



**Coalition of Graduate Employees
AFT, AFL-CIO Local 6069
101 NW 23rd Street
Corvallis, Oregon 97330**

October 21, 2008

NOTICE TO ALL NON-UNION MEMBER FAIR SHARE FEE PAYERS

The current contract between the Coalition of Graduate Employees and Oregon State University requires graduate teaching and research assistants who are included in the bargaining unit, but are not members of the union, to pay their fair share of the cost of collective bargaining, contract enforcement, and related activities. Any request for exemptions, whether they had been granted or not, must be filed each year.

Based on our auditors' calculations, your fair share as a non-union member is 83.84% of the regular dues paid by a CGE member, or 1.68% of your monthly salary.

CGE's membership is currently 24% of the bargaining unit. This unity and magnitude of support has helped make our contract settlements a reality and brought us the financial stability necessary to improve benefits and working conditions for all graduate teaching and research assistants at OSU.

As a member of CGE, you would have the right to attend quarterly general membership meetings, vote or run for positions on CGE's Executive Council, vote on contract proposals and ratifications, and make your voice heard through our various committees and events. As you can see, for only pennies more, you can enjoy the full advantages of union membership. Contact us unite@cge6069.org or call us at 541/757-7141 if you're interested in joining CGE.

In Solidarity,

A handwritten signature in cursive script that reads "John Osborne". The signature is written in black ink and is positioned above the typed name and title.

John Osborne
President, CGE

541/757-7141 (phone) unite@cge6069.org 541/753-3039 (fax)



Coalition of Graduate Employees
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101 NW 23rd Street
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October 1, 2008

We have examined the financial records of the Coalition of Graduate Employees, Oregon State University (AFT Local 6069) for the period July 1, 2007 through June 30, 2008 and found them to be in good order, with the following exceptions:

1. Checkbooks and financial records are not currently kept in a secure facility (they are stored in a desk drawer that does not lock). CGE should take immediate steps to secure these records, such as by procuring and using locking file cabinets or a safe.
2. While CGE had a written budget document for the 2007-08 fiscal year, the audit committee found no evidence in the organization minutes that the budget was ever approved by the executive committee. In the future, the budget should be presented in a regular meeting, approved by the executive committee, and approval should be recorded in the minutes. The audit committee also believes that CGE would benefit from establishing policies regarding the timing and process of developing the budget. Requiring the treasurer to produce a budget collaboratively with a budget committee by a particular date would be a good financial practice for the organization.
3. The audit committee found two major (>\$500) purchases that were not in the budget document and were not separately approved in the minutes. In the future, all expenditures that are not included in the budget should be approved by the executive committee and recorded in the minutes.
4. Financial reports were often missing from the executive committee minutes. The treasurer should provide written financial updates at every executive committee meeting, and these updates should be attached to the minutes. Updates should at least include information about income, expenditures, and cash position. A comparison of actual to budgeted expenditures should be included on a monthly basis.
5. The balance sheet does not include a line for property, plant, and equipment. It would improve the accuracy of financial reporting to take an inventory of the property owned by the union. The status of office equipment that was provided by AFT should be clarified and incorporated in the financial statements. For example, if the computers given by AFT need to be returned to AFT at some point, they should be listed as a liability. If the computers are a permanent gift from AFT to CGE, they should be fairly valued and listed as an asset. In the future, the balance sheet should be presented separately from the income statement.
6. The audit committee could find no evidence that written bank reconciliations were conducted for the previous fiscal year. The audit committee was told that the bank reconciliations were completed by the office staff responsible for writing checks, which is a violation of internal control best practices and AFT policy. In the future, the treasurer must conduct the monthly bank reconciliations and these reconciliations must be in writing.

541/757-7141 (phone)

unite@cge6069.org

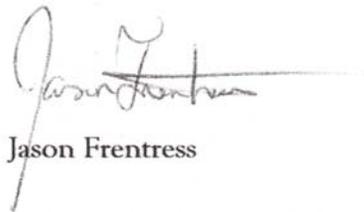
541/753-3039 (fax)

7. The executive officers should review the insurance situation of CGE and increase coverage in several areas. CGE has a worker's compensation policy, but the audit committee found no evidence of a fidelity bond, fire/disaster insurance, or liability insurance. The audit committee recommends that CGE purchase policies with appropriate coverage in those areas. An inventory of property owned by CGE (recommendation 5) would help the executives to determine the proper coverage levels.
8. An accounting policy manual should be adopted and used. Sample manuals for nonprofit organizations are available and could be tailored to CGE's needs and AFT's expectations. Such a manual would exemplify best financial procedures and practices and would also aid in transition between employees and officers. CGE particularly needs to establish a method for monitoring and recording payments and receipts in cash (currency).

This examination was performed by a committee of members of the Coalition of Graduate Employees and was not conducted in accordance with generally accepted accounting or auditing principles.

