

INDIANA STATE TEACHERS ASSOCIATION

UNISERV OFFICE BUSINESS PROCEDURES

*Approved by the ISTA Board of Directors
December 4, 2004.*

PURPOSE

These ISTA UniServ Office Business Procedures were developed by a task force composed of Larry Davis, Deputy Executive Director for Administration; Wallace Cantrell, Assistant Executive Director for Programs; David Smith, UniServ Director 1-H; Ruth Henderson, UniServ Director 3-H; Carol Clauser, UniServ Assistant 1-L; Jan Shackelford, UniServ Assistant 3-A and Nate Schnellenberger, ISTA Treasurer. Recent “business practice” developments in both the public and private sectors caused ISTA to review its own standards. At the March 2004 ISTA Board of Directors meeting, the Board adopted a set of Financial and Operation Standards as recommended and adopted by the NEA. This action was taken in large part due to the corporate scandals precipitated passage of the Sarbanes-Oxley Act by the U. S. Congress and signed into law by President George W. Bush July 30, 2002. These Procedures are intended to bring clarity and uniformity to the way UniServ offices receive, disburse and report on UniServ unit finances. The task force has drafted these Procedures within the parameters of the *Indiana UniServ Guidelines*, and has identified specific roles for staff and governance in implementing the Procedures.

ROLE OF STAFF

There are separate and distinct roles and responsibilities for staff for the managing of UniServ unit finances that are stated as follows:

- I. The UniServ Director and District Council Executive Committee, where one exists, shall develop a recommended annual budget for consideration by the Council. At minimum, this recommended annual budget should:
 - A. Reflect sources of funding (receipts) including
 1. UniServ Unit Support currently at \$3.00 per member;
 2. local assessment, if applicable;
 3. grants such as Professional Development Funding currently at \$1.00 per member, Local Program Support, UniServ Program Support, etc.;
 4. interest; and
 5. other sources of income.
 - B. Reflect anticipated expenditures or disbursements
 1. in accordance with *Indiana UniServ Guidelines*; and
 2. expenditures for purchases made outside *Indiana UniServ Guidelines*.

- II. The UniServ Director serves as office manager and is responsible for the accounting of receipts and disbursements. The UniServ Director may delegate to the UniServ Assistant or others the making of deposits, writing of checks, preparing financial reports, etc. At minimum, the accounting should include the following:
 - A. Maintain an accurate record keeping system that includes
 1. using QuickBooks or an Excel spreadsheet with a check register showing all receipts and disbursements of the District Council;
 2. using proper documentation that supports disbursements including use of either vendor receipts, vouchers, petty cash reimbursement receipts, or District Council minutes (See attachments A and B);
 3. be cognizant of documentation retention guidelines (See Attachment C);
 4. making all deposits in a timely manner;
 5. making timely disbursements by check in accordance with approved guidelines;
 6. reconciling bank statements with the check register on a monthly basis;
 7. preparing timely and accurate financial reports; and
 8. if the UniServ office has a petty cash fund, the office should properly maintain the fund by reimbursing it based on an approved voucher and by making disbursements in accordance with approved guidelines.
 - B. Establish timely and accurate financial reporting that includes
 1. doing financial reports comparing receipts and disbursements to the approved annual budget;
 2. distributing a financial report of receipts, disbursements and account balances at each District Council meeting; and
 3. submitting Quarterly Financial Reports to the ISTA, except in the case of a single local UniServ unit that need not submit such report. However, in the case of a single local UniServ unit, the Council is expected to submit an annual report to the ISTA at the close of the Association's fiscal year. A single local UniServ unit is subject to a periodic review by the ISTA Business department. (See section II,C).

C. Be prepared for a periodic review of UniServ Office Business Procedures that includes

1. all District Councils having their financial transactions and related reports reviewed on-site by the ISTA Business Department on a rotating basis (goal of one review every three years);
2. the ISTA Business Department issuing in advance the review procedures and information needed for an on-site review of the District Council's financial transactions and related reports; and
3. the ISTA Business Department issuing a written "findings report" to the UniServ Director at the conclusion of an on-site review. It is expected the UniServ Director will share the written "findings report" with the District Council.

