



# Bylaws

**November 15-16, 2014**

*[This page intentionally left blank.]*

## TABLE OF CONTENTS

	<b>Page:</b>
Article 1. Name and Principal Office .....	1
Section 1.1. Name. ....	1
Section 1.2. Principal Office. ....	1
Section 1.3. Other Offices.....	1
Article 2. Purposes.....	1
Section 2.1. Purposes of the Corporation. ....	1
Section 2.2. Authority of Charter.....	1
Section 2.3. Limitations. ....	2
Article 3. Members .....	2
Section 3.1. Classes of Membership. ....	2
Section 3.2. Qualifications for Membership. ....	2
(1) Active Members.....	2
(2) Associate Members. ....	2
Section 3.3. Members in Good Standing. ....	3
Section 3.4. Rights of Members.....	3
(1) Active Members.....	3
(2) Associate Members. ....	3
Section 3.5. Term of Membership. ....	3
Section 3.6. Dues.....	3
Section 3.7. Payment of Dues.....	3
Section 3.8. Transfer of Membership.....	3
Section 3.9. Member Discipline. ....	4
(1) Grounds. ....	4
Section 3.10. Open Meetings.....	4
Article 4. Chapters.....	4
Section 4.1. Definition. ....	4
Section 4.2. Purposes. ....	5
Section 4.3. Eligibility for Charter. ....	5
Section 4.4. Chapter Bylaws and Activities. ....	5
Article 5. Corporate Governance .....	5
Section 5.1. Corporate Officers. ....	5
Section 5.2. Executive Officer Committee. ....	9
Section 5.3. Board of Directors.....	9
Section 5.4. General Council and SEIU International Convention Delegates. ....	10
Section 5.5. Powers of the Board of Directors. ....	10
Section 5.6. Eligibility for Office and Electorate. ....	10

Section 5.7. Voting Rights.....	11
Section 5.8. Term of Office.....	11
Section 5.9. Installation of New Directors.....	11
Section 5.10. Compensation of Directors.....	11
Section 5.11. Vacancies on the Board of Directors.....	11
Article 6. Committees of the Board.....	13
Section 6.1. Constitution and Powers.....	13
Article 7. Representatives to CSEA.....	13
Section 7.1. President.....	13
Section 7.2. Vice President for Organizing.....	13
Section 7.3. General Council Delegation.....	13
Section 7.4. CSUEU Chapter Delegates to General Council.....	13
Section 7.5. Other Representatives.....	13
Article 8. Finance.....	13
Section 8.1. Fiscal Year.....	13
Section 8.2. The Budget.....	13
(a) Adoption.....	13
(b) Amendment.....	14
(c) Exceeding Budget.....	14
(d) Automatic Amendment.....	14
(e) Application of Credits.....	14
Section 8.3. Borrowing.....	14
Section 8.4. Lending and Leasing.....	14
Section 8.5. Sequestration.....	15
Section 8.6. Investment of Corporation's Funds.....	15
A. Scope.....	15
B. Objectives.....	15
C. Responsible Parties.....	15
Article 9 Political Action.....	16
Section 9.1. Limitations.....	16
Article 10. Indemnification.....	16
Section 10.1. Right of Indemnity.....	16
Section 10.2. Approval of Indemnity.....	16
Section 10.3. Advancement of Expenses.....	17
Section 10.4. Insurance.....	17
Article 11. Records and Reports.....	17
Section 11.1. Maintenance of Corporate Records.....	17
Section 11.2. Maintenance and Inspection of Articles and Bylaws.....	17

Section 11.3. Annual Report.....	17
Article 12. Amendment of Bylaws.....	18
Section 12.1. Amendment by the Board of Directors.....	18
Section 12.2. Record of Amendments.....	18
Article 13. Interpretation.....	19
Section 13.1. Supremacy of the Bylaws.....	19
Section 13.2. Definitions.....	19
Section 13.3. Rulemaking Authority.....	20
Section 13.4. Cross-References.....	20

## **Article 1. Name and Principal Office**

**Section 1.1. Name.** The name of this corporation is California State University Employees Union, Inc. (hereinafter referred to as the "Corporation" or CSUEU).

**Section 1.2. Principal Office.** The principal office for the transaction of the activities, affairs and business of the Corporation shall be located at 1108 "O" Street, 5<sup>th</sup> Floor, Sacramento, California 95814.

**Section 1.3. Other Offices.** The Corporation may from time to time establish branch or subordinate offices at any place or places where it is qualified to conduct its activities.

