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 (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. Additional information about the LMRDA is available from the OLMS field offices listed on page 4.

Unions Must File Annual Financial Reports

• The LMRDA requires unions to file financial reports annually with OLMS. Unions with annual receipts of $250,000 or more (and those under trusteeship) must file Form LM-2. Unions with annual receipts less than $250,000 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 must file electronically via the OLMS Electronic Forms System (EFS) available at www.olms.dol.gov.

• Unions must make annual financial reports available to their members and permit members 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 the OLMS National Office. Anyone with a computer and Internet connection can examine reports or obtain copies through the OLMS Internet Public Disclosure Room at www.unionreports.dol.gov.

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.

• If your union is not up-to-date in filing its annual financial report, you are responsible for filing the required report immediately.

• 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.

• If your union amends its constitution and bylaws, remember, a dated copy of the new constitution and bylaws must be submitted to OLMS as an electronic attachment to the Forms LM-2, LM-3 or LM-4.

• 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.

• Check the OLMS website for Compliance Assistance Publications to help with completing your LM form.

U.S. Department of Labor

Office of Labor-Management Standards
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.
- All election records must be maintained for one year after the election.

Suggestions

- If your union has an established paper or electronic 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 or the end of their imprisonment, if any.

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 on the OLMS website.
- If you discover a possible misuse of union funds, contact your national or international union or OLMS.