D. Follow a sound system of "internal controls" as described below.

"Internal control" refers to a system of financial checks and balances designed to minimize errors or misappropriations of assets and maximize their detection if they occur.

A strong internal control structure is fundamental to achieving organizational goals. This internal control structure must be designed to provide reasonable assurances regarding the safeguarding of resources against mistakes, fraud or abuse, reliability of operating and financial information, continued commitment to compliance with adopted policies, applicable laws and regulations, and the accuracy of financial activities and records.

One of the basics of good internal control structure is that no one person handles all aspects of any financial transaction. This creates the system of checks and balances. An example would be the person who approves a bill to be paid should not be the same person who signs the check to pay it. It may not be easy or practical to involve several people in all financial transactions, but absent a system of checks and balances, problems can arise. In spite of this, all possible safeguards must be taken to alleviate potential problems.

A recommended set of Internal Controls Policies and Procedures has been attached to these Procedures as attachment D.

ROLE OF GOVERNANCE

There are separate and distinct roles and responsibilities for governance for the managing of UniServ unit finances that are stated as follows:

- I. Each District Council should elect a District Council Treasurer from the membership and adopt a set of operating guidelines, rules of governance or constitution and bylaws. (See Attachment E for sample);
- II. The duties of the District Council Treasurer shall be to work with the UniServ Director in accomplishing the following:
 - A. presenting at each District Council meeting a financial report of receipts and disbursements for review and approval;
 - B. helping to assure the collection and maintenance of accurate District Council financial records;
 - C. helping to assure the transmittal of accurate Quarterly Financial Reports to the ISTA Business Department; and
 - D. making sure an annual review is done of District Council financial records.
- III. At the beginning of each Association fiscal year, the District Council shall adopt an annual budget for operation of the Council with the minutes reflecting such action.

Attachment A

Voucher

Return Check to: _____

Approved: _____

G/L Acct. Code: _____

Recipients Name: _____

Street Address: _____

City: _____

State: _____

Zip: _____

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Meeting: _____

Date: _____

Itemized Expense:

Total: _____

Attachment B

PETTY CASH	
DATE _____	FOR _____
AMOUNT _____	_____
APPROVAL _____	_____
ACCOUNT _____	_____
NUMBER _____	RECEIVED BY _____

Note: This petty cash form can be purchased at any office supply outlet or store and comes in duplicate copy.

Attachment C

Maintenance Schedule of Association Files and Records

File/Record	Term of Storage
Bank Statements	7 years
Cancelled Checks	3 years
District Council Annual Budget	4 years
District Council Annual Financial Report	4 years
District Council Minutes of Meetings	4 years
Salary Settlement Reports	Current year and final report for prior 3 years
PAC Reports	4 years
Individual Teacher Files	If a member, keep while employed. If not a member, keep up to 3 years.
ULP Decisions	Keep until IEERB's Annual Report is received
Arbitrations	Optional
Membership Reports	3 years
Membership Forms and Membership Rosters	3 years (Be sure to keep copy of last SIGNED form)
Collective Bargaining Agreements	1 copy for each year
Bargaining Files	Indefinitely

Attachment D

INTERNAL CONTROLS POLICIES AND PROCEDURES

UniServ Office Business Procedures

July 2004

NOTE: These Internal Policies and Procedures are recommended for use by both District Councils and ISTA local affiliates.

Internal Control & Banking Relationship

Basic Controls

Internal control refers to a system of financial checks and balances designed to minimize errors or misappropriation of assets, maximize the detection if it occurs and protect the organization overall. It is our responsibility to safeguard the assets of the organization.

One of the basics of good internal control is that no one person handles all aspects of any financial transaction. This creates the system of "checks and balances." An example would be the person who approves a bill to be paid should not be the same person who signs the check to pay it. It may not be easy or practical to involve several people in all financial transactions and therefore you may assume that you will have poor internal control. In spite of this situation, there are some possible safeguards to alleviate this potential problem.

