



U.S. Department of Labor

Employment Standards Administration

Office of Labor-Management Standards



www.dol.gov/esa

[Search / A-Z Index](#)

[Find It!: By Topic](#) | [By Audience](#) | [By Top 20 Requested Items](#) | [By Form](#) | [By Organization](#) | [By Location](#)

February 18, 2003 [DOL Home](#) > [ESA](#) > [OLMS](#) > [CA](#) > [LMRDA](#) > Guide for New Union Officers

LMRDA Compliance A Guide for New Union Officers

Congratulations on becoming a union officer! You have been entrusted with many important duties and responsibilities. The Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor has prepared this guide to help you properly carry out some of these duties. OLMS enforces certain provisions of the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), which guarantees rights to union members and imposes responsibilities on union officers. The LMRDA establishes a bill of rights for union members; reporting requirements for unions, union officers, and union employees; standards for the election of union officers; and safeguards for protecting union funds and assets.

This guide includes general information regarding LMRDA requirements that apply to unions and union officers and offers suggestions on how to comply with these requirements. Although this guide is designed primarily for newly elected presidents and financial officers, it should be helpful to all new officers.

Unions Must File Annual Financial Reports

- The LMRDA requires unions to file financial reports annually with OLMS. Unions with annual receipts of \$200,000 or more (and those under trusteeship) must file Form LM-2. Unions with annual receipts less than \$200,000 may file the shorter Form LM-3, and unions with annual receipts less than \$10,000 may file Form LM-4. Annual financial reports must be signed by the president and treasurer or corresponding principal officers and are due within 90 days after the end of your union's fiscal year.
- Unions can now complete the Form LM-2, LM-3, or LM-4, quickly and easily using a personal computer and the [new electronic forms software](#) developed by OLMS.
- Unions must make annual financial reports available to their members and permit member to examine supporting records for just cause.
- The reports and documents filed with OLMS are public information and any person may examine them or obtain copies from OLMS offices. Anyone with a computer and internet connection can examine reports or obtain copies through the [OLMS Internet Public Disclosure Room](#).

Suggestions

- When you take office, ensure that your union is up-to-date in filing Form LM-2, LM-3, or LM-4 annual financial reports, and that a copy of the last report is in your union's files. You can tell if your union is up-to-date by looking up your union records via the OLMS Internet Public Disclosure Room at <http://www.union-reports.dol.gov>.
- If your union is not up-to-date in filing its annual financial report, you are responsible for filing the required report immediately. If you need a copy of your union's most recently filed financial report or blank reporting forms and

instructions, contact the nearest [OLMS field office](#). You may also be able to print a copy of your union's most recently filed financial report from the OLMS Internet Public Disclosure Room at <http://www.union-reports.dol.gov>.

- In the last month of your union's fiscal year, OLMS will mail blank reporting forms and instructions to the address on your union's most recently filed form. Notify OLMS if your union changes its address so that your union will receive the forms in a timely manner.
- When completing your annual financial report, gather records well before the due date and review the instructions thoroughly to make sure that you complete the report properly. If you have any questions, call OLMS.
- Make the reporting process easier and more accurate by completing your annual financial report using the OLMS [electronic forms software](#).
- Check your union's constitution and bylaws to review any other requirements regarding financial reporting. Also contact any former officers or your union's parent body to determine if your union is required to file reports with the IRS.

Unions Must Maintain Certain Records

- The LMRDA requires unions to maintain the records necessary to verify the reports filed with OLMS for at least five years after the reports are filed.
- As a general rule, all types of records used in the normal course of doing business must be maintained such as receipts and disbursements journals, cancelled checks, bank records, dues collection receipts, vendor receipts, credit card slips, meeting minutes, etc.

Suggestions

- If your union has an established recordkeeping system, review it thoroughly and, if necessary, check with prior officers on how records are maintained. Become familiar with the types of records your union maintains, including those needed to complete your annual financial report.
- Find out if your national or international union has any specific recordkeeping forms or requirements, including any handbooks or other guidance material.

Unions Must Safeguard Funds and Assets

- The LMRDA imposes a duty on union officers to manage the funds and property of the union solely for the benefit of the union in accordance with its constitution and bylaws.
- A union may not have loans to any officer or employee that in total exceed \$2,000 at any time.
- A union officer or employee who embezzles union funds or other assets commits a federal crime punishable by a fine and/or imprisonment.
- Individuals who have been convicted of certain crimes listed in the LMRDA may not hold union office or employment for up to 13 years after their conviction.

Suggestions

- Use a system of checks and balances to insure that one person is not solely responsible for all financial transactions. For example, require that two officers sign all checks and do not sign checks before the date, payee, and amount are entered.
- Review current practices for collecting dues and other receipts to insure that all receipts are recorded in union books and records, member dues are deposited in the bank on a timely basis, and deposits are properly recorded.
- Confirm that all expenditures are authorized in accordance with your union's constitution and bylaws and are properly recorded in membership/executive board minutes and union disbursement books and records.

- Remove any former officers' names from union bank accounts.
- Conduct an inventory of union assets to determine if they match prior inventory and union records of purchases and sales.
- Have trustees or an audit committee conduct periodic audits and report to the membership. The OLMS publication *Conducting Audits in Small Unions: A Guide for Trustees* is available from the nearest OLMS field office.
- If you discover a possible misuse of union funds, contact your national or international union or OLMS.

