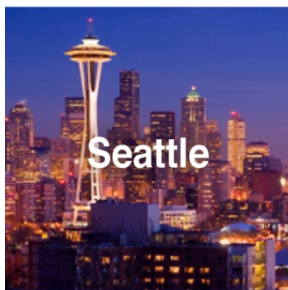


Lindquist Solutions

LINDQUIST LLP
CERTIFIED PUBLIC ACCOUNTANTS
www.lindquistcpa.com

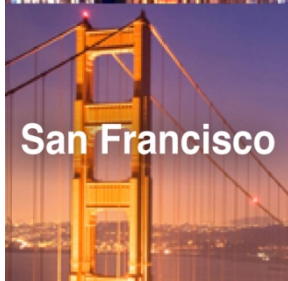
Serving the
West Coast



Seattle



Portland



San Francisco



Los Angeles

Form LM-30—The Final Rule

by Jasmine S. Baker, CPA, Manager
published November 10, 2011

Labor organization officers and employees (other than those employees exclusively performing clerical or custodial duties) who have received payments from, or engaged in transactions with certain employers or businesses, are required to file Form LM-30, *Labor Organization Officer and Employee Report*. The purpose of the Form LM-30 is to disclose actual or likely conflicts between the personal financial interests of labor organization officers or employees and their duty to the labor organization and its members. On October 26, 2011, the Department of Labor's (DOL) Office of Labor-Management Standards (OLMS) issued the final rule that revises Form LM-30 and its instructions.

Changes to Form LM-30

The OLMS's final rule:

1. Shortened the form from nine to two pages and made the format more consistent with other DOL reporting forms.
2. Revised the definition of "labor organization employee" so that it excludes union stewards and similar union representatives.
3. Rescinded the requirement to report union leave and "no docking" payments (i.e., payments made by a represented employer to employees for time spent on union activities).
4. Added an administrative exemption for reporting marketplace transactions with bona fide credit institutions (i.e., loans, savings accounts, CDs, credit cards, etc.), provided they are arms-length transactions with the same terms as other customers.
5. Narrowed the scope of reporting for payments received from (a) business competitors to the represented employer of union members, (b) trusts, and (c) unions so that only payments that present a conflict of interest or reasonable potential for a conflict of interest are reportable.
6. Revised and clarified the scope of reporting for higher-level union officials, requiring national, international and intermediate union officers and employees to look at the payments they receive from employers

Lindquist Solutions

and businesses engaged in relationships with lower levels of the official's union, as well as with the official's own level of union.

Effective date

The rule is effective on November 25, 2011, and is applicable for fiscal years beginning on or after January 1, 2012. For fiscal years beginning before January 1, 2012, **the OLMS will accept the new 2011 Form LM-30, the 2007 Form LM-30 or the pre-2007 Form LM-30.**

Background

Form LM-30 remained largely unchanged from 1963 until 2007, when the OLMS finalized significant changes to the form, including a revised layout and structure that expanded the form from two to nine pages, inclusive of new schedules, continuation pages and examples of transactions.

According to the OLMS, the 2007 rule generated numerous questions regarding the complexity of the form and instructions, as well as the scope and extent of Form LM-30 reporting obligations. These concerns prompted the OLMS to review its 2007 revisions. In March 2009, the OLMS issued a non-enforcement policy of the 2007 Form LM-30, allowing filers to use either the pre-2007 or the 2007 Form LM-30 to meet their statutorily required filing obligation.

On August 10, 2010, the OLMS proposed changes to the Form LM-30 which were essentially a return to the pre-2007 reporting requirements. On October 26, 2011 the proposed changes were approved and they are effective on November 25, 2011.

For more information

Visit: http://www.dol.gov/olms/regs/compliance/LM30_finalrule.htm for additional information. Please contact your Lindquist LLP partner if you have any questions about Form LM-30.

***Jasmine Baker, CPA**, is a manager in the San Ramon, California, office of Lindquist LLP. She has nine years of experience in audit and accounting services for employee benefit plans and labor organizations. As a manager,*

Lindquist Solutions

Jasmine trains staff and helps develop technical guidance for the firm. She also participates in the firm's audit technology group, which evaluates and promotes efficient use of technology in the audit process. Jasmine is a member of the American Institute of Certified Public Accountants. She received a bachelor of science degree in accounting from St. Mary's College.

Our firm provides the information in this e-newsletter for general guidance only. It does not constitute the provision of legal advice, tax advice, accounting services, investment advice, or professional consulting of any kind. The information provided herein should not be used as a substitute for consultation with professional tax, accounting, legal, or other competent advisers. Before making any decision or taking any action, you should consult a professional adviser who has been provided with all pertinent facts relevant to your particular situation. Tax articles in this e-newsletter are not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding accuracy-related penalties that may be imposed on the taxpayer. The information is provided "as is," with no assurance or guarantee of completeness, accuracy, or timeliness of the information, and without warranty of any kind, express or implied, including but not limited to warranties of performance, merchantability, and fitness for a particular purpose.