

DIVISION 5: FINANCES

501.00 VICE PRESIDENT FOR FINANCE

- (a) ~~The Vice President for Finance shall be the chief financial officer of the CSUEU. The Vice President for Finance shall be responsible for the CSUEU budget and the review of Standing Committee, and chapter budgets.~~
- (b) ~~In the performance of his/her duties, the Vice President for Finance may have the assistance of the Association Controller.~~
- (c) ~~The Vice President for Finance shall have the authority to order copies of all appropriate financial documents from the Association and from CSUEU Chapters.~~
- (d) ~~The Vice President for Finance shall have the authority to enforce collection of funds and/or property owed to the Corporation.~~

[RENUMBERING OF FOLLOWING SECTIONS]

502.00 FINANCE COMMITTEE

The Vice President for Finance shall appoint and chair a Finance Committee to assist in the preparation, review, and revision of the CSUEU budget.

503.00 BUDGET

The CSUEU budget shall determine the revenue and expenditures of the CSUEU. It shall reflect the actual dues and/or fee rate for all members and fee payers, as well as the travel reimbursement rate. All CSUEU expenditures shall be assigned to an appropriate category in the CSUEU budget.

503.01 Committees

All standing committees shall submit a list of proposed activities to the Finance Committee by December 31st of each fiscal year. (BD 35/04/08)

503.02 Review (BD 35/04/08)

The Board of Directors shall review the status of the CSUEU budget at every regular meeting, including emergency changes made to the budget by the Executive Officer Committee, and make amendments to the budget as necessary.

The Vice President for Finance shall make the report including revenues and expenditures to-date, and shall propose necessary amendments.

504.00 DUES

- (a) At the regular session of each General Council, the CSUEU Delegates shall adopt the CSUEU dues and fees. The dues and fees shall include all per capita payments. Dues and fees shall be adopted before the CSUEU budget. In between sessions of the General Council the dues and fees established in the prior budget shall remain in effect unless changed by a two-thirds (2/3) vote of CSUEU General Council delegates present and voting.
- (b) The Board of Directors and/or Bargaining Unit Councils may augment the dues and fees established in the CSUEU budget, subject to the following conditions:
 - (1) Bargaining Unit Councils may modify the dues and fees of their members only;
 - (2) The augmentation shall be for a stated purpose, with a specified duration of not more than one (1) year;
 - (3) All affected members shall be notified at least thirty (30) days before the effective date of the augmentation;
 - (4) Such augmentation shall be by two-thirds (2/3) vote of the Board of Directors or Bargaining Unit Council; and
 - (5) The dues and fees established by the CSUEU are not refundable.

505.00 LOCAL REPRESENTATION

- (a) The CSUEU Budget shall contain a line item specifying the amount of money rebated to the Chapters for local representation; the formula for determining this amount of money shall be adopted as part of the Budget. Chapter funds must be used for purposes consistent with the goals of CSUEU.
- (b) The rate of rebate from the CSUEU Treasury to the Chapters will be one dollar (\$1.00) per member and fee payer each month, but no less than \$400.00 as a base as of July 30, 2006. (CSUDC 41/01/03)

506.00 CHAPTER BUDGETS

506.01 Responsibilities and Reporting

The Chapter Treasurer shall be responsible for submitting a chapter budget on an annual basis, due thirty (30) days from the beginning of the calendar year. Chapter Treasurers are responsible for submitting quarterly reports and an annual, independent audit.

506.02 Chapter Audits

- (a) An annual financial audit/review will be required to be filed with CSUEU Headquarters by March 15, following the close of the year by each chapter. At least once every three years a financial audit will be conducted of each chapter by CSUEU Headquarters staff or by an independent certified public accounting firm approved by the Vice President for Finance.
 - (1) Chapters may be scheduled for an audit using the following criteria:
 - (A) At the request of a member of the chapter with concurrence of the Vice President for Finance; or
 - (B) For cause as determined by the Vice President for Finance, Association Secretary/ Treasurer; or
 - (C) Routinely by geographic area or on a random basis.
 - (2) A Chapter may be audited based on matters identified in past audit reports.
 - (3) The CSUEU may require, at its discretion, additional audits/reviews of chapters at any time.
 - (4) All chapter officers shall cooperate and provide full disclosure of all financial transactions to the auditor.
 - (5) Chapters may elect to have all routine audits/reviews performed by CSEA Headquarters.
- (b) Chapter Audit Reporting
 - (1) Audit/review reports shall state whether the financial statements are consistent with CSUEU policies and guidelines and the Chapter Bylaws.
 - (2) The audit/review report shall contain an expression of opinion concerning actions taken by the chapter regarding exceptions noted in previous audit/review reports.
 - (3) Explanatory notation of variations or discrepancies from CSUEU policies shall be noted in the audit/review report. Additional notes may be appropriate for clarifying audit/review findings.
 - (4) The audit report shall also comment on the adequacy of financial internal controls, such as:
 - (A) All checks shall require two authorized signatures.