## **Article 2. Purposes**

**Section 2.1. Purposes of the Corporation.** The principal purpose of the Corporation is to further the interests of its members in connection with their service to the people of the State of California. It shall have all the purposes of the California State Employees' Association (CSEA), of which its active members are also members, and the additional purposes set forth in this article. Without limiting the generality of the foregoing, the specific purposes of the Corporation include the following:

- (a) To encourage the development and maintenance of high standards of professionalism in university employment;
- (b) To promote the welfare of its members in connection with their employment, which may include, representation before the Legislature, in courts and in negotiations over wages, hours and terms and conditions of employment.
- (c) To foster acquaintanceship, cooperation, efficiency and harmony among its members, and to serve as a forum for communications among them about matters within the scope of the Corporation's purposes.
- (d) To represent the interests of its members within CSEA.

**Section 2.2. Authority of Charter.** This corporation has been chartered by authority of California State Employees Association (CSEA), a California non-profit mutual benefit corporation. If such charter is surrendered to, taken away, or revoked by CSEA, this corporation shall thereupon dissolve. If this corporation is dissolved for such reason or for any other reason or cause whatsoever, all of its assets, after compliance with the applicable provisions of Chapters 15, 16, and 17 of the California Non-Profit Mutual Benefit Corporation Law, shall be

distributed to CSEA. The foregoing provisions may not be amended without the written consent of CSEA.

**Section 2.3. Limitations.** Neither the Corporation nor any of its officers, agents, employees or any other person under its control shall take any action prohibited by these bylaws or the bylaws of CSEA.

### **Article 3. Members**

**Section 3.1. Classes of Membership.** The Corporation shall have two mutually exclusive classes of membership: active and associate. No person may hold membership in more than one class.

**Section 3.2. Qualifications for Membership.** Any individual dedicated to the purposes of this Corporation and qualified for membership in one of the following classes may be admitted to membership in such class on compliance with the procedures set forth in this article and in Article 4. The qualifications for the respective classes of membership shall be as follows:

(1) Active Members.

(a) Rank and File Employees of the California State University (CSU), not designated as supervisory, managerial, or confidential, shall be eligible for membership in the CSUEU. Membership in good standing shall continue during appeals of involuntary termination.

(b) Auxiliary Employees, including but not limited to Foundation Employees and Associated Student Employees, and Student Employees not designated as supervisory, managerial, or confidential, shall be eligible for membership in the CSUEU. Membership in good standing shall continue during appeals of involuntary termination.

(c) Employees of the University of California

(d) Employees of Hastings College of the Law

(2) Associate Members.

(a) Are on leave of absence from state service who elect not to be active members; or

(b) Were members while in state service, have separated from state service, and who are recommended by a chapter for membership; or

- (c) Temporarily laid off from state service, but were members prior to such layoff.

**Section 3.3. Members in Good Standing.** Those members who have paid the required dues and fees in accordance with these Bylaws, who have not lost their eligibility for membership, who are not under suspension and have not been expelled shall be deemed members in good standing.

**Section 3.4. Rights of Members.** All members of the Corporation shall have the right to attend and speak at membership meetings of their respective Chapters. The other rights of the members shall be as follows:

- (1) Active Members.

Active members in good standing shall be entitled to all the rights and privileges of membership, including, without limitation, the right to vote, the right to hold office if elected, and the right to participate on a non-discriminatory basis with all other active members in all member benefits.

- (2) Associate Members.

Associate members shall be entitled to participate in member benefits if and to the extent such benefits can be provided without interfering with the Corporation's ability to serve the active members. Associate members do not have the right to hold office or vote.

**Section 3.5. Term of Membership.** Membership shall commence when a member is admitted in accordance with these Bylaws. Membership shall continue until the member resigns, is expelled, dies or becomes ineligible for membership.

**Section 3.6. Dues.** Membership dues shall be set by and through the Corporation. Other fees may be set by the Board of Directors as they deem appropriate.

**Section 3.7. Payment of Dues.** All dues for active members shall be payable by payroll deduction while the State of California cooperates with the terms of a Memorandum of Understanding. The Board of Directors may establish alternative methods of dues collection.

**Section 3.8. Transfer of Membership.** Membership is personal to the member. It is not assignable or transferable under any circumstances. Any purported assignment or transfer of any rights of membership shall be null and void and of no effect.