Listed below are some basic internal controls applicable to ISTA UniServ office/UniServ Unit finances.

1. Cash Receipts:

- Incoming mail should be opened and listed by persons other than those with access to the check register. The purpose of making a list of all checks and cash received is to insure that a record is made of the amount that was received.
- A person with no access to cash should compare cash receipts records to deposit slips.
- The person opening the mail should stamp Receipts/Checks "For Deposit Only".
- Pre-numbered receipts should be given for contributions, gifts etc.
- Persons other than those opening mail and listing receipts should enter cash receipts in the check register.
- The receipts of checks and cash should be deposited intact daily with the date of the deposit indicated on the check register. The bank deposit slip totals should match log sheet totals.
- Individuals handling cash should be bonded.

2. Cash Disbursements:

- All disbursements, except petty cash items, should be made by check. Supporting documents should be attached. This is to insure that there will be a permanent record of how much and to whom money was paid.

- Checks should always be payable to a specific person/company including petty cash disbursements. This makes it more difficult to fraudulently disburse funds.
 - Persons other than those approving invoices should prepare checks.
 - Checks should be paid from original vendor invoices. Copies of invoices or approved vouchers should be attached when presented for signature.
 - Checks should be entered in the check register exactly as they have been prepared.
 - Signing of blank checks should never be permitted.
 - Two signatures are recommended on all checks. Two-party signatures reduce the possibility of an unauthorized disbursement. The governing board should authorize all check signers. **Single signatures on disbursements made by check are acceptable, if there is good separation of duties between the person(s) approving the disbursements and the person preparing the checks.**
 - Pre-printed check numbers should be used. Checks should be pre-numbered and used in sequence to control the checks used and to identify missing checks.
 - If an error is made in writing a check and/or a check is returned due to duplicate payment, write “VOID” across the face of the check and stub to indicate that the check and stub are not to be used.
3. Keep supply of checks in a secure place. There should be adequate controls over supplies of blank checks. This control is to insure that checks are protected against loss by fire or theft.
 4. A person other than the person preparing the bank reconciliation should receive bank statements directly from the bank. This control prevents one from fraudulently issuing a check for personal use and/or covering up this disbursement in the check register.
 5. A monthly bank reconciliation is required. In order to prove the accuracy of both the organization’s records and those of the bank, it is necessary to reconcile and account for any differences between the two balances.
 6. One of the most effective controls is the use of a Budget Status Report which compares budgeted figures to actual figures on a monthly basis. If unusual or material deviations are identified and researched, the likelihood of large misappropriations not being detected fairly quickly is reduced considerably. This type of analysis can uncover problems on a timely basis.
 7. All vendor’s invoices and expense vouchers should be checked for quantities received, services performed, prices charged and clerical accuracy. Without a review

of invoices, errors may be overlooked and payments could be paid in the wrong amount. Payments should be paid from original invoices only

8. All banks or other institutions where funds are deposited should be instructed not to accept withdrawals payable to cash. Any electronic fund transfer or automatic debit account arrangements should be established only with the proper authority and documented in the minutes.
9. The budget and the minutes are an excellent source of verification of financial activities in a broad sense. Additionally any organization documents and/or bylaws should be reviewed to determine that all activities comply and that the designated individuals are performing their proper functions.
10. Assure that tax returns, if applicable, and other required reports are filed in a timely fashion. Failure to comply with these requirements will expose the organization to possible fines or penalties.
11. As organizations become more technologically driven and the speed of information delivery becomes paramount, both general computer and financial controls are critical to ensure information is processed correctly. These controls are needed to ensure the accuracy and completeness of your financial information, reduce the risk of unplanned business interruptions, ensure your information is secure from outside intruders and catch invalid information at the source. Consider the following questions.

Do you have:

- Virus protection software to prevent destruction of programs and data?
- A disaster recovery plan?
- Proper backup and data storage procedures?

