List of Subjects in 40 CFR Part 261

Hazardous waste, Recycling, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, title 40 of the Code of Federal Regulations is amended as follows:

PART 261—IDENTIFICATION AND LISTING OF HAZARDOUS WASTE

1. The authority citation for part 261 continues to read as follows:

Authority: 42 U.S.C. 6905, 6912(a), 6921, and 6922.

§ 261.3 [Amended]

2. In 261.3, paragraph (e) is removed.

Dated: October 26, 1992.

William K. Reilly,

Administrator.

[FR Doc. 92–26397 Filed 10–29–92; 8:45 am]

BILLING CODE 6560–50–M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 261

[FRL-4528-7]

Hazardous Waste Management System; Definition of Hazardous Waste; Mixture and Derived From Rules

AGENCY: Environmental Protection Agency.

ACTION: Notice of withdrawal of proposed rule.

SUMMARY: This action withdraws a proposed regulation (May 20, 1992; 57 FR 21450) to modify the hazardous waste identification rules under the Resource Conservation and Recovery Act (RCRA). The proposal presented a range of alternatives for revising the identification of wastes that warrant regulation under subtitle C of RCRA, including a proposal for Concentration Based Exemption Criteria (CBEC) and an Expanded Characteristics Option (ECHO). The proposal also addressed issues related to regulation of contaminated media and contingent management of wastes that may be hazardous if improperly disposed.

EPA is withdrawing this proposal because many parties that would be affected by EPA's decision on a final rule raised a broad range of policy and technical issues which the Agency believes must be addressed. Therefore, EPA will address in future proposed rules these issues raised through comment on the withdrawn HWIR proposal.

FOR FURTHER INFORMATION CONTACT: For general information on EPA's hazardous waste rules contact the RCRA/Superfund hotline at 800-424-9346 or 703-920-9810. For technical information on this rule contact Mr. William A. Collins, Office of Solid Waste (OS-333), U.S. Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460, 202-260-4791.

SUPPLEMENTARY INFORMATION: On March 3, 1992, EPA published an interim final rule reinstating its "mixture" and "derived-from" rules under RCRA (see 57 FR 7628). This reinstatement was in response to a December 6, 1991 decision of the United States Court of Appeals for the District of Columbia Circuit in which the Court vacated the "mixture" and "derived-from" rules due to notice-and-comment deficiencies in the 1980 promulgation of these rules (*Shell Oil Company* v. *EPA*, 950 F.2d 741(DC Cir. 1991)). The "mixture" and "derived-from" rules address when listed hazardous waste either mixed with other wastes or otherwise managed after generation, is hazardous waste. At the Court's suggestion, EPA reinstated the rules on an interim final basis and solicited comment on these rules both in the reinstatement and in a lengthy proposal published on May 20, 1992 (57 FR 21450) called the Hazardous Waste Identification Rule (HWIR). Today's action formally withdraws the HWIR proposal.

The proposed HWIR presented a range of alternatives for revising identification of solid wastes that warrant regulation as hazardous waste under subtitle C of RCRA, including proposal of a Concentration Based Exemption Criteria (CBEC) as well as an Expanded Characteristics Option (ECHO).

EPA's decision not to move forward with the proposed HWIR comes after outreach to the many parties that would be affected by EPA's decision on a final rule. There were a broad range of policy and technical issues raised to EPA in comments on HWIR. EPA has determined that a new proposal is needed to assure that a rulemaking on these important issues is appropriate and has a sound technical basis.

Elsewhere in today's **Federal Register**, EPA is issuing in final one portion of the proposal; that is, the Agency deleting a "sunset" provision which would have caused the interim final "mixture" and "derived-from" rules to expire on April 28, 1993. Therefore, the mixture and derived from rules remain in effect as interim final rules, and are unaffected by this notice.

EPA plans to hold a series of public meetings to solicit input on how best to ensure that waste mixtures containing hazardous wastes and wastes derived from the treatment, storage or disposal of hazardous wastes do not pose unreasonable risks to health and the environment. This effort will complement EPA's ongoing program to improve RCRA regulations. In these public meetings, participants will be asked to discuss with EPA appropriate procedures and standards to govern safe management of mixtures and derivatives of hazardous waste. EPA intends for this effort to result in a more risk-based RCRA program. EPA also will solicit additional input on how to best address cleanup wastes under these rules.

Consistent with Public Law 102-389 (October 6, 1992), EPA intends to propose and promulgate revisions to the "mixture" and "derived-from" rules in 12 to 24 months. The Agency will prepare an appropriate regulatory impact analysis (RIA) as part of this rulemaking.

Dated: October 26, 1992.

William K. Reilly,

Administrator.

[FR Doc. 92-26398 Filed 10-29-92; 8:45 am]

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federal register

Friday
October 30, 1992

Part VIII

Department of Labor

Office of Labor-Management Standards

29 CFR Parts 402 and 403

Labor Organization Annual Financial Reports; Abbreviated Annual Financial Reports for Small Labor Organizations; Final Rules

DEPARTMENT OF LABOR

Office of Labor-Management Standards

29 CFR Parts 402 and 403

RIN 1294-AA07

Labor Organization Annual Financial Reports

AGENCY: Office of Labor-Management Standards, Labor.

ACTION: Final rule.

SUMMARY: This final rule revises the regulations pertaining to the filing, by labor organizations, of annual financial reports required by the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA). The rule modifies the references to reporting forms, Forms LM–2 and LM–3 in the regulations, to require that certain expenditures be attributed and reported by function classification. The rule also permits labor organizations to complete the annual financial reports on either the cash or the accrual basis. In addition, the rule raises the ceiling for filing the simplified annual financial report, Form LM–3. Finally, the rule modifies the instructions accompanying the requisite reporting forms in accordance with changes to those forms and to clarify the reporting requirements.

EFFECTIVE DATE: December 31, 1993.

FOR FURTHER INFORMATION CONTACT: Marshall J. Breger, Acting Assistant Secretary for Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW., room S–2203, Washington, DC 20210, (202) 219–8174. This is not a toll-free number.

SUPPLEMENTARY INFORMATION:

The following is the outline of this discussion.

I. Background and Overview
II. Comments on the Proposal
  A. Functional Reporting
  B. Accrual Reporting
  C. Increase in Form LM–3 Ceiling
  D. Form LM–3
  E. Effective Date
  F. New Abbreviated Form LM–4
  G. Recommendations Requiring Legislative Action
  H. Technical Comments
  I. Other Comments
III. Revisions to the Proposed Forms LM–2/3
  A. Functional Reporting
  B. Conversion to Cash Basis with Accrual Option
  C. Substantive Changes
  D. Editorial Changes
IV. Administrative Requirements
  A. Executive Order 12291
  B. Regulatory Flexibility Act
  C. Paperwork Reduction Act

I. Background and Overview

Section 201(b) of the Labor-Management Reporting and Disclosure Act of 1959, as amended (Pub. L. 86–257, 73 Stat. 519) (hereinafter the LMRDA), requires each covered labor organization to file annually with the Secretary of Labor a financial report, signed by its president and treasurer or corresponding principal officers, containing information in the detail necessary to disclose accurately its financial condition and operations for the preceding fiscal year. The Secretary of Labor has delegated her authority under the LMRDA to the Assistant Secretary for Labor-Management Standards. See Secretary's Order No. 3–84 (49 FR 20578).

The requirements of LMRDA section 201(b) apply to all labor organizations in the private sector. In addition, section 1209(b) of the Postal Reorganization Act (Pub. L. 91–375, 84 Stat. 737), makes the LMRDA applicable to labor organizations which represent employees of the U.S. Postal Service, and the regulations implementing section 701 of the Civil Service Reform Act of 1978 (Pub. L. 95–454, 92 Stat. 1192) and section 1017 of the Foreign Service Act of 1980 (Pub. L. 96–465, 94 Stat. 2140), at 29 CFR 458.3, extend the LMRDA reporting requirements to labor organizations which represent certain employees of the federal government.

Section 208 of the LMRDA authorizes the Secretary to issue rules prescribing the form and publication of the annual financial reports required by section 201(b), and to provide a simplified report for labor organizations for whom the Secretary finds that by virtue of their size a detailed report would be unduly burdensome. Under the current regulations issued pursuant to section 208, the Secretary has prescribed Form LM–2 for labor organizations with total annual receipts of $100,000 or more, and the simplified Form LM–3 for labor organizations with total annual receipts of less than $100,000. (The current regulations at 29 CFR 403.4(b) also provide that for a labor organization which is not in trusteeship and which has no assets, liabilities, receipts, or disbursements, the parent national or international may fulfill that organization's reporting obligation by filing basic information on its behalf in a simplified format.)

On April 17, 1992, the Department of Labor published a proposed rule in the **Federal Register**, 57 FR 14244, to revise the regulations implementing the reporting requirements of the LMRDA and to revise the forms and instructions prescribed by the Secretary and incorporated by reference in the regulations. In particular, the Department proposed to make two changes in the kinds of information required by Forms LM–2 and LM–3. First, labor organizations would be required to utilize functional categories to report expenses in addition to the object categories currently used in the Forms LM–2/3. The reason for making this proposal was that functional reporting would provide labor organization members and the public with information that would permit a better, and clearer, qualitative assessment of labor organization activities and expenses.

The second proposed change in the information required by Forms LM–2/3 was that labor organizations would report financial information on an accrual basis using generally accepted accounting principles (GAAP) rather than the current, predominantly cash, basis. The reason for making this proposal was that accrual accounting generally provides a more accurate indication of an organization's financial condition and operations.

In addition, the Department proposed to raise the threshold for filing the simplified Form LM–3 from the current $100,000 in total annual receipts to $200,000. Finally, in order to further reduce the reporting burden on small labor organizations, the Department asked for comments on whether an additional abbreviated reporting form should be developed for labor organizations with minimal receipts and/or assets (e.g., less than $5,000 or $10,000).

Public comment on the proposed rule was invited, with the comment period ending on June 16, 1992. The comments, the Department's responses, and the revisions made to the proposal are discussed in sections II. and III. below. Briefly, the Department has decided, first, to revise forms LM–2/3 to require reporting by function; the specific requirements have been modified to reduce the reporting burden as discussed below. Second, the Department has decided not to require reporting by the accrual method of accounting; the revised Forms LM–2/3 retain the current cash reporting format, but each labor organization will be allowed to prepare its Form LM–2/3 using either the cash or accrual method of accounting, depending upon the accounting method in which it maintains its books and records. Third, the ceiling for filing the simplified Form LM–3 is changed from $100,000 to $200,000 in total annual receipts as in the proposal. Finally, to further reduce the reporting

burden, the Department is publishing elsewhere in this separate part of the Federal Register a final rule adopting a new, abbreviated report, Form LM–4, for labor organizations with total annual receipts less than $10,000.

II. Comments on the Proposal

Forty-one timely comments were received from the public. Twenty-seven were from labor organizations, seven were from accountants and accounting firms whose clients include labor organizations, four were from other organizations, two were from Congressmen, and one was from a private individual who is a former employee of this agency, the Office of Labor-Management Standards. Seven of the comments from labor organizations and accountants were identical.

The AFL–CIO and the following national and international labor organizations commented on the proposed rule:

—Electrical Workers, UE;
—Roofers;
—Transit Union;
—Ladies Garment Workers;
—Utility Workers;
—Service Employees;
—Letter Carriers;
—Chemical Workers;
—Air Line Pilots;
—Transportation Communications Union;
—Western Pulp and Paper Workers;
—Teamsters;
—American Foreign Service Association;
—National Federation of Federal Employees;
—Postal Workers;
—National Education Association; and
—Fire Fighters.

Other labor organizations which commented on the proposal are:

—National Union of Labor Investigators;
—Local 589, Operating Engineers;
—Local 16, Communications Workers;
—Local 604–605, Postal Workers;
—Local 150, Operating Engineers (two comments);
—Local 550, Painters;
—Local 383, Electrical Workers, IBEW; and
—Local 512, Transport Workers.

Accountants and accounting firms which commented on the proposed rule are:

—Bond, Beebe, Barton & Muckelbauer;
—Pro Finance;
—Graff, Ballauer & Company;
—Cal Snyder;
—Lockitch, Clements & Rice;
—Buckbinder Tunick & Company; and
—Lindquist & Company.

Other organizations which commented on the proposed rule are:

—The Associated Builders and Contractors;
—Citizens for a Sound Economy;
—The National Right To Work Legal Foundation; and
—The National Right To Work Committee.

Congressmen who commented on the proposed rule are:

—William D. Ford (D-MI), Chairman, Committee on Education and Labor; and
—Peter J. Visclosky (D-IN).

The Department has carefully reviewed and considered all statements made in the comments in developing this final rule. The following is a summary of the comments and the Department's responses.

A. Functional Reporting

All of the labor organizations, accountants, and Congressmen who commented on the proposal to require functional reporting, which was virtually all these commenters, opposed this part of the proposal. In general, these comments:

—Questioned the Department's authority to require functional reporting under the LMRDA;
—Questioned the relevance of the Department's reliance on GAAP in proposing functional reporting;
—Questioned whether functional reporting actually provides greater and more useful information so that members can more effectively regulate the internal affairs of their labor organizations, as stated in the proposal; and
—Raised many concerns about the feasibility of functional reporting and its cost to labor organizations and their members.

The four other organizations supported this proposal. In general, these comments stated that functional reporting will:

—Provide important information to members as to how their labor organizations spend their money and help ensure that compulsory dues money is not spent on political or frivolous purposes;
—Help employees in exercising their constitutional and statutory rights to refrain from associating with their exclusive representative;
—Fulfill the U.S. government's obligation to ensure that exclusive representatives discharge their duties of fair representation to the employees they have the privilege of representing; and
—reflect modern accounting principles, which make functional reporting necessary/appropriate, and modern computer capability, which makes it practical and not burdensome.

The following is a detailed summary of the comments on the proposed functional reporting requirement and the Department's responses.

1. Enforcement of Beck

A number of comments reflected a misunderstanding that the Department's goal in proposing to require functional reporting is primarily to implement the decision of the Supreme Court in *Communications Workers of America* v. *Beck*, 487 U.S. 735 (1988), and other Court decisions regarding the limitations on the use made by labor organizations of compulsory dues and fees of objecting nonmember employees (or "financial core members"). In Beck, the Court held that it is a violation of the National Labor Relations Act (NLRA) for a labor organization to make expenditures, from agency fees received from objecting nonmember employees as a condition of employment, for purposes other than those relating to collective bargaining, contract administration, and grievance adjustment; nonmember employees who object to expenditures for other purposes may not be charged for such expenditures as a condition of employment. Earlier Court decisions dealt with these issues in connection with the Railway Labor Act and with the constitutionality of comparable state laws. The NLRA is administered in part by the National Labor Relations Board (NLRB). In this connection it is noted that the NLRB is in the process of developing rules regarding the enforcement of Beck, 57 FR 43635 (September 22, 1992) and 57 FR 47023 (October 14, 1992).

Although the Department's notice of proposed rulemaking referred to Beck and the other Court decisions, the reference was to make the point that the "case law clearly demonstrates that functional reporting offers a fuller picture of labor organization expenditures, and permits qualitative as well as quantitative assessments as to those disbursements." 57 FR 14245. The Department's goal in proposing functional reporting was that the "fuller picture" it offers would foster "[t]he overarching purpose of the financial reporting provisions of the LMRDA * * * to insure disclosure of financial operations of labor organizations to their members. Congress was convinced that union self-government could be achieved if members were provided sufficient information to permit them to take effective action in regulating internal union affairs." 57 FR 14244–5.

While the purposes of functional reporting and the Beck requirements are consonant, the Department did not intend to imply that the purpose of the functional reporting was to implement Beck. In the Department's view, it would be impractical to require on Forms LM–2/3 that expenditures be reported in terms of whether they are chargeable to objecting nonmember employees because this would require frequent modification of the categories contained in the reporting forms in response to decisions of the courts and the NLRB, and because some functional categories may contain both chargeable and nonchargeable expenditures. In addition, the Department believes that decisions regarding the chargeability of expenditures are the province of the courts and the NLRB.

A number of comments correctly observed that the functional categories in the proposed rule are not necessarily consistent with the categories that have been and may be required by the courts and the NLRB, and that information provided on Forms LM–2/3 will not substitute for the notice to objecting nonmember employees that is required by Beck and the other Court decisions. Some comments from the organizations which support functional reporting recommended that the functional categories, and the descriptions and reporting instructions for those categories, be revised to reflect whether or not expenditures are chargeable to objecting nonmember employees. Some comments from those opposed to functional reporting argued that the proposal goes beyond the requirements of the court decisions by requiring reporting in both functional and object class categories; one of these comments recommended that, if functional reporting is to be required, it be limited to reporting expenditures as either chargeable or nonchargeable. In addition, several comments from those opposed to functional reporting stated that the Department does not have the authority to enforce Beck and the related court decisions, which deal with the rights of nonmember employees under the NLRB, state laws, and the U.S. constitution, whereas the LMRDA deals with the rights of labor organization members.

Other comments contain statements that not many labor organizations or employees/members are affected by Beck and the other Supreme Court decisions—few members or nonmember employees have objected to the use of their dues/agency fees, many labor organizations do not have union-security agreements, and many are not permitted to have union-security agreements, and many are not permitted to have union-security agreements (labor organizations in states with "right to work" laws, and postal and federal sector labor organizations). These comments are not pertinent because the goal of functional reporting is not to provide objecting nonmember employees with information about their Beck rights; the purpose is to provide members and the general public, which necessarily include nonmember employees, with better disclosure of financial information as to the use of funds for the most common activities of labor organizations.

The Department has concluded that functional reporting is clearly within the authority granted to the Secretary to require reporting "in such detail as may be necessary accurately to disclose [a labor organization's] financial condition and operations * * *." LMRDA section 201(b), 29 U.S.C. 431(b). The Department has also concluded, despite the questions and concerns raised by the comments, that functional reporting will provide important information to members to assist them in regulating internal union affairs, one of the primary purposes of the LMRDA. Finally, the Department has concluded, as indicated above, that it would be impractical and inappropriate to require reporting in terms of whether expenditures are chargeable to objecting nonmember employees.

Consequently, the Department has decided to require functional reporting along the lines set forth in the proposal, that is, certain expenditures in the object categories must be allocated among several common functions or activities of labor organizations regardless of whether the courts or the NLRB have or will consider expenditures for those functions to be chargeable in whole or in part to objecting nonmember employees. However, in response to the comments, the functional reporting requirement adopted in this final rule has been modified from that set forth in the proposal, as discussed in section III. A. below, to reduce the reporting burden.

2. Imprecisions in Allocating Expenditures by Function

A number of comments stated that allocating expenditures by function would be imprecise, at the least, and perhaps arbitrary and misleading. Most of these comments conclude, therefore, that functional reporting is not feasible and should not be required. In addition, there were several specific comments about allocation methods and standards:

—One comment recommended that, if functional reporting is to be required, the Department establish a method for allocating expenditures;

—One comment stated that it is unreasonable and burdensome to require an explanatory statement on the allocation method because this would have to be very long and detailed;

—One comment recommended that the Department impose the strictest standards for allocation methods to ensure that expenditures are reported in the proper functional categories.

The Department recognizes that there is not a single generally applicable method of allocating expenditures by function, and that functional reporting will entail the considerable exercise of judgment. The Supreme Court has stated that "[a]bsolute precision in the calculation of such proportion [of expenditures chargeable to objecting nonmember employees] is not, of course, to be expected or required; we are mindful of the difficult accounting problems that may arise." *Railway Clerks* v. *Allen*, 373 U.S. 113, 122 (1963). The same can be said for the proposed functional reporting requirement. It is for this reason that the Department's proposal did not prescribe an allocation method or standard, but merely required that whatever allocation method was used be consistent from year to year, systematic, and reasonable. The Department does not envision the explanations of allocation methods to be excessively long and detailed, but merely sufficient to generally provide the assumptions and procedures used to arrive at the amounts entered on the Forms LM–2/3.

The Department has concluded that despite some limitations on the precision of functional reporting, it will provide useful information to labor organization members and the public. The Department has also concluded that functional reporting is not inherently infeasible as some comments argued. In fact, many labor organizations are required by court decisions to develop and maintain accounting systems to enable them to provide financial information on a functional basis.

3. Cost/Burden of Functional Reporting

Most of the comments which opposed the proposed functional reporting requirement stated that functional reporting would impose great burdens and costs on labor organizations and their members. Some of these comments are that:

—Functional reporting will require extensive assistance from professional accountants; labor organizations which do not have the assistance of professional accountants will have to hire them; and labor organizations which currently use professional accountants will have their accountant fees increased 25% to 40%;
—The costs and burdens will be especially great for smaller labor organizations which do not have professional accountants and which may find it even more difficult to find members willing to volunteer to be unpaid officers;
—Labor organizations will have to revise their automated systems, computer hardware/software, and officer and employee training programs which they developed to complete the current Forms LM–2/3;
—Many labor organizations will have a double burden in maintaining records and preparing reports required by the Supreme Court decisions and those required by the LMRDA; and
—The extra costs imposed by functional reporting would have to be borne by the members themselves, even though they have not requested functional reporting.

In making the proposal to require functional reporting, the Department was concerned with the costs of compliance to labor organizations. For this reason, the selection of an allocation method was left up to the reporting organization, as long as that method was consistent from year to year, systematic, and reasonable. Moreover, in response to the comments and the Department's concern about the reporting burden, the Department has taken two additional steps to reduce the burden of functional reporting: (1) The number of functional entries to be reported has been reduced 50% by reducing the number of functional categories and the number of expenditures which must be allocated; and (2) as noted above, an abbreviated Form LM–4 without the functional reporting requirement has been developed for small labor organizations with less than $10,000 in total annual receipts.

In the judgment of the Department, the benefits of functional reporting far outweigh the potential increase in costs. On the one hand, functional reporting will provide useful information to members and the public. On the other hand, the costs of functional reporting on Forms LM–2/3 should not be exaggerated; the Form LM–2/3 reporting requirement must be considered in light of the fact that some form of functional reporting is already required of many labor organizations under the Supreme Court decisions, and the Department has taken several steps to reduce the reporting burden of the proposed forms, both generally and also specifically with regard to functional reporting.

4. Limit Functional Reporting to Certain Labor Organizations

Many of the comments from those opposed to the proposed functional reporting requirement stated that if the requirement is implemented, it should be limited to certain labor organizations. A number of these comments suggested limiting the requirement to labor organizations which have a union security agreement, to labor organizations which have objecting nonmember employees, or at least to labor organizations which are not prohibited by law from negotiating union security agreements. Other comments suggested that the functional reporting requirement be limited to national and international parent labor organizations because most subordinate labor organizations either do not have many nonchargeable expenditures or their functional expenditures would mirror those of their parent bodies. Other comments suggested that the functional reporting requirement be limited to labor organizations with total annual receipts above a certain level. As discussed above, many of these comments were based, at least in part, on the misunderstanding that the purpose of functional reporting is to enforce Beck rather than to obtain improved disclosure from labor organizations generally.

The Department has concluded that the functional reporting requirement should apply to all labor organizations reporting on Forms LM–2/3 so that information on the functional expenditures of each such labor organization is available to its members and the general public. In addition, it would be impractical and contrary to the intent of the LMRDA to have different reporting requirements for different labor organizations based on any factor other than size.

5. The Functional Categories

Many comments were received regarding the specific functional categories into which expenditures are to be allocated. A number of comments suggested that labor organizations be allowed to determine the functional categories based on their activities, rather than compelling all labor organizations to use the same categories which may not relate to actual organizational functions. A number of comments stated that the Department, by requiring specific categories for functional reporting, was in effect dictating how labor organizations should prepare their budgets and therefore intervening excessively into internal union affairs.

The Department has concluded that it would be impractical and inconsistent with the LMRDA to allow labor organizations to in effect prescribe their own reporting forms, even in part. In addition, the Department does not agree that the prescription of functional reporting categories in this final rule, which are based on common labor organization activities, will result in any impact on the ability of labor organizations to establish their own budgets and program. Labor organizations will still be able to establish their own budgets and programs independent of the functional reporting required by this final rule.

A number of comments suggested that labor organizations not be required to allocate certain kinds of expenditures, such as per capita tax, for which allocation would be impractical if not impossible. The Department agrees with this suggestion, and has reduced the number of expenditures which must be allocated.

As discussed above, many comments made suggestions about the functional categories based on the misunderstanding that the purpose of functional reporting is primarily to implement *Beck*; for example, that the functional categories be limited to chargeable and nonchargeable, that the categories be more closely tied to whether expenditures are chargeable, etc. As stated above, these suggestions are impractical and inappropriate.

One comment suggested that, if functional reporting is to be required in prescribed categories, there be five categories: collective bargaining, strike benefit payments, administration and management, lobbying and political activity, and other. Finally, a number of comments were made suggesting that (1) certain functional categories be eliminated (for example, safety and health), (2) certain categories be added (for example, servicing members, general and administrative, job targeting), (3) certain categories be combined (for example, political activities and lobbying), (4) certain categories be divided to distinguish chargeable and nonchargeable expenditures (for example, contract negotiation and administration), and (5) the descriptions of activities in certain categories be revised (for example,

political activities and organizing). These comments were carefully considered in revising the functional reporting requirement that was set forth in the proposal. The changes in the functional reporting requirement are discussed in section III. A. below.

B. Accrual Reporting

Two of the organizations which were not labor organizations supported the proposal to require reporting on an accrual basis. These comments generally agreed with the statements made in the Department's proposal that accrual reporting provides better information and helps prevent manipulation of accounting data. All of the labor organizations, accountants, and Congressmen who commented on this issue, which was virtually all these commenters, opposed requiring accrual reporting. The thrust of these comments, many of which provided detailed analyses, facts and estimates, is that:

—The Department does not have the authority to require accrual reporting/accounting;
—Most labor organizations do not now use accrual accounting, and requiring them to report on an accrual basis would be substantially more expensive and burdensome, especially for small labor organizations which do not presently use accountants and which may find it even more difficult to find members willing to volunteer to be unpaid officers;
—Labor organizations would have to revise their automated systems, computer hardware/software, and officer and employee training programs which they developed to complete the current Forms LM–2/3;
—Accrual reporting by labor organizations would not differ substantially, if at all, from cash reporting because labor organizations do not generally engage in the type of commercial transactions for which accrual accounting is important;
—Reporting on a cash basis provides information that is generally as accurate as accrual reporting, and perhaps even more accurate since it is not speculative or judgment-based, but based entirely on what transactions have actually taken place;
—Reporting on a cash basis provides information in a form that is more commonly used by officers and other non-accountants, and more readily understood by members and other laypersons; and
—Generally accepted accounting principles (GAAP) do not require accrual reporting by nonprofit organizations.

Many comments also discussed technical problems with the proposed accrual-based forms and instructions.

The Department's notice of proposed rulemaking also asked for comments as to whether labor organizations should be given the option of reporting on a cash basis or an accrual basis. The two organizations which supported requiring labor organizations to report on an accrual basis opposed having an option. All the labor organizations and accountants who commented on this issue, approximately half of all the comments from these sources, recommended that labor organizations have the option of which reporting method to use; many of these comments noted that the Internal Revenue Service (IRS) allows labor organization filers to use either cash or accrual accounting.

The Department believes that it clearly has the authority under the LMRDA to require reporting on an accrual basis, and that accrual reporting provides better and more accurate information generally and especially for larger unions. However, taking cognizance of the comments, the Department has decided that reporting on either a cash or an accrual basis would provide sufficiently accurate information. Therefore, labor organizations will have the option of reporting on either basis provided that the reporting method which a labor organization uses must be the same as the method in which it maintains its books and records.