### **Section 3.9. Member Discipline.**

(1) Grounds. A member may be disciplined up to and including suspension or expulsion from membership in this Corporation, or fined for one or more of the following causes:

- (a) Failure to pay dues, fees or assessments within 120 days after the due date thereof.
- (b) Occurrence of any event that makes the member ineligible for membership.
- (c) The good faith determination by the Board of Directors, or a committee or hearing officer authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes or interests of the Corporation.
- (d) Failure to fulfill the duties and responsibilities of elected office.
- (e) Failure to repay travel advances within timelines established by the Board of Directors.
- (f) Failure to return to CSUEU all books, papers, electronic files (including user names and passwords) and other CSUEU property that are in their possession or control at the close of their term or service to CSUEU. (BD 76/10/2)

(2) Procedure. Members of the Corporation shall be disciplined in accordance with policies and procedures established by the Corporation and applicable laws.

**Section 3.10. Open Meetings.** Except as set forth in this Section 3.10, all meetings of the Executive Officers, the Board of Directors and all committees at which the business of the Corporation is acted upon shall be open to all members in good standing of the Corporation, and all meetings of each Chapter and of its officers and committees shall be open to all members of such Chapter. A meeting may not be closed except for reasons in accordance with established policies and procedures and subject to applicable laws.

## **Article 4. Chapters**

**Section 4.1. Definition.** A Chapter is defined as an autonomous organization of persons with a community of interest qualified for membership in the Corporation,

which holds an un-revoked charter signed by the President and the Vice President for Finance by authority of the Board of Directors in accordance with established policies and procedures, and subject to applicable laws.

**Section 4.2. Purposes.** The purposes of a Chapter shall be to promote cooperation among the members, to provide a forum for meetings of members and participation in the affairs of the Corporation, to recruit and organize members, and to carry out the purposes of the Corporation at a local level.

**Section 4.3. Eligibility for Charter.** Persons who are eligible to or hold active membership in CSUEU may petition the Board of Directors for the issuance of a charter declaring in their petition the community of interests to be served, their acceptance of the CSEA Bylaws and Policy File, the Corporation Bylaws and Policy File, and their desire to function as a lawful unit of the Corporation.

**Section 4.4. Chapter Bylaws and Activities.** Each Chapter shall adopt and follow a bylaws in accordance with established policies and procedures and subject to applicable law.

## **Article 5. Corporate Governance**

**Section 5.1. Corporate Officers.** The principal officers of the Corporation shall be President, Vice President for Organizing, Vice President for Finance, and Vice President for Representation. (BD 111/10/4cc)

**A. President.** Subject to the overall control of the Board of Directors, the President shall be the chief executive officer of the Corporation, and shall supervise, direct and manage the Corporation's activities, affairs and other officers. (BD 32/09/2)

The President's duties include: (BD 32/09/2)

- (1) Calls and presides over all meetings of Board of Directors and the executive officer committee and is an ex officio member of all other committees; (BD 32/09/2)
- (2) Appoints all committees with the exception of the Executive Committee, Finance Committee, Representation Committee, Representation Appeals Committee, and Statewide Organizing Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors); (BD 32/09/2) (BD 96/10/3)
- (3) Coordinates the CSUEU Board Programs; (BD 32/09/2)

(4) Represents the CSUEU in relations with other organizations;  
(BD 32/09/2)

(5) Represents the CSUEU within the Association; and (BD 32/09/2)

(6) Serves on the CSEA Board of Directors and Board Executive  
Committee. (BD 32/09/2)

**B. Vice President for Organizing.** The Vice-President for Organizing is the second officer of the Corporation and shall have the primary responsibility to develop and implement all organizing and recruitment activities of the Corporation. (BD 32/09/2)

The Vice President's duties include: (BD 32/09/2)

(1) Acts for, and in the place of, the President at the latter's request or during his/her absence or disability; (BD 32/09/2)

(2) Assists the President in all of his/her duties; (BD 32/09/2)

(3) Serves on the CSEA Board of Directors; (BD 32/09/2)

(4) Keeps (or cause to be kept), at the Corporation's principal office or at a place determined by Board resolution, a record of the Corporation's members, showing each member's name, address, Chapter and class of membership and any changes thereto; (BD 32/09/2)

(5) Keeps (or cause to be kept) a record of the territory, officers, Delegates, Alternates, bylaws, meeting place and other significant information about each Chapter; (BD 32/09/2)

(6) Gives (or causes to be given) notice of all Board, Board Committees, and other committee meetings, as required by these Bylaws; (BD 32/09/2) (BD 57/11/21)

