

Section 10: Exercising Fiscal Oversight of Your Local

- Work with your association treasurer and governance body to develop and adopt budget and monitor revenue and expenses of the association.
- Ensure that the local conducts a periodic audit in accordance with best practices, including when there is a change in the local association treasurer.
- Participate in available training opportunities and encourage the local treasurer to attend annual Treasurers' workshops offered by OEA and OEA districts. Treasurer's who attend and participate in the Treasurers' workshop will be bonded.

The Fiduciary Duties of a Local Association Officer

As a president of a local association you - and your fellow officers and executive board members - have the fiduciary duty to ensure the mission of the local association is honored and that the local's resources are used wisely in support of that purpose. The fiduciary duties of a local president fall within four main duties:

- The Duty of Care
- The Duty of Loyalty
- The Duty of Obedience
- The Duty to Manage Accounts

Duty of Care

The duty of care requires you to exercise ordinary and reasonable care in the performance of your duties, while exhibiting honesty and good faith. Exercising the duty of care means that you must enhance, maintain and stay true to a reputation of acting with integrity. When you are seen and trusted as an honest agent you are setting a tone at the top of your local association that enhances your own reputation as well as that of your local association.

The duty of care also dictates that you must act in a manner which you believe to be in the best interests of the association. You have a responsibility, when acting as an agent and spokesperson, to maintain the good reputation of the local association.

Finally, the duty of care requires you to act as an ordinarily prudent person would in a like position under similar circumstances. You have a wide range of services at your disposal from OEA through your Labor Relations Consultant to provide advice on matters that include employment law, collective bargaining, organization, and fiscal health. The duty of care obligates you to avail yourself of this expert advice in order to make the most prudent decision possible in any given circumstance. It must be emphasized that the duty of prudence when acting as president of your local falls solely upon your shoulders and not those giving you advice – you should take their counsel into consideration when making decisions.

The Duty of Loyalty

The duty of loyalty requires you to maintain faithfulness to the association when acting in the capacity as your local's president. This means you must give your undivided allegiance to the association when making decisions. You cannot put personal interests above the interests of the association nor can you put the interests of a group of members or those of a friend above the interests of your association either.

The duty of loyalty requires you to disclose potential conflicts of interest you may have and, when possible, to avoid them. For instance, you may be offered a gift or something of value due to your position (i.e. sports tickets from an administrator or member of the Board of Education). The duty of loyalty obligates you to forgo receiving things of value or special favors because of your position.

The Duty of Obedience

The duty of obedience requires association officers to act in accordance with the association's constitution and bylaws, OEA Elections Manual, and other governing documents (such as the OEA and NEA constitution and bylaws), as well as all applicable laws and regulations.

The Duty to Manage Accounts

Officers and board members of the local association are responsible for the association's financial stability and accountability. They accomplish this primarily by establishing procedures to help the organization operate in a fiscally responsible manner. Officers and Board members should:

- Develop policies and procedures that protect the organization's business interests and operations.
- Develop annual budgets that provide clear direction for all organizational spending. The budget should be a blueprint of the board's program plans and should be routinely monitored, tracked throughout the year and revised as necessary.
- Ensure maintenance of accurate records of all income, expenditures, transactions and activities throughout the year — for the board and in all organizational operations. *Even though this is the Treasurer's primary responsibility, all officers have a duty to ensure this is done.*
- Establish appropriate internal accounting systems, including checks and balances, so one staff member or officer does not have total control over finances and so theft and improper spending can be identified quickly.
- Prudently invest and reinvest assets when appropriate.
- Insist on the best value for goods and services through comparisons and an informed bidding process.
- Ensure that board minutes are kept indicating board approval of expenditures and investments and to show that informed discussions were held before approval of such transactions.
- Ensure that an annual audit of the financial statements of the association is completed.