The revised Forms LM–2/3 have been redesigned to be on a cash basis as were the previous forms. This will facilitate reporting by labor organizations using the cash basis, which the record indicates are more likely to prepare Forms LM–2/3 without the assistance of professional accountants. Also, a schedule for "Other Liabilities" has been added to Form LM–3 to disclose important information that would otherwise be lost by reporting on the cash basis. Accrual filers have been provided guidelines on adapting Forms LM–2/3 for their use. The revisions are set forth in section III. B. below.

C. Increase in Form LM–3 Ceiling

All the labor organizations and accountants who commented on this issue, approximately one-third of the comments from these sources, supported raising the ceiling for being eligible to file on the simplified Form LM–3 to total annual receipts of $200,000. Two labor organizations recommended that the ceiling be increased to $500,000. Three comments opposed the proposal to raise the ceiling, with one of these stating that the ceiling should be the same as the IRS Form 990–EZ.

One labor organization recommended that the funds which a labor organization receives for transmittal to an affiliate should not be included in calculating its total receipts to determine whether it is entitled to file simplified Form LM–3. One other organization recommended that in determining whether a labor organization is eligible to file a simplified Form LM–3, there should be maximum levels for assets and for expenditures in addition to receipts.

After reviewing these comments, the Department has decided to adopt the proposal to increase the ceiling for filing simplified Form LM–3 to $200,000 total annual receipts in order to mitigate the increased reporting requirements of other revisions to Forms LM–2/3. The Department has also decided to retain the standard for determining whether a labor organization may file simplified Form LM–3 which has always been used—total receipts of all kinds during the fiscal year.

D. Form LM–3

Many of the comments from labor organizations and accountants stated that the proposed Form LM–3 had been expanded so much from the current form that it was no longer "simplified." In this final rule the Department has taken several steps to reduce the reporting burden on labor organizations with total annual receipts less than $200,000. As noted previously, accrual reporting is no longer required, and an abbreviated Form LM–4 has been developed for labor organizations with total annual receipts less than $10,000. In addition, as indicated in section III. C. 3. below, a number of reporting requirements on the proposed Form LM–3 have been eliminated or reduced.

E. Effective Date

Thirteen labor organizations and accountants commented on the need to provide sufficient lead time to enable labor organizations to establish and operate new accounting systems to comply with the proposed functional and accrual reporting requirements. One comment asked that the rule not be made retroactive. Nine comments stated that a lead time of at least one year should be provided. One comment stated that the rule should not be effective until 1994, and two comments stated more specifically that the rule should be effective only for fiscal years ending on or after December 31, 1994.

After reviewing these comments, the Department has decided that the effective date will be December 31, 1993, i.e., the revised Forms LM–2/3 must be

filed by labor organizations for fiscal years beginning on and after January 1, 1993. In the Department's judgment, this should provide sufficient time for labor organizations to adapt to the new reporting requirements.

F. New Abbreviated Form LM–4

As stated above, in the notice of proposed rulemaking the Department asked for comments as to whether there should be an abbreviated reporting form for small labor organizations with minimal receipts and/or assets, such as total annual receipts less than $5,000 to $10,000. All labor organizations which commented on this issue supported the development of an abbreviated reporting form. Two other organizations stated that an abbreviated reporting form should be part of a separate rulemaking procecure and should not come at the expense of losing important information for members and the general public. One of these comments stated that an abbreviated form could decrease the amount of meaningful information that is disclosed and made several recommendations to minimize this risk, including requiring functional reporting. There were no comments which objected in principle to an abbreviated reporting form.

As stated above, the Department proposed an abbreviated, one-page Form LM–4 for small labor organizations, and is also publishing elsewhere in this separate part of the Federal Register a final rule adopting Form LM–4 with the same effective date as the revised Forms LM–2/3, December 31, 1993. The Form LM–4 does not require functional reporting, and eligibility to use it is based solely on whether total annual receipts are less than $10,000.

G. Recommendations Requiring Legislative Action

A number of comments recommended that changes be made in reporting requirements which are established by the LMRDA. These recommendations can therefore only be accomplished through legislation and not through regulatory action:

1. Filing Deadline

Several comments recommended changes in the deadline for filing Forms LM–2/3 because it will take longer to complete the proposed reporting forms than the current forms. Four comments stated generally that there would be a need to allow for an extension of the current filing deadline of 90 days after the end of the reporting organization's fiscal year. Seven comments stated that the filing deadline should be four to five months after the end of the fiscal year, one comment stated that the filing deadline should be the fifteenth day of the fifth month after the end of the fiscal year, and one comment stated that it should be 180 days after the end of the fiscal year. However, the LMRDA requires that the annual financial report be filed within 90 days after the end of the reporting organization's fiscal year; there is no statutory provision authorizing extensions of this filing deadline.

2. Loans over $250 To Officials And Members

One comment stated that the requirement to disclose by name any loan over $250 to an officer, employee, or member is antiquated by contemporary standards, and the amount should be increased. However, the LMRDA requires disclosure of loans to officers, employees, and members which total $250 or more during the fiscal year.

3. Listing Employees Who Received More Than $10,000

Three comments stated generally that the requirement to list by name any employee who received more than $10,000 from the reporting organization and any affiliate should be revised. One comment stated that the $10,000 amount should be increased to a level that would include only top employees, and one suggested $50,000 as an appropriate amount. However, the LMRDA specifically establishes the $10,000 amount.

H. Technical Comments

A number of comments referred to technical problems with the proposed reporting forms and instructions relating to accrual reporting. These problems are no longer pertinent since the forms and instructions have been converted back to a cash basis.

One comment recommended that the threshold for reporting on individual investments in Schedule 2 of Form LM–2, "Other Investments," be increased from the current $1,000. However, the threshold for reporting individual investments requires not only that the investment value be $1,000, but also that it be greater than 20% of the total value of all the labor organization's investments. Therefore, the Department has concluded that no change is necessary.

A number of comments recommended revisions to the proposed reporting forms and/or instructions to clarify the existing and proposed reporting requirements. A number of these suggestions were adopted, and the Department has made additional changes to clarify the forms and instructions. These clarifying changes are listed in section III. D. below.

There were also a number of comments suggesting that labor organizations be required to provide additional details in their reports. Examples of these recommendations are:

—Do not permit labor organizations to file separate subsidiary organization reports on simplified Form LM–3;
—Ask about the activities of labor organizations in foreign countries;
—Require more detailed reporting on Form LM–2 in Schedule 12, "Contributions, Gifts, and Grants" and Schedule 14, "Other Disbursements" rather than allowing reporting in general bookkeeping categories;
—Add separate limits for each of the three methods by which labor organizations receive dues—from members/employees, from employers through checkoff arrangements, and from affiliates;
—Add a separate category for any amounts assessed from employees for union job targeting programs;
—Add separate items for agency fees and any other funds received from nonmember employees or financial core members as a condition of employment (although this recommendation was not adopted, as noted below in section III. D. the instructions for "dues" have been revised to clarify that receipts of agency fees are to be included in that item); and
—Add a separate item for "legal fees and expenses" rather than including these disbursements in "professional fees."

The Department has decided not to take action at this time on any suggestions that would substantively revise or increase the requirements of the existing and proposed Forms LM–2/3.

I. Other Comments

1. Disclosure and Audit of Reports

There were two recommendations for adding requirements beyond the matters required to be reported in Forms LM–2/3. One was to require the posting of reports at employees' workplaces where notices to employees are ordinarily posted. The other was to require that certified public accountants audit labor organizations' annual financial reports and issue opinion letters to be attached to the Forms LM–2/3.

2. Paperwork Burden

Several comments stated that the paperwork burden estimates which the Department submitted to the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act substantially underestimated the actual burden imposed on labor organizations and did not provide adequate supporting documentation. One of these comments attached a separate, detailed study of the reporting burden.

Much of the excess burden which these comments discussed resulted from their estimates of the costs to comply with the proposal to require reporting on an accrual basis, including initial costs for some labor organizations to convert their books and records to the accrual method of accounting. As stated in the notice of proposed rulemaking and as pointed out in one of the comments, the Department had made these estimates on the assumption that many labor organizations currently use accrual accounting, and therefore accrual reporting would not increase the reporting burden but might in fact decrease it. Since the reporting method is now optional, not only will this excess burden be eliminated but, in addition, the burden on those labor organizations which now keep their records on an accrual basis will be reduced since they will no longer need to convert their records in order to complete Forms LM-2/3.

Another factor which may account for the excess burden discussed in these comments is that the paperwork burden estimates submitted to OMB consist only of the burden beyond that required in the ordinary course of business. Labor organizations must maintain records and disclose their finances under the Internal Revenue Code and under their fiduciary responsibilities as custodians of their members' money.

The Department believes that its paperwork burden estimates were reasonable and that it has compiled with all pertinent requirements. The Department has submitted revised paperwork burden estimates to OMB based on the revisions to Forms LM-2/3 outlined in this final rule. These estimates are of course subject to revision after labor organizations have had experience in completing the revised forms.

3. The Rulemaking Process

A number of comments objected that the Department did not consult with labor organizations before issuing the proposed rule. However, there is no requirement that any party or group be consulted before the issuance of a proposed rule. Labor organizations participated actively in the rulemaking process by providing written comments; those comments were carefully reviewed and considered, and many revisions to the proposal were made in response. The Department has fully complied with the letter and spirit of laws governing the rulemaking process.

4. Enforcement Issues

Several comments stated that the proposed reporting forms will negatively impact on the Department's enforcement of the LMRDA. They stated, for example, that the resources needed as a result of the new reporting forms for staff training, compliance assistance programs for labor organizations, and enforcement programs for the increased reporting errors that will inevitably occur will detract from other LMRDA administration programs. However, many of the potential problems referred to in these comments were the result of the proposed requirement for mandatory accrual reporting, which is not being implemented. The Department is confident that the implementation of the functional reporting requirement of the revised Forms LM-2/3 will not detract from its administration of the other LMRDA requirements.

5. IRS Reporting Requirements

Several comments recommended that the Department work with the IRS to develop a single reporting form to meet the requirements of both the LMRDA and the Internal Revenue Code (IRC). As stated in the instructions for the reporting forms, the IRS will accept a copy of a labor organization's LMRDA financial report to fulfill part of its obligation under the IRC. However, because of the difference in the requirements and purposes of the LMRDA and the IRC, it would be impractical to develop a single form, and any form that met the requirements of both statutes might be more cumbersome and burdensome than separate forms.

III. Revisions to the Proposed Forms LM-2/3

A. Functional Reporting

The following changes have been made to the functional reporting requirement, which is identical on both Forms LM-2 and LM-3.

—There is a separate Statement C for functional reporting. Statement C includes only selected disbursement items which are to be allocated among the functional categories.

—The functional category for "Safety & Health" has been deleted and the instructions have been revised to have these expenditures allocated in "Contract Negotiation & Administration" and "Other," as appropriate.

—The functional categories for "Lobbying" and "Promotional Activities" have been combined.

—The description of "Lobbying" activities has been revised to clarify that this category includes activities relating to rulemaking as well as to legislation.

—The description of "Political Activities" has been revised to exclude references to illegal contributions in connection with federal elections.

—The description of "Organizing" activities has been revised to include activities relating to preventing the loss of a collective bargaining unit to another labor organization.

—Expenditures for "Per Capita Tax," "Supplies for Resale," and "Other Disbursements" have been eliminated from the list of disbursements which must be allocated among the functional categories.

—Expenditures for "Office & Administrative Expense" and "Direct Taxes" are combined for allocation among the functional categories.

—Expenditures for withholding taxes and other payroll deductions are included in "Officer Payments" and "Employee Payments" for allocation among the functional categories.

B. Conversion to Cash Basis with Accrual Option

1. Changes to Both Forms LM-2 and LM-3

The following changes have been made to both Forms LM-2 and LM-3 and the instructions to convert them from the proposed accrual basis to the cash basis with an accrual option.

—A new Item 4 has been added to indicate whether reporting is on a cash or an accrual basis.

—The accrual terms "revenues" and "expenses" have been changed to the cash terms "receipts" and "disbursements," respectively, and other appropriate changes have been made in the forms and instructions.

—Guidelines have been provided at those points where the cash basis instructions need clarification for labor organizations reporting on the accrual basis.

—Statement B, "Revenues," and Statement C "Expenses," have been

combined to form Statement B, "Receipts and Disbursements."
—Statement D, "Funds Handled," has been eliminated.
—Item 25 of the proposed Forms LM–2/3, "Less: Allowance for Doubtful Accounts," has been deleted.
—Item 49 of the proposed Forms LM–2/3, "Gain (Loss) on Sale of Investments & Fixed Assets" has been changed to "Sale of Investments & Fixed Assets" (Item 49 on the revised Form LM–2 and Item 44 on the revised From LM–3).
—New items for the "Purchase of Investments and Fixed Assets," Item 68 on revised From LM–2 and Item 56 of revised Form LM–3, have been added as the disbursement side of the receipt item "Sale of Investments & Fixed Assets."

2. Changes Only to Form LM–2

The following changes have been made only to Form LM–2 to convert it to a cash basis from the proposed accrual basis.

—Items 50 to 53 (receipt items for "Loans Obtained," "Repayment of Loans Made," "On Behalf of Affiliates for Transmittal to Them," and "From Members for Disbursement on Their Behalf," respectively), and Items 69 to 73 (disbursement items for "Loans Made," "Repayment of Loans Obtained," "To Affiliates of Funds Collected on Their Behalf," "For Account of Affiliates," and "On Behalf of Individual Members," respectively) have been added. (These receipt and disbursement items are not revenues or expenses in accrual accounting, and most represent cash transactions where cash received is passed through to another party; all these items were on the previous Form LM–2, and the receipts Items 50 to 53 were on the proposed Form LM–2 in Statement D, "Funds Handled.")
—Item 66, "Direct Taxes," has been added to replace Items 62 and 63, "Taxes" and "Payroll Taxes," on the proposed Form LM–2 which have been eliminated.
—Item 67, "Withholding Taxes," has been added.
—In Schedule 2, "Investments," the term "book value" has been changed to "cost," and the term "market value" has been changed to "book value."
—In Schedule 7, "Sale of Investments and Fixed Assets", Column B has been changed from "Book Value" to "Cost," Column C has been changed from "Selling Expense" to "Book Value," and Column E ("Gain (Loss)") has been eliminated.

3. Changes Only to Form LM–3

The following changes have been made only to Form LM–3 to convert it to a cash basis from the proposed accrual basis.

—The disbursement items for "Office and Administrative Expense" and "Direct Taxes" have been combined in Item 51.
—Item 57, "Loans Made," was added. (This is a disbursement in cash accounting but not an expense in accrual accounting; this item was on the previous Form LM–3.)
—The instructions for Item 45, "Other Receipts," have been revised to require reporting of funds received which are receipts in cash accounting but are not revenues in accrual accounting (loans obtained, repayment of loans made, on behalf of affiliates for transmittal to them, and from members for disbursement on their behalf). Similarly, the instructions for Item 58, "Other Disbursements," have been revised to require reporting of funds expended which are disbursements in cash accounting but which are not expenses in accrual accounting (loans made, repayment of loans obtained, to affiliates of funds collected on their behalf, for account of affiliates, and on behalf of individual members). (Most of these items represent cash transactions where cash received is passed through to another party; the receipts categories were separate items on the proposed Form LM–3 in Statement D, "Funds Handled.")

C. Other Substantive Changes

1. Changes to Both Forms LM–2 and LM–3

—An optional cash reconciliation worktable has been added to the instructions. (The previous Form LM–2 had a mandatory cash reconciliation statement on the form, and the prior Form LM–3 had a worktable in the instructions.)

2. Changes Only to Form LM–2

—In Schedules 9 and 10, "All Officers and Disbursements to Officers" and "Disbursements to Employees," respectively, Line 12 has been added for reporting total deductions from the gross disbursements to officers and employees, and Line 13 has been added for reporting the net disbursements to officers and employees.

3. Changes Only to Form LM–3

—Items 41 through 44 (for receipts from fees, fines, assessments, and work permits) on the proposed Form LM–3 have been combined into one Item 41.
—Item 45 of the proposed Form LM–3, "Sale of Supplies," has been eliminated.
—Items 46 and 47 of the proposed Form LM–3 (for receipts from interest and dividends) have been combined.
—For Items 47 and 48 of the revised Form LM–3 (disbursements to officers and employees, respectively), there are sub-items for reporting "Gross Disbursements" and "Less Deductions," so that net disbursements are reported in the "Amount" column for disbursements.
—The "List of All Officers and Officer Salaries and Other Expenses" on the proposed Form LM–3 has been redesignated as Schedule 2, "All Officers and Disbursements to Officers," and the three columns in the "List . . ." on the proposed Form LM–3 for allowances, expenses for official business, and other expenses have been combined into one column, "Allowances and Other Disbursements."
—Schedule 1, "Other Liabilities," has been added.

D. Editorial Changes

Numerous editorial and stylistic changes have been made in the forms and instructions to clarify the reporting requirements and to improve readability. The more important of these changes are listed below.

1. Changes to Both Forms LM–2 and LM–3

—In Item 16, it is now stated on the forms rather than only in the instructions that a loss or shortage of funds is to be reported even if there has been repayment or other form of recovery.
—The instructions for dues and per capita receipts have been revised to clarify the reporting of any portion of these receipts which is transmitted to an affiliate.
—The instructions for dues have been revised to clarify that money received from agency fees required of nonmember employees as a condition of employment must be reported as dues.
—The instructions have been revised to give examples and definitions of terms such as "contingent liabilities," "cash," "other assets," "indirect loan," and "other liabilities."
—The instructions have been revised to clarify which items and lines must be completed when there is no information to report (with 00 or NA, for example).

—The instructions have been revised to add a statement that receipts and disbursements should not be netted.
—The instructions have been revised to add a statement that transfers among and within cash funds should not be reported as receipts and disbursements.

2. Changes Only to Form LM–2

—The instructions clarify how interest on loans is to be reported.
—The instructions for Schedule 2, "Investments," have been revised to define the term "book value" as the lower of cost or market value.
—The instructions for Schedule 6, "Purchase of Investments and Fixed Assets," have been revised to clarify that "cost" includes transaction costs.

IV. Administrative Requirements

A. Executive Order 12291

The Department of Labor has determined that this rule is not a major rule as defined by Executive Order 12291 in that it will not have an annual effect on the economy of $100 million or more, not cause a major increase in costs or prices, and not have an adverse effect on competition in the marketplace. Therefore, a regulatory impact analysis is not required.

B. Regulatory Flexibility Act

In accordance with section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.), the Department certifies that this rule will not have a significant economic impact on a substantial number of small entities. The rule will only apply to labor organizations, and the Department has determined that labor organizations regulated pursuant to the statutory authority granted under the LMRDA do not constitute small entities. Therefore, a regulatory flexibility analysis is not required.

C. Paperwork Reduction Act

Pursuant to the Paperwork Reduction Act of 1980, as amended, the information collection requirements for this program have been approved by the Office of Management and Budget (OMB control number 1214–0001).

List of Subjects in 29 CFR Parts 402 and 403

Labor unions, reporting and recordkeeping requirements.

Text of Final Rule

In consideration of the foregoing, the Department of Labor, Office of Labor-Management Standards, hereby amends parts 402 and 403 of title 29, Code of Federal Regulations, as follows:

PART 402—LABOR ORGANIZATION INFORMATION REPORT

1. The authority citation for part 402 continues to read as follows:

Authority: Secs. 201, 208, 73 Stat. 524, 529; 29 U.S.C. 431, 438; Secretary's Order No. 3–84 (49 FR 20578).

§ 402.4 [Amended]

2. Section 402.4(b)(3) is amended by removing the words "item 18 on Form LM–3 or item 20 on Form LM–2" and inserting the words "item 22 on Form LM–2 or Form LM–3, as appropriate,".

PART 403—LABOR ORGANIZATION ANNUAL FINANCIAL REPORTS

3. The authority citation for part 403 continues to read as follows:

Authority: Secs. 201, 208, 301, 73 Stat. 524, 529, 530; 29 U.S.C. 431, 438, 461; Secretary's Order No. 3–84 (49 FR 20578).

§ 403.4 [Amended]

4. Section 403.4(a) is amended by removing "$100,000" and inserting "$200,000."

Signed in Washington, DC, this 28 day of October, 1992.

Lynn Martin,

Secretary of Labor.

Note: This appendix will not appear in the Code of Federal Regulations.

Appendix—Labor Organization Annual Report Forms LM–2 and LM–3

U.S. Department of Labor
Office of Labor-Management Standards
Washington, DC 20210

Form approved
Office of Management and Budget

LABOR ORGANIZATION ANNUAL REPORT FORM LM-2

MUST BE USED BY LABOR ORGANIZATIONS WITH $200,000 OR MORE IN TOTAL ANNUAL RECEIPTS AND LABOR ORGANIZATIONS UNDER TRUSTEESHIP

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT. SUBMIT THIS REPORT IN DUPLICATE.

IMPORTANT

If label is here, → peel off top part and place in same box on second copy of form.

If label information is correct, leave items 5 through 9 blank.

If label information is incorrect, complete items 5 through 9.

1. FILE NUMBER

2. PERIOD COVERED	MO	DAY	YR
FROM			
THROUGH			

3. WHERE LOCATED OR CHARTERED TO OPERATE:
CITY _____ COUNTY _____ STATE _____

4. ACCOUNTING METHOD: ☐ CASH ☐ ACCRUAL

5. AFFILIATION OR ORGANIZATION NAME

6. DESIGNATION (Local, Lodge, etc.)

7. DESIGNATION NUMBER

8. UNIT NAME (if any)

9. MAILING ADDRESS:
(in care of) NAME AND TITLE OF PERSON
NUMBER AND STREET
BUILDING AND ROOM NUMBER (if any)
CITY STATE ZIP CODE

10. Are your organization's records kept at the address in Item 9? Yes ☐ No ☐
If "No," provide address including ZIP Code in Item 76.

DURING THE REPORTING PERIOD DID YOUR ORGANIZATION DIRECTLY OR INDIRECTLY:

	Yes	No
11. Have any accounts in banks or other financial institutions held in a name other than that of your organization?	☐	☐
12. Liquidate or reduce any liabilities without disbursement of cash?	☐	☐
13. Create or participate in the administration of any business enterprise or other organization which met the definition of a "subsidiary organization" as that term is defined in the instructions?	☐	☐
14. Acquire any goods or property in any manner other than by purchase or dispose of any goods or property in any manner other than by sale?	☐	☐
15. Create or participate in the administration of a trust or other fund or organization, a primary purpose of which is to provide benefits for members or their beneficiaries, as defined in the instructions?	☐	☐
16. Discover any loss or shortage of funds or other property whether or not there has been repayment or recovery?	☐	☐

(If the answer to any of the above questions is "Yes," provide details in Item 76 on page 6. See specific instructions for items answered "Yes.")

	Yes	No
17. Was your organization insured by a fidelity bond during the reporting period?	☐	☐

18. If "Yes," what is the maximum amount recoverable under the bond for loss caused by any person? $_____

19. What is the date of your organization's next regular election of officers?
Month _____ Year _____

AT THE END OF THE REPORTING PERIOD:

	Yes	No
20. Were any of your organization's assets pledged as security or encumbered in any other way?	☐	☐
21. Did your organization have any contingent liabilities?	☐	☐

(If the answer to Item 20 or 21 is "Yes," provide details in Item 76.)

22. Did your organization have any changes during the reporting period in its constitution and bylaws (other than changed dues amounts) or in practices described in statements submitted with Form LM-1 or Form LM-1A? ☐ Yes ☐ No

(If "Yes," attach a completed Form LM-1A to this report with required documents.)

23. FEES AND DUES *(Complete each line. Enter "None" or "Not Applicable" as appropriate.)*

	(A) If one rate applies, enter below:	(B) If more than one rate applies, enter below: Minimum	Maximum
(a) Initiation fees required from new members	$_____	$_____	$_____
(b) Fees other than dues required from transfer members	$_____	$_____	$_____
(c) Are work permits issued by your organization? ☐ Yes ☐ No If "Yes," enter fees required (per year, month, etc.)	$_____ per_____	$_____ per_____	$_____ per_____
(d) Regular dues or fees or other periodic payments required to remain a member of your organization (per year, month, etc.)	$_____ per_____	$_____ per_____	$_____ per_____

Each of the undersigned, duly authorized officers of the above labor organization, declares, under the applicable penalties of law,* that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete.

77. SIGNED: _____ PRESIDENT *(If other title, cross out and write in correct title above. Explain in Item 76.)*
at: _____ on: _____
City State Date
( ) _____
Telephone Number

78. SIGNED: _____ TREASURER *(If other title, cross out and write in correct title above. Explain in Item 76.)*
at: _____ on: _____
City State Date
( ) _____
Telephone Number

*See Section VI on penalties in the Instructions.

Form LM-2 (Revised 1992)

ENTER AMOUNTS IN DOLLARS ONLY

COMPLETE SCHEDULES 1 THROUGH 14 BEFORE COMPLETING STATEMENTS A THROUGH C

STATEMENT A—ASSETS AND LIABILITIES

ASSETS Item	FROM SCH #	Start of Reporting Period (A)	End of Reporting Period (B)	LIABILITIES Item	FROM SCH #	Start of Reporting Period (C)	End of Reporting Period (D)
24. Cash		$	$	33. Accounts Payable		$	$
25. Accounts Receivable				34. Loans Payable	8		
26. Loans Receivable	1			35. Mortgages Payable			
27. U.S. Treasury Securities				36. Other Liabilities	4		
28. Mortgage Investments				37. TOTAL LIABILITIES		$	$
29. Other Investments	2						
30. Fixed Assets	5						
31. Other Assets	3						
32. TOTAL ASSETS		$	$	38. NET ASSETS *(Item 32 less Item 37)*		$	$

STATEMENT B—RECEIPTS AND DISBURSEMENTS

CASH RECEIPTS Item	FROM SCH #	AMOUNT	CASH DISBURSEMENTS Item	FROM SCH #	AMOUNT
39. Dues		$	56. To Officers	9	$
40. Per Capita Tax			57. To Employees	10	
41. Fees			58. Per Capita Tax		
42. Fines			59. Fees, Fines, Assessments, etc.		
43. Assessments			60. Office & Administrative Expense		
44. Work Permits			61. Educational & Publicity Expense		
45. Sale of Supplies			62. Professional Fees		
46. Interest			63. Benefits	11	
47. Dividends			64. Contributions, Gifts, & Grants	12	
48. Rents			65. Supplies for Resale		
49. Sale of Investments & Fixed Assets	7		66. Direct Taxes		
50. Loans Obtained	8		67. Withholding Taxes		
51. Repayments of Loans Made	1		68. Purchase of Investments & Fixed Assets	6	
52. On Behalf of Affiliates for Transmittal to Them			69. Loans Made	1	
			70. Repayment of Loans Obtained	8	
53. From Members for Disbursement on Their Behalf			71. To Affiliates of Funds Collected on Their Behalf		
			72. For Account of Affiliates		
54. Other Receipts	13		73. On Behalf of Individual Members		
55. TOTAL RECEIPTS		$	74. Other Disbursements	14	
			75. TOTAL DISBURSEMENTS		$

STATEMENT C—FUNCTIONAL ALLOCATION*

Line	FROM ITEM/ SCH #	TOTAL (A)	Contract Negotiation & Administration (B)	Organizing (C)	Strike Activities (D)	Political Activities (E)	Lobbying & Promotional Activities (F)	Other (G)
1. Officer Payments	Sch. 9	$	$	$	$	$	$	$
2. Employee Payments	Sch. 10							
3. Fees, Fines, Assessments, etc.	Item 59							
4. Office & Administrative Expense and Direct Taxes	Item 60 Item 66							
5. Educational & Publicity Expense	Item 61							
6. Professional Fees	Item 62							
7. Benefits	Item 63							
8. Contributions, Gifts, & Grants	Item 64							
9. TOTAL		$	$	$	$	$	$	$

*THE METHOD USED TO ALLOCATE DISBURSEMENTS TO FUNCTIONAL CATEGORIES SHOULD BE CONSISTENT FROM YEAR TO YEAR, SYSTEMATIC, AND REASONABLE. FILERS MUST ATTACH AN EXPLANATORY STATEMENT DESCRIBING THE ALLOCATION METHOD USED.