(7) Appoints the election committee, provides (or causes to be provided) election notices and ballots, and ensures voting rights and quorum requirements are met. Take (or causes to be taken) such other actions as these Bylaws may require in connection with all nominations and elections for the Corporation; and (BD 32/09/2) (BD 57/11/21)

(8) Chairs and appoints the Statewide Organizing Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors). (BD 32/09/2) (BD 96/10/3)

The Vice-President for Organizing shall have such other duties as may from time to time be prescribed by the Board of Directors. (BD 32/09/2)

**C. Vice-President for Finance.** The Vice President for Finance is the chief financial officer of the CSUEU, and the third executive officer of the Corporation. (BD 32/09/2)

The Vice President's duties include: (BD 32/09/2)

- (1) Replaces the Vice President for Organizing in the event of a temporary or permanent vacancy; (BD 32/09/2)
- (2) Serves on CSEA's Board of Directors and Fiscal Committee; (BD 32/09/2)
- (3) Chairs and appoints the Corporation's Finance Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors); (BD 32/09/2) (BD 96/10/3)
- (4) Develops, with the Finance Committee, the fiscal training for chapter officers and specialized training for Chapter Treasurers; (BD 32/09/2)
- (5) Monitors and makes recommendations on the CSUEU standing committee and chapter budgets to the President; (BD 32/09/2)
- (6) Keeps and maintains (or causes to be kept and maintained) adequate and correct books and accounts of the Corporation's properties and transactions; (BD 32/09/2)
- (7) Directs the preparation of such financial statements and reports as are required by law, the Bylaws, the President or the Board of Directors. With reasonable notice, the Corporation's account books shall be open to inspection by any Director; (BD 32/09/2)
- (8) Deposits (or causes to be deposited) all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board of Directors may designate, shall disburse the Corporation's funds as the Board of Directors may order; (BD 32/09/2)
- (9) Oversees the collection of all amounts owed to the Corporation and the payment of the Corporation's obligations; (BD 32/09/2)

- (10) Keeps (or causes to be kept) at the Corporation's principal office a copy of the Articles of Incorporation and the original of these Bylaws, as amended to date. The Vice President for Finance shall also keep the seal of the Corporation in safe custody at the principal office of the Corporation; and (BD 32/09/2)
- (11) Bond: If the Board requires, the Vice-President for Finance shall be bonded, in the amount and with the surety or sureties specified by the Board of Directors, for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Vice-President for Finance on his or her death, resignation, retirement, or removal from office. (BD 32/09/2)

**D. Vice President for Representation.** The Vice-President for Representation is the fourth executive officer of the Corporation and is responsible for the coordination, training, development, and operations of the Corporation's representation program. (BD 32/09/2)

The Vice President's duties include: (BD 32/09/2)

- (1) Replaces the Vice President for Finance in the event of a temporary or permanent vacancy; (BD 32/09/2)
- (2) Chairs the Bargaining Committee and Coordinates the work of the Bargaining Unit Councils; (BD 32/09/2)
- (3) Appoints stewards to the Representation Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors); (BD 32/09/2) (BD 96/10/3)
- (4) Serves as the officer assigned to the Classification Committee; (BD 32/09/2)
- (5) Attends CSEA Board of Directors meetings as requested by the CSUEU President; (BD 32/09/2)
- (6) Maintains (or causes to be maintained) steward certification records and grievance and appeals tracking; (BD 32/09/2)
- (7) Develops and maintains the Corporation's representation training policy and the training program for hearing officer panels members; (BD 32/09/2)

(8) Coordinates activities of Chief Stewards; and (BD 32/09/2)

(9) Coordinates meet and confers. (BD 32/09/2)

**E. CSEA Board of Directors.** In the event that the number of CSUEU seats on the CSEA board changes and notwithstanding the duties listed above, the President shall serve on the CSEA Board of Directors and CSEA Board Executive Committee. Any additional seat(s) shall be filled among and by the CSUEU Executive officers. If the Executive Committee is unable to select additional seat(s) by a simple majority vote, the President shall appoint the members(s) to the CSEA Board with concurrence of the CSUEU Board of Directors. (BD\_\_/12/\_\_)

**Section 5.2. Executive Officer Committee.** Members of the Executive Officer Committee shall be the President, the Vice-President for Organizing, the Vice-President for Finance, and the Vice-President for Representation. (BD 111/10/4cc)

**Section 5.3. Board of Directors.** There is hereby established a Board of Directors of the Corporation consisting of the Executive Officers, Chapter Presidents or their alternate, and Bargaining Unit Chairs and Vice Chairs or their alternate.