Unions Must Be Bonded

The LMRDA requires officers and employees of unions with property and annual receipts of more than \$5,000 to be bonded if they handle union funds or property. Handling funds is not limited to physical contact with money. For example, a person who has the authority to sign checks or redeem certificates of deposit is considered to be handling funds.

- The minimum bonding amount for each covered officer or employee is 10 percent of the funds handled by the official and his or her predecessor, if any, during the preceding fiscal year. For a new local union, the bond must be at least \$1,000.
- Bonding coverage required by the LMRDA is limited to protection against financial loss arising from fraudulent or dishonest acts, including larceny, theft, and embezzlement.
- The required bond must be obtained from a company on the U.S. Treasury Department list of approved bonding companies. The bond may not have a deductible since that is a form of prohibited self-insurance.

Suggestions

- If you are an officer of a newly formed union, contact your national or international union to see if it obtains bonding coverage for its locals. If not, obtain adequate bonding coverage.
- If you are a newly elected officer of an established union, determine if the amount of your union's bond is adequate. If not, increase coverage immediately.
- Confirm that your union's bond covers losses caused by fraud or dishonesty by each bonded person.

Unions Must Conduct Fair Elections of Officers

- Local unions must elect their officers by secret ballot at least every three years.
- Officer elections must be conducted in accordance with the provisions of your union's constitution and bylaws as long as they comply with the LMRDA.
- Every member in good standing has the right to nominate candidates, to be a candidate subject to reasonable qualifications uniformly imposed, and to support and vote for the candidates of the member's choice.
- Unions must mail a notice of election to every member at the member's last known home address at least 15 days prior to the election.
- Union and employer assets, including funds, equipment, and property, may not be used to promote the candidacy of any candidate. However, union funds may be used for reasonable expenses necessary to run an election.

Suggestions

- Review your union's constitution and bylaws well ahead of the scheduled election and determine your responsibilities and the time frames for conducting all aspects of nominations and the election.

- Update your union's membership mailing list regularly.
- Inform officers and employees of your union of the LMRDA prohibition against using union funds for campaign purposes, including campaigning on union time.
- Request a copy of *Conducting Local Union Officer Elections: A Guide for Election Officials* from the nearest OLMS field office for use by those who will be conducting the upcoming election.

Unions Must Allow Members to Exercise Their LMRDA Rights

- Union members have safeguards against improper discipline, equal rights to participate in union activities, freedom of speech and assembly with other members, and safeguards against improper dues increases.
- Union members and non-member employees have the right to receive or inspect copies of collective bargaining agreements.
- It is unlawful to use force or violence against union members who are exercising their rights under the LMRDA.

OLMS Assistance

Additional information about the Labor-Management Reporting and Disclosure Act or the Civil Service Reform Act may be obtained from [OLMS field offices](#).

 [Back to Top](#)

www.dol.gov/esa

www.dol.gov

[Frequently Asked Questions](#) | [Freedom of Information Act](#) | [Customer Survey](#)
[Privacy & Security Statement](#) | [Disclaimers](#) | [E-mail to a Friend](#)

U.S. Department of Labor
Frances Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210

1-866-4-USA-DOL, TTY: 1-877-889-5627
[Contact Us](#)



U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards



www.dol.gov/esa

[Search / A-Z Index](#)

Find It!: [By Topic](#) | [By Audience](#) | [By Top 20 Requested Items](#) | [By Form](#) | [By Organization](#) | [By Location](#)

February 18, 2003

[DOL Home](#) > [ESA Home](#) > [OLMS Home](#) > [Public Disclosure Home](#)

Welcome to the Internet Public Disclosure Room

Please select one of the public disclosure options listed below:

ACCESS INDIVIDUAL UNION REPORTS AND CONSTITUTIONS AND BYLAWS

LM-2, LM-3, and LM-4 Annual Financial Reports

- [View/Print Reports Online for the Year 2000 and After](#)
- [Order Reports from the Public Disclosure Room](#)

Reports for the year 1999 and prior are not available online and must be ordered from the Public Disclosure Room.

LM-1 Labor Organization Information Reports

- [Order Reports from the Public Disclosure Room](#)

Constitution and Bylaws

- [Order Documents from the Public Disclosure Room](#)

SEARCH THE OLMS DATABASE

- [Search union annual financial reports for the year 2000 and after for key data items about unions and their officers or employees](#)

ORDER UNION INFORMATION ON A CD

- [Order a CD of the union report database](#)

OTHER INFORMATION AVAILABLE

STATUTORY, REGULATORY AND COMPLIANCE INFORMATION

- [Labor-Management Reporting and Disclosure Act of 1959, as amended \(LMRDA\)](#)
- [Simplified Annual Report Regulation](#)
- [Public Disclosure Under the LMRDA](#)
- [Reports Required Under the LMRDA](#)

OLMS OFFICES

[View Reports](#)

[Union Data](#)

[Officer/Employee Search](#)

[Order Reports](#)

[Public Disclosure Home](#)

- [Locations of OLMS public disclosure offices across the United States](#)



[Back to Top](#)

www.dol.gov/esa/olms_org.htm

[OLMS Privacy Statement](#)

www.dol.gov

[Frequently Asked Questions](#) | [Freedom of Information Act](#) | [Customer Survey](#) |
[Privacy and Security Statement](#) | [Disclaimers](#) | [E-mail to a Friend](#)

U.S. Department of Labor
Francis Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210

1-866-4-USA-DOL, TTY: 1-877-889-5627
[Contact Us](#)