LM-2

ENTER AMOUNTS IN DOLLARS ONLY

FILE NUMBER

If more space is needed to complete any of the schedules, continue on additional pages, using the same column headings used on the schedule, and enter the totals on the line provided for additional pages in each schedule.

SCHEDULE 1—LOANS RECEIVABLE

List below loans to officers, employees, or members which at any time during the reporting period exceeded $250 and list all loans to business enterprises regardless of amount. (A)	Loans Outstanding at Start of Period (B)	Loans Made During Period (C)	Repayments Received During Period: Cash (D)(1)	Repayments Received During Period: Other Than Cash (D)(2)	Loans Outstanding at End of Period (E)
1. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____	$	$	$	$	$
2. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
3. Totals from additional pages (if any)					
4. Totals of loans not listed above					
5. Totals of Lines 1 through 4	$	$	$	$	$
Enter the Totals from Line 5 in	↑ Item 26, Column (A)	↑ Item 69	↑ Item 51	↑ Item 76 with Explanation	↑ Item 26, Column (B)

SCHEDULE 2—INVESTMENTS OTHER THAN U.S. TREASURY SECURITIES AND MORTGAGE INVESTMENTS

Description (A)	Amount (B)
Marketable Securities	
1. Total Cost	$
2. Total Book Value	
3. List each marketable security which has a book value over $1,000 and exceeds 20% of Line 2. (a) _____ (b) _____ (c) _____ (d) _____	
Other Investments	
4. Total Cost	$
5. Total Book Value	
6. List each other investment which has a book value over $1,000 and exceeds 20% of Line 5. Also list each subsidiary for which separate reports are attached. (a) _____ (b) _____ (c) _____ (d) _____	
(e) Total from additional pages (if any)	
7. Total of Lines 2 and 5	$
Enter the Total from Line 7 in	↑ Item 29, Column (B)

SCHEDULE 3—OTHER ASSETS

Description (A)	Book Value (B)
1.	$
2.	
3.	
4.	
5. Total from additional pages (if any)	
6. Total of Lines 1 through 5	$
Enter the Total from Line 6 in	↑ Item 31, Column (B)

SCHEDULE 4—OTHER LIABILITIES

Description (A)	Amount at End of Period (B)
1.	$
2.	
3.	
4.	
5.	
6.	
7.	
8. Total from additional pages (if any)	
9. Total of Lines 1 through 8	$
Enter the Total from Line 9 in	↑ Item 36, Column (D)

ENTER AMOUNTS IN DOLLARS ONLY

SCHEDULE 5—FIXED ASSETS

Description (A)	Cost or Other Basis (B)	Total Depreciation or Amount Expensed (if any) (C)	Book Value (D)	Fair Market Value (E)
1. Land (give location):	$		$	$
2. Totals from additional pages (if any)				
3. Buildings (give location):		$		
4. Totals from additional pages (if any)				
5. Automotive Equipment				
6. Office Furniture and Equipment				
7. Other Fixed Assets				
8. Totals of Lines 1 through 7	$	$	$	$

Enter the Total from Line 8, Column (D) in ..... ↑ Item 30, Column (B)

SCHEDULE 6—PURCHASE OF INVESTMENTS AND FIXED ASSETS

Description (if land or buildings, give location) (A)	Cost (B)	Book Value (C)	Cash Paid (D)
1	$	$	$
2.			
3.			
4.			
5. Totals from additional pages (if any)			
6. Totals of Lines 1 through 5	$	$	$

Enter the Total from Line 6, Column (D) in ..... ↑ Item 68

7. Assets Traded In on Assets Purchased: Description (A)	Cost (B)	Book Value (C)	Trade-in Allowance (D)
(a)	$	$	$
(b)			

SCHEDULE 7—SALE OF INVESTMENTS AND FIXED ASSETS

Description (if land or buildings, give location) (A)	Cost (B)	Book Value (C)	Gross Sales Price (D)	Amount Received (E)
1.	$	$	$	$
2.				
3.				
4.				
5. Totals from additional pages (if any)				
6. Totals of Lines 1 through 5	$	$	$	$

Enter the Total from Line 6, Column (E) in ..... ↑ Item 49

SCHEDULE 8—LOANS PAYABLE

Source of Loans Payable at Any Time During the Reporting Period (A)	Terms for Repayment (B)	Loans Owed at Start of Period (C)	Loans Obtained During Period (D)	Repayments Made During Period: Cash (E)(1)	Repayments Made During Period: Other Than Cash (E)(2)	Loans Owed at End of Period (F)
1.		$	$	$	$	$
2.						
3.						
4. Totals from additional pages (if any)						
5. Totals of Lines 1 through 4		$	$	$	$	$

Enter the Totals from Line 5 in ..... ↑ Item 34, Column (C) ..... ↑ Item 50 ..... ↑ Item 70 ..... ↑ Item 76 with Explanation ..... ↑ Item 34, Column (D)

LM-2

ENTER AMOUNTS IN DOLLARS ONLY

FILE NUMBER

SCHEDULE 9—ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

Name *(Important: List all persons who held office during the reporting period even if they received no salary or other disbursements.)* (A)	Title (B)	Status (C)*	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Disbursements for Official Business (F)	Other Disbursements (G)	Total (H)
1.			$	$	$	$	$
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10. Totals from additional pages (if any)							
11. Totals of Lines 1 through 10			$	$	$	$	$
					12. Less Deductions		
					13. Net Disbursements		$

Enter the Total from Line 13, Column (H) in ..... Item 56

* Code for Column (C): past officer– P, continuing officer– C, new officer during the reporting period –N.

(If any officer was not elected at a regular election in accordance with your organization's constitution and bylaws, explain in Item 76.)

SCHEDULE 10—DISBURSEMENTS TO EMPLOYEES

Name *(List all employees who received more than $10,000 in total disbursements from your organization and any affiliate.)* (A)	Position (B)	Name of Affiliated Organization (if applicable) (C)	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Disbursements for Official Business (F)	Other Disbursements (G)	Total (H)
1.			$	$	$	$	$
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9. Totals from additional pages (if any)							
10. Totals for all employees who, during the reporting period, received $10,000 or less in total disbursements from your organization and any affiliate.							
11. Totals of Lines 1 through 10			$	$	$	$	$
					12. Less Deductions		
					13. Net Disbursements		$

Enter the Total from Line 13, Column (H) in ..... Item 57

ENTER AMOUNTS IN DOLLARS ONLY

SCHEDULE 11—BENEFITS

Description (A)	To Whom Paid (B)	Amount (C)
1.		$
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10. Total from additional pages (if any)		
11. Total of Lines 1 through 10		$

Enter the Total from Line 11 in ..... Item 63

SCHEDULE 12—CONTRIBUTIONS, GIFTS, AND GRANTS

Description (A)	Amount (B)
1.	$
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. Total from additional pages (if any)	
11. Total of Lines 1 through 10	$

Enter the Total from Line 11 in ..... Item 64

SCHEDULE 13—OTHER RECEIPTS

Description (A)	Amount (B)
1.	$
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. Total from additional pages (if any)	
11. Total of Lines 1 through 10	$

Enter the Total from Line 11 in ..... Item 54

SCHEDULE 14—OTHER DISBURSEMENTS

Description (A)	Amount (B)
1.	$
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. Total from additional pages (if any)	
11. Total of Lines 1 through 10	$

Enter the Total from Line 11 in ..... Item 74

76. ADDITIONAL INFORMATION *(If this is a terminal report, see Section XI of the instructions.)*

Item Number	

(If more space is needed, attach additional pages properly identified.)

INSTRUCTIONS FOR LABOR ORGANIZATION ANNUAL REPORT, FORM LM-2

GENERAL INSTRUCTIONS

I. **WHO MUST FILE** - Every labor organization subject to the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), the Civil Service Reform Act (CSRA), or the Foreign Service Act (FSA) must file a financial report, Form LM-2, LM-3, or LM-4 each year with the Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor. These laws cover labor organizations that represent employees who work in private industry, employees of the U.S. Postal Service, and most Federal government employees. Labor organizations that represent only state, county, or municipal government employees are not required to file. If you have a question about whether your organization is required to file, contact the nearest OLMS field office listed on the last page of these instructions.

II. **WHAT FORM TO FILE** - Form LM-2 must be filed by every labor organization subject to the LMRDA, CSRA, or FSA with total annual receipts of $200,000 or more. The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source and with no exclusions or deductions of any kind; it also includes receipts of any special funds and any "subsidiaries" of the labor organization as defined in Section IX of these instructions.

Labor organizations with total annual receipts of less than $200,000 may file the simplified 3-page annual report Form LM-3, if not in trusteeship as defined in Section VIII of these instructions. Labor organizations with less than $10,000 in total annual receipts may file the abbreviated 1-page annual report Form LM-4, if not in trusteesheep.

III. **WHEN TO FILE** - Form LM-2 must be filed within 90 days after the end of your organization's fiscal year (12-month reporting period). The law does not authorize the U.S. Department of Labor to grant an extension of time for filing reports for any reason.

If your organization went out of existence during its fiscal year, a terminal financial report must be filed within 30 days after the date it ceased to exist. See Section XI of these instructions for information on filing a terminal financial report.

IV. **WHERE TO FILE** - The original and one duplicate copy of Form LM-2 and any required attachments must be filed with the U.S. Department of Labor at the following address:

U.S. Department of Labor
Office of Labor-Management Standards
200 Constitution Avenue, NW
Washington, DC 20210

If available, use the pre-addressed envelope enclosed with this report package to file Form LM-2.

NOTE: Certain labor organizations are required to file Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service (IRS). The IRS will accept a copy of your organization's Form LM-2 to provide some of the information required by Form 990. See the instructions for the current

Form 990 for details. Filing Form LM-2 with the IRS does not satisfy your organization's reporting requirement with the U.S. Department of Labor.

V. PUBLIC DISCLOSURE - The LMRDA requires that the U.S. Department of Labor make labor organization financial reports available for inspection by the public. Reports may be examined and copies purchased at the OLMS Public Disclosure Room at the above address or at the OLMS field office in whose jurisdiction the reporting organization is located. See the last page of these instructions for a list of OLMS field offices.

VI. RESPONSIBILITIES OF OFFICERS AND PENALTIES - The president and treasurer or the corresponding principal officers of the labor organization required to sign Form LM-2 are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it. Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. The officers responsible for signing Form LM-2 are also subject to criminal penalties for false reporting under section 1001 of Title 18 of the United States Code.

VII. RECORD KEEPING - The officers required to file Form LM-2 are responsible for maintaining records which will provide in sufficient detail the information and data necessary to verify the accuracy and completeness of the report. Under the LMRDA, the records must be kept for at least 5 years after the date the report is filed. Any record necessary to verify, explain, or clarify the report must be retained, including, but not limited to, vouchers, worksheets, receipts, and applicable resolutions.

SPECIAL INSTRUCTIONS FOR CERTAIN ORGANIZATIONS

VIII. LABOR ORGANIZATIONS UNDER TRUSTEESHIP - Any labor organization which has placed a subordinate labor organization in trusteeship is responsible for filing the subordinate's annual financial report. A trusteeship is defined in section 3(h) of the LMRDA as "any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws."

Annual financial reports filed for any labor organization in trusteeship must be filed on Form LM-2. The report must be signed by the president and treasurer or corresponding principal officers of the labor organization which assumed the trusteeship and by the trustees of the subordinate labor organization. An Information and Signature Sheet, Form LM-6, must be filed with the annual financial reports of trusteed organizations and can be obtained from the nearest OLMS field office listed on the last page of these instructions.

IX. LABOR ORGANIZATIONS WHICH HAVE SUBSIDIARY ORGANIZATIONS - A subsidiary organization, within the meaning of these instructions, is any separate organization of which the ownership is wholly vested in the reporting labor organization or its officers or its membership, which is governed or controlled by the officers, employees, or members of the reporting labor organization, and which is wholly financed by the reporting labor organization. An example of a subsidiary organization is a building corporation which holds title to a meeting hall used by the labor organization; the labor organization owns the building corporation, selects the officers, and finances the operation of the building corporation.

IF YOUR ORGANIZATION HAS NO SUBSIDIARY ORGANIZATION AS DEFINED ABOVE, SKIP TO SECTION X OF THESE INSTRUCTIONS.

If a labor organization has a subsidiary organization, it is required to report financial information for the subsidiary organization by one of the following methods:

Method (1) - Consolidate the financial information for the subsidiary organization and the labor organization on a single Form LM-2. Method (1), however, cannot be used if the organizations use different accounting methods.

Method (2) - Complete a separate Form LM-2 for each subsidiary organization and file it with the labor organization's Form LM-2. The LM-2 report for the subsidiary organization must be clearly marked "SUBSIDIARY REPORT" at the top of the first page.

Method (3) - File, with the labor organization's Form LM-2, the regular annual reports of the financial condition and operations of each subsidiary organization, accompanied by a statement signed by an independent public accountant certifying that the financial reports present fairly the financial condition and operations of each subsidiary organization and were prepared in accordance with generally accepted accounting principles.

Financial information reported separately for subsidiary organizations, as required under methods (2) and (3) above, must be submitted in duplicate and must include the name of the subsidiary organization and the name and file number of the labor organization as shown on its Form LM-2. The financial report of the subsidiary organization must cover the same reporting period as that used by the reporting labor organization.

When method (2) or (3) is used and the subsidiary organization is an investment, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 29 (Other Investments) and in Schedule 2 (Investments Other than U.S. Treasury Securities and Mortgage Investments) of the labor organization's Form LM-2. When method (2) or (3) is used and the subsidiary organization is of a non-investment nature, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 31 (Other Assets) and in Schedule 3 (Other Assets) of the labor organization's Form LM-2.

The same type of information required on Form LM-2 regarding disbursements to officers and employees and loans made by labor organizations must also be reported with respect to each subsidiary organization. In method (1) the information relating to the subsidiary organization must be combined with that of the labor organization and reported on the labor organization's

Form LM-2 in Schedules 1, 9, and 10. In method (2) this information must be included in Schedules 1, 9, and 10 of the separate Form LM-2 used for reporting the financial condition and operations of the subsidiary organization. If method (3) is used, an attachment must be submitted containing the information required by the instructions for Schedules 1, 9, and 10.

The information regarding loans made by the subsidiary organization must include a listing of the names of each officer, employee, or member of the labor organization and each officer or employee of the subsidiary organization whose total loan indebtedness to the subsidiary organization, to the labor organization, or to both at any time during the reporting period exceeded $250. However, if method (2) or (3) is used, the amount reported by the subsidiary organization should be only the amount owed to the subsidiary organization.

The annual financial report must also include all disbursements made by the subsidiary organization to or on behalf of its officers and officers of the labor organization. The report must also list the name and position of the subsidiary organization's employees whose total gross salaries, allowances, and other disbursements from the subsidiary organization, the reporting labor organization, and any affiliates were more than $10,000. However, if method (2) or (3) is used, only the disbursements of the subsidiary organization for its employees should be reported.

X. COMPLETING FORM LM-2

NUMBER OF COPIES

Three blank copies of Form LM-2 are included in this report package. The original and one duplicate copy must be filed with OLMS. A third copy should be maintained in your organization's records.

LEGIBILITY

Entries on Form LM-2 should be typed or clearly printed in ink. Do not use a pencil.

ADDRESS LABEL

If this report package was mailed to you with an address label, peel off the top label and place it in the corresponding box on the second copy of the form, so that address labels are affixed to the two copies being mailed to OLMS. Use the pre-printed labels even if the information on them is incorrect.

FILE NUMBER

OLMS assigns each reporting labor organization a 6-digit file number. If this Form LM-2 was mailed to you with an address label, your organization's file number is the 6-digit number on the first line of the label. If you do not have a label and you cannot obtain the file number from prior reports filed by your organization, contact the nearest OLMS field office listed on the last page of these instructions to obtain your organization's file number. Your organization's 6-digit file number must be entered in Item 1 and in the File Number boxes at the top of pages 3 and 5 of Form LM-2.

ADDITIONAL PAGES

Some of the items on Form LM-2 require that further details be provided in Item 76 (Additional Information) on page 6. If there is not enough space in Item 76, enter the additional information on a separate letter-size page(s), giving the number of the item to which the information applies. Print clearly at the top of each attached page the name of your organization, its 6-digit file number as reported in Item 1 of Form LM-2, and the ending date of the reporting period as reported on the second line of Item 2. This identifying information should also be printed on each page of the required explanation of your organization's functional allocation method as discussed in the instructions for completing Statement C and on any additional pages used for Schedules 1-14. All attachments must be labeled sequentially 1 of __, 2 of __, etc.

AFFILIATES

"Affiliates," within the meaning of these instructions, are labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relationship of parent and subordinate. For example, a parent body is an affiliate of all its subordinate bodies, and all subordinate bodies of the same parent body are affiliates of each other.

INFORMATION ITEMS 1 - 23

Answer all Items 1 through 23 as instructed. Enter "None" or "Not Applicable" as appropriate. Check the appropriate box for those questions requiring a "Yes" or "No" answer; do not leave both boxes blank. If you do not have an address label or the information on the label is incorrect, complete Items 5 through 9 in their entirety. If the label information is correct, leave Items 5 through 9 blank.

1. **FILE NUMBER** - Enter the 6-digit file number which OLMS assigned to your organization. Your organization's 6-digit file number must also be entered in the File Number boxes at the top of pages 3 and 5 of Form LM-2.

2. **PERIOD COVERED** - Enter the beginning and ending dates of the period covered by this report. For example, if your organization's 12-month fiscal year begins on January 1 and ends on December 31, enter these dates as "1/1/9__" and "12/31/9__." Your organization's report should never cover more than a 12-month period. It would be incorrect to enter January 1 of one year through January 1 of the next year.

If your organization changes its fiscal year, enter in Item 2 the ending date for the period of less than 12 months, which is your organization's new fiscal year ending date, and report in Item 76 that your organization changed its fiscal year. For example, if your organization's fiscal year ending date changes from June 30 to December 31, a report must be filed for the partial year from July 1 to December 31. Thereafter, your organization's annual report should cover a full 12-month period from January 1 to December 31.

3. **WHERE LOCATED OR CHARTERED TO OPERATE** - Enter the city, county, and state where your organization is located or chartered to operate. If no single city is named in your charter or is authorized by your national or international labor organization, enter the city, county, and state in which your organization's main office, other than a private residence, is

located. If your organization has no office, enter the city, county, and state where most of the members work. The city, county, and state reported should generally remain the same from year to year and should not be changed on your organization's report because of a change in officers or the mailing address reported in Item 9.

4. ACCOUNTING METHOD - Indicate the method of accounting (cash basis or accrual basis) used in preparing this report. Under the cash method of accounting, receipts are recorded when money is actually received and disbursements are recorded when money is actually paid out by your organization. Under the accrual method, revenues are recorded when earned and expenses are recorded when incurred, although such revenues and expenses may not have been actually received or paid in cash. Form LM-2 must be prepared using the same accounting method that your organization regularly uses to maintain its books and records.

> NOTE: Form LM-2 is designed to be completed on the cash basis of accounting. Supplemental guidelines to assist accrual filers in preparing Form LM-2 are provided throughout these instructions. The special accrual guidelines are preceded by the symbol [A]. Cash filers should ignore the guidelines for accrual filers.

5. AFFILIATION OR ORGANIZATION NAME - Enter the name of the national or international labor organization which granted your organization a charter. If your organization has no such affiliation, enter the name of your organization as currently identified in your organization's constitution and bylaws or other organizational documents.

6. DESIGNATION - Enter the designation that specifically identifies your organization, such as Local, Lodge, Branch, Joint Board, Joint Council, District Council, etc.

7. DESIGNATION NUMBER - Enter the number or other descriptive term, if any, by which your organization is known.

8. UNIT NAME - Enter any additional name by which your organization is known, such as "Chicago Area Local."

9. MAILING ADDRESS - Enter the current address where mail will most surely and quickly reach your organization. Be sure to indicate the name and title of the person, if any, to whom such mail should be sent and include any building and room number.

10. PLACE WHERE RECORDS ARE KEPT - If the records required to be kept by your organization to verify this report are kept at the address reported in Item 9 (or the address on the address label), check "Yes." If not, check "No" and provide in Item 76 the address, including the ZIP Code, where your organization's records are kept.

11. ACCOUNTS IN FINANCIAL INSTITUTIONS - If Item 11 is checked "Yes," provide in Item 76 the name in which each such account of your organization was held and the name and address of the financial institution in which each such account was held.

12. **LIQUIDATION OF LIABILITIES** - If Item 12 is checked "Yes," provide in Item 76 all details in connection with the liquidation or reduction of your organization's liabilities without the disbursement of cash.

13. **SUBSIDIARY ORGANIZATIONS** - If Item 13 is checked "Yes," describe in Item 76 the nature and purpose of each subsidiary organization and the relationship between the subsidiary organization and your organization. Indicate whether the information concerning its financial condition and operations is included in this Form LM-2 or in a separate report. See Section IX of these instructions for information on reporting subsidiary organizations.

14. **ACQUISITION OR DISPOSITION OF PROPERTY** - If Item 14 is checked "Yes," describe in Item 76 the manner in which your organization acquired or disposed of property, such as gifts of office furniture or equipment to charitable organizations. Include the type of property, its value, and the identity of the recipient or donor, if any. Also report in Item 76 the cost or other basis at which any acquired assets were entered on your organization's books or at which any assets disposed of were carried on your organization's books. Item 14 should not include assets traded in on assets purchased which must be reported on Line 7 of Schedule 6.

15. **TRUSTS OR FUNDS** - Item 15 refers to any trust in which a labor organization is interested which is defined in section 3(l) of the LMRDA as "a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries."

If Item 15 is checked "Yes," provide in Item 76 the name, address, and purpose of each trust. If a report has been filed for the trust or other fund under the Employee Retirement Income Security Act of 1974 (ERISA), report in Item 76 the ERISA file number (Employer Identification Number - EIN) and plan number, if any.

16. **LOSSES OR SHORTAGES** - If Item 16 is checked "Yes," describe the loss or shortage in detail in Item 76, including such information as the amount of the loss or shortage of funds or a description of the property that was lost, how it was lost, and to what extent, if any, there has been an agreement to make restitution or any recovery by means of repayment, fidelity bond, insurance, or other means.

17. **FIDELITY BOND** - Check Item 17 "Yes" if your organization was insured by a fidelity bond against losses through fraud or dishonesty during the reporting period.

NOTE: If your organization had property and annual financial receipts which totaled $5,000 or more, each of your organization's officers, employees, and agents who handle funds or other property of your organization must be bonded. The amount of the bond must be at least 10% of the value of the funds handled by the individual during the last reporting period, up to a maximum bond of $500,000. The bond must be obtained from a surety company approved by the Secretary of the Treasury. If you have any questions or need more information

about bonding requirements, contact the nearest OLMS field office listed on the last page of these instructions.

18. BOND AMOUNT - If Item 17 is checked "Yes," enter the maximum amount recoverable for a loss caused by any person handling your organization's funds.

19. NEXT REGULAR ELECTION - Enter the month and year of your organization's next regular election of general officers (president, vice president, treasurer, secretary, etc.). Do not include the date of any interim election to fill vacancies.

20. PLEDGED OR ENCUMBERED ASSETS - If Item 20 is checked "Yes," identify in Item 76 any of your organization's assets pledged or encumbered in any way (such as those pledged as collateral for a loan) at the end of the reporting period. Also report in Item 76 their fair market value, and provide details of transactions related to the encumbrance.

21. CONTINGENT LIABILITIES - If Item 21 is checked "Yes," describe in Item 76 transactions or events resulting in the contingent liabilities and include the identity of the claimant or creditor. Examples of a contingent liability are a loan co-signed by your organization and a pending lawsuit which could result in your organization being ordered to pay damages or make other payments.

22. CONSTITUTION AND BYLAWS CHANGES - If Item 22 is checked "Yes," complete Form LM-1A (Report of Current Status: Labor Organization Information Supplement), and attach it to Form LM-2, together with any documents required by Form LM-1A.

Your organization must file Form LM-1A to update information on file with OLMS if there have been any changes during the reporting period in your organization's constitution and bylaws (other than changes of specific amounts of dues and fees required of members) or in any practices described in statements previously submitted with Form LM-1 (Labor Organization Information Report) or Form LM-1A.

23. FEES AND DUES - Enter the fees and dues established by your organization. Use section (A) if only one rate applies; use section (B) to enter the minimum and maximum rates of fees and dues if more than one rate applies.

Line (a): Enter the initiation fees required from new members.

Line (b): Enter the fees other than dues required from transfer members. Such fees are those charged to persons applying for a transfer of membership to your organization from another labor organization with the same affiliation. Do not report fees charged to members transferring from one class of membership to another within your organization.

Line (c): If your organization issues work permits, check "Yes" and enter the fees required per year, month, etc. Work permit fees are fees charged to nonmembers of your organization who work within its jurisdiction. Do not report as work permit fees those fees charged to nonmember applicants for membership pending acceptance of their membership application, or fees charged to persons applying for transfer of membership to your organization pending acceptance of their application for transfer.

Line (d): Enter the regular dues or fees or other periodic payments which a member must pay to be in good standing in your organization and enter the calendar basis for payment (per year, month, etc.). Include only the dues or fees of regular members and not the dues or fees of members with special rates, such as apprentices, retirees, or unemployed members.

FINANCIAL DETAILS

ACCOUNTING METHOD

As explained in the instructions for Item 4, Form LM-2 must be prepared using the same method of accounting (cash basis or accrual basis) that your organization regularly uses to maintain its books and records. Under the cash method of accounting, receipts are recorded when money is actually received and disbursements are recorded when money is actually paid out by your organization. Under the accrual method, revenues are recorded when earned and expenses are recorded when incurred. Form LM-2 is designed to be completed on the cash basis of accounting. Supplemental guidelines to assist accrual filers in preparing Form LM-2 are provided throughout these instructions. The special accrual guidelines are preceded by the symbol [A]. Cash filers should ignore the guidelines for accrual filers.

REPORT ONLY DOLLAR AMOUNTS

Report all amounts in dollars only. Round cents to the nearest dollar.

REPORTING CLASSIFICATIONS ON THE FORM

Complete all items and lines on the form as given. Do not use different accounting classifications or change the wording of any item or line.

[A] **Accrual Filers** - The prescribed Form LM-2 classifications must be used except as noted in the special accrual guidelines. Cross out the printed item or line name and enter the appropriate name only as instructed.

BEGINNING AND ENDING AMOUNTS

Entries in Schedules 1 and 8 and in Statement A must report amounts for both the start and the end of the reporting period. The amounts entered for the start of the reporting period on your organization's report should be identical to the amounts entered for the end of the reporting period on last year's report. If the amounts are not the same, fully explain the difference in Item 76.

CONSOLIDATED REPORTS

If your organization has a "special fund" or is filing a report consolidating the finances of your organization and any subsidiary organization in accordance with method (1) of the instructions in Section IX, be sure to include the required information and amounts for the "special funds" and any subsidiary organization as well as for your organization in all items and schedules.

COMPLETE SCHEDULES FIRST

Complete Schedules 1 through 14 and transfer the totals as indicated before completing Statements A through C. Be sure to complete all applicable lines in Schedules 1 through 14.