A. Duties:

All CSUEU Board Directors are responsible for performing the following duties in connection with their roles as Board Directors:

- (1) Attend all CSUEU Board meetings;
- (2) Represent the Director's chapter or bargaining unit at the Board meetings including presenting items to the Board at the request of their constituency;
- (3) Provide two-way communication between the Director's constituency and the Board of Directors;
- (4) Uphold the CSUEU Bylaws and Policy File;
- (5) Respond to member comments or questions regarding Board motions;
- (6) Other duties that may be assigned by the President.

B. Alternate Directors:

- (1) Alternate Directors for Chapter Presidents shall be in the following order: Chapter Vice Presidents, Chapter Treasurer, Chapter Secretary. (BD 58/11/21)
- (2) Alternate Directors for Bargaining Unit Councils shall be the at large members of the Bargaining Unit Council.

C. Excused Absences:

An Alternate Director shall be seated when a Director has an excused absence from the CSUEU President. No Director may miss two (2) consecutive Board meetings unless the Director has an excused absence. The President has the authority to review and determine whether or not a Director's absence is excused. In the President's absence or unavailability the Vice President for Organizing is authorized to review the Director's request for an excused absence. (BD 111/10/4cc)

**Section 5.4. General Council and SEIU International Convention Delegates.**

General Council and SEIU International Convention Delegates are elected or selected in accordance with California State University Employees Union Policy File, California State Employees Association Bylaws and Policy File, and SEIU International Constitution and Bylaws. (BD 13/12/4)

**Section 5.5. Powers of the Board of Directors.** Subject to the provisions and limitations of applicable law, and subject to any limitations in the Articles of Incorporation, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised by or under the direction of, a Board of Directors constituted as set forth in this Article. Said Board of Directors is sometimes referred to herein as the "Board." A member of the Board is referred to herein as a "Director."

All Board action shall be taken by motion. Board actions or decisions require (1) a quorum, and (2) a majority vote of the directors present.

**Section 5.6. Eligibility for Office and Electorate.**

- A. Only CSUEU members in good standing may run for and be elected to Corporation Office.
- B. The Corporation Officers are elected by the active members in good standing who:

1. are members of the Board of Directors; or
2. are Chapter Vice Presidents, Secretaries, Treasurers, Chapter Organizing Chairs and Chapter Bargaining Unit Representatives not already serving on the board. (BD 77/10/2)

**Section 5.7. Voting Rights.** All voting rights of the active members, except those exercised within their respective chapters, shall be delegated to and exercised by and through their duly elected directors.

**Section 5.8. Term of Office.** The election cycle of Corporation officers shall correspond with the cycle established by Corporation Policy.

**Section 5.9. Installation of New Directors.** Newly elected Officers shall be installed as the Officers of the Corporation at the close of the Board of Directors Meeting at which they are elected. Before entering upon their duties, each shall take an oath, the exact terms of which may be established by resolution of the Board, to support the aims and purposes of the Corporation, support and defend its Bylaws, and faithfully discharge the duties of such office. Directors elected at or between meetings of the Board of Directors shall take the oath at that meeting before taking office. Directors elected at other times shall take the oath at the beginning of the first meeting of the Board of Directors which they attend. The President shall conduct the installation of all Officers and Directors and administer the oath to them.

**Section 5.10. Compensation of Directors.** No Director or Officer shall be entitled to additional compensation for services rendered as such Director or Officer while they are participating in Union Leave provisions of a Memorandum of Understanding. The Corporation shall pay or reimburse the reasonable expenses incurred by the Directors and Officers in connection with attending meetings of the Board of Directors, serving on Committees of the Board or other committees, or otherwise carrying out their duties on behalf of the Corporation.

**Section 5.11. Vacancies on the Board of Directors.**

- A. Causes of Vacancies. A vacancy or vacancies on the Board of Directors or Executive Officer Committee shall exist on the occurrence of any of the following events.
- (1) The death or resignation of a Director or Officer.
  - (2) The declaration by resolution of the Executive Officer Committee of a vacancy in the office of a Director or Officer who has been declared of



unsound mind by an order of court or convicted of a felony since being elected as a Director or Officer.

