



Arkansas Community Correction

Two Union Nation Plaza Building
105 West Capitol, 3rd Floor
Little Rock, AR 72201-5731
(501) 682-9510 (501) 682-9513 (fax)

ADMINISTRATIVE DIRECTIVE: 15-03 EMPLOYEE ASSOCIATIONS

TO: ARKANSAS COMMUNITY CORRECTION EMPLOYEES

FROM: SHEILA SHARP, DIRECTOR

SUPERSEDES: None

APPROVED _____ **Signature on file** _____ **EFFECTIVE: May 1, 2015**

- I. APPLICABILITY.** This policy applies to Arkansas Community Correction (ACC) employees.
- II. POLICY.** Arkansas Community Correction allows and encourages Employee Associations to operate on department property in accordance with this policy, applicable laws and the association's established by-laws. Employee Associations may provide social, recreational, professional and charitable events as a method of maintaining or improving employee morale. Employee Associations may not function as political or collective bargaining groups.
- III. GUIDANCE.**
 - A.** Prior to forming an association, organizers must obtain permission of their Center Supervisor or Area Manager. Associations at the Central Office must obtain the Director's permission.
 - B. Bylaws.**
 1. Each association must have its own bylaws and provide a current copy and any amendments to the applicable Center Supervisor or Area Manager. Central Office associations must provide a copy to the Deputy Director of Administrative Services.
 2. The attached "Employee Association Bylaws Template" is provided for guidance in developing bylaws.

C. Fundraising. An Employee Association may collect dues from its members and conduct lawful fundraising activities for the benefit of the association, its members or charitable efforts.

1. Detailed financial records must be kept on the receipt of funds, bank deposits, fund disbursements, contracts and any other financial transaction of the association.
2. Employee associations must comply with all provisions of the attachment, Employee Association Financial Requirements, AD 15-03 Form 2.

D. Audits.

1. The financial records of an Employee Association are subject to audit by the ACC Internal Auditor. Employee associations are encouraged to have independent audits on an annual basis.
2. A copy of the most recent audit must be provided to the Deputy Director of Administrative Services no later than 30 days after the completion of the audit.

IV. ATTACHMENTS AND FORMS.

AD 15-03 Employee Association Bylaws Template
AD 15-03 Employee Association Financial Requirements
AD 15-03 Form 1 Approval of By-Laws Form
AD 15-03 Form 2 Financial Requirements Obligations Form

[EMPLOYEE ASSOCIATION BYLAWS TEMPLATE]

**[Name, such as: ACC CENTRAL OFFICE EMPLOYEE ASSOCIATION]
BYLAWS**

ARTICLE I: NAME, PURPOSE, POWERS AND STATUS

Section 1. Name. This association is named [Name] (hereinafter referred to as association). The association's main office is located at: [full address]

Section 2. Purpose. The association is a non-profit association and must be operated for the charitable, educational and recreational interests of its members and its community. The association may develop and maintain liaisons with other associations affiliated with Arkansas Community Correction for mutual assistance and for the interchange of ideas and information.

Section 3. Powers. The association has the power, directly or indirectly, alone or in conjunction or cooperation with other associations, to do any and all lawful acts which may be necessary or convenient to affect the association's purpose and to aid or assist others whose activities further accomplish, foster or attain such purpose. In the furtherance of its purpose the association may collect membership dues and engage in fund-raising activities. The powers of the association may include, but are not limited to the acceptance of contributions from the public and private sectors, whether financial or in kind contributions.

Section 4. Non Profit Status. Required state and federal reports are submitted in order to establish and maintain nonprofit status.

ARTICLE II. MEMBERSHIP

Section 1. Membership. All members have the same rights and obligations with respect to voting, dissolution, and transfer. No member may transfer a membership to any other person. Membership is open to all persons who are employed by Arkansas Community Correction. A member may resign at any time. A member may not be expelled, suspended, or terminated as long as such member is actively employed by ACC and is not in arrears on the payment of membership dues. Expulsion, suspension, or termination of a member must be fair and reasonable. It is fair and reasonable when the member is given notice not less than 15 days prior to the expulsion, suspension or termination and the reasons therefore, and an opportunity for the member to be heard, orally or in writing, not less than 5 days before the effective date of the action or it is fair and reasonable taking into consideration all of the relevant facts and circumstances.

Section 2. Dues. In the event that membership dues are collected, the dues must be paid [quarterly, semi-annually and/or annually]. The dues will be payable on the first day of the month. Any member who becomes delinquent 30 days or more in the payment of the dues forfeits his/her membership and all benefits. Membership dues will not be refunded regardless of the circumstances.

Section 3. Meetings. The association must hold a minimum of 3 meetings each year, spaced reasonably throughout the year and written minutes of those meetings will be recorded. All minutes shall include a treasurer's report. Reasonable efforts must be made to announce to the membership at least 5 business days in advance of regular and special meetings to include time, date, place, and anticipated substantial agenda items such as those requiring a vote.

Section 4. Voting. Two-thirds of the members present at a pre-announced meeting are required to approve an act of the association.