[A] **Accrual Filers** - See the special guidelines designated by the symbol [A] for Schedules 1, 6, 7, 8, 9, and 10 regarding the transfer of totals to Statement B.

COMPLETE ALL ITEMS 24 THROUGH 75

Complete all items in Statement A and Statement B. Enter "00" where appropriate.

SCHEDULES 1 - 14

If there is not enough space to report all the required information and amounts in any schedule, duplicate the blank schedule or use separate letter-size pages (8½" x 11") to report the additional information and attach them to Form LM-2. Be sure to use the same format as the schedule (that is, the same line and column headings) for any attached pages. Also be sure that each attached page identifies the schedule to which it applies and that the name, file number, and ending date of the reporting period of your organization are clearly printed at the top of each attached page. All attached pages should be labeled sequentially 1 of __, 2 of __, etc. Totals from any additional pages must be entered on the line provided in each schedule.

[A] **Accrual Filers** - Unless otherwise instructed, report in Schedules 1 through 14 revenues earned and expenses incurred by your organization during the reporting period.

SCHEDULE 1 - LOANS RECEIVABLE - Report details of all direct and indirect loans (whether or not evidenced by promissory notes or secured by mortgages) owed to your organization at any time during the reporting period by individuals, business enterprises, benefit plans, and other entities including labor organizations. An example of an indirect loan is a disbursement by your organization to an educational institution for the tuition expense of an officer, employee, or member which must be repaid to your organization by that individual. Be sure to report all loans that were made and repaid in full during the reporting period. Do not include investments in corporate bonds which must be reported in Schedule 2 or mortgages purchased on a block basis through a bank or similar institution which must be reported in Item 28 (Mortgage Investments).

Column (A): Enter the following information on Lines 1 and 2 (and on additional pages if necessary):

- the name of each officer, employee, or member whose total loan indebtedness to your organization, including any subsidiary organization, at any time during the reporting period exceeded $250, and the name of each business enterprise which had any loan indebtedness, regardless of amount, at any time during the reporting period;
- the purpose of each loan;
- the security given for each loan; and
- the terms of repayment for each loan.

For each officer or employee listed, indicate after each name either "O" (officer) or "E" (employee).

Column (B): Enter on Lines 1 and 2 the loan amounts outstanding at the start of the reporting period from each listed individual and business enterprise. Enter on Line 3 the total from any additional pages. Enter on Line 4 the total of loans made to officers, employees, or members whose total individual loan indebtedness to your organization at any time during the reporting period did not exceed $250; and all loans, regardless of amount, made to other individuals and entities. Add Lines 1 through 4 and enter the total on Line 5 and in Item 26, Column (A) of Statement A.

Column (C): Enter on Lines 1 and 2 the amount of loans made during the reporting period to each listed individual and business enterprise. Enter on Line 3 the total from any additional pages. Enter on Line 4 the total of all other loans made during the reporting period. Add Lines 1 through 4 and enter the total on Line 5 and in Item 69 of Statement B.

Columns (D)(1) and (D)(2): Enter on Lines 1 and 2 the amount of loan repayments during the reporting period from each listed individual and business enterprise. Report only repayments of principal; interest received must be reported in Item 46. Use Column (D)(1) to report repayments received in cash. Use Column (D)(2) to report repayments made in a manner other than cash, such as repayments made by officers or employees by means of deductions from their salaries. Enter on Line 3 the totals from any additional pages. Enter on Line 4 the amount of loan repayments from all other loans. Add Lines 1 through 4, Columns (D)(1) and (D)(2), and enter the totals on Line 5. Enter the total from Line 5, Column (D)(1) in Item 51 of Statement B. Explain in Item 76 any non-cash amounts reported in Column (D)(2).

Column (E): Enter on Lines 1 and 2 the loan amounts outstanding at the end of the reporting period for each listed individual and business enterprise. Enter on Line 3 the total from any additional pages. Enter on Line 4 the total amount outstanding at the end of the reporting period for all other loans. Add Lines 1 through 4 and enter the total on Line 5 and in Item 26, Column (B) of Statement A. If any loans receivable were written off during the reporting period, the reason and the amount must be reported in Item 76.

A **Accrual Filers** - Complete Schedule 1 in its entirety in accordance with the instructions. However, do not transfer the totals on Line 5 in Columns (C) and (D)(1) to Statement B as indicated since these amounts are not reportable as revenues and expenses.

SCHEDULE 2 - INVESTMENTS OTHER THAN U.S. TREASURY SECURITIES AND MORTGAGE INVESTMENTS - Report details of all your organization's investments at the end of the reporting period, other than U.S. Treasury securities and mortgage investments, including investments in any subsidiary organization not reported on a consolidated basis in accordance with method (1) explained in Section IX of these instructions. Mortgage investments are mortgages purchased on a block basis through a bank or similar institution. Do not include savings accounts, certificates of deposit, or money market accounts which must be reported in Item 24 as cash.

Line 1: Enter in Column (B) the total cost of all your organization's marketable securities including transaction costs such as brokerage commissions. Marketable securities are those for

which current market values can be obtained from published reports of transactions in listed securities or in securities traded "over the counter," such as corporate stocks and bonds, stock and bond mutual funds, state and municipal bonds, and foreign government securities.

Line 2: Enter in Column (B) the total book value of all your organization's marketable securities. Book value is the lower of cost or market value.

Line 3: List in Column (A) each marketable security which has a book value over $1,000 and exceeds 20% of the total book value entered on Line 2 and enter its book value in Column (B).

Line 4: Enter the total cost, including any transaction costs, of all your organization's other investments (that is, those which are not U.S. Treasury securities, mortgage investments, or marketable securities).

Line 5: Enter the total book value of such other investments. Book value is the lower of cost or market value.

Line 6: List in Column (A) each other investment which has a book value over $1,000 and exceeds 20% of the total book value entered on Line 5 and enter its book value in Column (B).

> NOTE: If your organization has a subsidiary organization for which a separate report is being submitted in accordance with Section IX of these instructions, the subsidiary organization must be reported in Schedule 2 if it is an investment. Enter on Lines 6(a) through (d) the name of each subsidiary organization in Column (A) and its book value in Column (B).

Enter on Line 6(e) the total from any additional pages.

Line 7: Add Lines 2 and 5 and enter the total on Line 7 and in Item 29, Column (B) of Statement A.

SCHEDULE 3 - OTHER ASSETS - Report details of all your organization's assets at the end of the reporting period other than Cash (Item 24), Accounts Receivable (Item 25), Loans Receivable (Item 26), U.S. Treasury Securities (Item 27), Mortgage Investments (Item 28), Other Investments (Item 29), and Fixed Assets (Item 30).

These assets must be described in Column (A) and may be classified by general groupings or bookkeeping categories, such as utility deposits or inventory of supplies for resale, if the description is sufficient to identify the type of assets. Enter in Column (B) the value as shown on your organization's books of each asset or group of assets described in Column (A).

> NOTE: If your organization has a subsidiary organization for which a separate report is being submitted in accordance with Section IX of these instructions, the value of the subsidiary organization as shown on your organization's books must be reported in Schedule 3 if it is of a non-investment nature. Enter in Column (A) the name of each such subsidiary organization. Enter in Column (B) the value as shown on your organization's books of the net assets of each such subsidiary organization.

Enter on Line 5 the total from any additional pages. Add Lines 1 through 5 and enter the total on Line 6 and in Item 31, Column (B) of Statement A.

[A] **Accrual Filers** - Report in Schedule 3 the amounts receivable for revenues earned but not received by the end of the reporting period for all assets other than those reported in Item 25 (Accounts Receivable) and Item 26 (Loans Receivable). Include any prepaid expenses.

SCHEDULE 4 - OTHER LIABILITIES - Report details of all your organization's liabilities at the end of the reporting period other than Accounts Payable (Item 33), Loans Payable (Item 34), and Mortgages Payable (Item 35).

These liabilities must be described in Column (A) and may be classified by general groupings or bookkeeping categories if the description is sufficient to identify the type of liability. List separately any payroll taxes withheld but not yet paid, other unpaid payroll taxes of your organization, such as FICA taxes, and any funds collected on behalf of affiliates or members and not disbursed by the end of the reporting period. Do not include reserves for special purposes (for example, "Reserve for Building Fund") which are actually an allocation of certain assets for specific purposes rather than a liability.

Enter in Column (B) the amount of each liability described in Column (A). Enter on Line 8 the total from any additional pages. Add Lines 1 through 8 and enter the total on Line 9 and in Item 36, Column (D) of Statement A.

[A] **Accrual Filers** - Report in Schedule 4, in the detail required by the instructions for Schedule 4, all liabilities for expenses incurred but not paid by the end of the reporting period which are not reportable as Accounts Payable (Item 33), Loans Payable (Item 34), and Mortgages Payable (Item 35).

SCHEDULE 5 - FIXED ASSETS - Report details of all fixed assets, such as land, buildings, automotive equipment, and office furniture and equipment owned by your organization at the end of the reporting period. Include fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), fully depreciated, or carried on your organization's books at scrap value or other nominal value.

Column (A): Enter on Line 1 the location of any land and enter on Line 3 the location of any buildings owned by your organization.

Column (B): Enter the cost or other basis of the fixed assets listed in Column (A), including totals from any additional pages.

Column (C): Enter the accumulated depreciation, if any, of the fixed assets (except land) listed in Column (A) whose cost or other basis is reported in Column (B), including totals from any additional pages. If your organization "expenses" fixed assets, also include in Column (C) the amount that your organization charged to expenses when the assets were purchased.

Column (D): Enter the amount at which the fixed assets listed in Column (A) are carried on your organization's books, including totals from any additional pages. Include the nominal amount, if any, at which fully depreciated assets are carried on your organization's books. The amount reported in Column (D) should be the difference between Columns (B) and (C).

Column (E): Enter the fair market value of land and of all assets listed in Column (A) that were expensed, fully depreciated, or depreciated to scrap value or nominal value, including totals from additional pages. It is not necessary to secure a formal appraisal of the assets; a good faith estimate is sufficient. The value used for insurance purposes or for tax appraisals, for example, will normally be acceptable as representing the fair market value.

Add Lines 1 through 7, Columns (B) through (E), and enter the totals on Line 8. Enter the total from Line 8, Column (D) in Item 30, Column (B) of Statement A.

SCHEDULE 6 - PURCHASE OF INVESTMENTS AND FIXED ASSETS - Report details of the purchase by your organization of U.S. Treasury securities, marketable securities, other investments, and fixed assets, including those fixed assets that were expensed, during the reporting period. Include disbursements for mortgages which were purchased on a block basis through a bank or similar institution.

Column (A): Enter on Lines 1 through 4 (and on additional pages, if necessary) a general description of the type of investment or fixed assets purchased, such as U.S. Treasury securities, stocks, bonds, land, automobiles, etc. If land or buildings were purchased, enter the location of the property.

Column (B): Enter the total cost of each type of investment (including any transaction costs) or fixed assets described in Column (A).

Column (C): Enter the value at which the investments or fixed assets were entered on your organization's books.

Column (D): Enter the total amount disbursed for each type of investment or fixed assets purchased during the reporting period. Do not include any unpaid balance which must be reported in Schedule 8 or Item 35 (Mortgages Payable).

Enter on Line 5, Columns (B) through (D) the totals from any additional pages. Add Lines 1 through 5, Columns (B) through (D), and enter the totals on Line 6. Enter the total from Line 6, Column (D) in Item 68 of Statement B.

Assets Traded In on Assets Purchased:

Enter on Line 7, Column (A) a description of any assets traded in on assets purchased. Enter in Column (B) the total cost of the trade-in. Enter in Column (C) the amount at which the traded asset was carried on your organization's books. Enter in Column (D) the amount allowed for the trade-in, computed as the difference between the cost of the asset purchased and the amount of the additional payment required.

A **Accrual Filers** - Complete Schedule 6 in its entirety in accordance with the instructions. However, do not transfer the total on Line 6, Column (D) to Item 68 as indicated since this amount is not reportable as an expense.

SCHEDULE 7 - SALE OF INVESTMENTS AND FIXED ASSETS - Report details of the sale or redemption by your organization of U.S. Treasury securities, marketable securities, other investments, and fixed assets, including those fixed assets that were expensed, during the reporting period. Include receipts from sales of mortgages which were purchased on a block

basis through a bank or similar institution. Do not include the receipts from repayments by individual mortgagors which must be reported in Schedule 1 as loan repayments.

Column (A): Enter on Lines 1 through 4 (and on additional pages, if necessary) a general description of the type of investment or fixed assets sold, such as U.S. Treasury securities, stocks, bonds, land, automobiles, etc. If land or buildings were sold, enter the location of the property.

Column (B): Enter the total cost of each type of investment (including any transaction costs) or fixed assets described in Column (A).

Column (C): Enter the value at which the investments or fixed assets were shown on your organization's books.

Column (D): Enter the gross sales (or contract) price of the investments or fixed assets.

Column (E): Enter the net amount received from the sale of the investments or fixed assets. If the amount received during the reporting period is less than the amount due (gross sales price less any deductions for selling expenses and repayments of secured loans or mortgages), the additional amount due to your organization must be reported in Schedule 3 with a description sufficient to identify the type of asset. However, if a mortgage or note is taken back, it must be reported as a new loan in Schedule 1.

Enter on Line 5, Columns (B) through (E) the totals from any additional pages. Add Lines 1 through 5, Columns (B) through (E), and enter the totals on Line 6. Enter the total from Line 6, Column (E) in Item 49 of Statement B.

[A] **Accrual Filers** - Complete Schedule 7 in its entirety in accordance with the instructions. However, do not transfer the total on Line 6, Column (E) to Item 49 as indicated since this amount is not reportable as revenue. See the instructions for Item 49 to report gains or losses from sales of investments and fixed assets.

SCHEDULE 8 - LOANS PAYABLE - Report details of all loans payable by your organization at any time during the reporting period except those secured by mortgages or similar liens on real property (land or buildings) which must be reported in Item 35 (Mortgages Payable).

Column (A): Enter on Lines 1 through 3 (and on additional pages, if necessary) the name of each business enterprise to which a loan was payable. Also list the source of all other loans by general categories, such as banks, labor organizations, individuals, etc.

Column (B): Describe the terms for repayment of each loan obtained from listed business enterprises; for example, $50 per month plus interest at 6%.

Column (C): Enter the loan amount owed at the start of the reporting period to each listed source of a loan. Enter on Line 4 the total from any additional pages. Add Lines 1 through 4 and enter the total on Line 5 and in Item 34, Column (C) of Statement A.

Column (D): Enter the amounts actually received from the loans obtained during the reporting period from the listed business enterprises and other sources. Enter on Line 4 the total from any additional pages. If, due to discounting by a bank or for any other reason, the amount received from a loan was less than the face value of the note or the amount repayable, enter the amount

actually received and explain in Item 76. Add Lines 1 through 4 and enter the total on Line 5 and in Item 50 of Statement B.

Columns (E)(1) and (E)(2): Enter the amount of loan repayments made to each listed business enterprise or other source during the reporting period. Report only repayments of principal; interest paid must be reported in Schedule 14. Use Column (E)(1) to report repayments made in cash. Use Column (E)(2) to report repayments made in a manner other than by cash, such as repayments made to a creditor by offsetting an amount owed by the creditor to your organization. Enter on Line 4 the total from any additional pages. Add Lines 1 through 4, Columns (E)(1) and (E)(2), and enter the totals on Line 5. Enter the total from Line 5, Column (E)(1) in Item 70 of Statement B. Explain in Item 76 any non-cash amounts reported in Column (E)(2).

Column (F): Enter the loan amount owed at the end of the reporting period to each listed business enterprise or other source. Enter on Line 4 the total from any additional pages. If any loans payable were written off during the reporting period, the reason and amount must be reported in Item 76. Add Lines 1 through 4 and enter the total on Line 5 and in Item 34, Column (D) of Statement A.

[A] **Accrual Filers** - Complete Schedule 8 in its entirety in accordance with the instructions. However, do not transfer the totals on Line 5 in Columns (D) and (E)(1) to Statement B as indicated since these amounts are not reportable as revenues and expenses.

SCHEDULE 9 - ALL OFFICERS AND DISBURSEMENTS TO OFFICERS - List all your organization's officers and report all salaries and other direct and indirect disbursements to officers during the reporting period. However, direct and indirect disbursements not involving the payment of some form of cash (cash, checks, money orders, etc.) should not be reported in Schedule 9 but must be explained in Item 76. Any direct or indirect disbursement required to be included in Schedule 9 should not be reported in other disbursement items.

NOTE: A "direct disbursement" to an officer is a payment made by your organization to the officer in the form of cash, property, goods, services, or other things of value.

An "indirect disbursement" to an officer is a payment made by your organization to another party for cash, property, goods, services, or other things of value received by or on behalf of the officer. "On behalf of the officer" means received by a party other than the officer or your organization for the personal interest or benefit of the officer. Such payments include those made through a credit arrangement under which charges are made to the account of your organization and are paid by your organization.

Columns (A) and (B): Enter the name and title of every person who held office in your organization at any time during the reporting period. Include all your organization's officers whether or not any salary or other disbursements were made to them or on their behalf by your organization. "Officer" is defined in section 3(n) of the LMRDA as "any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer,

or other executive functions of a labor organization, and any member of its executive board or similar governing body."

Column (C): Enter the appropriate letter to show the status of each officer: "N" for a new officer who took office since your organization's last annual financial report was filed; "P" for a past officer who was not in office at the end of this reporting period; or "C" for a continuing officer who was in office before this reporting period and was still in office at the end of the reporting period. If any officer was not elected in a regular election in accordance with your organization's constitution and bylaws or other governing documents on file with OLMS, explain the manner in which the officer was chosen in Item 76.

Column (D): Enter the gross salary of each officer (before tax withholdings and other payroll deductions). Include disbursements for "lost time" or time devoted to union activities.

Column (E): Enter the total allowances made by direct and indirect disbursements to each officer on a daily, weekly, monthly, or annual basis. Do not include allowances paid on the basis of mileage or meals which must be reported in Column (F) or (G), as applicable.

Column (F): Enter all direct and indirect disbursements to each officer which were necessary for conducting official business of your organization, except salaries or allowances which must be reported in Columns (D) and (E), respectively.

Examples of disbursements to be reported in Column (F) include: all expenses that were reimbursed directly to an officer, meal allowances and mileage allowances, expenses for officers' meals and entertainment, and various goods and services furnished to officers but charged to your organization. Such disbursements should be included in Column (F) only if they were necessary for conducting official business; otherwise, report them in Column (G).

Do not report the following disbursements in Schedule 9:

- reimbursements to an officer for the purchase of investments and fixed assets, such as reimbursing an officer for a calculator purchased for office use, which must be reported in Schedule 6 and explained in Item 76;
- indirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his home and principal place of employment with your organization if payment is made by your organization directly to the provider or through a credit arrangement and these disbursements are reported in Item 60 (Office and Administrative Expense);
- disbursements made by your organization to someone other than an officer as a result of transactions arranged by an officer in which property, goods, services, or other things of value were received by or on behalf of your organization rather than the officer, such as rental of offices and meeting rooms, purchase of office supplies, refreshments and other expenses of membership banquets or meetings, and food and refreshments for the entertainment of groups other than the officers and membership on official business;
- office supplies, equipment, and facilities furnished to officers by your organization for use in conducting official business; and

- maintenance and operating costs of your organization's assets, including buildings, office furniture, and office equipment; however, see "Special Rules for Automobiles" below.

Column (G): Enter all other direct and indirect disbursements to each officer not included elsewhere in this report. Include all disbursements for which cash, property, goods, services, or other things of value were received by or on behalf of each officer and were essentially for the personal benefit of the officer and not necessary for conducting official business of your organization. However, disbursements for occasional non-cash gifts of insubstantial value need not be included in Column (G) if reported in Schedule 12.

Include in Column (G) all disbursements for transportation by public carrier between the officer's home and place of employment or for other transportation not involving the conduct of official business. Also include the operating and maintenance costs of all your organization's assets (automobiles, etc.) furnished to officers essentially for the officers' personal use rather than for use in conducting official business.

Do not include in Column (G) loans to officers which must be reported in Schedule 1 or disbursements for benefits to officers which must be reported in Schedule 11.

Enter on Line 10, Columns (D) through (G) the totals from any additional pages.

Column (H): Add Columns (D) through (G) for each of Lines 1 through 10 and enter the totals in Column (H).

Add Lines 1 through 10, Columns (D) through (H), and enter the totals on Line 11. Enter the total from Line 11, Column (H) in Line 1, Column (A) of Statement C.

Enter on Line 12 the total amount of withheld taxes, payroll deductions, and all other deductions. Subtract Line 12 from Line 11, Column (H), and enter the difference on Line 13 and in Item 56 of Statement B.

Disbursements for the transmittal of withheld taxes must be reported in Item 67 (Withholding Taxes) of Statement B. Disbursements for the transmittal of all other payroll and other deductions must be reported in Schedule 14. Any portion of withheld taxes or any other payroll or other deductions which have not been transmitted at the end of the reporting period are liabilities of your organization and must be reported in Schedule 4. Payroll or other deductions which are retained by your organization (such as repayments of loans to officers) must be fully explained in Item 76.

[A] **Accrual Filers** - Cross out references to "disbursements" and enter the term "expenses." Report in Columns (D) through (G) of Schedule 9, in the detail required by the instructions for Schedule 9, the total salary, allowances, and other direct and indirect expenses incurred by each officer. The total on Line 11, Column (H) of Schedule 9 must be reported in Item 56 of Statement B and in Line 1, Column (A) of Statement C. Do not complete Lines 12 and 13 in Schedule 9.

SPECIAL RULES FOR AUTOMOBILES

Include in Column (G) of Schedule 9 that portion of the operating and maintenance costs of any automobile owned or leased by your organization to the extent that the use was for the personal

benefit of the officer to whom it was assigned. This portion may be computed on the basis of the mileage driven on official business compared with the mileage for personal use. The portion not included in Column (G) must be reported in Column (F).

Alternatively, rather than allocating these operating and maintenance costs between Columns (F) and (G), if 50% or more of the officer's use of the vehicle was for official business, your organization may enter in Column (F) all disbursements relative to that vehicle with an explanation in Item 76 indicating that the vehicle was also used part of the time for personal business. Likewise, if less than 50% of the officer's use of the vehicle was for official business, your organization may report all disbursements relative to the vehicle in Column (G) with an explanation in Item 76 indicating that the vehicle was also used part of the time on official business.

The amount of decrease in the market value of an automobile used over 50% for the personal benefit of an officer must also be reported in Item 76.

SCHEDULE 10 - DISBURSEMENTS TO EMPLOYEES - Report all direct and indirect disbursements to employees of your organization during the reporting period. The definitions of "direct disbursements" and "indirect disbursements" are the same as the definitions in reference to officers in Schedule 9.

Enter in Columns (A) and (B) the name and position of each employee who during the reporting period received more than $10,000 in gross salaries, allowances, and other direct and indirect disbursements from your organization (including any subsidiary organization) or from your organization and any affiliates. ("Affiliates" means labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relation of parent and subordinate.) Your organization's report, however, should not include disbursements made by affiliates, but should include only the disbursements made by your organization.

Enter in Column (C) the name of any affiliate which paid any salaries, allowances, or expenses on behalf of a listed employee. If a subsidiary of your organization paid any salaries, allowances, or expenses on behalf of a listed employee, see Section IX of these instructions for information about reporting these disbursements.

To complete Columns (D) through (G), follow the instructions for Columns (D) through (G) of Schedule 9.

Enter on Line 9, Columns (D) through (G) the totals from any additional pages. Enter on Line 10, Columns (D) through (G) the totals of all gross salaries, allowances, and other disbursements for all employees of your organization not required to be listed above. Add Columns (D) through (G) for each of Lines 1 through 10 and enter the totals in Column (H).

Add Lines 1 through 10, Columns (D) through (H), and enter the totals on Line 11. Enter the total from Line 11, Column (H) in Line 2, Column A of Statement C.

Enter on Line 12 the total amount of withheld taxes, payroll deductions, and all other deductions. Subtract Line 12 from Line 11, Column (H) and enter the difference on Line 13 and in Item 57 of Statement B.

Disbursements for the transmittal of withheld taxes must be reported in Item 67 (Withholding Taxes) of Statement B. Disbursements for the transmittal of all other payroll and other deductions must be reported in Schedule 14. Any portion of withheld taxes or any other payroll

or other deductions which have not been transmitted at the end of the reporting period are liabilities of your organization and must be reported in Schedule 4. Payroll or other deductions which are retained by your organization (such as repayments of loans to employees) must be fully explained in Item 76.

[A] **Accrual Filers** - Cross out the references to "disbursements" and enter the term "expenses." Report in Columns (D) through (G) of Schedule 10, in the detail required by the instructions for Schedule 10, the total salary, allowances, and other direct and indirect expenses incurred by each employee including all employees who received $10,000 or less reported on Line 10. The total from Line 11, Column (H) of Schedule 10 must be reported in Item 57 of Statement B and in Line 2, Column (A) of Statement C. Do not complete Lines 12 and 13 in Schedule 10.

SCHEDULE 11 - BENEFITS - Report all direct and indirect benefit disbursements made by your organization during the reporting period. Direct benefit disbursements are those made to officers, employees, members, and their beneficiaries from your organization's funds. Indirect benefit disbursements are those made from your organization's funds to a separate and independent entity, such as a trust or insurance company, which in turn and under certain conditions will pay benefits to the covered individuals. An example of an indirect benefit disbursement is the premium on group life insurance.

Enter in Column (A) the type of benefit, such as pension, welfare, etc. Enter in Column (B) to whom payment was made; for example, union members, insurance company, etc. Enter in Column (C) the amount disbursed for each type of benefit. Enter on Line 10 the total from any additional pages. Add Lines 1 through 10 and enter the total on Line 11, Column (C), and in Item 63 of Statement B.

SCHEDULE 12 - CONTRIBUTIONS, GIFTS, AND GRANTS - Report all disbursements for contributions, gifts, and grants made by your organization during the reporting period. These disbursements must be described in Column (A) and may be classified by general groupings if the description is sufficient to identify the type of recipient; for example, contributions to charities or to labor organizations or grants to educational institutions. Do not include any gifts or gratuities to officers or employees of your organization which must be reported in Schedule 9 or 10, Column (G). However, disbursements for occasional non-cash gifts of insubstantial value to officers and employees may be reported in Schedule 12 rather than Schedule 9 or 10.

Enter in Column (B) the amount disbursed for each entry listed in Column (A). Enter on Line 10 the total from any additional pages. Add Lines 1 through 10 and enter the total on Line 11 and in Item 64 of Statement B.

SCHEDULE 13 - OTHER RECEIPTS - Report all your organization's receipts for the reporting period other than those that must be reported elsewhere in Statement B, such as reimbursements from officers and employees for excess expense payments; receipts from fund-raising activities such as raffles, bingo games, and dances; funds received from a parent body, other unions, or the public for strike fund assistance; and receipts from another labor organization which merged into your organization. These receipts must be described in Column (A) and may be classified

by general groupings or bookkeeping categories if the descriptions are sufficient to identify their source. Do not describe any of these receipts as "Miscellaneous" since that classification is not sufficiently descriptive.

Enter in Column (B) the amount received for each general grouping and category listed in Column (A). Enter on Line 10 the total from any additional pages. Add Lines 1 through 10 and enter the total on Line 11 and in Item 54 of Statement B.

[A] **Accrual Filers** - Cross out "receipts" in the schedule name and enter "revenues." Report in Schedule 13 all revenues earned by your organization not reported elsewhere in Statement B. Do not report any funds received by your organization for transmittal to third parties since these funds are not revenues of your organization. However, the total of these receipts must be reported in Item 76. An example is funds received by your organization from a grievance settlement for disbursement to a member.