- (3) The removal of a Director or Officer by the Board of Directors, as set forth in this section.
- (4) Two (2) consecutive, unexcused absences from Board of Directors meetings shall be cause for removal from the Board of Directors. (BD 96/10/3)
- (5) An increase in the number of authorized Directors. (BD 96/10/3)

#### B. Rules for Vacancies

- (1) Resignation. A Director or Officer may resign by giving written notice to the President, the Vice President for Finance or the Executive Officer Committee. Such resignation will be effective when received unless it specifies a later effective date, in which case it shall take effect as of such later date.
- (2) Removal. The Board of Directors may remove a Director or Officer from office, with cause, by vote of two-thirds of the Directors in attendance and voting at a meeting at which a quorum is present. Directors may be removed only at a meeting.
- (3) Temporary leaves from elected positions shall become permanent vacancies after one year unless extended by action of the Board of Directors. (BD 96/10/3)
- (4) Filling Vacancies. Except for vacancies created by removal of an Officer by the Board of Directors, vacancies on the Executive Officer Committee may be filled by a majority vote of the remaining Officer(s) within 15 days of the vacancy, subject to the Board's concurrence within 30 days. (BD 96/10/3) (\_/14/\_)
- (5) A vacancy created by the removal of an Officer by the Board of Directors may be filled by the Board of Directors; if the Board of Directors fails to fill any such vacancy, the Executive Officer Committee may do so as in the case of any other vacancy. The Board of Directors may fill any vacancy not filled by the remaining Executive Officers. (BD 96/10/3)

## **Article 6. Committees of the Board**

**Section 6.1. Constitution and Powers.** The Board may establish committees to serve particular purposes of the Corporation. Other committees have been established by these Bylaws, or may be established by amendment hereof; but neither the Board nor any bylaw may delegate to any committee any of the powers listed in Corporations Code Section 7212(a)(1)-(8).

## **Article 7. Representatives to CSEA**

**Section 7.1. President.** The President shall serve as the representative of the Corporation on the board of directors of CSEA.

**Section 7.2. Second Corporation Representatives.** The Vice President for Organizing shall serve as the second Corporation representative on the board of directors of CSEA.

**Section 7.3. General Council Delegation.** The delegates and alternates who represent the active members of the Corporation on the CSEA General Council shall be: the Delegates and Alternates elected pursuant to CSUEU Bylaws, President, Vice President for Organizing, the Vice President for Finance and Vice President for Representation.

**Section 7.4. CSUEU Chapter Delegates to General Council.** General Council Delegates. The election of Chapter General Council delegates shall be in accordance with the CSUEU Bylaws and Policy File.

**Section 7.5. Other Representatives.** If the bylaws of CSEA require or permit this Corporation, the class of members of CSEA who also belong to this Corporation or the division of CSEA to which such members formerly belonged, to elect or appoint any other representatives to the CSEA board of directors, general council, any CSEA committee or any other CSEA body (other than as set forth above or elsewhere in these Bylaws), such other representatives shall be appointed by the President, with the affirmation of the Board of Directors.

## **Article 8. Finance**

**Section 8.1. Fiscal Year.** The fiscal year of the Corporation shall be the calendar year.

### **Section 8.2. The Budget.**

(a) Adoption. The Corporation's fiscal affairs shall be managed pursuant to the cycle of Association General Council Meetings. At least 30 days prior to the Board of Directors meeting prior to the General Council Meeting, the Vice

President for Finance shall have proposed, and shall have mailed to each Delegate, a proposed budget for the following budgetary cycle. The Board of Directors may, by majority vote, make such amendments to the proposed budget as it deems advisable. The proposed budget, as so amended, shall become the budget of the Corporation for the forthcoming budgetary cycle. The Board of Directors shall be deemed to have ratified and approved those parts of the proposed budget which it does not amend.

- (b) Amendment. The Board of Directors may amend the budget for any purpose.
- (c) Exceeding Budget. No expenditure of the Corporation's funds or other assets may be made or contracted for except pursuant to and in accordance with a budget duly adopted by the Board of Directors, except as specifically authorized by the Board of Directors or in this article. With the approval of the Board of Directors, the Corporation may incur and pay obligations in excess of those included in the budget if funding for such additional expenditures is provided by either:
  - (1) dues or other revenues in excess of those anticipated by the budget; or
  - (2) savings on other budgeted items. Amounts included as "reserves" in the budget may be used only with the approval of two-thirds of the Board of Directors then in office, and then only to cover obligations that were incurred involuntarily and must be paid to avoid legal liability for the Corporation.
- (d) Automatic Amendment. If CSEA cannot or does not agree to provide all the services ordered by the Corporation pursuant to its budget, then the budget shall be deemed automatically amended to authorize the Corporation to obtain replacement goods and services elsewhere on the best terms then reasonably available, and to pay the additional cost, if any, of obtaining such replacement items.
- (e) Application of Credits. The Corporation's credits with CSEA for its positive funds balance as of the date it receives a charter from CSEA, and any future credit balances with CSEA or any other supplier, shall be treated as part of the Corporation's sources of funds for budget purposes, and applied to budget expenses as quickly as permitted by CSEA or such other supplier.

