



October 25, 2010

Mrs. Donna Wayland, Secretary -Treasurer  
Oklahoma Rural Letter Carriers State Association  
359 NE 25th St  
Blanchard, OK 73010

Case Number: [REDACTED]  
LM Number: 088388

Dear Mrs. Wayland:

This office has recently completed an audit of Rural Letter Carriers State Association under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and President Elbert Atkinson on September 30, 2010, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

#### Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of the State Association's 2009 records revealed the following recordkeeping violations:

1. Lost Time

Union officers failed to record the date and/or purpose of most lost time claims. Records must be maintained that identify the date, number of hours lost, rate of pay, and the specific union purpose for all lost time. During the exit interview, you stated that the union will utilize the vouchers to identify the type of information and documentation that must be maintained for lost time payments.

2. Incomplete Receipts for Vouchers

Vouchers for some payments to officers were missing full receipts. Union records must include at least one supporting document for disbursements. A supporting document can be a voucher, invoice, bill, or receipt.

As agreed, provided that the State Association maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Other Issues

The CAP disclosed the following other issues:

1. Single Signatory on Union Checks

During the audit, Peggy Fox advised that it is the State Association's practice for the secretary-treasurer to sign all union checks. Peggy Fox also indicated that no one reviews the checks before they are issued. A second signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. OLMS recommend that the State Association review these procedures to improve internal control of union funds.

2. Policy for Officer Salaries and Rent Allowance

I advised you that authorization for Salaries and Rent Allowance amounts paid to all union officers could not be found in the union records. I recommend that the State Association document the authorized salaries (which includes any retirement contributions) and rent amounts in its bylaws or record them in meeting minutes or some other internal document (following authorization in the appropriate membership and/or executive board meeting). When the authorized salaries and rent amounts have been recorded in union records, please forward a copy of the record documenting the authorization to me at the above address.

3. Policy for Expenses

As discussed during the exit interview, the audit revealed that the State Association does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. Authorization of expenses is an important matter that should be recorded in union records. Once written guidelines are adopted in the near future, please forward a copy of the approved written guidelines to me at the address above. OLMS recommends that unions adopt written guidelines concerning such matters.

4. Cellular Phone Policy

As discussed during the exit interview, the audit revealed that the State Association does not have a clear policy regarding cellular phone reimbursements. Some officers were being reimbursed for multiple phone lines. OLMS recommends that the association adopt written guidelines for cellular phone reimbursements. Please forward a copy of the approved written guidelines to me.

I want to extend my personal appreciation to Oklahoma Rural Letter Carriers State Association for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Clifford D. Dailing, NRLCA Secretary-Treasurer