ARTICLE III. OFFICERS

Section 1. Officers and Duties. The officers shall be the President, Vice-President, Treasurer, and Secretary. The officer duties are as implied by their respective titles and duties specified in these Bylaws. Each officer must keep accurate records of his/her work and turn them over to his/her successor.

The President is expected to preside at scheduled meetings. The President's role is to lead the association in performing its duties and responsibilities.

The Vice-President is expected to preside at meetings in the absence or disability of the President. In such situations he/she will perform the President's duties. When acting as President, the Vice-President has all the powers and restrictions of the President's position.

The Treasurer is responsible for oversight of the financial condition and affairs of the association and must keep the officers and members informed. The Treasurer must ensure appropriate financial reports, including an account of transactions, are made available upon request to ACC Internal Audit, association officers, and members. The Treasurer is responsible for ensuring association funds are properly deposited in a checking/savings account, maintaining a proper receipt process as evidence of the payment of dues, and keeping an itemized record of all receipts and expenditures. The Treasurer must follow the accounting procedures for procurement, disbursement and money management as outlined in the document entitled "Arkansas Community Correction Financial Requirements." The Treasurer must make reasonable efforts to ensure others involved with financial transactions understand and comply with the financial requirements.

The Secretary must keep an accurate and permanent set of written minutes of all meetings and actions of the association and officers and maintain a current list of all members. The minutes of each meeting must state the date, time and place that it was held and such other necessary information to determine the actions. The Secretary must provide the required meeting notices or ensure another person accomplishes this. The Secretary will perform other duties and powers as may be prescribed. The Secretary must preserve records and letters of value to the association and its members. The Secretary must present previous meeting minutes at each meeting.

All officers have an affirmative duty to ensure adherence to all provisions of the Bylaws and the document entitled "Arkansas Community Correction Financial Requirements."

Section 2. Officer Eligibility. Only members in good standing are eligible for office. The ACC Director, Chief Deputy Director, Deputy Directors, Assistant Directors, Center Supervisors and Area Managers may serve as advisors and will have the discretion to amend or deny any recommendations that are voted into action by the members if the event is in conflict with agency rules and regulations and/or would be perceived to be out of line with the agency's image and direction.

Section 3. Election and Term of Office. The term of office is one year. An exception to the one-year term of office will be if any officer resigns or is removed from office for cause by a vote of the membership present at a meeting. No person may serve in the same position for more than one year, or as an officer in the association for more than 4 consecutive years. Elections must be held annually.

Section 4. Vacancies. An officer may resign at any time by delivering written notice to the President or Secretary. A resignation is effective when the notice is given unless the notice specifies a date. In the event an officer resigns, his/her duties may be assumed by one of the remaining officers until a special election is held to fill the vacant office.

ARTICLE IV. FINANCIAL REQUIREMENTS

The "Arkansas Community Correction Financial Requirements" document governs association financial matters. Refer to that document for information on such topics as bookkeeping, purchasing, and receiving funds and/or donations.

ARTICLE V: COMMITTEES

Section 1. Creation. The officers of the association may create one or more committees and appoint officers to serve on the committees in conjunction with volunteers of the association membership.

ARTICLE VII: DISSOLUTION

Section 1. Procedure. Dissolution is authorized if it is approved by the members by a 2/3 vote. The officers must give fair and reasonable notice to the members of the meeting stating the purpose, or one of the purposes, of the meeting is to consider dissolving the association and contain or be accompanied by a copy or summary of the plan of dissolution. If the officers seek to have the dissolution approved by the members by written consent or written ballot, the material soliciting the approval must contain or be accompanied by a copy or summary of the plan of dissolution which must indicate to whom the assets owned or held by the association will be distributed after any creditors have been paid.

Section 2. Articles of dissolution. At any time after dissolution is authorized, the association may dissolve by delivering to the Arkansas Secretary of State articles of dissolution with provisions contained in A.C.A. 4-33-1404. Also, appropriate documentation must be provided to the Internal Revenue, such as the final tax form indicating dissolution.

Section 3. Effect. A dissolved association continues its corporate existence but may not carry on any activities except those appropriate to wind up and liquidate its affairs.

ARTICLE VIII: MISCELLANEOUS

Section 1. Benefits of Membership. The association may establish benefits commensurate with tax rules for the members and must make such information available to the members. The members may vote to change or amend the benefits provided by the organization as the circumstances, needs, and desires of the members dictate by a majority vote of the members.

ARTICLE IX: RULES OF ORDER

Section 1. Rules of Order. When not in conflict with these By-Laws, Robert's Rules of Order should be the parliamentary authority for all matters of procedure.

ARTICLE X: BYLAWS

Section 1. Amending the Bylaws. The Bylaws may be amended by a two-thirds majority of the membership in attendance at the regular meeting. At least 30 days written notice is given to the membership of the intention to alter, amend, repeal or adopt new Bylaws at such meeting.

Section 2. Adoption. By-Laws must be adopted by a two-thirds (2/3) vote of the membership at the regular meeting of the members.