**Section 8.3. Borrowing.** The Corporation may borrow money for corporate purposes, on terms approved by the Board of Directors, only to the extent authorized by its currently effective budget.

**Section 8.4. Lending and Leasing.** If and to the extent authorized by the

currently effective budget, the Corporation may rent or lease to others its real or personal property (other than money or cash equivalents) not needed for current operations, on commercially reasonable terms and with adequate security. The Corporation shall not acquire any property for the purpose of renting or leasing it, and shall sell any asset for which there is no foreseeable future need. The Corporation may lend its assets (other than money or cash equivalents) free of charge or for less than the rental value thereof provided such loan is for the purposes set forth in Article 2. The Corporation shall not lend money except as permitted by section 8.6.

**Section 8.5. Sequestration.** Nothing contained in the budget can compel the Corporation to make any expenditure or loan of corporate funds or any lease or transfer of other corporate assets. If the Board of Directors determines that it is in the best interests of the Corporation to delay, limit or withhold any expenditure or loan of the Corporation's funds or any loan, lease or transfer of any of its other assets, then it may sequester such funds or other assets for as long as it deems advisable. Sequestered assets may not be counted as a reduction in expenditures for purposes of reallocating budget items.

### **Section 8.6. Investment of Corporation's Funds**

#### A. Scope

Only funds of the Corporation in excess of those needed for current expenses shall be deposited in one or more accounts insured by the U.S. government in depository institutions chartered by the U.S. government, or invested in securities issued by, and backed by the full faith and credit of, the US Government.

#### B. Objectives

The objectives of investing the excess cash balances of CSUEU, in order of priority, are as follows:

1. Maximize safety of the principal
2. Meet CSUEU liquidity requirements
3. Deliver optimum yields in relationship to the guidelines and market conditions
4. Provide fiduciary control of all investments

#### C. Responsible Parties

Subject to affirmation by the CSUEU Board of Directors and in consultation with

the Chief Financial Officer of CSEA, investment decisions are the responsibility of the Executive Officer Committee of CSUEU.

Any revisions or amendments to investment parameters or policy will be the responsibility of the CSUEU Board of Directors.

The daily portfolio management may be delegated by the CSUEU Executive Officer Committee to the Chief Financial Officer of CSEA under the general portfolio parameters adopted by the CSUEU Board of Directors.

## **Article 9. Political Action**

**Section 9.1. Limitations.** No officer, director, agent, employee, member, Chapter or other subordinate organization or subdivision of the Corporation shall take any political action on behalf of the Corporation or in the name of the Corporation on any political issue without the express prior approval of the Legislative Committee or the Board of Directors.

## **Article 10. Indemnification**

**Section 10.1. Right of Indemnity.** To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, subordinate officers, committee members, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such positions (all referred to in this article as "agents"), against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, including an action by or in the right of the Corporation, by reason of the fact that the person is or was an "agent" of the Corporation, as defined above. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

**Section 10.2. Approval of Indemnity.** On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of said Code whether the applicable standard of conduct set forth in Section 7327(b) or Section 7237(c) has been met. If so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the matter shall be submitted to a vote of the CSUEU General Council Delegates by written ballot. Each ballot shall be sent with a statement of the facts of the matter prepared by legal counsel to the

Corporation, and the statement of the person or persons requesting indemnification if such statement is not unreasonably long and is received before the time the ballots are mailed. The CSUEU General Council Delegates shall thereupon determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, shall authorize indemnification. A person to be indemnified shall not be entitled to vote on the question.

**Section 10.3. Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under this Article in defending any proceeding covered hereby shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

**Section 10.4. Insurance.** The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents, as defined above, against any liability asserted against or incurred by any such person in such capacity or arising out of his or her status as such agent of the Corporation.

## **Article 11. Records and Reports**

**Section 11.1. Maintenance of Corporate Records.** The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Board of Directors and its Committees; and
- (c) A record of each member's name, address, Chapter and class of membership.