SCHEDULE 14 - OTHER DISBURSEMENTS - Report all your organization's disbursements for the reporting period not reported elsewhere in Statement B, such as savings withheld from an officer's salary for payment into the officer's personal account in a financial institution or dues withheld from an employee's salary. These disbursements must be described in Column (A) and may be classified by general groupings or bookkeeping categories if the descriptions are sufficient to identify their purpose. Do not describe any of these disbursements as "Miscellaneous" since that classification is not sufficiently descriptive.

Enter in Column (B) the amount disbursed for each general grouping and category listed in Column (A). Enter on Line 10 the total from any additional pages. Add Lines 1 through 10 and enter the total on Line 11 and in Item 74 of Statement B.

[A] **Accrual Filers** - Cross out "disbursements" in the schedule name and enter "expenses." Report in Schedule 14 all expenses incurred by your organization not reported elsewhere in Statement B, such as depreciation expense and bad debt expense. Do not report any disbursements of funds received for transmittal to third parties since these disbursements are not expenses of your organization.

STATEMENT A - ASSETS AND LIABILITIES

ASSETS

24. **CASH** - Enter the total of all your organization's cash on hand and on deposit at the start and end of the reporting period in Columns (A) and (B), respectively. Include all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Also, include any interest credited to your organization's account during the reporting period.

NOTE: The checking account balances reported should be obtained from your organization's books as reconciled with the balances shown on bank statements.

25. ACCOUNTS RECEIVABLE - Enter the total of all accounts receivable due your organization at the start and end of the reporting period in Columns (A) and (B), respectively.

[A] **Accrual Filers** - Change the name of Item 25 to "Net Accounts Receivable." Report in Item 25 accounts receivable less any allowance for doubtful accounts. Include accounts receivable from Dues (Item 39), Per Capita Tax (Item 40), Fees, Fines, Assessments, and Work Permits (Items 41-44), and Sale of Supplies (Item 45).

26. LOANS RECEIVABLE - Enter in Column (A) the total reported on Line 5, Column (B) of Schedule 1. Enter in Column (B) the total reported on Line 5, Column (E) of Schedule 1.

27. U.S. TREASURY SECURITIES - Enter the total value of all U.S. Treasury securities as shown on your organization's books at the start and end of the reporting period in Columns (A) and (B), respectively. If the value reported is different than the original cost, the original cost must be reported in Item 76. Other U.S. Government obligations, state and municipal bonds, and foreign government securities must be reported in Schedule 2 under "Marketable Securities" and in Item 29 (Other Investments).

28. MORTGAGE INVESTMENTS - Enter the total value of all mortgages purchased on a block basis through a bank or similar institution as shown on your organization's books at the start and end of the reporting period in Columns (A) and (B), respectively. If the value reported is different than unrecovered cost, the unrecovered cost must be reported in Item 76. Do not include mortgage secured loans made by your organization which must be reported in Schedule 1 and Item 26 (Loans Receivable).

29. OTHER INVESTMENTS - Enter in Column (A) the total book value at the start of the reporting period of all investments not reported in Item 27 or 28. Enter in Column (B) the total reported on Line 7 of Schedule 2.

30. FIXED ASSETS - Enter in Column (A) the total value as shown on your organization's books at the start of the reporting period of all fixed assets, such as land, buildings, automobiles, and office furniture and equipment. Enter in Column (B) the total reported on Line 8, Column (D) of Schedule 5.

31. OTHER ASSETS - Enter in Column (A) the total value as shown on your organization's books at the start of the reporting period of all assets not reported in Items 24 through 30. Enter in Column (B) the total reported on Line 6 of Schedule 3.

32. TOTAL ASSETS - Add Items 24 through 31, Columns (A) and (B), and enter the respective totals in Item 32.

LIABILITIES

33. **ACCOUNTS PAYABLE** - Enter the total amount of your organization's accounts payable at the start and end of the reporting period in Columns (C) and (D), respectively. Ordinarily, accounts payable are those obligations incurred on an open account for goods and services rendered.

34. **LOANS PAYABLE** - Enter in Column (C) the total reported on Line 5, Column (C) of Schedule 8. Enter in Column (D) the total reported on Line 5, Column (F) of Schedule 8.

35. **MORTGAGES PAYABLE** - Enter the total amount of your organization's obligations which were secured by mortgages or similar liens on real property (land or buildings) at the start and end of the reporting period in Columns (C) and (D), respectively.

36. **OTHER LIABILITIES** - Enter in Column (C) the total amount as shown on your organization's books at the start of the reporting period of all liabilities not reported in Items 33 through 35. Enter in Column (D) the total reported on Line 9 of Schedule 4.

37. **TOTAL LIABILITIES** - Add Items 33 through 36, Columns (C) and (D), and enter the respective totals in Item 37.

38. **NET ASSETS** - Subtract Item 37, Column (C) from Item 32, Column (A) and enter the difference in Item 38, Column (C). Subtract Item 37, Column (D) from Item 32, Column (B) and enter the difference in Item 38, Column (D).

STATEMENT B - RECEIPTS AND DISBURSEMENTS

The purpose of Statement B is to report the flow of cash in and out of your organization during the reporting period. Transfers between separate bank accounts or between special funds of your organization, such as vacation or strike funds, do not represent the flow of cash in and out of your organization. Therefore, these transfers should not be reported as receipts and disbursements of your organization. For example, do not report a transfer of cash from your organization's savings account to its checking account. Likewise, the use of funds reported in Item 24 (Cash) to purchase certificates of deposit and the redemption of certificates of deposit should not be reported in Statement B.

Since Statement B reports all cash flowing in and out of your organization, "netting" is not permitted. "Netting" is the offsetting of receipts against disbursements and reporting only the balance (net) as either a receipt or disbursement. For example, if an officer received $1,000 from your organization for convention expenses, used only $800 and returned the remaining $200, the $1,000 disbursement must be reported in Schedule 9 and the $200 receipt must be reported in Schedule 13. It would be incorrect to report only an $800 net disbursement to the officer.

Receipts and disbursements by an agent on behalf of your organization are considered receipts and disbursements of your organization and must be reported in the same detail as other receipts

and disbursements. For example, if your organization owns a building managed by a rental agent, the agent's rental receipts and disbursements for expenses must be reported on your organization's Form LM-2.

[A] **Accrual Filers** - Report in Statement B all revenues earned and expenses incurred by your organization during the reporting period. Cross out the references to "receipts" and "disbursements" in the heading for Statement B, the column headings, and in Items 54, 55, 74, and 75 and enter the terms "revenues" and "expenses" as appropriate.

CASH RECEIPTS

[A] **Accrual Filers** - Report in Items 39 through 54, as applicable, all revenues earned by your organization.

39. DUES - Enter the total dues received by your organization. Include dues received directly by your organization from members, dues received from employers through a checkoff arrangement, and dues transmitted to your organization by a parent body or other affiliate. Report the full dues received, including any portion that will later be transmitted to an intermediate or parent body as per capita tax. Also report in Item 39 payments in lieu of dues received from any nonmember employees as a condition of employment under a union security agreement.

If an intermediate or parent body receives dues checkoff directly from an employer on behalf of your organization, do not report in Item 39 the portion retained by that organization for per capita tax or other purposes, such as a special assessment. Any amounts retained by the intermediate body or parent body other than per capita tax must be explained in Item 76. Also, do not report in Item 39 dues which your organization collected on behalf of other organizations for transmittal to them. For example, if your organization receives dues from a member of an affiliate who is working in your organization's jurisdiction, the dues collected on the affiliate's behalf must be reported in Item 52.

40. PER CAPITA TAX - Enter the total per capita tax received by your organization if your organization is an intermediate or parent body; otherwise, enter "00" in Item 40. Include the per capita tax portion of dues received directly by your organization from members of affiliates, per capita tax received from subordinates, either directly or through intermediaries, and the per capita tax portion of dues received through a checkoff arrangement whereby local dues are remitted directly to an intermediate or parent body by employers. Do not include dues collected on behalf of subordinate organizations for transmittal to them. For example, if a parent body receives dues checkoff directly from an employer and returns the local's portion of the dues, the parent body must report the dues received on behalf of the local in Item 52.

41-44. FEES, FINES, ASSESSMENTS, WORK PERMITS - Enter your organization's receipts from fees, fines, assessments, and work permits in Items 41 through 44, respectively. Receipts by your organization on behalf of affiliates for transmittal to them must be reported in Item 52.

45. **SALE OF SUPPLIES** - Enter the total amount received by your organization from the sale of supplies.

46. **INTEREST** - Enter the total amount of interest received by your organization from savings accounts, bonds, mortgages, loans, and all other sources.

47. **DIVIDENDS** - Enter the total amount of dividends received by your organization. Do not include "dividends" from credit unions, savings and loan associations, etc., which must be reported as interest in Item 46.

48. **RENTS** - Enter the total amount of rents received by your organization.

49. **SALE OF INVESTMENTS AND FIXED ASSETS** - Enter the total reported on Line 6, Column (E) of Schedule 7.

[A] **Accrual Filers** - Change the name of Item 49 to "Gain or (Loss) on Sale of Investments and Fixed Assets." Report in Item 49 the gain or loss on the sale of investments and fixed assets. Indicate a loss by enclosing the amount in parentheses.

50. **LOANS OBTAINED** - Enter the total reported on Line 5, Column (D) of Schedule 8.

[A] **Accrual Filers** - Cross out and do not complete Item 50 since this amount is not reportable as revenue. However, Schedule 8 must be completed in accordance with the instructions.

51. **REPAYMENTS OF LOANS MADE** - Enter the total reported on Line 5, Column (D)(1) of Schedule 1.

[A] **Accrual Filers** - Cross out and do not complete Item 51 since this amount is not reportable as revenue. However, Schedule 1 must be completed in accordance with the instructions.

52. **ON BEHALF OF AFFILIATES FOR TRANSMITTAL TO THEM** - Enter the total amount of dues, fees, fines, assessments, and work permit fees received by your organization, through a checkoff arrangement or otherwise, on behalf of affiliates for transmittal to them. Do not include the amount withheld by your organization for per capita taxes or other purposes, such as loan repayments which must be reported elsewhere in Statement B. When the receipts reported in Item 52 are transmitted, the disbursement must be reported in related Item 71.

[A] **Accrual Filers** - Cross out and do not complete Item 52 since these receipts are not reportable as revenues of your organization. However, report in Item 76 the total amount received by your organization on behalf of affiliates for transmittal to them.

53. FROM MEMBERS FOR DISBURSEMENT ON THEIR BEHALF - Enter the total receipts from members which are specifically designated by them for disbursement on their behalf; for example, contributions from members for transmittal by your organization to charities. When receipts reported in Item 53 are transmitted, the disbursement must be reported in related Item 73.

[A] **Accrual Filers** - Cross out and do not complete Item 53 since these receipts are not reportable as revenues of your organization. However, report in Item 76 the total amount received by your organization from members for disbursement on their behalf.

54. OTHER RECEIPTS - Enter the total reported on Line 11 of Schedule 13.

55. TOTAL RECEIPTS - Add Items 39 through 54 and enter the total in Item 55.

CASH DISBURSEMENTS

[A] **Accrual Filers** - Report in Items 56 through 74, as applicable, all expenses incurred by your organization.

56. TO OFFICERS - Enter the total reported on Line 13, Column (H) of Schedule 9.

[A] **Accrual Filers** - Enter the total reported on Line 11, Column (H) of Schedule 9.

57. TO EMPLOYEES - Enter the total reported on Line 13, Column (H) of Schedule 10.

[A] **Accrual Filers** - Enter the total reported on Line 11, Column (H) of Schedule 10.

58. PER CAPITA TAX - Enter your organization's total amount of per capita tax paid as a condition or requirement of affiliation with your parent national or international union, state and local central bodies, a conference, joint or system board, joint council, federation, or other labor organization.

59. FEES, FINES, ASSESSMENTS, ETC. - Enter the total amount of fees, fines, assessments, and similar disbursements made by your organization to a parent body or other labor organization.

60. OFFICE AND ADMINISTRATIVE EXPENSE - Enter total disbursements for your organization's office and administrative expenses. Include fidelity bond premiums and the ordinary expenses for operating your organization's office, such as heat, light, rent, telephone, and office supplies. As explained in the instructions for Schedules 9 and 10, Column (F), disbursements for hotel rooms or for transportation by public carrier of officers and employees on official business may be reported in Item 60 when payment is made directly to the provider

or through a credit arrangement. Do not include salaries, allowances, or other direct and indirect disbursements to officers and employees which must be reported in Schedules 9 and 10 and in Items 56 and 57.

61. **EDUCATIONAL AND PUBLICITY EXPENSE** - Enter your organization's total disbursements for educational, publicity, and publication expenses. Do not include direct and indirect disbursements to officers and employees which must be reported in Schedules 9 and 10 and in Items 56 and 57.

62. **PROFESSIONAL FEES** - Enter your organization's total disbursements for "outside" legal and other professional services (auditing, economic research, computer consulting, arbitration, etc.). Include any disbursements made for the expenses of individuals or firms providing professional services to your organization. Do not include direct and indirect disbursements to officers and employees which must be reported in Schedules 9 and 10 and in Items 56 and 57.

63. **BENEFITS** - Enter the total reported on Line 11 of Schedule 11.

64. **CONTRIBUTIONS, GIFTS, AND GRANTS** - Enter the total reported on Line 11 of Schedule 12.

65. **SUPPLIES FOR RESALE** - Enter your organization's total disbursements for purchases of supplies for resale.

66. **DIRECT TAXES** - Enter all taxes assessed against and paid by your organization, including your organization's FICA taxes as an employer. Do not include disbursements for the transmittal of taxes withheld from the salaries of officers and employees which must be reported in Item 67. Also, do not include indirect taxes, such as sales and excise taxes.

67. **WITHHOLDING TAXES** - Enter your organization's total disbursements to Federal, state, county, and municipal government agencies for the transmittal of taxes withheld from the salaries of officers and employees.

[A] **Accrual Filers** - Cross out and do not complete Item 67 since your organization's total salary expense incurred is reported in Items 56 and 57.

68. **PURCHASE OF INVESTMENTS AND FIXED ASSETS** - Enter the total reported on Line 6, Column (D) of Schedule 6.

[A] **Accrual Filers** - Cross out and do not complete Item 68 since this amount is not reportable as an expense. However, Schedule 6 must be completed in accordance with the instructions.

69. **LOANS MADE** - Enter the total reported on Line 5, Column (C) of Schedule 1.

[A] **Accrual Filers** - Cross out and do not complete Item 69 since this amount is not reportable as an expense. However, Schedule 1 must be completed in accordance with the instructions.

70. REPAYMENT OF LOANS OBTAINED - Enter the total reported on Line 5, Column (E)(1) of Schedule 8.

[A] **Accrual Filers** - Cross out and do not complete Item 70 since this amount is not reportable as an expense. However, Schedule 8 must be completed in accordance with the instructions.

71. TO AFFILIATES OF FUNDS COLLECTED ON THEIR BEHALF - Enter the total disbursements of funds collected on behalf of affiliates by your organization. This amount usually is the same as the amount reported in related Item 52. Any such funds not disbursed by the end of the reporting period are liabilities of your organization and must be reported in Schedule 4.

[A] **Accrual Filers** - Cross out and do not complete Item 71 since this amount is not reportable as an expense.

72. FOR ACCOUNT OF AFFILIATES - Enter your organization's total disbursements to third parties for the account of affiliates. Include disbursements to pay an affiliate's bills which must be reimbursed to your organization by the affiliate. Any reimbursement received must be reported in Schedule 13. Any disbursements for account of affiliates not reimbursed by the end of the reporting period must be reported in Schedule 3.

[A] **Accrual Filers** - Cross out and do not complete Item 72 since this amount is not reportable as an expense.

73. ON BEHALF OF INDIVIDUAL MEMBERS - Enter the total disbursements of funds collected from members by your organization which were specifically designated by them for disbursement on their behalf. This amount usually is the same as the amount reported in related Item 53. Any such funds not disbursed by the end of the reporting period are liabilities of your organization and must be reported in Schedule 4.

[A] **Accrual Filers** - Cross out and do not complete Item 73 since this amount is not reportable as an expense.

74. OTHER DISBURSEMENTS - Enter the total reported on Line 11 of Schedule 14.

75. TOTAL DISBURSEMENTS - Add Items 56 through 74 and enter the total in Item 75.

NOTE: If your organization uses the cash method of accounting, you may wish to use the following worktable to determine that the figures for receipts, disbursements, and cash are correctly reported on your organization's Form LM-2.

A. Cash at Start of Reporting Period - Item 24, Column (A)	$
B. Add: Total Receipts - Item 55	
C. Total of Lines A and B	
D. Subtract: Total Disbursements - Item 75	
E. Cash at End of Period	$

If Line E does not equal the amount reported in Item 24, Column (B), there is an error in your report which should be corrected.

STATEMENT C - FUNCTIONAL ALLOCATION

Column (A) - TOTAL: Enter on Lines 1 through 8 the total amounts from the referenced items or schedules.

Line 1: Enter the gross Officer Payments as reported on Line 11, Column (H) of Schedule 9.

Line 2: Enter the gross Employee Payments as reported on Line 11, Column (H) of Schedule 10.

Line 3: Enter the amount for Fees, Fines, Assessments, etc., as reported in Item 59 of Statement B.

Line 4: Add the amounts for Office and Administrative Expense and Direct Taxes as reported in Items 60 and 66 of Statement B and enter the total.

Line 5: Enter the amount for Educational and Publicity Expense as reported in Item 61 of Statement B.

Line 6: Enter the amount for Professional Fees as reported in Item 62 of Statement B.

Line 7: Enter the amount for Benefits as reported in Item 63 of Statement B.

Line 8: Enter the amount for Contributions, Gifts, and Grants as reported in Item 64 of Statement B.

Line 9: Add Lines 1 through 8 and enter the total.

Columns (B) Through (G): Allocate the amounts reported on Lines 1 through 8, Column (A) among the six functional categories in Columns (B) through (G) of Statement C, as appropriate. Your organization's method of allocation must be consistent from year to year, systematic, and reasonable. An explanatory statement must be attached to Form LM-2 describing your organization's allocation method.

For each functional category, Columns (B) through (G), add Lines 1 through 8 and enter the total on Line 9. The total amounts reported on Line 9, Columns (B) through (G) must equal the total on Line 9, Column (A).

The instructions below provide examples of activities covered by the functional categories, Columns (B) through (G), and are intended to be illustrative and not all inclusive.

[A] **Accrual Filers** - Allocate in Columns (B) through (G), as appropriate, the expenses reported in Column (A).

Column (B) - CONTRACT NEGOTIATION AND ADMINISTRATION - Enter disbursements for all activities associated with preparation for, and participation in, the negotiation of collective bargaining agreements and the administration and enforcement of the agreements.

Contract negotiation includes all activities for negotiating and ratifying collective bargaining agreements, such as the training of negotiators, research and economic studies related to contract negotiations, surveys of members' sentiments on bargaining issues, bargaining sessions, informing the membership of the progress of negotiations, explanations to members prior to ratification of the negotiated agreement, and the ratification process.

Contract administration includes all activities for implementing collective bargaining agreements, such as resolution of questions concerning the interpretation and application of an agreement or related matters, workplace safety and health activities related to contract administration, training of union officials and members, research, meetings regarding individual or class grievances under the contractually established procedures, explanations and discussions of contract language, administrative proceedings, arbitration, and litigation.

Column (C) - ORGANIZING - Enter disbursements for all activities associated with efforts to recruit new members into your organization or its affiliates, to become the exclusive bargaining representative for any unit of employees, or to keep from losing a unit to another labor organization, including activities related to certification/decertification elections and jurisdictional disputes. Also enter disbursements for related research, meetings, the preparation and distribution of materials, and administrative proceedings and litigation.

Column (D) - STRIKE ACTIVITIES - Enter disbursements for all activities associated with strikes (including recognitional strikes), work stoppages, and lock-outs, including payments to or on behalf of members and others, publications, record keeping, eligibility determinations, picket line costs, benefit distribution, and strike-related litigation.

Column (E) - POLITICAL ACTIVITIES - Enter contributions in money (other than contributions from separate segregated funds that are reported to the Federal Election Commission) to advance or oppose the candidacy of individuals for public executive, legislative, or judicial office and to support or oppose ballot referenda. Also enter disbursements for related caucuses, strategy meetings, literature, media use, establishing and administering separate segregated funds, soliciting contributions for candidates, telephone banks, communications with members and the general public, voter registration and get-out-the-vote drives, and polling place observers and workers.

Column (F) - LOBBYING AND PROMOTIONAL ACTIVITIES - Enter disbursements for all activities associated with lobbying and promotional activities.

Lobbying includes all activities associated with dealing with the executive and legislative branches of government and with independent agencies and staffs to advance the passage or defeat of existing or potential laws, or the issuance, amendment, or repeal of rules or regulations, including the preparation of testimony, the preparation and distribution of related material, entertainment, and letter-writing campaigns.

Promotional activities include all activities associated with communications with the public to promote your organization, labor organizations generally, and their positions except those positions involving elections for public office and referendum issues. Also enter disbursements for related media advertisements, speeches, team sponsorships, and union/industry shows.

Column (G) - OTHER - Enter disbursements for all activities associated with functions not included in Columns (B) through (F), such as safety and health activities not related to contract administration, apprenticeship programs, international relations, and all disbursements that cannot be reasonably allocated among the other functional categories.

ADDITIONAL INFORMATION AND SIGNATURES

76. **ADDITIONAL INFORMATION** - Use Item 76 to provide additional information, as indicated on Form LM-2 and in the instructions. Enter the number of the item to which the information relates in the Item Number column. If there is not enough space in Item 76, report the additional information on a separate letter-size page(s). Be sure to include the following at the top of each page: the name of your organization, its 6-digit file number as reported in Item 1 of Form LM-2, and the ending date of the reporting period as reported on the second line of Item 2.

77-78. **SIGNATURES** - The original and one copy of completed Form LM-2 which are filed with OLMS must be signed by both the president and treasurer or corresponding principal officers of your organization. Original signatures are required; stamped or mechanical signatures are not acceptable. If the duties of the principal executive or principal financial officer are performed by officers other than the president and treasurer, the report may be signed by the other officers. If the report is signed by an officer other than the president or treasurer, cross out the printed title, enter the correct title in Item 77 or 78, and explain in Item 76 why the president or treasurer did not sign the report. Enter the city and state where the report was signed, the date the report was signed, and the telephone number at which the signatories conduct official business; you do not have to report a private, unlisted telephone number.

XI. LABOR ORGANIZATIONS WHICH HAVE TERMINATED - If your organization has gone out of existence as a reporting labor organization, the last president and treasurer or the officials responsible for winding up the affairs of your organization must file a terminal financial report for the period from the beginning of the fiscal year to the date of termination. A terminal financial report must be filed if your organization has disbanded, merged into another organization, or consolidated with other organizations to form a new organization. A terminal financial report is not required if your organization changed its affiliation but continues to function as a separate reporting labor organization.

The terminal financial report must be filed on Form LM-2 if your organization filed its previous annual report on Form LM-2 and must be submitted to the U.S. Department of Labor, Office of Labor-Management Standards, 200 Constitution Avenue, NW, Washington, DC 20210, within 30 days after the date of termination.

To complete a terminal report on Form LM-2 follow the instructions in Section X and in addition:

- Print the words "TERMINAL REPORT" at the top of page 1 of Form LM-2.
- Enter the date your organization ceased to exist in Item 2 after the word "THROUGH."
- Print the words "TERMINAL REPORT" as the first entry in Item 76 and provide a detailed statement of the reason why your organization ceased to exist. Also provide the name and address of the person or organization that will retain the records of the terminated organization. If your organization merged with another labor organization, report that organization's name, address, and 6-digit file number.

Contact the nearest OLMS field office listed below if you have questions about filing a terminal report.

★ ★ ★

Assistance may be obtained from the field offices of the U.S. Department of Labor's Office of Labor-Management Standards located in the following cities:

Albany, NY
Atlanta, GA
Boston, MA
Buffalo, NY
Chicago, IL
Cincinnati, OH
Cleveland, OH
Dallas, TX
Denver, CO
Detroit, MI
Grand Rapids, MI
Hato Rey, PR
Honolulu, HI
Houston, TX
Iselin, NJ
Kansas City, MO
Los Angeles, CA
Miami, FL
Milwaukee, WI
Minneapolis, MN
Nashville, TN
New Haven, CT
New Orleans, LA
New York, NY
Philadelphia, PA
Pittsburgh, PA
St. Louis, MO
San Diego, CA
San Francisco, CA
Seattle, WA
Tampa, FL
Vestavia Hills, AL
Washington, DC

Consult local telephone directory listings under United States Government, Labor Department, Office of Labor-Management Standards, for the address and telephone number of the nearest field office.

U.S. Department of Labor
Office of Labor-Management Standards
Washington, DC 20210

Form approved
Office of Management and Budget

LABOR ORGANIZATION ANNUAL REPORT
FORM LM-3

FOR USE BY LABOR ORGANIZATIONS WITH LESS THAN $200,000 IN TOTAL ANNUAL RECEIPTS

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT. SUBMIT THIS REPORT IN DUPLICATE.

IMPORTANT

If label is here, → peel off top part and place in same box on second copy of form.

If label information is correct, leave items 5 through 9 blank.

If label information is incorrect, complete items 5 through 9.

1. FILE NUMBER

2. PERIOD COVERED — MO / DAY / YR
FROM
THROUGH

3. WHERE LOCATED OR CHARTERED TO OPERATE:
CITY _____ COUNTY _____ STATE _____

4. ACCOUNTING METHOD: ☐ CASH ☐ ACCRUAL

5. AFFILIATION OR ORGANIZATION NAME

6. DESIGNATION (Local, Lodge, etc.)

7. DESIGNATION NUMBER

8. UNIT NAME (if any)

9. MAILING ADDRESS:
(In care of) NAME AND TITLE OF PERSON
NUMBER AND STREET
BUILDING AND ROOM NUMBER (if any)
CITY STATE ZIP CODE

10. Are your organization's records kept at the address in item 9? Yes ☐ No ☐
If "No," provide address including ZIP Code in Item 60.

DURING THE REPORTING PERIOD DID YOUR ORGANIZATION DIRECTLY OR INDIRECTLY:

	Yes	No
11. Have loans totaling more than $250 to any officer, employee, or member; or make any loans to a business enterprise?	☐	☐
12. Pay any employee salary, allowances, and other expenses which, together with any payments from affiliates, totaled more than $10,000?	☐	☐
13. Create or participate in the administration of any business enterprise or other organization which met the definition of a "subsidiary organization" as that term is defined in the instructions?	☐	☐
14. Acquire any goods or property in any manner other than by purchase or dispose of any goods or property in any manner other than by sale?	☐	☐
15. Create or participate in the administration of a trust or other fund or organization, a primary purpose of which is to provide benefits for members or their beneficiaries, as defined in the instructions?	☐	☐
16. Discover any loss or shortage of funds or other property whether or not there has been repayment or recovery?	☐	☐

(If the answer to any of the above questions is "Yes," provide details in Item 60. See specific instructions for items answered "Yes.")

	Yes	No
17. Was your organization insured by a fidelity bond during the reporting period?	☐	☐

18. If "Yes," what is the maximum amount recoverable under the bond for loss caused by any person? $ _____

19. What is the date of your organization's next regular election of officers?
Month _____ Year _____

AT THE END OF THE REPORTING PERIOD:

	Yes	No
20. Were any of your organization's assets pledged as security or encumbered in any other way?	☐	☐
21. Did your organization have any contingent liabilities?	☐	☐

(If the answer to Item 20 or 21 is "Yes," provide details in Item 60.)