- (B) Separation of duties requires that the person authorizing the expenditures be a different person from the one who disburses funds.
 - (C) Checks shall not be pre-signed.
 - (D) Checks shall never be made payable to “cash.”
 - (E) All cash advances shall be supported by written requests stating the reason(s) for the advance and identified as an advance for which the proper supporting documents are thereafter to be submitted and accounted for within 30 days of the event necessitating the advance.
 - (F) Chapters are responsible for instituting and maintaining adequate internal control procedures to provide reasonable assurance against irregularities and improprieties and adherence to the CSUEU’s Bylaws and Policies (auditing is not a substitution for an internal control system).
- (5) Copies of the audit/review report shall be provided to both the Vice President for Finance and to the Association Secretary/Treasurer in accordance with the date specified above.
 - (6) The audit/review reports, along with the auditor’s working papers, shall be retained by the Chapter until the subsequent CSUEU Headquarters’ audit/review is completed.
- (c) Qualifications of Chapter Auditors/Reviewers
- (1) The auditor shall be a licensed CPA.
 - (2) The auditor shall possess an understanding of the CSUEU’s policies and guidelines and the chapter Bylaws.
 - (3) The audit shall be conducted by persons other than Chapter Officers or any member of the Chapter who has control of the chapter funds.
 - (4) The auditor shall maintain an independent attitude and appearance and shall be objective and remain impartial in the conduct of the audit.
 - (5) The Vice President for Finance or his/her designee may review potential auditors and develop a list of auditors who can be used by chapters. Names of additional prospective auditors may be submitted by members or chapters to Vice President for Finance for consideration.

- (A) Association Headquarters staff may be made available on a limited basis.
- (B) Use of a member auditor shall not preclude audits conducted by the staff or a CPA firm, at the direction of the Vice President for Finance.

(d) Disposition of Chapter Audit Funds

In addition to any other actions taken by the Vice President for Finance, if the auditor gives a qualified or negative opinion regarding the chapter's financial operations and records and if immediate corrective action is not taken, the Vice President for Finance may direct that the chapter's financial operation be placed in trusteeship for a period up to one year. He/she may further direct that the chapter's financial operations be under the supervision for a second year.

506.03 Chapter Financial Records

- (a) Mandatory training shall be provided jointly to all Chapter Presidents, Vice-presidents, Secretary/Treasurers, and Treasurers within six months of their election.
- (b) All financial records of the chapters shall be retained for a period of five (5) years from the close of the fiscal year.
- (c) Chapter records shall consist of:
 - (1) Bank statements/canceled checks for all accounts;
 - (2) All supporting documents (i.e., invoices, expenditure request forms, receipts) for checks issued and deposits made for all accounts;
 - (3) All minutes of chapter meetings and executive committee meetings;
 - (4) Copies of chapter budgets;
 - (5) Copies of financial quarterly reports;
 - (6) Check stubs and check registers;
 - (7) Bank reconciliations;
 - (8) Form 990 or 990T - federal tax exemption forms, if filed;
 - (9) List of all outstanding unpaid bills at the end of the audit period;

- (10) Cash receipts and disbursement register (CSEA forms) or similar records.
- (d) Security and custody of the financial records and all assets of the chapter shall be the responsibility of the Chapter Secretary/Treasurer or Treasurer and shall be placed in a secure environment and shall be made available for immediate inspection by Chapter Officers of the respective chapter or by CSUEU Officers or their designee ten days from a written inspection request. Chapter financial records maintained by CSEA or CSUEU shall be made available for immediate inspection by Chapter Officers of the respective chapter or by CSUEU Officers or their designee within ten days from a written inspection request. All communications to a chapter from CSEA or CSUEU regarding their finances shall be sent concurrently to the Chapter Treasurer and Chapter President.

506.04 Forfeitures

- (a) Chapters shall be notified by the Vice President for Finance or designee at least one month prior to forfeiture of any funds.
- (b) Failure to comply with the budget rules set forth in the Chapter Treasurer's Handbook of the CSUEU shall result in forfeiture of monthly dues until the deficiency is corrected. Such forfeitures may be refundable upon review and recommendation of the Finance Committee. (CSUBOD 16/02/7)
- (c) A chapter treasury, including all reserve accounts, shall not exceed five-thousand dollars (\$5,000.00) in cash assets. If a chapter treasury exceeds this amount, monthly dues shall be forfeited until the treasury balance is below this limit.
- (d) A chapter with cause for exceeding the maximum cash assets may apply for an exemption, in writing, to the Vice President for Finance.