Attachment E
RULES OF GOVERNANCE

The name of the Indiana Unit 3-I and of the District shall be:

SOUTHWESTERN INDIANA COUNCIL (SWIC)

RULES OF GOVERNANCE inclusive of:

Gibson County	East Gibson CTA North Gibson EA South Gibson TA
Pike County	Pike County TA
Posey County	NEA Mt. Vernon NEA North Posey NEA New Harmony
Spencer County	NEA North Spencer South Spencer Co. CTA
Warrick County	Warrick County TA
Gibson-Pike-Warrick Special Education Association	

PURPOSE:

It shall be the purpose of the Council to develop its programs and direct its services.

REPRESENTATION:

1. Representatives to the District Council shall be elected by local affiliates with open nominations and secret ballot using the one-person-one-vote principle. A plurality of the votes cast by the membership shall be necessary for a candidate to be elected.
2. Ethnic minority representation from a local affiliate shall be at least proportionate to the nearest whole number of ethnic minority membership in that local affiliate.
3. All local affiliates should provide for annual election of appropriate District Council representatives prior to May 1, with names forwarded to SWIC and ISTA by June 1.
4. Membership of local affiliates as of March 1 shall be used to determine representation to the District Council for the following year.

<u>Members</u>	<u>Representatives</u>
Automatic for affiliate	1
43-127	2
128-212	3
213-297	4
298-382	5
383-467	6
468-552	7

(1 additional representative for each additional 85 members or major fraction thereof).

5. Local affiliates having more than one representative on District Council should provide for staggered terms.

6. A local affiliate may elect alternate(s) to the District Council in a number not to exceed the number of delegates to which the affiliate is entitled. Such alternate(s) shall be entitled to vote at the District Council only in the absence of a delegate for which the alternate is substituting and shall not be eligible to be elected or serve as an officer of the District Council.

7. It shall be the responsibility of the regular SWIG representative to notify and inform his/her designated alternate of the place, time and agenda of the SWIG meeting.

8. District Council officers shall be elected from and by the District Council delegates. Length of terms shall be determined by the District Council.

9. ISTA Board of Directors member(s) and Standing Committee members elected from the District shall be non-voting members of the District Council unless such persons are elected representatives of a local affiliate.

10. Each representative shall be entitled to one (1) vote unless expressly forbidden by ISTA by-laws.

11. Terms of representatives shall begin September 1 and end August 31. Representatives should be elected prior to May 1.

12. If, for any reason other than illness, a Council representative or alternate is absent from three (3) consecutive regular meetings, the Local Association President and Secretary shall be notified in writing with a recommendation that a new representative be selected.

13. Any member of any local association in SWIC shall have the opportunity to express a position, but may not vote.

OFFICERS:

The officers of SWIC shall consist of a Chairperson, Vice- Chairperson and Secretary/Treasurer. Said officers are to be elected by SWIC at the regular May meeting. The new officers shall take office September 1 and serve until August 31.

A. The Chairperson's duties shall be:

1. To preside over all SWIC meetings and any other meeting designated in the ISTA by-laws.
2. To organize the year's agenda, dates and places of all SWIC meetings.
3. To plan, with the assistance of the staff coordinator, meetings of SWIC and to notify all members concerned of the meetings.
4. To file, with the Office of the ISTA President, supplementary policies and copies of the minutes of all meetings within fifteen (15) days following such meetings.
5. To notify the ISTA President of the person selected by SWIC to fill vacancies within five (5) days following the selection.
6. The Chairperson will distribute an agenda to each representative one (1) week prior to each regular meeting. The agenda will be adopted officially prior to any official business being conducted.
7. The Chairperson shall sign and forward to the Secretary/Treasurer all vouchers authorized by SWIC.
8. The Chairperson shall appoint all committees and shall be an ex officio member of all committees and the Council.
9. The Chairperson and/or a designated representative shall represent SWIC at all local zone, state or national meetings where his/her presence is officially requested or invited or where SWIC determines his/her presence serves local interests.