**Arkansas Community Correction
EMPLOYEE ASSOCIATION FINANCIAL REQUIREMENTS**

1. Authorization for Handling Association Funds and Contracts.

- a. Before serving in an association position with access to any association funds; a person must sign a copy of these procedures and keep this on file with association paperwork. ACC employees who are prohibited from holding office pursuant to the bylaws may be a secondary co-signer on any checking account or other financial account provided they have submitted a signed copy of these procedures.
- b. Except as otherwise provided by resolution of the association, all contracts, leases, grants, and other agreements of the association must be executed on its behalf by the Treasurer or other person in the association who has been appropriately delegated to execute such document in accordance with policies approved by the officers.
- c. All checks, drafts, or other orders for payment of money, notes in the name of the association must be signed by two authorized signatures.

2. Bookkeeping.

The association must use an appropriate bookkeeping system or software to maintain financial records and must keep records current.

3. Restrictions on ATM, Debit and Credit Cards.

ATM, debit and credit cards may not be obtained in the name of the association.

4. Disbursement Process and Purchasing Process

- a. When a purchase request is on the meeting agenda it must include the purchase items requested, cost and purpose. Notification of this must be given prior to the meeting. Substantial expenditures must be pre-approved in a meeting.
- b. Net earnings must not inure to the benefit of any individual. (tax code)
- c. All checks must be matched to an invoice or receipt. The receipt or check must be retained for backup and income tax purposes. In the case of donations a simple acknowledging email is adequate.
- d. Checks must only be written for “Cash” when money is needed to make change for an event.
- e. Loans of any kind are prohibited, including holding a check from an employee for cash.

- f. A check must have the payee and amount written on it before it is signed. There is one exception to this, if two signatories are not available to pick up items, one signatory can sign with everything completed except the amount with the condition that the second signatory sign when making the purchase. This person making the purchase must return within close of the next business day with the receipt and both signatories must sign the receipt indicating they are aware of the amount of that check and the check stub is completed at that time. This does not change the requirement for another person to check goods purchased against the receipt or invoice.
- g. Checks, including two authorized signatures, and stubs must be filled out completely and indicate the purpose of the expenditure such as luncheon or donation.
- h. Goods purchased must be checked against the receipt or invoice for accuracy; and the person performing the check must write "received," indicate any discrepancies, sign, and if signature is not legible, print his/her name. This duty must be performed by an individual not related to the direct purchase of the merchandise.
- i. A statement (bill) listing goods received on multiple invoices must be matched with the invoices before payment. Such invoices or related receipts must include proper documentation indicating receipt.
- j. Personal purchases must not be co-mingled with employee association fund purchases. For example, a receipt for employee association purchases must not have anything listed that is not an employee association purchase.

5. Receipting and Depositing Process

- a. Receipts must be pre-numbered with carbon copies in a bound record book. Receipts must be written for all money received, to include miscellaneous sales, dues received directly from employees, and donations. For an event such as a fundraiser, a receipt is not required for each transaction if the following procedure is used:
 - 1) association officers must establish reasonable controls to safeguard money being collected and
 - 2) at the conclusion of the event an officer and one or more other persons account for the money received and one receipt is written for the total amount received.
- b. The receipt must contain at a minimum the name of the entity, person from whom the money was received, date received, amount received, method of tender such as cash, check, or money order, and reason the money was received.
- c. Deposit tickets must reflect the amount of each check listed for deposit.
- d. Gift cards given out that have been received as donations do not have to be signed for by the recipient.

6. Monthly Reconciliation of Bank Statements and Association Records

Bank statements must be reconciled monthly and the statement signed and dated by the person reconciling. Reconciling requires the following:

- a. check to see that each receipt/check has been entered into the association's bookkeeping system.
- b. check to see that each deposit on the bank statement has been entered into the association's bookkeeping system.
- c. count the cash on hand and check to see that this amount agrees with the association's bookkeeping system.
- d. compare the bank statement total withdrawals to total withdrawals in the association's bookkeeping system.
- e. sign and date the bank statement, include an indication that the statement is in agreement with the association's records, or if discrepancies exist describe the discrepancy on the statement or on a separate report.
- f. if a discrepancy is found it must be corrected immediately by the treasurer and signature holders.

7. General Requirements

- a. Copies of canceled checks and deposit receipts must be filed with the monthly bank statements.
- b. Required state and federal documentation must be completed annually.
- c. Records must be kept of all gift cards whether purchased or donated.
- d. Net earnings of the association must not benefit or be distributed to its members, trustees, or officers.

8. Financial Requirements in the Event of Dissolution. Upon the dissolution of the association, assets must be distributed for one or more exempt purpose within the meaning of the Internal Revenue Code or corresponding section of any future federal tax code. Refer to the bylaws for additional information to include required financial documentation.

**Employee Association
Approval of By-Laws Form**

These By-Laws were duly adopted by a two-thirds (2/3) vote of the membership of the association on

Date: _____

Organization Name

Name

Title

State of Arkansas County of _____

These Bylaws were acknowledged before me on this date:

My commission Expires: _____

Notary Public, State of Arkansas

Employee Association Financial Requirement Form

I have read, understood and will comply with these Employee Association Financial Requirements and any subsequent revisions.

Signature

Printed Name

Date

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____