeting)**

- The complete TAR, required attachments, explanations and signatures is due to the SMART TD office by March 31st.
- It can be mailed to:

SMART Transportation Division
Attn: Field Support Department
24950 Country Club Blvd., Suite 340
North Olmsted, OH 44070

- Or a scanned version of the complete TAR, required attachments, explanations and signatures can be emailed to:

localreports@group.smart-union.org

A Final Word

Trustees, please remember that every review of the books is different. The review as described may just be a starting point that will tell you where to go with the rest of the review. Make sure that the records match. Make sure that you know what every disbursement was for. Look out for things that don't look right and ask to see the documents supporting the disbursement. The S&T is required to let you review any record he or she has that supports the disbursement. If you are not satisfied with the answer, don't hesitate to contact the SMART TD Field Support Help Desk at 216-227-5444 or fshelpdesk@group.smart-union.org to ask what to do next.

Remember, you are the first line of defense against fraud and negligence in your Local.