22. Did your organization have any changes during the reporting period in its constitution and bylaws (other than changed dues amounts) or in practices described in statements submitted with Form LM-1 or Form LM-1A ? ☐ Yes ☐ No

(If "Yes," attach a completed Form LM-1A to this report with required documents.)

23. FEES AND DUES *(Complete each line. Enter "None" or "Not Applicable" as appropriate.)*

	(A) If one rate applies, enter below:	(B) If more than one rate applies, enter below: Minimum	Maximum
(a) Initiation fees required from new members	$	$	$
(b) Fees other than dues required from transfer members	$	$	$
(c) Are work permits issued by your organization? ☐ Yes ☐ No If "Yes," enter fees required (per year, month, etc.)	$ per	$ per	$ per
(d) Regular dues or fees or other periodic payments required to remain a member of your organization (per year, month, etc.)	$ per	$ per	$ per

Each of the undersigned, duly authorized officers of the above labor organization, declares, under the applicable penalties of law,* that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete.

61. SIGNED: _____ PRESIDENT *(If other title, cross out and write in correct title above. Explain in Item 60.)*
at: _____ on: _____
City State Date
( ) _____
Telephone Number

62. SIGNED: _____ TREASURER *(If other title, cross out and write in correct title above. Explain in Item 60.)*
at: _____ on: _____
City State Date
( ) _____
Telephone Number

*See Section VI on penalties in the instructions.

ENTER AMOUNTS IN DOLLARS ONLY

COMPLETE SCHEDULES 1 AND 2 BEFORE COMPLETING STATEMENTS A THROUGH C

STATEMENT A—ASSETS AND LIABILITIES

ASSETS Item	Start of Reporting Period (A)	End of Reporting Period (B)	LIABILITIES Item	Start of Reporting Period (C)	End of Reporting Period (D)
24. Cash	$	$	33. Accounts Payable	$	$
25. Accounts Receivable			34. Loans Payable		
26. Loans Receivable			35. Mortgages Payable		
27. U.S. Treasury Securities			36. Other Liabilities		
28. Mortgage Investments			37. TOTAL LIABILITIES	$	$
29. Other Investments					
30. Fixed Assets					
31. Other Assets			38. NET ASSETS *(Item 32 less Item 37)*	$	$
32. TOTAL ASSETS	$	$			

STATEMENT B—RECEIPTS AND DISBURSEMENTS

CASH RECEIPTS Item	AMOUNT	CASH DISBURSEMENTS Item	AMOUNT
39. Dues	$	47. To Officers:	
40. Per Capita Tax		(a) Gross $	
41. Fees, Fines, Assessments, & Work Permits		(b) Less Deductions	$
42. Interest & Dividends		48. To Employees:	
43. Rents		(a) Gross $	
44. Sale of Investments & Fixed Assets		(b) Less Deductions	
45. Other Receipts		49. Per Capita Tax	
		50. Fees, Fines, Assessments, etc.	
46. TOTAL RECEIPTS	$	51. Office & Administrative Expense and Direct Taxes	
		52. Educational & Publicity Expense	
		53. Professional Fees	
		54. Benefits	
		55. Contributions, Gifts, & Grants	
		56. Purchase of Investments & Fixed Assets	
		57. Loans Made	
		58. Other Disbursements	
		59. TOTAL DISBURSEMENTS	$

STATEMENT C—FUNCTIONAL ALLOCATION*

Line	FROM ITEM #	TOTAL (A)	Contract Negotiation & Administration (B)	Organizing (C)	Strike Activities (D)	Political Activities (E)	Lobbying & Promotional Activities (F)	Other (G)
1. Officer Payments	47(a)	$	$	$	$	$	$	$
2. Employee Payments	48(a)							
3. Fees, Fines, Assessments, etc.	50							
4. Office & Administrative Expense and Direct Taxes	51							
5. Educational & Publicity Expense	52							
6. Professional Fees	53							
7. Benefits	54							
8. Contributions, Gifts, & Grants	55							
9. TOTAL		$	$	$	$	$	$	$

*THE METHOD USED TO ALLOCATE DISBURSEMENTS TO FUNCTIONAL CATEGORIES SHOULD BE CONSISTENT FROM YEAR TO YEAR, SYSTEMATIC, AND REASONABLE. FILERS MUST ATTACH AN EXPLANATORY STATEMENT DESCRIBING THE ALLOCATION METHOD USED.

LM-3

ENTER AMOUNTS IN DOLLARS ONLY

FILE NUMBER

SCHEDULE 1 – OTHER LIABILITIES

Description (A)	Amount at End of Period (B)
1.	$
2.	
3.	
4.	
5. Total from additional pages (if any)	
6. Total of Lines 1 through 5	$

Enter the Total from Line 6 in ..... Item 36, Column (D)

SCHEDULE 2 – ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

Name *(Important: List all persons who held office during the reporting period even if they received no salary or other disbursements.)* (A)	Title (B)	Status (C)*	Gross Salary (before taxes and other deductions) (D)	Allowances and Other Disbursements (E)	Total (F)
1.			$	$	$
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10. Totals from additional pages (if any)					
11. Totals of Lines 1 through 10			$	$	$

Enter the Total from Line 11, Column (F) in ..... Item 47(a)

* Code for Column (C): past officer – P, continuing officer – C, new officer during the reporting period – N.

(If any officer was not elected at a regular election in accordance with your organization's constitution and bylaws, explain in Item 60.)

60. ADDITIONAL INFORMATION (If this is a terminal report, see Section XI of the instructions.)

Item Number	
	(If more space is needed, attach additional pages properly identified.)

INSTRUCTIONS FOR LABOR ORGANIZATION ANNUAL REPORT, FORM LM-3

GENERAL INSTRUCTIONS

I. WHO MUST FILE - Every labor organization subject to the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), the Civil Service Reform Act (CSRA), or the Foreign Service Act (FSA) must file a financial report, Form LM-2, LM-3, or LM-4 each year with the Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor. These laws cover labor organizations that represent employees who work in private industry, employees of the U.S. Postal Service, and most Federal government employees. Labor organizations that represent only state, county, or municipal government employees are not required to file. If you have a question about whether your organization is required to file, contact the nearest OLMS field office listed on the last page of these instructions.

II. WHAT FORM TO FILE - Labor organizations with total annual receipts of less than $200,000 may file the simplified annual report Form LM-3, if not in trusteeship as defined in Section VIII of these instructions. The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source and with no exclusions or deductions of any kind; it also includes receipts of any special funds and any "subsidiaries" of the labor organization as defined in Section IX of these instructions.

Labor organizations with total annual receipts of $200,000 or more and those in trusteeship must file the more detailed Form LM-2. Labor organizations with less than $10,000 in total annual receipts may file the abbreviated Form-4, if not in trusteeship.

III. WHEN TO FILE - Form LM-3 must be filed within 90 days after the end of your organization's fiscal year (12-month reporting period). The law does not authorize the U.S. Department of Labor to grant an extension of time for filing reports for any reason.

If your organization went out of existence during its fiscal year, a terminal financial report must be filed within 30 days after the date it ceased to exist. See Section XI of these instructions for information on filing a terminal financial report.

IV. WHERE TO FILE - The original and one duplicate copy of Form LM-3 and any required attachments must be filed with the U.S. Department of Labor at the following address:

U.S. Department of Labor
Office of Labor-Management Standards
200 Constitution Avenue, NW
Washington, DC 20210

If available, use the pre-addressed envelope enclosed with this report package to file Form LM-3.

NOTE: Certain labor organizations are required to file Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service (IRS). The IRS will accept a copy of your organization's Form LM-3 to provide some of the information required by Form 990. See the instructions for the current

Form 990 for details. Filing Form LM-3 with the IRS does not satisfy your organization's reporting requirement with the U.S. Department of Labor.

V. PUBLIC DISCLOSURE - The LMRDA requires that the U.S. Department of Labor make labor organization financial reports available for inspection by the public. Reports may be examined and copies purchased at the OLMS Public Disclosure Room at the above address or at the OLMS field office in whose jurisdiction the reporting organization is located. See the last page of these instructions for a list of OLMS field offices.

VI. RESPONSIBILITIES OF OFFICERS AND PENALTIES - The president and treasurer or the corresponding principal officers of the labor organization required to sign Form LM-3 are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it. Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. The officers responsible for signing Form LM-3 are also subject to criminal penalties for false reporting under section 1001 of Title 18 of the United States Code.

VII. RECORD KEEPING - The officers required to file Form LM-3 are responsible for maintaining records which will provide in sufficient detail the information and data necessary to verify the accuracy and completeness of the report. Under the LMRDA, the records must be kept for at least 5 years after the date the report is filed. Any record necessary to verify, explain, or clarify the report must be retained, including, but not limited to, vouchers, worksheets, receipts, and applicable resolutions.

SPECIAL INSTRUCTIONS FOR CERTAIN ORGANIZATIONS

VIII. LABOR ORGANIZATIONS UNDER TRUSTEESHIP - Any labor organization which has placed a subordinate labor organization in trusteeship is responsible for filing the subordinate's annual financial report. A trusteeship is defined in section 3(h) of the LMRDA as "any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws."

Annual financial reports for any labor organization in trusteeship must be filed on Form LM-2 rather than Form LM-3. The report must be signed by the president and treasurer or corresponding principal officers of the labor organization which assumed the trusteeship and by the trustees of the subordinate labor organization. An Information and Signature Sheet, Form LM-6 must be filed with the annual financial reports of trusteed organizations and can be obtained from the nearest OLMS field office listed on the last page of these instructions.

IX. LABOR ORGANIZATIONS WHICH HAVE SUBSIDIARY ORGANIZATIONS - A subsidiary organization, within the meaning of these instructions, is any separate organization of which the ownership is wholly vested in the reporting labor organization or its officers or its membership, which is governed or controlled by the officers, employees, or members of the reporting labor organization, and which is wholly financed by the reporting labor organization. An example of a subsidiary organization is a building corporation which holds title to a meeting hall used by the labor organization; the labor organization owns the building corporation, selects the officers, and finances the operation of the building corporation.

IF YOUR ORGANIZATION HAS NO SUBSIDIARY ORGANIZATION AS DEFINED ABOVE, SKIP TO SECTION X OF THESE INSTRUCTIONS.

If a labor organization has a subsidiary organization, it is required to report financial information for the subsidiary organization by one of the following methods:

Method (1) - Consolidate the financial information for the subsidiary organization and the labor organization on a single Form LM-3. Method (1), however, cannot be used if the organizations use different accounting methods.

Method (2) - Complete a separate Form LM-3 for each subsidiary organization and file it with the labor organization's Form LM-3. The LM-3 report for the subsidiary organization must be clearly marked "SUBSIDIARY REPORT" at the top of the first page.

Method (3) - File, with the labor organization's Form LM-3, the regular annual reports of the financial condition and operations of each subsidiary organization, accompanied by a statement signed by an independent public accountant certifying that the financial reports present fairly the financial condition and operations of each subsidiary organization and were prepared in accordance with generally accepted accounting principles.

Financial information reported separately for subsidiary organizations, as required under methods (2) and (3) above, must be submitted in duplicate and must include the name of the subsidiary organization and the name and file number of the labor organization as shown on its Form LM-3. The financial report of the subsidiary organization must cover the same reporting period as that used by the reporting labor organization.

When method (2) or (3) is used and the subsidiary organization is an investment, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 29 (Other Investments) of the labor organization's Form LM-3. When method (2) or (3) is used and the subsidiary organization is of a non-investment nature, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 31 (Other Assets) of the labor organization's Form LM-3.

The same type of information required on Form LM-3 regarding disbursements to officers and employees and loans made by labor organizations must also be reported with respect to each subsidiary organization. In method (1) the information relating to the subsidiary organization must be combined with that of the labor organization and reported on the labor organization's Form LM-3 in Schedule 2 and in Item 60 in the detail required by the instructions for Items 11

and 12. In method (2) this information must be reported on the separate Form LM-3 of the subsidiary organization in Schedule 2 and in Item 60 in the detail required by the instructions for Items 11 and 12. If method (3) is used, an attachment must be submitted containing the information required by the instructions for Schedule 2 and Items 11 and 12.

The information regarding loans made by the subsidiary organization must include a listing of the names of each officer, employee, or member of the labor organization and each officer or employee of the subsidiary organization whose total loan indebtedness to the subsidiary organization, to the labor organization, or to both at any time during the reporting period exceeded $250. However, if method (2) or (3) is used, the amount reported by the subsidiary organization should be only the amount owed to the subsidiary organization.

The annual financial report must also include all disbursements made by the subsidiary organization to or on behalf of its officers and officers of the labor organization. The report must also list the name and position of the subsidiary organization's employees whose total gross salaries, allowances, and other disbursements from the subsidiary organization, the reporting labor organization, and any affiliates were more than $10,000. However, if method (2) or (3) is used, only the disbursements of the subsidiary organization for its employees should be reported.

X. COMPLETING FORM LM-3

NUMBER OF COPIES

Three blank copies of Form LM-3 are included in this report package. The original and one duplicate copy must be filed with OLMS. A third copy should be maintained in your organization's records.

LEGIBILITY

Entries on Form LM-3 should be typed or clearly printed in ink. Do not use a pencil.

ADDRESS LABEL

If this report package was mailed to you with an address label, peel off the top label and place it in the corresponding box on the second copy of the form, so that address labels are affixed to the two copies being mailed to OLMS. Use the pre-printed labels even if the information on them is incorrect.

FILE NUMBER

OLMS assigns each reporting labor organization a 6-digit file number. If this Form LM-3 was mailed to you with an address label, your organization's file number is the 6-digit number on the first line of the label. If you do not have a label and you cannot obtain the file number from prior reports filed by your organization, contact the nearest OLMS field office listed on the last page of these instructions to obtain your organization's file number. Your organization's 6-digit file number must be entered in Item 1 and in the File Number box at the top of page 3 of Form LM-3.

ADDITIONAL PAGES

Some of the items on Form LM-3 require that further details be provided in Item 60 (Additional Information) on page 3. If there is not enough space in Item 60, enter the additional information on a separate letter-size page(s), giving the number of the item to which the information applies. Print clearly at the top of each attached page the name of your organization, its 6-digit file number as reported in Item 1 of Form LM-3, and the ending date of the reporting period as reported on the second line of Item 2. This identifying information should also be printed on each page of the required explanation of your organization's functional allocation method as discussed in the instructions for completing Statement C and on any additional pages used for Schedules 1 and 2. All attachments must be labeled sequentially 1 of __, 2 of __, etc.

AFFILIATES

"Affiliates," within the meaning of these instructions, are labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relationship of parent and subordinate. For example, a parent body is an affiliate of all its subordinate bodies, and all subordinate bodies of the same parent body are affiliates of each other.

INFORMATION ITEMS 1 - 23

Answer all Items 1 through 23 as instructed. Enter "None" or "Not Applicable" as appropriate. Check the appropriate box for those questions requiring a "Yes" or "No" answer; do not leave both boxes blank. If you do not have an address label or the information on the label is incorrect, complete Items 5 through 9 in their entirety. If the label information is correct, leave Items 5 through 9 blank.

1. **FILE NUMBER** - Enter the 6-digit file number which OLMS assigned to your organization. Your organization's 6-digit file number must also be entered in the File Number box at the top of page 3 of Form LM-3.

2. **PERIOD COVERED** - Enter the beginning and ending dates of the period covered by this report. For example, if your organization's 12-month fiscal year begins on January 1 and ends on December 31, enter these dates as "1/1/9__" and "12/31/9__." Your organization's report should never cover more than a 12-month period. It would be incorrect to enter January 1 of one year through January 1 of the next year.

If your organization changes its fiscal year, enter in Item 2 the ending date for the period of less than 12 months, which is your organization's new fiscal year ending date, and report in Item 60 that your organization changed its fiscal year. For example, if your organization's fiscal year ending date changes from June 30 to December 31, a report must be filed for the partial year from July 1 to December 31. Thereafter, your organization's report should cover a full 12-month period from January 1 to December 31.

3. **WHERE LOCATED OR CHARTERED TO OPERATE** - Enter the city, county, and state where your organization is located or chartered to operate. If no single city is named in your charter or is authorized by your national or international labor organization, enter the city, county, and state in which your organization's main office, other than a private residence, is

located. If your organization has no office, enter the city, county, and state where most of the members work. The city, county, and state reported should generally remain the same from year to year and should not be changed on your organization's report because of a change in officers or the mailing address reported in Item 9.

4. **ACCOUNTING METHOD** - Indicate the method of accounting (cash basis or accrual basis) used in preparing this report. Under the cash method of accounting, receipts are recorded when money is actually received and disbursements are recorded when money is actually paid out by your organization. Under the accrual method, revenues are recorded when earned and expenses are recorded when incurred, although such revenues and expenses may not have been actually received or paid in cash. Form LM-3 must be prepared using the same accounting method that your organization regularly uses to maintain its books and records.

> NOTE: Form LM-3 is designed to be completed on the cash basis of accounting. Supplemental guidelines to assist accrual filers in preparing Form LM-3 are provided throughout these instructions. The special accrual guidelines are preceded by the symbol [A]. Cash filers should ignore the guidelines for accrual filers.

5. **AFFILIATION OR ORGANIZATION NAME** - Enter the name of the national or international labor organization which granted your organization a charter. If your organization has no such affiliation, enter the name of your organization as currently identified in your organization's constitution and bylaws or other organizational documents.

6. **DESIGNATION** - Enter the designation that specifically identifies your organization, such as Local, Lodge, Branch, Joint Board, Joint Council, District Council, etc.

7. **DESIGNATION NUMBER** - Enter the number or other descriptive term, if any, by which your organization is known.

8. **UNIT NAME** - Enter any additional name by which your organization is known, such as "Chicago Area Local."

9. **MAILING ADDRESS** - Enter the current address where mail will most surely and quickly reach your organization. Be sure to indicate the name and title of the person, if any, to whom such mail should be sent and include any building and room number.

10. **PLACE WHERE RECORDS ARE KEPT** - If the records required to be kept by your organization to verify this report are kept at the address reported in Item 9 (or the address on the address label), check "Yes." If not, check "No" and provide in Item 60 the address, including the ZIP Code, where your organization's records are kept.

11. **LOANS** - Check Item 11 "Yes" if any officer, employee, or member owed your organization, together with any subsidiary organization, more than $250 at any time during the reporting period; or if your organization made a loan, regardless of amount, to any business enterprise, directly or indirectly (whether or not evidenced by a promissory note or secured by

a mortgage), during the reporting period. An example of an indirect loan is a disbursement by your organization to an educational institution for the tuition expense of an officer, employee, or member which must be repaid to your organization by that individual.

If Item 11 is checked "Yes," report in Item 60 the name of each individual and business enterprise, the amount each individual owed at the end of the reporting period, and the amount loaned to each business enterprise during the reporting period. Also report in Item 60 the purpose, terms for repayment, and any security for each such loan.

12. EMPLOYEES - Check Item 12 "Yes" if any employee of your organization received more than $10,000 in gross salaries, allowances, and other direct and indirect disbursements during the reporting period (direct and indirect disbursements are defined in the instructions for Schedule 2). In computing the total, add together all disbursements made to each employee by your organization (including any subsidiary organization) and any affiliates. ("Affiliates" means labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relationship of parent and subordinate.)

If Item 12 is checked "Yes," report in Item 60 the name and position of each employee and the names of the other labor organizations which made disbursements to or on behalf of the employee. Also report in Item 60 the total disbursements made to each employee or on the employee's behalf by your organization, including all salary and allowances (before any deductions) and other disbursements (including reimbursed expenses).

13. SUBSIDIARY ORGANIZATIONS - If Item 13 is checked "Yes," describe in Item 60 the nature and purpose of each subsidiary organization and the relationship between the subsidiary organization and your organization. Indicate whether the information concerning its financial condition and operations is included in this Form LM-3 or in a separate report. See Section IX of these instructions for information on reporting subsidiary organizations.

14. ACQUISITION OR DISPOSITION OF PROPERTY - If Item 14 is checked "Yes," describe in Item 60 the manner in which your organization acquired or disposed of property, such as gifts of office furniture or equipment to charitable organizations. Include the type of property, its value, and the identity of the recipient or donor, if any. Also report in Item 60 the cost or other basis at which any acquired assets were entered on your organization's books or at which any assets disposed of were carried on your organization's books. If any fixed assets were disposed of during the reporting period by "trade-in," provide in Item 60 a general description of the traded-in asset, its cost, and trade-in value.

15. TRUSTS OR FUNDS - Item 15 refers to any trust in which a labor organization is interested which is defined in section 3(l) of the LMRDA as "a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries."

If Item 15 is checked "Yes," provide in Item 60 the name, address, and purpose of each trust. If a report has been filed for the trust or other fund under the Employee Retirement Income

Security Act of 1974 (ERISA), report in Item 60 the ERISA file number (Employer Identification Number - EIN) and plan number, if any.

16. **LOSSES OR SHORTAGES** - If Item 16 is checked "Yes," describe the loss or shortage in detail in Item 60, including such information as the amount of the loss or shortage of funds or a description of the property that was lost, how it was lost, and to what extent, if any, there has been an agreement to make restitution or any recovery by means of repayment, fidelity bond, insurance, or other means.

17. **FIDELITY BOND** - Check Item 17 "Yes" if your organization was insured by a fidelity bond against losses through fraud or dishonesty during the reporting period.

> NOTE: If your organization had property and annual financial receipts which totaled $5,000 or more, each of your organization's officers, employees, and agents who handle funds or other property of your organization must be bonded. The amount of the bond must be at least 10% of the value of the funds handled by the individual during the last reporting period, up to a maximum bond of $500,000. The bond must be obtained from a surety company approved by the Secretary of the Treasury. If you have any questions or need more information about bonding requirements, contact the nearest OLMS field office listed on the last page of these instructions.

18. **BOND AMOUNT** - If Item 17 is checked "Yes," enter the maximum amount recoverable for a loss caused by any person handling your organization's funds.

19. **NEXT REGULAR ELECTION** - Enter the month and year of your organization's next regular election of general officers (president, vice president, treasurer, secretary, etc.). Do not include the date of any interim election to fill vacancies.

20. **PLEDGED OR ENCUMBERED ASSETS** - If Item 20 is checked "Yes," identify in Item 60 any of your organization's assets pledged or encumbered in any way (such as those pledged as collateral for a loan) at the end of the reporting period. Also report in Item 60 their fair market value, and provide details of transactions related to the encumbrance.

21. **CONTINGENT LIABILITIES** - If Item 21 is checked "Yes," describe in Item 60 transactions or events resulting in the contingent liabilities and include the identity of the claimant or creditor. Examples of a contingent liability are a loan co-signed by your organization and a pending lawsuit which could result in your organization being ordered to pay damages or make other payments.

22. **CONSTITUTION AND BYLAWS CHANGES** - If Item 22 is checked "Yes," complete Form LM-1A (Report of Current Status: Labor Organization Information Supplement), and attach it to Form LM-3, together with any documents required by Form LM-1A.

Your organization must file Form LM-1A to update information on file with OLMS if there have been any changes during the reporting period in your organization's constitution and bylaws (other than changes of specific amounts of dues and fees required of members) or in any

practices described in statements previously submitted with Form LM-1 (Labor Organization Information Report) or Form LM-1A.

23. FEES AND DUES - Enter the fees and dues established by your organization. Use section (A) if only one rate applies; use section (B) to enter the minimum and maximum rates of fees and dues if more than one rate applies.

Line (a): Enter the initiation fees required from new members.

Line (b): Enter the fees other than dues required from transfer members. Such fees are those charged to persons applying for a transfer of membership to your organization from another labor organization with the same affiliation. Do not report fees charged to members transferring from one class of membership to another within your organization.

Line (c): If your organization issues work permits, check "Yes" and enter the fees required per year, month, etc. Work permit fees are fees charged to nonmembers of your organization who work within its jurisdiction. Do not report as work permit fees those fees charged to nonmember applicants for membership pending acceptance of their membership application, or fees charged to persons applying for transfer of membership to your organization pending acceptance of their application for transfer.

Line (d): Enter the regular dues or fees or other periodic payments which a member must pay to be in good standing in your organization and enter the calendar basis for payment (per year, month, etc.). Include only the dues or fees of regular members and not the dues or fees of members with special rates, such as apprentices, retirees, or unemployed members.

FINANCIAL DETAILS

ACCOUNTING METHOD

As explained in the instructions for Item 4, Form LM-3 must be prepared using the same method of accounting (cash basis or accrual basis) that your organization regularly uses to maintain its books and records. Under the cash method of accounting, receipts are recorded when money is actually received and disbursements are recorded when money is actually paid out by your organization. Under the accrual method, revenues are recorded when earned and expenses are recorded when incurred. Form LM-3 is designed to be completed on the cash basis of accounting. Supplemental guidelines to assist accrual filers in preparing Form LM-3 are provided throughout these instructions. The special accrual guidelines are preceded by the symbol [A]. Cash filers should ignore the guidelines for accrual filers.

REPORT ONLY DOLLAR AMOUNTS

Report all amounts in dollars only. Round cents to the nearest dollar.

REPORTING CLASSIFICATIONS ON THE FORM

Complete all items and lines on the form as given. Do not use different accounting classifications or change the wording of any item or line.

[A] **Accrual Filers** - The prescribed Form LM-3 classifications must be used except as noted in the special accrual guidelines. Cross out the printed item or line name and enter the appropriate name only as instructed.

BEGINNING AND ENDING AMOUNTS

Entries in Statement A must report amounts for both the start and the end of the reporting period. The amounts entered for the start of the reporting period on your organization's report should be identical to the amounts entered for the end of the reporting period on last year's report. If the amounts are not the same, fully explain the difference in Item 60.

CONSOLIDATED REPORTS

If your organization has a "special fund" or is filing a report consolidating the finances of your organization and any subsidiary organization in accordance with method (1) of the instructions in Section IX, be sure to include the required information and amounts for the "special funds" and any subsidiary organization as well as for your organization in all items and schedules.

COMPLETE SCHEDULES FIRST

Complete Schedules 1 and 2 and transfer the totals as indicated before completing Statements A through C. Be sure to complete all applicable lines in Schedules 1 and 2.

COMPLETE ALL ITEMS 24 THROUGH 59

Complete all items in Statement A and Statement B. Enter "00" where appropriate.

SCHEDULES 1 AND 2

If there is not enough space to report all the required information and amounts in Schedule 1 or 2, duplicate the blank schedule or use separate letter-size pages (8½" x 11") to report the additional information and attach them to Form LM-3. Be sure to use the same format as the schedule (that is, the same line and column headings) for any attached pages. Also be sure that each attached page identifies the schedule to which it applies and that the name, file number, and ending date of the reporting period of your organization are clearly printed at the top of each attached page. All attached pages should be labeled sequentially 1 of __, 2 of __, etc. Totals from any additional pages must be entered on the line provided in each schedule.

SCHEDULE 1 - OTHER LIABILITIES - Report details of all your organization's liabilities at the end of the reporting period other than Accounts Payable (Item 33), Loans Payable (Item 34), and Mortgages Payable (Item 35).

These liabilities must be described in Column (A) and may be classified by general groupings or bookkeeping categories if the description is sufficient to identify the type of liability. List separately any payroll taxes withheld but not yet paid, other unpaid payroll taxes of your organization, such as FICA taxes, and any funds collected on behalf of affiliates or members and not disbursed by the end of the reporting period. Do not include reserves for special purposes

(for example, "Reserve for Building Fund") which are actually an allocation of certain assets for specific purposes rather than a liability.