B. The SWIC Vice-Chairperson's duties shall be:

To preside in the absence of the Chairperson at meetings. Should the Chairperson arrive at a meeting after it has officially been called to order by the Vice-Chairperson, the Chairperson shall immediately preside unless a motion is before the Council. If a motion is before the Council, the Chairperson shall preside upon conclusion of the vote on said motion.

C. Duties of the Secretary/Treasurer shall be:

1. To record the minutes of all regular and special meetings and cause these to be distributed to each SWIC representative, the ISTA Central Office, the Zone Assistant Executive Director and SWIC's official file record.
2. To collect, maintain and transmit to ISTA accurate financial reports of SWIC.
3. The Secretary/Treasurer shall disburse funds in accordance with the budget upon the authorization of SWIG and its Chairperson.
4. The Secretary/Treasurer and Chairperson shall be bonded at a figure twice or more of the amount for which they will ever be required to be responsible.

D. Vacancies.

1. In the case of vacancy in the office of the Chairperson, the Vice-Chairperson shall immediately assume the duties of the Chairperson for the remainder of his/her term.
2. In the case of a vacancy in the office of Vice- Chairperson or Secretary/Treasurer, SWIC shall select a replacement to serve the unexpired term of such official at the next regular meeting.

MEETINGS

Regular Meetings:

A. A quorum shall be necessary at all meetings in order to conduct business. A quorum shall consist of at least one officer and at least one representative from a simple majority of SWIG associations.

B. SWIC meetings shall be held on the first Thursday of each month (except July) unless changed by a majority vote at the previous meeting.

Special Meetings:

A. The Chairperson may call special meetings.

B. Other methods by which a special meeting must be called by the Chairperson follows:

1. Upon request of two-thirds (2/3) of the SWIC representatives;
2. Upon receipt of a written petition submitted by thirty-three percent (33%) of the membership of any association;
3. Upon receipt of a written petition signed by seventy- five (75) teachers from SWIC local associations.

Included in any request for call for a special meeting will be the reason and necessity for the meeting. The Chairperson shall set a meeting date within seven (7) days of the receipt of the request.

DUTIES

It shall be the duty of SWIC to:

- A. Develop a list of the particular service needs of its members. B. Assist in the determination of any office relocation.
- C. To develop operational goals and objectives to meet the needs of the SWIC local associations.
- D. To determine the scope of the services required by the local associations.
- E. To develop, coordinate and evaluate a program of membership services in conjunction with the UniServ Director and determine service priorities.
- F. To determine program priorities of SWIC.
- G. Mutually develop with the UniServ Director performance expectations designed to implement unit programs and conduct periodic evaluation of staff performance in accordance with the terms and conditions of the existing ISTA Board/Professional Staff Organization (PSO) Master Agreement.
- H. To develop written guidelines for operations of SWIC. I. Establish SWIC's budget and monitor expenditures.
- J. To organize the District for assembly elections and carry out such action programs as are directed by the Assembly or the Board of Directors.
- K. To hear reports from the Board of Director member(s) and standing committee members. L. To discuss professional problems.
- M. To assist in implementation of ISTA programs, policies and services. N. To elect District Council Officers from the District Council.
- O. Implement all appropriate Association policies, including selection of staff as required to meet Affirmative Action employment goals.
- P. Review once a year, the by-laws of SWIC. Included in any request for call for a special meeting will be the reason and necessity for the meeting. The Chairperson shall set a meeting date within seven (7) days of the receipt of the request.

ITEMS OF SPECIAL CONSIDERATION

Special Assessment: When a recommendation of special dues assessment is made, the item shall be returned to the member associations for approval. AMENDMENTS

A. Amendments to the Rules of Governance may be made by a two-thirds (2/3) vote of Council representatives at any regularly scheduled meeting.

B. The proposed amendment(s) is/are to be presented in writing at the previous meeting before action can be taken.

C. Members of the Council may vote by absentee ballot on proposed amendments.

D. Absentee ballots must be returned to the Chairperson prior to the official meeting at which the action upon the amendment(s) shall be taken.

