

Creating a Local Union Budget

Managing the
Memberships' Money



Money Management

- Local Officers work for the members
- Local Union Officers are stewards of the membership's dues
- Local Officers should manage all union funds in a prudent manner and make every effort to conserve funds where possible.

Let's Put it all Together: An Example

Local Union 9999 has 100 members and belongs to System Council 44. The Local is very active, sending a representative to all official union functions, including the yearly Railroad Department Conference, the yearly District Progress meeting, the System Council Convention, and the International Convention. Additionally, the Local Chairperson or LU President may have a day of lost time per month to handle Local Union business.

Types of Expenses

- Monthly recurring expenses
- Local Union Elections
- Conferences & Conventions
- Miscellaneous Expenses

Expenses: Monthly Recurring

- Officer's Salaries & Lost Time
- Meeting expenses – Hall rental, refreshments, etc.
- State/Local AFL-CIO Central Labor Council Dues
- Various Office Expenses:
 - Letterhead
 - Mailing supplies
 - Telephone bills
 - Support staff – Secretarial expenses

Expenses: Officers' Salaries & Lost Time

- Officers' monthly salaries as listed in Local Union bylaws
- Lost time for handling Local Union business
- Lost time for attending conferences and conventions
- Keep in mind that the Local is responsible for paying Railroad Retirement Tax for all Lost Time @ 21.85%.

Doing the Math

Officer's salaries:

President: \$50/month

Vice President: \$40/month

RS/FS/Treasurer: \$25/month

Local Chairperson: \$60/month

Officer Lost Time: \$22/hr x 8 hrs. = \$176/month

Railroad Retirement Employer Tax: \$326 in salary and lost time x 21.85% = \$71.23/month

Meeting Hall Rental and Refreshments: \$100/month

State/Local AFL-CIO Central Labor Council Dues \$15.00 (\$.15 pm/pm)

Various Office Expenses: \$100/month

Total: \$50 + \$40 + \$25 + \$25 + \$25 + \$60 + \$176 + \$71.23 + \$100 + \$15.00 + \$100 = **\$687.23/month**

Expenses: Local Union Elections

- Every 3 years
- Election Judge lost time
- Two Tellers lost time
- Mass Mailings

Doing the Math

Local Union Elections

Lost time for Judge and 2 Tellers:

$$\$22/\text{hr} \times 8 \text{ hrs} \times 3 = \$528$$

$$\text{RR Retirement Tax: } \$528 \times 21.85\% = \$115.37$$

Mail Ballots:

$$\text{Notice: } 100 \text{ notices} \times \$0.39 = \$39$$

100 ballots and instructions, plus return stamped envelope

$$100 \times \$0.78 + 100 \times \$0.39 = \$78 + \$39 = \$117$$

$$\text{Total: } \$528 + \$115.37 + \$39 + \$117 = \$799.37 \div 36 \text{ months} =$$

\$22.20/month

Expenses: Conferences & Conventions

Annual District Progress Meeting

Annual Railroad Conference

System Council Convention* – every 4 years

International Convention – every 5 years

*System Council 7 Convention is every 2 years

Expenses: District Progress Meeting

- Lost Time
- Meals
- Travel and Hotel Expenses

Doing the Math

District Progress Meeting-annual expense:

Lost time: One travel day and two meeting days

$\$22/\text{hr} \times 24 \text{ hrs} = \528

RREIT: $\$528 \times 21.85\% = \115.37

Meals: Per diem or actual receipts

$\$38/\text{day} \times 4 \text{ days} = \152

Travel: Actual airfare or IRS mileage for personal auto

\$350 Airline Ticket

Hotel: Actual hotel expenses

$\$175/\text{night} \times 3 \text{ nights} = \525

Total: $\$528 + \$115.37 + \$152 + \$350 + \$525 = \$1,670.37 \div 12 =$
\$139.20/month

Expenses: Railroad Conference

- Lost Time
- Meals – however most are provided
- Travel and Hotel Expenses

Doing the Math

Railroad Conference – annual expense

Lost Time: One day travel and two days meetings
 $\$22/\text{hr.} \times 8\text{hr.} \times 3 \text{ days} = \528

RREIT: $\$704 \times 21.85\% = \115.37

Meals: Per diem or actual expenses w/receipts
 $\$38/\text{per day} \times 4 \text{ days} = \152 – however most meals at the conference are provided

Travel: Airline Ticket
 $\$350$

Hotel: Actual Hotel Expenses
 $\$175/\text{night} \times 3 \text{ nights} = \525

Total: $\$528 + \$115.37 + \$152 + \$350 + \$525 = \$1,670.37 \div 12 =$
 $\$139.20/\text{month}$

Expenses: System Council Convention

- Lost Time – varies by System Council
- Meals – varies by System Council
- Travel expenses paid per SC bylaws
- To effectively set up budget, the FS must be familiar with the SC bylaws

Doing the Math

System Council Convention – every 4 years

The actual expenses incurred by the local union will vary, depending on which Council they are in. Some Councils pay almost all expenses, including travel, meal and hotel, while others pay lost time, etc. However, for this illustration, we will assume that the Council Convention Fund pays 90¢/mile one way, provides all meals, and pays lost time.

Hotel: Actual hotel expense

$\$175/\text{night} \times 4 \text{ nights} = \700

Total: $\$700 \div 48 \text{ months} = \$14.58/\text{month}$

Expenses: IBEW International Convention

- According to the IBEW Constitution, Article II, Section 9:
 - 90¢/mile one-way from home city to location of IC, and
 - \$1000 for expenses incurred
- If delegate has more than \$1000 in expenses, then LU should pay them
- Lost time

Doing the Math

International Convention – every 5 years

Lost Time: $\$22/\text{hr.} \times 8 \text{ hrs.} \times 5 \text{ days} = \880

RREIT: $\$880 \times 21.85\% = \192.28

Total: $\$880 + \$192.28 = \$1,072.28 \div 60 =$
 $\$17.87/\text{month}$

Doing the Math

Total amount of money per month to run your local:

Monthly Recurring:	\$687.23
Local Union Elections:	\$ 22.20
District Progress Meeting:	\$139.20
Railroad Conference:	\$139.20
System Council Convention:	\$ 14.58
International Convention:	<u>\$ 17.87</u>

Total: **\$1,020.28**

Doing the Math

- Since Local 9999 has 100 members, the local portion of monthly dues per member should be at least:

$$\text{\$ } 1,020.28 \div 100 = \text{\$}10.20 \text{ per member per month}$$

Final Notes

- All monies for the local come from Initiation Fees, Dues and Assessments
- It is recommended that each local has in its bylaws a provision whereby dues automatically increase whenever there is a General Wage Increase (GWI). This will allow a LU to increase dues without having to change bylaws, and will also allow dues to keep pace with yearly inflation.

Final Notes

- For each day of lost time, the additional amount to include in the budget is:

$$\text{\$22/hr} \times 8 \text{ hrs} = \text{\$176}$$

$$\text{\$176} \times 21.85\% = \text{\$38.46}$$

$$\text{Total: } \quad \text{\$214.46}$$

Final Notes

There are several ways to limit the amount of dues money spent, i.e.:

- If possible, use personal vacation days for conferences
- Don't take lost time unless absolutely necessary. Do as much work on your own time as possible.
- Remember, you work for the members, not the other way around
- Eat the meals provided at the conferences

Questions From the Floor