Enter in Column (B) the amount of each liability described in Column (A). Enter on Line 5 the total from any additional pages. Add Lines 1 through 5 and enter the total on Line 6 and in Item 36, Column (D) of Statement A.

[A] **Accrual Filers** - Report in Schedule 1, in the detail required by the instructions for Schedule 1, all liabilities for expenses incurred but not paid by the end of the reporting period which are not reportable as Accounts Payable (Item 33), Loans Payable (Item 34), and Mortgages Payable (Item 35).

SCHEDULE 2 - ALL OFFICERS AND DISBURSEMENTS TO OFFICERS - List all your organization's officers and report all salaries and other direct and indirect disbursements to officers during the reporting period. However, direct and indirect disbursements not involving the payment of some form of cash (cash, checks, money orders, etc.) should not be reported in Schedule 2 but must be explained in Item 60. Any direct or indirect cash disbursement required to be included in Schedule 2 should not be reported in other disbursement items.

NOTE: A "direct disbursement" to an officer is a payment made by your organization to the officer in the form of cash, property, goods, services, or other things of value.

An "indirect disbursement" to an officer is a payment made by your organization to another party for cash, property, goods, services, or other things of value received by or on behalf of the officer. "On behalf of the officer" means received by a party other than the officer or your organization for the personal interest or benefit of the officer. Such payments include those made through a credit arrangement under which charges are made to the account of your organization and are paid by your organization.

Columns (A) and (B): Enter the name and title of every person who held office in your organization at any time during the reporting period. Include all your organization's officers whether or not any salary or other disbursements were made to them or on their behalf by your organization. "Officer" is defined in section 3(n) of the LMRDA as "any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body."

Column (C): Enter the appropriate letter to show the status of each officer: "N" for a new officer who took office since your organization's last annual financial report was filed; "P" for a past officer who was not in office at the end of this reporting period; or "C" for a continuing officer who was in office before this reporting period and was still in office at the end of the reporting period. If any officer was not elected in a regular election in accordance with your organization's constitution and bylaws or other governing documents on file with OLMS, explain the manner in which the officer was chosen in Item 60.

Column (D): Enter the gross salary of each officer (before tax withholdings and other payroll deductions). Include disbursements for "lost time" or time devoted to union activities.

Column (E): Enter the total of all other direct and indirect disbursements to each officer other than salary, including allowances, disbursements which were necessary for conducting official business of your organization, and disbursements essentially for the personal benefit of the officer and not necessary for conducting official business of your organization.

Examples of disbursements to be reported in Column (E) include: allowances made by direct and indirect disbursements to each officer on a daily, weekly, monthly, or annual basis; allowances paid on the basis of mileage or meals; all expenses that were reimbursed directly to an officer; expenses for officers' meals and entertainment; and various goods and services furnished to officers but charged to your organization. Column (E) must also include:

- the total maintenance and operating costs of any automobile owned or leased by your organization and assigned to an officer regardless of whether the use was for official business or for the personal benefit of the officer. If more than 50% of the use of the automobile was for the personal benefit of the officer, the amount of decrease in the market value attributable to the officer's personal use must be reported in Item 60.
- all disbursements for transportation by public carrier between the officer's home and place of employment or for other transportation not involving the conduct of official business.
- all other direct and indirect disbursements to each officer not included elsewhere in this report. Include all direct and indirect disbursements which were essentially for the personal benefit of the officer and not necessary for conducting official business of your organization. However, disbursements for occasional non-cash gifts of insubstantial value need not be included in Column (E) if reported in Item 55 (Contributions, Gifts, and Grants).

Do not report the following disbursements in Schedule 2:

- loans to officers which must be reported in Item 57 (Loans Made);
- benefits to officers which must be reported in Item 54 (Benefits);
- reimbursements to an officer for the purchase of investments and fixed assets, such as reimbursing an officer for a calculator purchased for office use, which must be reported in Item 56 (Purchase of Investments and Fixed Assets) and explained in Item 60;
- indirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his home and principal place of employment with your organization if payment is made by your organization directly to the provider or through a credit arrangement and these disbursements are reported in Item 51 (Office and Administrative Expense and Direct Taxes); however, charges other than room rent on hotel bills must be reported in Column (E);
- disbursements made by your organization to someone other than an officer as a result of transactions arranged by an officer in which property, goods, services, or other things of value were received by or on behalf of your organization rather than the officer, such as rental of offices and meeting rooms, purchase of office supplies, refreshments and other expenses of membership banquets or meetings, and food and

refreshments for the entertainment of groups other than the officers and membership on official business;

- office supplies, equipment, and facilities furnished to officers by your organization for use in conducting official business; and
- maintenance and operating costs of your organization's assets other than automobiles owned or leased by your organization and assigned to officers.

Enter on Line 10, Columns (D) and (E) the totals from any additional pages.

Column (F): Add Columns (D) and (E) for each of Lines 1 through 10 and enter the totals in Column (F).

Add Lines 1 through 10, Columns (D) through (F), and enter the totals on Line 11. Enter the total from Line 11, Column (F) in Item 47(a).

[A] **Accrual Filers** - Cross out references to "disbursements" and enter the term "expenses." Report in Columns (D) and (E) of Schedule 2, in the detail required by the instructions for Schedule 2, the total salary, allowances, and other direct and indirect expenses incurred by each officer.

STATEMENT A - ASSETS AND LIABILITIES

ASSETS

24. CASH - Enter the total of all your organization's cash on hand and on deposit at the start and end of the reporting period in Columns (A) and (B), respectively. Include all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Also include any interest credited to your organization's account during the reporting period.

NOTE: The checking account balances reported should be obtained from your organization's books as reconciled with the balances shown on bank statements.

25. ACCOUNTS RECEIVABLE - Enter the total of all accounts receivable due your organization at the start and end of the reporting period in Columns (A) and (B), respectively.

[A] **Accrual Filers** - Change the name of Item 25 to "Net Accounts Receivable." Report in Item 25 accounts receivable less any allowance for doubtful accounts. Include accounts receivable from Dues (Item 39), Per Capita Tax (Item 40), and Fees, Fines, Assessments, and Work Permits (Item 41).

26. LOANS RECEIVABLE - Enter the total of all loans owed to your organization at the start and end of the reporting period in Columns (A) and (B), respectively. Include all direct and

indirect loans (whether or not evidenced by promissory notes or secured by mortgages) owed to your organization by individuals, business enterprises, benefit plans, and other entities including labor organizations. An example of an indirect loan is a disbursement by your organization to an educational institution for the tuition expense of an officer, employee, or member which must be repaid to your organization by that individual. Be sure to include all loans that were made and repaid in full during the reporting period. Do not include investments in corporate bonds which must be reported in Item 29 (Other Investments) or mortgages purchased on a block basis through a bank or similar institution which must be reported in Item 28 (Mortgage Investments).

27. **U.S. TREASURY SECURITIES** - Enter the total value of all U.S. Treasury securities as shown on your organization's books at the start and end of the reporting period in Columns (A) and (B), respectively. If the value reported is different than the original cost, the original cost must be reported in Item 60. Other U.S. Government obligations, state and municipal bonds, and foreign government securities must be reported in Item 29 (Other Investments).

28. **MORTGAGE INVESTMENTS** - Enter the total value of all mortgages purchased on a block basis through a bank or similar institution as shown on your organization's books at the start and end of the reporting period in Columns (A) and (B), respectively. If the value reported is different than unrecovered cost, the unrecovered cost must be reported in Item 60. Do not include mortgage secured loans made by your organization since these must be reported in Item 26 (Loans Receivable).

29. **OTHER INVESTMENTS** - Enter in Columns (A) and (B), respectively, the total book value at the start and end of the reporting period of all investments not reported in Item 27 or 28. The book value of these investments is the lower of cost or market value.

30. **FIXED ASSETS** - Enter in Columns (A) and (B), respectively, the book value at the start and end of the reporting period of all fixed assets, such as land, buildings, automobiles, and office furniture and equipment owned by your organization. The book value of fixed assets is cost less depreciation.

31. **OTHER ASSETS** - Enter in Columns (A) and (B), respectively, the total value as shown on your organization's books at the start and end of the reporting period of all assets which have not been reported in Items 24 through 30.

[A] **Accrual Filers** - Report in Item 31 the amounts receivable for revenues earned but not received by the end of the reporting period for all assets other than those reported in Item 25 (Accounts Receivable) and Item 26 (Loans Receivable). Include any prepaid expenses.

32. **TOTAL ASSETS** - Add Items 24 through 31, Columns (A) and (B), and enter the respective totals in Item 32.

LIABILITIES

33. ACCOUNTS PAYABLE - Enter the total amount of your organization's accounts payable at the start and end of the reporting period in Columns (C) and (D), respectively. Ordinarily, accounts payable are those obligations incurred on an open account for goods and services rendered.

34. LOANS PAYABLE - Enter in Columns (C) and (D), respectively, the total of all loans owed by your organization at the start and end of the reporting period, including those represented by notes. Do not include loans secured by mortgages or similar liens on real property (land or buildings) which must be reported in Item 35 (Mortgages Payable).

35. MORTGAGES PAYABLE - Enter the total amount of your organization's obligations which were secured by mortgages or similar liens on real property (land or buildings) at the start and end of the reporting period in Columns (C) and (D), respectively.

36. OTHER LIABILITIES - Enter in Column (C) the total amount as shown on your organization's books at the start of the reporting period of all liabilities not reported in Items 33 through 35. Enter in Column (D) the total reported on Line 6 of Schedule 1.

37. TOTAL LIABILITIES - Add Items 33 through 36, Columns (C) and (D), and enter the respective totals in Item 37.

38. NET ASSETS - Subtract Item 37, Column (C) from Item 32, Column (A) and enter the difference in Item 38, Column (C). Subtract Item 37, Column (D) from Item 32, Column (B) and enter the difference in Item 38, Column (D).

STATEMENT B - RECEIPTS AND DISBURSEMENTS

The purpose of Statement B is to report the flow of cash in and out of your organization during the reporting period. Transfers between separate bank accounts or between special funds of your organization, such as vacation or strike funds, do not represent the flow of cash in and out of your organization. Therefore, these transfers should not be reported as receipts and disbursements of your organization. For example, do not report a transfer of cash from your organization's savings account to its checking account. Likewise, the use of funds reported in Item 24 (Cash) to purchase certificates of deposit and the redemption of certificates of deposit should not be reported in Statement B.

Since Statement B reports all cash flowing in and out of your organization, "netting" is not permitted. "Netting" is the offsetting of receipts against disbursements and reporting only the balance (net) as either a receipt or disbursement. For example, if an officer received $1,000 from your organization for convention expenses, used only $800 and returned the remaining $200, the $1,000 disbursement must be reported in Schedule 2 and the $200 receipt must be reported in Item 45. It would be incorrect to report only an $800 net disbursement to the officer.

Receipts and disbursements by an agent on behalf of your organization are considered receipts and disbursements of your organization and must be reported in the same detail as other receipts

and disbursements. For example, if your organization owns a building managed by a rental agent, the agent's rental receipts and disbursements for expenses must be reported on your organization's Form LM-3.

[A] **Accrual Filers** - Report in Statement B all revenues earned and expenses incurred by your organization during the reporting period. Cross out the references to "receipts" and "disbursements" in the heading for Statement B, the column headings, and in Items 45, 46, 58, and 59 and enter the terms "revenues" and "expenses" as appropriate.

CASH RECEIPTS

[A] **Accrual Filers** - Report in Items 39 through 45, as applicable, all revenues earned by your organization.

39. **DUES** - Enter the total dues received by your organization. Include dues received directly by your organization from members, dues received from employers through a checkoff arrangement, and dues transmitted to your organization by a parent body or other affiliate. Report the full dues received, including any portion that will later be transmitted to an intermediate or parent body as per capita tax. Also report in Item 39 payments in lieu of dues received from any nonmember employees as a condition of employment under a union security agreement.

If an intermediate or parent body receives dues checkoff directly from an employer on behalf of your organization, do not report in Item 39 the portion retained by that organization for per capita tax or other purposes, such as a special assessment. Any amounts retained by the intermediate or parent body other than per capita tax must be explained in Item 60. Also, do not report in Item 39 dues which your organization collected on behalf of other organizations for transmittal to them. For example, if your organization receives dues from a member of an affiliate who is working in your organization's jurisdiction, the dues collected on the affiliate's behalf must be reported in Item 45 (Other Receipts).

40. **PER CAPITA TAX** - Enter the total per capita tax received by your organization if your organization is an intermediate or parent body; otherwise, enter "00" in Item 40. Include the per capita tax portion of dues received directly by your organization from members of affiliates, per capita tax received from subordinates, either directly or through intermediaries, and the per capita tax portion of dues received through a checkoff arrangement whereby local dues are remitted directly to an intermediate or parent body by employers. Do not include dues collected on behalf of subordinate organizations for transmittal to them. For example, if a parent body receives dues checkoff directly from an employer and returns the local's portion of the dues, the parent body must report the dues received on behalf of the local in Item 45 (Other Receipts).

41. **FEES, FINES, ASSESSMENTS, AND WORK PERMITS** - Enter your organization's receipts from fees, fines, assessments, and work permits. Receipts by your organization on behalf of affiliates for transmittal to them must be reported in Item 45 (Other Receipts).

42. INTEREST AND DIVIDENDS - Enter the total amount of interest and dividends received by your organization from savings accounts, bonds, mortgages, loans, investments, and all other sources.

43. RENTS - Enter the total amount of rents received by your organization.

44. SALE OF INVESTMENTS AND FIXED ASSETS - Enter the net amount received for all investments and fixed assets sold. If the amount received is less than the amount due (gross sales price less any deductions for selling expenses or repayments of secured loans or mortgages), the additional amount due to your organization must be reported in Item 31 (Other Assets). However, if a mortgage or note is taken back, it must be reported in Item 26 (Loans Receivable).

[A] **Accrual Filers** - Change the name of Item 44 to "Gain or (Loss) on Sale of Investments and Fixed Assets." Report in Item 44 the gain or loss on the sale of investments and fixed assets. Indicate a loss by enclosing the amount in parentheses. However, receipts from the sale of investments and fixed assets received by your organization must be reported in Item 60.

45. OTHER RECEIPTS - Enter all receipts of your organization other than those reported in Items 39 through 44, including proceeds from the sale of supplies, loans obtained, repayments of loans made, and funds collected for transmittal to third parties.

[A] **Accrual Filers** - Report in Item 45 all revenues earned by your organization which are not reported in Items 39 through 44. Do not report receipts from loans obtained, repayments of loans made, funds collected for transmittal to third parties, or comparable receipts since these are not reportable as revenues. However, the total of these receipts must be reported in Item 60.

46. TOTAL RECEIPTS - Add Items 39 through 45 and enter the total in Item 46.

CASH DISBURSEMENTS

[A] **Accrual Filers** - Report in Items 47 through 58, as applicable, all expenses incurred by your organization.

47. TO OFFICERS - Enter in Item 47(a) the total reported on Line 11, Column (F) of Schedule 2. Enter in Item 47(b) the total amount of withheld taxes, payroll deductions, and other deductions. Subtract Item 47(b) from Item 47(a) and enter the difference in the Amount Column for Item 47.

Disbursements for the transmittal of withheld taxes, payroll deductions, and other deductions must be reported in Item 58 (Other Disbursements). Any portion of withheld taxes or any

payroll or other deductions which have not been transmitted at the end of the reporting period are liabilities of your organization and must be reported in Schedule 1. Payroll or other deductions retained by your labor organization (such as repayments of loans made) must be fully explained in Item 60.

[A] **Accrual Filers** - Enter the total reported on Line 11, Column (F) of Schedule 2 in Item 47(a) and in the Amount Column. Do not complete Item 47(b).

48. **TO EMPLOYEES** - Enter in Item 48(a) the total of all salaries, allowances, and other direct and indirect disbursements to employees of your organization. Follow the instructions for Schedule 2 in determining the disbursements to be reported in Item 48(a).

Enter in Item 48(b) the total amount of withheld taxes, payroll deductions, and all other deductions. Subtract Item 48(b) from Item 48(a) and enter the difference in the Amount Column for Item 48.

[A] **Accrual Filers** - Report the total salary, allowances, and other direct and indirect expenses incurred by employees of your organization in Item 48(a) and in the Amount Column. Do not complete Item 48(b).

49. **PER CAPITA TAX** - Enter your organization's total amount of per capita tax paid as a condition or requirement of affiliation with your parent national or international union, state and local central bodies, a conference, joint or system board, joint council, federation, or other labor organization.

50. **FEES, FINES, ASSESSMENTS, ETC.** - Enter the total amount of fees, fines, assessments, and similar disbursements made by your organization to a parent body or other labor organization.

51. **OFFICE AND ADMINISTRATIVE EXPENSE AND DIRECT TAXES** - Enter total disbursements for your organization's office and administrative expenses and direct taxes. Include fidelity bond premiums and the ordinary expenses for operating your organization's office, such as heat, light, rent, telephone, and office supplies. As explained in the instructions for Schedule 2, Column (E), disbursements for hotel rooms or for transportation by public carrier of officers and employees on official business may be reported in Item 51 when payment is made directly to the provider or through a credit arrangement. Do not include salaries, allowances, or other direct and indirect disbursements to officers and employees which must be reported in Schedule 2 and in Items 47 and 48.

Also report in Item 51 all taxes assessed against and paid by your organization, including your organization's FICA taxes as an employer. Do not include disbursements for the transmittal of taxes withheld from the salaries of officers and employees which must be reported in Item 60. Also, do not include indirect taxes, such as sales and excise taxes.

52. **EDUCATIONAL AND PUBLICITY EXPENSE** - Enter your organization's total disbursements for educational, publicity, and publication expenses. Do not include direct and

indirect disbursements to officers and employees which must be reported in Schedule 2 and in Items 47 and 48.

53. PROFESSIONAL FEES - Enter your organization's total disbursements for "outside" legal and other professional services (auditing, economic research, computer consulting, arbitration, etc.). Include any disbursements made for the expenses of individuals or firms providing professional services to your organization. Do not include direct and indirect disbursements to officers and employees which must be reported in Schedule 2 and in Items 47 and 48.

54. BENEFITS - Enter the total of all direct and indirect benefit disbursements made by your organization. Direct benefit disbursements are those made to officers, employees, members, and their beneficiaries from your organization's funds. Indirect benefit disbursements are those made from your organization's funds to a separate and independent entity, such as a trust or insurance company, which in turn and under certain conditions will pay benefits to the covered individuals. An example of an indirect benefit disbursement is the premium on group life insurance.

55. CONTRIBUTIONS, GIFTS, AND GRANTS - Enter the total of all disbursements for contributions, gifts, and grants made by your organization.

56. PURCHASE OF INVESTMENTS AND FIXED ASSETS - Enter the total disbursements for all investments and fixed assets purchased by your organization. Do not include any unpaid balances still owed which should be reported in Item 34 (Loans Payable) or Item 35 (Mortgages Payable).

[A] **Accrual Filers** - Cross out and do not complete Item 56 since this amount is not reportable as an expense.

57. LOANS MADE - Enter the total disbursements for loans made by your organization. Include all direct and indirect loans made to individuals, business enterprises, and other organizations, regardless of amount.

[A] **Accrual Filers** - Cross out and do not complete Item 57 since this amount is not reportable as an expense.

58. OTHER DISBURSEMENTS - Enter all disbursements made by your organization not reported in Items 47 through 57, including supplies for resale, withholding taxes, repayments of loans obtained, transmittals of funds collected for third parties, and payments for the account of affiliates and other third parties.

[A] **Accrual Filers** - Report in Item 58 all expenses incurred by your organization which are not reported in Items 47 through 55. Do not report disbursements for repayments of loans obtained, transmittals of funds collected for third parties, payments made for the account of affiliates and other third parties, or comparable disbursements since these are not reportable as expenses. Also do not report in Item 58 disbursements for the transmittal of withholding taxes and other amounts

deducted from officer and employee payments since all officer and employee salaries and other expenses incurred must be reported in Items 47 and 48.

59. **TOTAL DISBURSEMENTS** - Add Items 47 through 58 and enter the total in Item 59.

NOTE: If your organization uses the cash method of accounting, you may wish to use the following worktable to determine that the figures for receipts, disbursements, and cash are correctly reported on your organization's Form LM-3.

A. Cash at Start of Reporting Period - Item 24, Column (A)	$
B. Add: Total Receipts - Item 46	
C. Total of Lines A and B	
D. Subtract: Total Disbursements - Item 59	
E. Cash at End of Period	$

If Line E does not equal the amount reported in Item 24, Column (B), there is an error in your report which should be corrected.

STATEMENT C - FUNCTIONAL ALLOCATION

Column (A) - TOTAL: Enter on Lines 1 through 8 the total amounts from the referenced items.

Line 1: Enter the gross Officer Payments as reported in Item 47(a) of Statement B.

Line 2: Enter the gross Employee Payments as reported in Item 48(a) of Statement B.

Line 3: Enter the amount for Fees, Fines, Assessments, etc., as reported in Item 50 of Statement B.

Line 4: Enter the amount for Office and Administrative Expense and Direct Taxes as reported in Item 51 of Statement B.

Line 5: Enter the amount for Educational and Publicity Expense as reported in Item 52 of Statement B.

Line 6: Enter the amount for Professional Fees as reported in Item 53 of Statement B.

Line 7: Enter the amount for Benefits as reported in Item 54 of Statement B.

Line 8: Enter the amount for Contributions, Gifts, and Grants as reported in Item 55 of Statement B.

Line 9: Add Lines 1 through 8 and enter the total.

Columns (B) Through (G): Allocate the amounts reported on Lines 1 through 8, Column (A) among the six functional categories in Columns (B) through (G) of Statement C, as appropriate.

Your organization's method of allocation must be consistent from year to year, systematic, and reasonable. An explanatory statement must be attached to Form LM-3 describing your organization's allocation method.

For each functional category, Columns (B) through (G), add Lines 1 through 8 and enter the total on Line 9. The total amounts reported on Line 9, Columns (B) through (G) must equal the total on Line 9, Column (A).

The instructions below provide examples of activities covered by the functional categories, Columns (B) through (G), and are intended to be illustrative and not all inclusive.

[A] **Accrual Filers** - Allocate in Columns (B) through (G), as appropriate, the expenses reported in Column (A).

Column (B) - CONTRACT NEGOTIATION AND ADMINISTRATION - Enter disbursements for all activities associated with preparation for, and participation in, the negotiation of collective bargaining agreements and the administration and enforcement of the agreements.

Contract negotiation includes all activities for negotiating and ratifying collective bargaining agreements, such as the training of negotiators, research and economic studies related to contract negotiations, surveys of members' sentiments on bargaining issues, bargaining sessions, informing the membership of the progress of negotiations, explanations to members prior to ratification of the negotiated agreement, and the ratification process.

Contract administration includes all activities for implementing collective bargaining agreements, such as resolution of questions concerning the interpretation and application of an agreement or related matters, workplace safety and health activities related to contract administration, training of union officials and members, research, meetings regarding individual or class grievances under the contractually established procedures, explanations and discussions of contract language, administrative proceedings, arbitration, and litigation.

Column (C) - ORGANIZING - Enter disbursements for all activities associated with efforts to recruit new members into your organization or its affiliates, to become the exclusive bargaining representative for any unit of employees, or to keep from losing a unit to another labor organization, including activities related to certification/decertification elections and jurisdictional disputes. Also enter disbursements for related research, meetings, the preparation and distribution of materials, and administrative proceedings and litigation.

Column (D) - STRIKE ACTIVITIES - Enter disbursements for all activities associated with strikes (including recognitional strikes), work stoppages, and lock-outs, including payments to or on behalf of members and others, publications, record keeping, eligibility determinations, picket line costs, benefit distribution, and strike-related litigation.

Column (E) - POLITICAL ACTIVITIES - Enter contributions in money (other than contributions from separate segregated funds that are reported to the Federal Election Commission) to advance or oppose the candidacy of individuals for public executive, legislative, or judicial office and to support or oppose ballot referenda. Also enter disbursements for related caucuses, strategy meetings, literature, media use, establishing and administering separate segregated funds, soliciting contributions for candidates, telephone banks, communications with

members and the general public, voter registration and get-out-the-vote drives, and polling place observers and workers.

Column (F) - LOBBYING AND PROMOTIONAL ACTIVITIES - Enter disbursements for all activities associated with lobbying and promotional activities.

Lobbying includes all activities associated with dealing with the executive and legislative branches of government and with independent agencies and staffs to advance the passage or defeat of existing or potential laws, or the issuance, amendment, or repeal of rules or regulations, including the preparation of testimony, the preparation and distribution of related material, entertainment, and letter-writing campaigns.

Promotional activities include all activities associated with communications with the public to promote your organization, labor organizations generally, and their positions except those positions involving elections for public office and referendum issues. Also enter disbursements for related media advertisements, speeches, team sponsorships, and union/industry shows.

Column (G) - OTHER - Enter disbursements for all activities associated with functions not included in Columns (B) through (F), such as safety and health activities not related to contract administration, apprenticeship programs, international relations, and all disbursements that cannot be reasonably allocated among the other functional categories.

ADDITIONAL INFORMATION AND SIGNATURES

60. ADDITIONAL INFORMATION - Use Item 60 to provide additional information, as indicated on Form LM-3 and in the instructions. Enter the number of the item to which the information relates in the Item Number column. If there is not enough space in Item 60, report the additional information on a separate letter-size page(s). Be sure to include the following at the top of each page: the name of your organization, its 6-digit file number as reported in Item 1 of Form LM-3, and the ending date of the reporting period as reported on the second line of Item 2.

61-62. SIGNATURES - The original and one copy of completed Form LM-3 which are filed with OLMS must be signed by both the president and treasurer or corresponding principal officers of your organization. Original signatures are required; stamped or mechanical signatures are not acceptable. If the duties of the principal executive or principal financial officer are performed by officers other than the president and treasurer, the report may be signed by the other officers. If the report is signed by an officer other than the president or treasurer, cross out the printed title, enter the correct title in Item 61 or 62, and explain in Item 60 why the president or treasurer did not sign the report. Enter the city and state where the report was signed, the date the report was signed, and the telephone number at which the signatories conduct official business; you do not have to report a private, unlisted telephone number.

XI. LABOR ORGANIZATIONS WHICH HAVE TERMINATED - If your organization has gone out of existence as a reporting labor organization, the last president and treasurer or the officials responsible for winding up the affairs of your organization must file a terminal financial report for the period from the beginning of the fiscal year to the date of termination. A terminal

financial report must be filed if your organization has disbanded, merged into another organization, or consolidated with other organizations to form a new organization. A terminal financial report is not required if your organization changed its affiliation but continues to function as a separate reporting labor organization.

The terminal financial report may be filed on Form LM-3 if your organization filed its previous annual report on Form LM-3 and your organization's total annual receipts, as defined in Section II of these instructions, for the part of the last fiscal year during which your organization existed were less than $200,000. (If total annual receipts were $200,000 or more, your organization must use Form LM-2 to file its terminal financial report.) Your organization's terminal financial report must be submitted to the U.S. Department of Labor, Office of Labor-Management Standards, 200 Constitution Avenue, NW, Washington, DC 20210, within 30 days after the date of termination.

To complete a terminal report on Form LM-3 follow the instructions in Section X and in addition:

- Print the words "TERMINAL REPORT" at the top of page 1 of Form LM-3.
- Enter the date your organization ceased to exist in Item 2 after the word "THROUGH."
- Print the words "TERMINAL REPORT" as the first entry in Item 60 and provide a detailed statement of the reason why your organization ceased to exist. Also provide the name and address of the person or organization that will retain the records of the terminated organization. If your organization merged with another labor organization, report that organization's name, address, and 6-digit file number.