* The Board of Directors member(s) and state elected committee members from SWIC shall attend SWIC meetings but will not have a vote unless he/she is also a local association delegate.

THE COUNCIL SHALL FOLLOW ROBERTS RULES OF ORDER REVISED IN ALL CASES NOT COVERED BY THIS SET OF RULES OF GOVERNANCE.

STANDING RULES

1. The Executive Committee shall be composed of the Officers, Immediate Past Chairperson for one year, and the ISTA Board of Directors member(s).

2. The SWIC officers for the coming year shall have their expenses to the statewide Summer Leadership Conference paid in full.

3. A budget shall be proposed for the coming year and distributed at the April meeting. The budget can be amended and shall be approved at the May meeting. The establishment of a budget shall be sufficient authorization for expenditure of funds as specified in the approved budget.

4. The Chairperson may approve any request in the form of a voucher for regular or routine business expense. This may include cost of meals and mileage, lodging, if deemed necessary. The Council may approve requests other than routine. Rates established for the ISTA Board of Directors shall be followed.

5. SWIC meetings are to be at 6:00 p.m. Central time.

6. SWIC may provide for a voluntary assessment - per member- from local associations for necessary operational expenses.

7. Motions shall be written on a form provided.

8. The Treasurer's accounts shall be audited with each change of Treasurer taking place, but in any event not less than once every two years.
9. The June meeting shall be a dinner meeting; place to be determined by the Chairperson.
10. The Chairperson, in consultation with the UniServ Director, will decide if there is to be cancellation of a meeting because of inclement weather. Presidents of the local Associations shall be notified by noon on the day of the meeting if cancellation of the meeting is deemed necessary.
11. All information reports are to be written, duplicated and mailed with the Agenda whenever time permits.
12. The Chairperson of SWIC will appoint a council member to serve as parliamentarian for the year.
13. Minutes of meetings are to be distributed to local Association Presidents and to SWIC delegates.
14. Expenditures from the Contingency Fund in excess of \$75.00 must be voted on by the Council.
15. When any SWIG member attends a meeting and is funded by SWIC funds, that person should submit a report of said meeting or conference to SWIG at its next meeting.

SWIC – Unit 3I	2003-2004 BUDGET	TO DATE 9/1/02 – 04/30/03 2002-03	ACTUAL 2001-02
Income			
1. Balance	10,000.00	13,336.09	13,320.70
2. Local Assessment 02/03 (1429 X \$4) 03/04 (1329 X \$4)	5,316.00	5,653.00	5,734.00
3. State UniServ Support 02/03 (1429 x \$3.00) 03/04 (1329 X \$3.00)	3,987.00	Rec'd 3,036.60 Due 1,301.40	4,338.00
4. Other	<u>2,000.00</u>	<u>2,881.58</u>	<u>3,154.85</u>
TOTAL INCOME	21,303.00	24,907.27	26,547.55

<u>Expenses</u>	2003-2004 BUDGET	TO DATE 04/30/03 2002-03	ACTUAL 2001-02
1. NEA Delegate Support (9 @ \$500)	4,500.00	-0-	3,500.00
2. Leadership (Exe. Comm., SWIG Travel, ISTA)	3,000.00	125.00	693.06
3. Local Leadership Training (Retreat, Summer Leadership)	3,000.00	902.19	1,430.13
4. SWIG Meeting Expenses (SWIC, CBC, PR Planning, Committees)	1,800.00	558.46	2,361.72
5. Office (Paper, Supplies, Equipment)	2,800.00	1,568.86	1,763.21
6. Postage	1,900.00	480.60	1,047.00
7. Subscriptions	200.00	-0-	-0-
8. Legislative	2,000.00	1,309.43	192.64
9. Newsletters	1,000.00	-0-	-0-
10. Contingency	<u>1,103.00</u>	<u>487.97</u>	<u>2,223.70</u>
TOTAL EXPENSES	21,303.00	5,432.51	13,211.46