

Reporting to the Department of Labor



**Nicole
Rhine**

The LMRDA does not provide for or permit an extension of time for filing for any reason.

“Branch presidents and secretary-treasurers are responsible for ensuring that required reports are filed accurately and in a timely manner.”

The filing requirements are:

- **Form LM-2**—Lengthy report filed electronically by branches with \$250,000 or more in annual receipts.
- **Form LM-3**—Four-page report filed by branches with total annual receipts of at least \$10,000 but less than \$250,000. The Department of Labor (DOL) instituted a new electronic filing system, the Electronic Forms System (EFS), which replaced the Adobe Acrobat and digital signature system. With a web-enabled computer, a treasurer may complete, sign (along with the president) and electronically file the LM-3 without purchasing a digital signature or downloading special software. In addition, EFS performs all calculations for the LM report and completes an error check to the form prior to submission to the DOL.
- **Form LM-4**—Two-page report filed by branches with annual financial receipts of less than \$10,000. Although paper may be used, the EFS is more beneficial (see above).

The officers required to file annual financial reports are responsible for maintaining records that will provide, in sufficient detail, the information and data necessary to

verify the accuracy and completeness of the report. 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.

Willfully failing to file a report or to keep required records can lead to criminal penalties—specifically, a fine of not more than \$100,000, imprisonment for not more than one year, or both. Knowingly making a false statement or representation of a material fact or knowingly failing to disclose a material fact in a report or other required document; and/or willfully making a false entry in, or withholding, concealing or destroying documents required to be kept may result in the same penalties listed above.

More information on filing the appropriate LM form for your branch or state association can be found at dol.gov under “Compliance Assistance,” then “Unions and Union Members.”

In addition to information on filing the LM report, the same sequence of links can be used to search for other important information including, but not limited to:

- **Conducting Audits in Small Unions**—A guide for trustees with a limited, focused review of financial records that was developed for use by trustees from small unions. This guide is ideal for all NALC branches and state associations. Not only should trustees be aware of and use the guide, it is also helpful to other branch officers with fiduciary duties. The guide will assist all officers in understanding their responsibilities in ensuring the NALC’s constitutionally mandated requirement of trustees performing an audit of the branch’s books at least once every six months is performed thoroughly and accurately.
- **Bonding Requirements under the LMRDA**—All branches and state associations that have liquid assets and annual receipts of \$5,000 or more in value must be bonded.
- **Bonding Computation Worksheet**—Many NALC branches and some state associations either do not have bonds and should, or are under-bonded. This worksheet will assist the branch treasurer in assuring that any branch officer who handles funds or who has access to funds is bonded for at least the minimum amount required by the Department of Labor.
- **Internal Financial Controls**—Provides information on the general fiduciary responsibility for officers and employees of labor organizations who occupy positions of trust.