Contact the nearest OLMS field office listed below if you have questions about filing a terminal report.

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Assistance may be obtained from the field offices of the U.S. Department of Labor's Office of Labor-Management Standards located in the following cities:

Albany, NY
Atlanta, GA
Boston, MA
Buffalo, NY
Chicago, IL
Cincinnati, OH
Cleveland, OH
Dallas, TX
Denver, CO
Detroit, MI
Grand Rapids, MI
Hato Rey, PR
Honolulu, HI
Houston, TX
Iselin, NJ
Kansas City, MO
Los Angeles, CA
Miami, FL
Milwaukee, WI
Minneapolis, MN
Nashville, TN
New Haven, CT
New Orleans, LA
New York, NY
Philadelphia, PA
Pittsburgh, PA
St. Louis, MO
San Diego, CA
San Francisco, CA
Seattle, WA
Tampa, FL
Vestavia Hills, AL
Washington, DC

Consult local telephone directory listings under United States Government, Labor Department, Office of Labor-Management Standards, for the address and telephone number of the nearest field office.

29 CFR Part 403

RIN 1294-AA08

Abbreviated Annual Financial Reports for Small Labor Organizations

AGENCY: Office of Labor-Management Standards, Labor.

ACTION: Final rule.

SUMMARY: This final rule revises the regulation pertaining to the filing, by labor organizations, of annual financial reports required by the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA). The rule provides for an abbreviated labor organization financial report (Form LM-4) for small unions with annual receipts of less than $10,000. The abbreviated financial reporting form will ease the reporting burden on these small unions.

EFFECTIVE DATE: December 31, 1993.

FOR FURTHER INFORMATION CONTACT: Marshall J. Breger, Acting Assistant Secretary for Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW., room S-2203, Washington, DC 20210, (202) 219-8174. This is not a toll free number.

SUPPLEMENTARY INFORMATION:

A. Background and Overview

Section 201(a) of the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), requires each covered labor organization to, among other things, adopt a constitution and bylaws and file these documents and information on the rates of dues and fees, as well as any subsequent changes in these items, with the Secretary of Labor. Section 201(b) of the LMRDA requires each covered labor organization to file annually a financial report signed by its president and treasurer or corresponding principal officers, disclosing its financial condition for the preceding fiscal year. The Secretary of Labor has delegated her authority under the LMRDA to the Assistant Secretary for Labor-Management Standards. See Secretary's Order No. 3-43 (49 FR 20578).

The requirements of section 201 apply to all labor organizations in the private sector including those representing employees under the provisions of the National Labor Relations Act, as amended, and the Railway Labor Act, as amended. Section 1209(b) of the Postal Reorganization Act made the LMRDA applicable to labor organizations representing employees of the U.S. Postal Service. Section 701 of the Civil Service Reform Act of 1978 (CSRA) and section 1017 of the Foreign Service Act of 1980 (FSA), as implemented by Department of Labor regulations at 29 CFR parts 457-459, extended the LMRDA reporting requirements to labor organizations representing certain employees of the federal government.

On September 10, 1992, the Department published in the **Federal Register** (57 FR 41634) a notice of proposed rulemaking to amend the regulations implementing the reporting requirements of the LMRDA and to adopt a new, abbreviated annual financial reporting form, Form LM-4, for small labor organizations. The proposal to develop Form LM-4 was made in order to reduce the reporting burden on labor organizations with total annual receipts of less than $10,000. This proposal was made in the context of another notice of proposed rulemaking (57 FR 14244, April 17, 1992) to revise Forms LM-2 and LM-3 to require that labor organizations report expenditures in functional categories and to make other changes to those reporting forms.

Public comment on the proposal to adopt Form LM-4 was invited, with the comment period ending on October 13, 1992. Two comments from the public were received from the Sheet Metal Workers' International Association and the National Federation of Federal Employees. After considering these comments, the Department has decided to adopt Form LM-4 as proposed, with a few changes discussed below to clarify the reporting requirements. Published elsewhere in this separate part of the **Federal Register** is a final rule revising Forms LM-2 and LM-3. The effective date for the new Form LM-4 and the revised Forms LM-2 and LM-3 is December 31, 1993, i.e., labor organizations will be required to use these forms for fiscal years which begin on and after January 1, 1993.

B. Comments on the Proposal

Both comments supported the adoption of the proposed abbreviated Form LM-4. Both comments also recommended that the threshold for eligibility to file Form LM-4 be increased. One recommended that labor organizations with total annual receipts less than $25,000 be permitted to report on the abbreviated Form LM-4. The other recommended that Form LM-4 be used by either (1) labor organizations with total annual receipts less than $50,000, or (2) labor organizations with net annual receipts (total annual receipts less per capita tax received and transmitted to parent labor organizations) less than $25,000.

The Department has decided, first, that the basis for determining eligibility for using the abbreviated Form LM-4 should be total annual receipts, as in the proposal, not net receipts; total annual receipt has always been, and continues to be, used for determining eligibility for filing the simplified Form LM-3, and the Department sees no reason to change.

The Department has also decided to retain the threshold amount of $10,000 for eligibility to use abbreviated Form LM-4; in the Department's judgment, the threshold of $10,000 total annual receipts is appropriate in view of the minimal information required to be reported in that form. Approximately 39,200 labor organizations are subject to the LMRDA, CSRA, and FSA and file reports with OLMS. Approximately 14,000 of these organizations will be authorized to file the abbreviated Form LM-4 in addition to 3,500 labor organizations with no assets and no receipts which currently have reports filed on their behalf by the parent organizations. The suggested amounts of $50,000 and $25,000 are too high for the Form LM-4 to provide adequate disclosure in view of the nature and extent of the financial transactions of such labor organizations.

One comment suggested that the Form LM-4 be revised to add items requiring the disclosure of information regarding the labor organization's fidelity bond coverage and premium. (Forms LM-2 and LM-3 require disclosure of bonding coverage but not separate disclosure of the disbursements for the premium.) The comment did not explain the rationale for requiring this information.

In developing the Form LM-4, the Department has attempted to balance the need for disclosure with the need to minimize the reporting burden. Since many of the labor organizations which are eligible to file on Form LM-4 are not subject to the LMRDA section 502 bonding requirements, which exempt labor organizations with $5,000 or less in property and total annual receipts, the Department has decided not to add questions regarding bonding coverage and premiums.

Finally, one comment suggested that a question be added to Form LM–4 asking whether the reporting labor organization has changed its method of accounting (cash or accrual). Under the proposed Form LM–4 instructions, it was presumed that most of the labor organizations filing on Form LM–4 would use the cash method of accounting; if any labor organization used the accrual method, this was to be reported in the "other information" item.

The Department has decided to add a general question regarding whether the reporting labor organization used the cash or the accrual method of accounting in completing Form LM–4. This change, which is consistent with the revised Forms LM–2 and LM–3, will enable persons who review the reports to easily ascertain which method of accounting the labor organizations used in completing the report and, by examining reports from prior years, whether the reporting labor organization has changed its accounting method.

C. Other Changes

In addition to the new item on the accounting method used by the reporting labor organization discussed above, the Department has revised Item 16 of Form LM–4 to clarify the requirement stated in the instructions that any loss or shortage of funds must be reported, even if there has been repayment or recovery. Also, a number of editorial and stylistic changes have been made in the instructions to clarify the reporting requirements, to improve readability, and where appropriate to conform to the instructions for Forms LM–2 and LM–3.

D. Administrative Requirements

1. Executive Order 12291

The Department of Labor has determined that this rule is not a "major rule" under Executive Order 12291 in that it will not have an annual effect on the economy of $100 million or more, not cause a major increase in costs or prices, and not have an adverse effect on competition in the marketplace. Therefore, no regulatory impact analysis is required.

2. Regulatory Flexibility Act

The Agency Head has certified that this rule will not have a significant economic impact on a substantial number of small entities as defined in the Regulatory Flexibility Act. The rule only applies to labor organizations and would decrease the reporting burden on labor organizations with annual receipts of less than $10,000. In accordance with the provisions of the Regulatory Flexibility Act, the Department of Labor had determined that the labor unions regulated pursuant to the statutory authority granted under the LMRDA do not constitute small entities. Therefore, a regulatory flexibility analysis under the Regulatory Flexibility Act is not required.

3. Paperwork Reduction Act

Pursuant to the Paperwork Reduction Act of 1980, as amended, the information collection requirements for this program have been approved by the Office of Management and Budget (OMB control number 1214–0001).

List of Subjects in 29 CFR Part 403

Labor unions, reporting and recordkeeping requirements.

Text of Final Rule

In consideration of the foregoing, the Department of Labor, Office of Labor-Management Standards amends part 403 of title 29, Code of Federal Regulations, as follows:

PART 403—LABOR ORGANIZATION ANNUAL FINANCIAL REPORTS

1. The authority citation for part 403 continues to read as follows:

Authority: Secs. 201, 208, 301, 73 Stat. 524, 529, 530; 29 U.S.C. 431, 438, 461; Secretary's Order No. 3–84 (49 FR 20578).

2. Section 403.4 is amended by redesignating paragraph (a) as paragraph (a)(1) and adding a new paragraph (a)(2) as follows:

§ 403.4 Simplified annual reports for smaller labor organizations.

(a) * * *

(2) If a labor organization, not in trusteeship, has gross annual receipts totaling less than $10,000 for its fiscal year, it may elect, subject to revocation of the privileges as provided in section 208 of the Act, to file the annual financial report called for in section 201(b) of the Act and § 403.3 on United States Department of Labor Form LM–4 entitled "Labor Organization Annual Report" in accordance with the instructions accompanying such form and constituting a part thereof.

* * * * *

Signed in Washington, DC, this 28th day of October, 1992.

Lynn Martin,

Secretary of Labor.

Note: This appendix will not appear in the Code of Federal Regulations.

Appendix—Labor Organization Annual Report Form LM–4

U.S. Department of Labor
Office of Labor-Management Standards
Washington, DC 20210

Form approved
Office of Management and Budget

LABOR ORGANIZATION ANNUAL REPORT FORM LM-4

FOR USE BY LABOR ORGANIZATIONS WITH LESS THAN $10,000 IN TOTAL ANNUAL RECEIPTS

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT. SUBMIT THIS REPORT IN DUPLICATE.

IMPORTANT

If label is here, → peel off top part and place in same box on second copy of form.

If label information is correct, leave items 5 through 9 blank.

If label information is incorrect, complete items 5 through 9.

1. FILE NUMBER

2. PERIOD COVERED	MO	DAY	YR
FROM			
THROUGH			

3. WHERE LOCATED OR CHARTERED TO OPERATE:
CITY _____ COUNTY _____ STATE _____

4. ACCOUNTING METHOD: ☐ CASH ☐ ACCRUAL

5. AFFILIATION OR ORGANIZATION NAME

6. DESIGNATION (Local, Lodge, etc.)

7. DESIGNATION NUMBER

8. UNIT NAME (if any)

9. MAILING ADDRESS:
(In care of) NAME AND TITLE OF PERSON
NUMBER AND STREET
CITY STATE ZIP CODE

10. During the reporting period, did your organization have any changes in its constitution or bylaws? *(If yes, attach a copy.)* ☐ Yes ☐ No

11. During the reporting period, did your organization change its rates of dues and fees? *(If yes, report the rates in Item 17.)* ☐ Yes ☐ No

12. Enter the total receipts of your organization during the reporting period. *(If $10,000 or more, your organization must file Form LM-2 or LM-3 instead of this form.)* $ _____

13. Disbursements made by your organization during the reporting period:
(a) Enter all payments to officers & employees *(salaries, lost time pay, allowances, expenses, etc.).* $ _____
(b) Enter all other disbursements *(per capita tax, loans made, payments for office supplies, etc.).* $ _____

14. Enter the total value of all your organization's assets at the end of the reporting period *(cash, bank accounts, investments, equipment, buildings, etc.).* $ _____

15. Enter the total liabilities (debts) of your organization at the end of the reporting period *(unpaid bills, loans owed, mortgages owed, etc.).* $ _____

16. During the reporting period, did your organization discover any loss or shortage of funds or property whether or not there has been repayment or recovery? *(If yes, provide details in Item 17.)* ☐ Yes ☐ No

17. ADDITIONAL INFORMATION *(If this is a terminal report, see Section X of the instructions.)*

Item Number	

(If more space is needed, attach additional pages properly identified.)

Each of the undersigned, duly authorized officers of the above labor organization, declares, under the applicable penalties of law,* that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete.

18. SIGNED: _____ PRESIDENT *(If other title, cross out and write in correct title above. Explain in Item 17.)*
at: _____ on: _____
City State Date
( ) _____
Telephone Number

19. SIGNED: _____ TREASURER *(If other title, cross out and write in correct title above. Explain in Item 17.)*
at: _____ on: _____
City State Date
( ) _____
Telephone Number

*See Section VI on penalties in the instructions.

Form LM-4 (1992)

INSTRUCTIONS FOR LABOR ORGANIZATION ANNUAL REPORT, FORM LM-4

GENERAL INSTRUCTIONS

I. **WHO MUST FILE** - Every labor organization subject to the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), the Civil Service Reform Act (CSRA), or the Foreign Service Act (FSA) must file a financial report, Form LM-2, LM-3, or LM-4, each year with the Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor. These laws cover labor organizations that represent employees who work in private industry, employees of the U.S. Postal Service, and most Federal government employees. Labor organizations that represent only state, county, or municipal government employees are not required to file. If you have a question about whether your organization is required to file, contact the nearest OLMS field office listed on the last page of these instructions.

II. **WHAT FORM TO FILE** - Labor organizations with total annual receipts of less than $10,000 may file the abbreviated 1-page annual report Form LM-4, if not in trusteeship as defined in Section VIII of these instructions. The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source and with no exclusions or deductions of any kind.

Labor organizations with $10,000 or more in total annual receipts cannot use Form LM-4. However, labor organizations with total annual receipts less than $200,000 and not in trusteeship may file the simplified 3-page Form LM-3. Labor organizations with $200,000 or more in total annual receipts and those in trusteeship must file the detailed 6-page Form LM-2.

III. **WHEN TO FILE** - Form LM-4 must be filed within 90 days after the end of your organization's fiscal year (12-month reporting period). The law does not authorize the U.S. Department of Labor to grant an extension of time for filing reports for any reason.

If your organization went out of existence during its fiscal year, a terminal report must be filed within 30 days after the date it ceased to exist. See Section X of these instructions for information on filing a terminal report.

IV. **WHERE TO FILE** - The original and one duplicate copy of Form LM-4 and any required attachments must be filed with the U.S. Department of Labor at the following address:

U.S. Department of Labor
Office of Labor-Management Standards
200 Constitution Avenue, NW
Washington, DC 20210

If available, use the pre-addressed envelope enclosed with this report package to file Form LM-4.

V. PUBLIC DISCLOSURE - The LMRDA requires that the U.S. Department of Labor make labor organization financial reports available for inspection by the public. Reports may be examined and copies purchased at the OLMS Public Disclosure Room at the above address or at the OLMS field office in whose jurisdiction the reporting organization is located. See the last page of these instructions for a list of OLMS field offices.

VI. RESPONSIBILITIES OF OFFICERS AND PENALTIES - The president and treasurer or the corresponding principal officers of the labor organization required to sign Form LM-4 are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it. Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. The officers responsible for signing Form LM-4 are also subject to criminal penalties for false reporting under section 1001 of Title 18 of the United States Code.

VII. RECORD KEEPING - The officers required to file Form LM-4 are responsible for maintaining records which will provide in sufficient detail the information and data necessary to verify the accuracy and completeness of the report. Under the LMRDA, the records must be kept for at least five years after the date the report is filed. Any record necessary to verify, explain, or clarify the report must be retained, including, but not limited to, vouchers, worksheets, receipts, and applicable resolutions.

VIII. LABOR ORGANIZATIONS UNDER TRUSTEESHIP - Any labor organization which has placed a subordinate labor organization in trusteeship is responsible for filing the subordinate's annual financial report. A trusteeship is defined in section 3(h) of the LMRDA as "any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws."

Annual financial reports for any labor organization in trusteeship must be filed on Form LM-2 rather than Form LM-4. The report must be signed by the president and treasurer or corresponding principal officers of the labor organization which assumed the trusteeship and by the trustees of the subordinate labor organization. Copies of Form LM-2 report packages can be obtained from the nearest OLMS field office listed on the last page of these instructions.

IX. COMPLETING FORM LM-4

NUMBER OF COPIES

Three blank copies of Form LM-4 are included in this report package. The original and one duplicate copy must be filed with OLMS. A third copy should be maintained in your organization's records.

LEGIBILITY

Entries on Form LM-4 should be typed or clearly printed in ink. Do not use a pencil.

ADDRESS LABEL

If this report package was mailed to you with an address label, peel off the top label and place it in the corresponding box on the second copy of the form, so that address labels are affixed to the two copies being mailed to OLMS. Use the pre-printed labels even if the information on them is incorrect.

REPORT ONLY DOLLAR AMOUNTS

Report amounts in Items 12 through 15 in dollars only. Round cents to the nearest dollar.

ITEMS 1 - 19

1. **FILE NUMBER** - Enter the 6-digit file number which OLMS assigned to your organization. If this Form LM-4 was mailed to you with an address label, your organization's file number is the 6-digit number on the first line of the label. If you do not have a label and you cannot obtain the number from prior reports filed by your organization, contact the nearest OLMS field office listed on the last page of these instructions to obtain your organization's file number.

2. **PERIOD COVERED** - Enter the beginning and ending dates of the period covered by this report. For example, if your organization's 12-month fiscal year begins on January 1 and ends on December 31, enter these dates as "1/1/9__" and "12/31/9__." Your organization's report should never cover more than a 12-month period. It would be incorrect to enter January 1 of one year through January 1 of the next year.

If your organization changes its fiscal year, enter in Item 2 the ending date for the period of less than 12 months, which is your organization's new fiscal year ending date, and report in Item 17 that your organization changed its fiscal year. For example, if your organization's fiscal year ending date changes from June 30 to December 31, a report must be filed for the partial year from July 1 to December 31. Thereafter, your organization's report should cover a full 12-month period from January 1 to December 31.

3. **WHERE LOCATED OR CHARTERED TO OPERATE** - Enter the city, county, and state where your organization is located or chartered to operate. If no single city is named in your charter or is authorized by your national or international labor organization, enter the city, county, and state in which your organization's main office, other than a private residence, is located. If your organization has no office, enter the city, county, and state where most of the members work. The city, county, and state reported should generally remain the same from year to year and should not be changed on your organization's report because of a change in officers or the mailing address reported in Item 9.

4. **ACCOUNTING METHOD** - Indicate the method of accounting (cash basis or accrual basis) used in preparing this report. Under the cash method of accounting, receipts are recorded when money is actually received and disbursements are recorded when money is actually paid out by your organization. Under the accrual method, revenues are recorded when earned and expenses

are recorded when incurred, although such revenues and expenses may not have been actually received or paid in cash. Form LM-4 must be prepared using the same accounting method that your organization regularly uses to maintain its books and records.

IF YOU DO NOT HAVE AN ADDRESS LABEL OR THE INFORMATION ON THE LABEL IS INCORRECT, COMPLETE ITEMS 5 THROUGH 9 IN THEIR ENTIRETY. IF THE LABEL INFORMATION IS CORRECT, LEAVE ITEMS 5 THROUGH 9 BLANK.

5. AFFILIATION OR ORGANIZATION NAME - Enter the name of the national or international labor organization which granted your organization a charter. If your organization has no such affiliation, enter the name of your organization as currently identified in your organization's constitution and bylaws or other organizational documents.

6. DESIGNATION - Enter the designation that specifically identifies your organization, such as Local, Lodge, Branch, Joint Board, Joint Council, District Council, etc.

7. DESIGNATION NUMBER - Enter the number or other descriptive term, if any, by which your organization is known.

8. UNIT NAME - Enter any additional name by which your organization is known, such as "Chicago Area Local."

9. MAILING ADDRESS - Enter the current address where mail will most surely and quickly reach your organization. Be sure to indicate the name and title of the person, if any, to whom such mail should be sent and include any building and room number.

10. CHANGES IN CONSTITUTION OR BYLAWS - Check Item 10 "Yes" if your organization made any changes in its constitution or bylaws (other than changes in the rates of dues and fees required of members) during the reporting period. If "Yes" is checked, attach a copy of the revised constitution and/or bylaws to both copies of the Form LM-4 that your organization files with OLMS. Check "No" if your organization had no changes in its constitution or bylaws.

11. CHANGES IN RATES OF DUES AND FEES - Check Item 11 "Yes" if your organization changed its rates of dues and fees during the reporting period. If "Yes" is checked, report the rates of dues and fees in Item 17. Dues and fees include initiation fees charged to new members, fees (other than dues) from transferred members, fees for work permits, and regular dues or fees. Include only the dues and fees of regular members and not the dues and fees of members with special rates, such as apprentices, retirees, or unemployed members. Check "No" if your organization did not change its rates of dues and fees.

12. RECEIPTS - Enter in Item 12 the total amount of all receipts of your organization during the reporting period including, for example, dues from members, fees, fines, assessments, interest, dividends, rent, money from the sale of assets, and loans received by your organization. Also include payments in lieu of dues received from any nonmember employees as a condition

of employment under a union security agreement. Enter "00" if your organization had no receipts during the reporting period.

> NOTE: If your organization's annual receipts were $10,000 or more, your organization must report on Form LM-2 or Form LM-3 as explained in Section II of these instructions.

13. DISBURSEMENTS

(a) PAYMENTS TO OFFICERS AND EMPLOYEES - Enter in Item 13(a) the total amount of all payments to officers and employees made by your organization during the reporting period. The amount reported should include, for example, gross salaries (before tax withholdings and other payroll deductions); lost time pay; monthly, weekly, or daily allowances; and disbursements for conducting official business of the organization as well as disbursements which were essentially for the personal benefit of the officer or employee. Enter "00" if your organization made no payments to officers or employees during the reporting period.

(b) OTHER DISBURSEMENTS - Enter in Item 13(b) the total amount of all other disbursements made by your organization during the reporting period including, for example, per capita tax and any other fees or assessments which your organization paid to any other organization, payments for administrative expenses, loans made by your organization, and taxes paid. Do not include payments to officers and employees, which must be reported in Item 13(a). Enter "00" if your organization made no other disbursements during the reporting period.

> NOTE: Section 503(a) of the LMRDA prohibits labor organizations from making direct or indirect loans to any officer or employee of the labor organization which results in a total indebtedness on the part of such officer or employer to the labor organization in excess of $2,000.

14. ASSETS - Enter in Item 14 the total value of all your organization's assets at the end of the reporting period including, for example, cash on hand and in banks, property, buildings, loans owed to your organization, investments, office furniture, automobiles, and anything else owned by your organization. Enter "00" if your organization had no assets at the end of the reporting period.

15. LIABILITIES - Enter in Item 15 the total amount of your organization's liabilities at the end of the reporting period including, for example, unpaid bills, loans owed, total amount of mortgages owed, and other debts of your organization. Enter "00" if your organization had no liabilities at the end of the reporting period.

16. LOSSES OR SHORTAGES - Check Item 16 "Yes" if any loss or shortage of funds or other property of your organization was discovered during the reporting period even if there has been repayment or an agreement to make restitution. If Item 16 is checked "Yes," describe the loss or shortage in detail in Item 17 including such information as the amount of the loss or shortage of funds or a description of the property that was lost, how it was lost, and to what extent, if any, there has been an agreement to make restitution or any recovery by means of repayment, fidelity bond, insurance, or other means. Check "No" if no losses or shortages were discovered.

NOTE: Section 502(a) of the LMRDA requires every officer or employee of a labor organization (whose property and annual financial receipts exceed $5,000 in value) who handles funds or other property of the organization to be bonded. The amount of the bond must be at least 10% of the value of the funds handled by the individual during the last reporting period. The bond must be obtained from a surety company approved by the Secretary of the Treasury. If you have any questions or need more information about bonding requirements, contact the nearest OLMS field office listed on the last page of these instructions.

17. ADDITIONAL INFORMATION - Use Item 17 to provide additional information as indicated in Items 11, 16, 18, and 19 and in Section X of these instructions concerning labor organizations which have terminated. Enter the number of the item to which the information relates in the Item Number column. If there is not enough space in Item 17, report the additional information on a separate letter-size page(s). At the top of each page clearly print the name of your organization, its 6-digit file number as reported in Item 1 of Form LM-4, and the ending date of the reporting period as reported on the second line of Item 2.

18-19. SIGNATURES - The original and one copy of completed Form LM-4 which are filed with OLMS must be signed by both the president and treasurer or corresponding principal officers of your organization. Original signatures are required; stamped or mechanical signatures are not acceptable. If the duties of the principal executive or principal financial officer are performed by officers other than the president and treasurer, the report may be signed by the other officers. If the report is signed by an officer other than the president or treasurer, cross out the printed title, enter the correct title in Item 18 or 19, and explain in Item 17 why the president or treasurer did not sign the report. Enter the city and state where the report was signed, the date the report was signed, and the telephone number at which the signatories conduct official business; you do not have to report a private, unlisted telephone number.

X. LABOR ORGANIZATIONS WHICH HAVE TERMINATED - If your organization has gone out of existence as a reporting labor organization, the last president and treasurer or the officials responsible for winding up the affairs of your organization must file a terminal financial report for the period from the beginning of the fiscal year to the date of termination. A terminal financial report must be filed if your organization has disbanded, merged into another organization, or consolidated with other organizations to form a new organization. A terminal financial report is not required if your organization changed its affiliation but continues to function as a separate reporting labor organization.

The terminal financial report may be filed on Form LM-4 if your organization filed its previous annual report on Form LM-4 and your organization's total annual receipts, as defined in Section II of these instructions, were less than $10,000 for the part of the last fiscal year during which your organization existed. (If total annual receipts were $10,000 or more, your organization must use Form LM-2 or LM-3 to file its terminal financial report as explained in Section II of these instructions.) Your organization's terminal financial report must be submitted to the U.S. Department of Labor, Office of Labor-Management Standards, 200 Constitution Avenue, NW, Washington, DC 20210, within 30 days after the date of termination.

To complete a terminal report on Form LM-4 follow the instructions in Section IX and in

addition:

- Print the words "TERMINAL REPORT" at the top of Form LM-4.
- Enter the date your organization ceased to exist in Item 2 after the word "THROUGH."
- Print the words "TERMINAL REPORT" as the first entry in Item 17 and provide a detailed statement of the reason why your organization ceased to exist. Also provide the name and address of the person or organization that will retain the records of the terminated organization. If your organization merged with another labor organization, give that organization's name, address, and 6-digit file number.

Contact the nearest OLMS field office listed below if you have questions about filing a terminal report.

★ ★ ★

Assistance may be obtained from the field offices of the U.S. Department of Labor's Office of Labor-Management Standards located in the following cities:

Albany, NY
Atlanta, GA
Boston, MA
Buffalo, NY
Chicago, IL
Cincinnati, OH
Cleveland, OH
Dallas, TX
Denver, CO
Detroit, MI
Grand Rapids, MI
Hato Rey, PR
Honolulu, HI
Houston, TX
Iselin, NJ
Kansas City, MO
Los Angeles, CA
Miami, FL
Milwaukee, WI
Minneapolis, MN
Nashville, TN
New Haven, CT
New Orleans, LA
New York, NY
Philadelphia, PA
Pittsburgh, PA
St. Louis, MO
San Diego, CA
San Francisco, CA
Seattle, WA
Tampa, FL
Vestavia Hills, AL
Washington, DC

Consult local telephone directory listings under United States Government, Labor Department, Office of Labor-Management Standards, for the address and telephone number of the nearest field office.

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