507.00 CSUEU GRANTS

- (a) The CSUEU shall provide funding for chapter grants.
- (b) The amounts of each grant shall depend upon substantiated need and availability of funds in the CSUEU budget.
- (c) Grant funds must be used for purposes consistent with the goals of the CSUEU.

507.01 Administration

Chapter requests for grants shall be submitted to the Vice President for Finance on a standard form that shall be supplied by the CSUEU. The Vice President for Finance will consult with the CSUEU Finance Committee and shall approve, amend, or deny the grant request. The decision of the CSUEU Finance Committee shall be reported at the next Board of Directors meeting as part of their report.

- (a) Failure to adhere to 507.00 (c) or the expenditure of grant funds on anything not authorized under the grant may result in revocation of all or part of the grant. The Board of Directors acting to revoke all or part of a grant may authorize the CSEA controller to recover grant money through deductions from the monthly chapter disbursement.

507.02 Procedures

Requests for chapter grants shall include:

- (a) An explanation of the need for the grant;
- (b) An itemized list of proposed expenditures for which the grant funds will be used;
- (c) A copy of the chapter's budget, including projected income;
- (d) A copy of the chapter's latest financial statement including chapter reserves, savings account and assets; and
- (e) Campus activities directly benefiting CSUEU represented employees.

508.00 REIMBURSEMENT

The following persons shall be eligible for expenses in connection with official business of the CSUEU:

- (a) Members of the General Council;
- (b) Members of the Board of Directors and the Bargaining Unit Councils;
- (c) Members of Statewide Committees;
- (d) Other members of the CSUEU assigned by the President to perform duties for the CSUEU;
- (e) Invited guests of the Board of Directors.

509.00 REIMBURSEMENT FOR CHAPTER PARTICIPATION AT BOARD OF DIRECTORS MEETINGS

Individuals required by the CSUEU Policy File to attend Board of Directors meetings as chapter representatives shall be required to file expense claims for necessary expenses within thirty (30) days of the event. The Vice President for Finance shall make provisions for travel advances and/or direct billing of expenses based upon request and hardship.

510.00 PROCESSING OF EXPENSE CLAIMS

510.01 Necessary Expenses

The most economical use of CSUEU funds, consistent with the convenience of the claimant and the schedule for the meeting, is the standard to be used in determining whether expenses claimed

are necessary. Expenses may include travel, lodging, and meals and other expenses as authorized by the CSUEU Chief of Staff. (BD 35/04/08)

510.02 Expense Reimbursement Rate

- (a) The Board of Directors shall establish the travel reimbursement rates and policies and review them annually. The policy shall be printed and attached to the reimbursement claim form.
- (b) Reimbursement for expenses over the established rate shall be paid only with the approval of the CSUEU Chief of Staff. (BD 35/04/08)

510.03 Administration of Travel Advances

Travel advances may be requested on a form provided by CSUEU. Requests must be in writing and authorized by the CSUEU Chief of Staff. All advances, less expenses, must be repaid no later than the calendar month following the date the expenditures were made. (BD 35/04/08)

510.04 Eligibility

- (a) Travel advances will only be authorized to members in good standing.
- (b) Members funded to attend events must remain for the duration of the event unless prior arrangements have been made with the president.

511.00 INVESTMENT POLICY

511.01 General Portfolio Parameters

The Executive Officer Committee of the CSUEU Board of Directors shall determine the amount of cash that each acceptable bank will manage for CSUEU. In general, the portfolio parameters will apply to all cash managers; however, the bank that manages the excess cash used in daily operations will maintain liquidity parameters specified by CSUEU.

- (a) No single issuer or guarantor (other than the United States Treasury and Federal agencies) may represent more than 10% of the total value of holdings of each cash manager's portfolio.
- (b) The total portfolio will be invested to provide, in the form of maturity proceeds, of a minimum of 10% of the portfolio on 24-hours notice.
- (c) The Executive Officer Committee of the CSUEU Board of Directors shall coordinate with each portfolio manager.

511.02 Acceptable Investments

- (a) U.S. Government and Government-sponsored Securities that are direct obligations of the U.S. Government;
- (b) Government-sponsored Agency securities as follows: Government National Mortgage Association (GNMA) and /or Federal National Mortgage Association (FNMA);
- (c) Obligations of Major U.S. Bankers limited to Certificates of Deposit and/or Time Deposits; and
- (d) Money Market Funds limited to one (1) year until maturity.