

MEMORANDUM

TO: All Business Managers
FROM: General Treasurer Bill Dean
DATE: April 26, 2018
RE: Converting to a “Cashless Environment”

A far too common topic of discussion during our General Executive Council (GEC) meetings is the alarming increase in bond claims within our organization. Over the past 5-years, significant efforts have been made to help Local Union officers identify and prevent theft, embezzlement and employee fraud as part of our core training programs. Most bond claims involve cash theft as this is the easiest asset to steal. Left undiscovered, the local union continues to lose member dues payments.

To eliminate the opportunity for cash theft, the GEC is mandating the elimination of “cash” from a local union’s business. With this action, the chances for fraudulent activities significantly reduces the chances of losing money to theft.

Today’s business environment is transitioning to cashless systems. There are multiple benefits including the reduced risk of theft and easier financial management. Reconciling receipts to the Daily Bank Deposit Report will be made simpler with the elimination of cash as a payment method.

The Great Lakes and Philadelphia District Councils agreed to go through the process of converting to a “cashless” system as a pilot test. Both Councils successfully completed the conversion and are now cashless. The results were reviewed and discussed during the General Executive Council meeting and as a result, the GEC took action establishing a policy pursuant to Article XIII, Section 5 of the Constitution requiring all local unions to adopt a “cashless system” effective July 1, 2018.

In lieu of cash, there are numerous options to make the transition. The list below presents possible options for U.S. and Canadian local unions:

Description	United States	Canada
<i>Payments by Member</i>		
Check or Money Order	X	X
Payment initiated from Member’s Personal Banking Account	X	X
Recurring Payments setup by Member	X	X
Member sends payment electronically	ACH	EFT
<i>Electronic Payments thru Local Union</i>		
LU accepts Credit/Debit card (cc) payments	X	X
Electronic Payments – (PayPal/Venmo)	X	X
Online Dues Payments setup & managed thru bank/3 rd Party	X	X

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Local Union 25 in Detroit, Michigan employed the Bank of Labor (B of L) to assist them in going cashless. The B of L has agreed to offer significantly discounted services to all our locals to transition to cashless. *See contact information below.

U.S. local unions are not required to use Bank of Labor for your transition. We understand that local unions often have long-established relationships with their community-based banks. The Bank of Labor is offered as a possible solution, and, since these services are internet based, they can service the entire country. Due to federal banking regulations, the B of L cannot offer these services in Canada.

Please remember that all Local Unions are required to be cashless by July 1, 2018. Thank you for your cooperation.

Designated Bank of Labor Contacts Contact Info:

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