Based upon our examination, we consider the attached financial statements for the period July 1, 2007 through June 30, 2008 to be an accurate summary of transactions conducted during that period.

Sincerely,



Jason Frentress



Matthew Parks



Brian Collins

Coalition of Graduate Employees, AFT, AFL-CIO Local 6069 Statement of Income and Expenses (7/1/07 - 6/30/08)

Assets Ending FY 2006-07 (as reported by audit)	\$13,821.44
Bank Accounts Balance Beginning July 1, 2007	\$13,821.44
Expenses Reported in FY 2006-07	\$0.00

Assets Beginning FY 2007-08 on July 1 **\$13,821.44**

INCOME

Dues from Members	\$57,391.08
AFT Assistance	\$20,211.45
Misc.	\$1,174.60

TOTAL INCOME **\$78,777.13**

EXPENSES

AFFILIATIONS

AFT-Oregon Percaps	\$22,269.55
AFT-National Percaps	\$5,669.00
Oregon AFL-CIO	\$174.60
Total Affiliations	\$28,113.15

ADMINISTRATION

Staff Wages	\$12,937.64
Wage Taxes	\$3,960.60
Staff Incidentals (CPA/SAIF)	\$803.45
Staffing Subtotal	\$17,701.69

Facilities - Rent	\$3,650.00
Phone/DSL/LD/ISP	\$1,961.55
Non-Organizing Office Expenses	\$2,298.67
Facilities Subtotal	\$7,910.22

Total Administration **\$25,611.91**

ORGANIZING

Meetings, Events, & Printing Costs	\$4,420.80
COPE Deductions	\$585.00
Total Organizing	\$5,005.80

TOTAL EXPENSES **\$58,730.86**

NET GAIN/LOSS **\$20,046.27**

Assets Ending FY 2007-08	\$33,867.71
Bank Accounts Balance Ending June 30, 2008	\$33,867.71

Coalition of Graduate Employees FY 2007-2008 Balance Sheet (June 30, 2008)

Assets

Cash in Bank Accounts \$33867.71

Liabilities

Accounts Payable \$20.00

Net Assets \$33847.71

Coalition of Graduate Employees Fair Share Percentage Determination 2008-2009

Direct Expenses	Total	Chargeable	Non-chargeable
Staff salaries	12,937.64	12,937.64	0
Staff fringes	803.45	803.45	0
Payroll taxes	3960.6	3,960.60	0
Travel and related expenses	0	0.00	0
Recruitment meetings and events	4,420.80	4,420.80	0.00
Non-recruitment office expenses	2298.67	2298.67	0
Publications	891.5	739.98	151.52
AFT-Oregon	22269.55	17655.2992	4614.25076
AFT-National	2581	1786.052	794.948
AFL-CIO	3038	0	3038
	53,201.21	44602.4912	8598.71876
		0.83837362	0.161626376
General Expenses			
Rent	3650	3060.06373	589.9362716
Utilities, phone	1961.55	1644.51178	317.0382174
Depreciation	0	0	0
Equipment, supplies, maintenance	0	0	0
Insurance			
Total	5611.55	4704.57551	906.9744891
Grand Total	58,812.76	49,307.07	9,505.69
		83.84	16.16

CGE Member Dues = 2.00% of monthly salary

Fair Share Fee = 1.68% of monthly salary



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Fair Share Payer Objection Policy

Individual nonmember fair share fee payers who wish to challenge the Coalition of Graduate Employees (CGE) calculation of chargeable expenses and the amount of the fair share fee set forth in this notice must do so individually and in writing. The written challenge must include the challenger's name, address, OSU student identification number, job title, and employing department.

The written challenge must be sent to the local by mail, postmarked no later than 30 days from the date of this notice, to the following address:

Coalition of Graduate Employees
101 NW 23rd Street
Corvallis, OR 97330

An impartial decision-maker will be appointed by the American Arbitration Association to resolve all challenges to CGE's fair share fee determination. All challenges to CGE's fair share fee will be consolidated into a single proceeding. The impartial arbitrator will hold hearings in which the challenger(s) can participate personally or through a representative. In these hearings CGE will have the burden of proof regarding the amount of the fair share fee and the accuracy of the underlying calculation of chargeable expenses. The challenger(s) will be given an opportunity to present their own evidence and to present written arguments in support of their challenge(s). The arbitrator will issue a written decision and award on the basis of the evidence and argument presented. The challenger(s) will receive further information regarding the hearing, including the time and the place of the hearing, directly from the American Arbitration Association.

Upon receipt of a written challenge CGE will deposit, in an interest bearing escrow account, 100% of the fair share fee paid by the challenger pending resolution of their challenge. The fair share fee shall remain in escrow until the arbitration award issues and shall be distributed, along with accrued interest, pursuant to the arbitrator's ruling.

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