**Section 11.2. Maintenance and Inspection of Articles and Bylaws.** The Corporation shall keep at its principal office the original or a copy of the Articles of Incorporation, and these Bylaws, as amended to date, which shall be open to inspection by the voting members at all reasonable times during office hours.

**Section 11.3. Annual Report.**

- (a) An annual report shall be prepared within 120 days after the end of the

Corporation's fiscal year. That report shall contain the following information in appropriate detail:

- (1) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation.
  - (2) A statement of the place where the list of the names and addresses of current members is located.
- (b) Unless each voting member is given a copy of such report, the Corporation shall notify each voting member annually of such member's right to receive a financial report under this section. On written request by a voting member, the Board shall promptly cause the most recent annual report to be sent to the requesting member.
- (c) If the Corporation regularly publishes a member newsletter or magazine which is mailed to all active members, the obligation to provide a copy of the annual report to members shall be satisfied if such report is published in full in an issue of such publication which appears no later than 120 days after the end of the Corporation's fiscal year. If the report is not published in full, the notice required by subsection (b) may be given by publishing it in a prominent place in the issue of such publication which appears nearest before the end of 120 days after the end of the Corporation's fiscal year.

## **Article 12. Amendment of Bylaws**

**Section 12.1. Amendment by the Board of Directors.** These Bylaws may be amended, or new bylaws adopted, by vote or written consent of two-thirds (2/3) of the Directors present and voting at any duly called, noticed and held meeting of the Board of Directors at which a quorum is present, provided advance notice of the proposed amendment has been given to the Directors at least 45 days before such meeting is held. Such notice shall set forth the text of the proposed amendment, and shall be mailed or otherwise given to each Director in the manner required for giving notice of special meetings of the Board of Directors. Any provision of these Bylaws that requires the vote of a larger proportion of the Directors than otherwise required by this article may not be amended or repealed except by such larger vote.

**Section 12.2. Record of Amendments.** The Vice President for Organizing shall keep complete records of all amendments for at least five years after the

effective date thereof, including the bylaws as they existed before each amendment, the exact text of each amendment, and the bylaws as amended. In the discretion of the Board of Directors, these Bylaws may be restated in their entirety to incorporate extensive amendments, or the amendments may be endorsed upon the existing Bylaws and signed in the margin by the Vice President for Organizing. In any event, the Vice President for Organizing shall ensure that these Bylaws accurately and completely incorporate all amendments to date, and shall certify that the Bylaws, as so amended, are the true and complete bylaws of the Corporation.

### **Article 13. Interpretation**

**Section 13.1. Supremacy of the Bylaws.** These Bylaws are the supreme authority of the Corporation, subject only to the Articles of Incorporation, to the applicable provisions of the bylaws of CSEA, and to U.S. and California law. Any act of the Executive Officer Committee, of any Committee of the Corporation, of the Board of Directors or of any Officer, Chapter, member, committee or agent of the Corporation in conflict with these Bylaws is, to the extent of such conflict, null and void.

**Section 13.2. Definitions.** Unless the context clearly requires another meaning, all terms defined below and used in these Bylaws with a capitalized initial shall have the meaning given them in this section, as follows:

- (a) "Alternate" shall mean a person elected by a Chapter to replace a General Council Delegate if necessary, pursuant to Article 7, Section 7.3.
- (b) "Board" shall mean the Board of Directors.
- (c) "Board of Directors" shall mean the Board of Directors established by Article 5, Section 3 hereof.
- (d) "Alternate Director" shall mean a person eligible to serve in the absence of a Director pursuant to Article 5, Section 3.B.
- (e) "Chapter" shall mean an organized group of members of the Corporation who work or reside within geographic boundaries established pursuant to Article 4 and who hold a valid and unrevoked charter from this Corporation pursuant to said article.
- (f) "Committee of the Board" shall mean a committee composed entirely of Directors and established pursuant to Article 6.
- (g) "Director" shall mean a member of the Board of Directors



(h) "Officer" shall mean one of the principal officers of the Corporation identified in Article 5, Section 5.1.

**Section 13.3. Rulemaking Authority.** No grant of authority herein contained permitting the Board of Directors to make and amend rules in certain instances shall be deemed to restrict the authority of the Board of Directors to make and amend rules in other instances.

**Section 13.4. Cross-References.** Each reference herein to any article shall be deemed to include a reference to each and every section, subsection and other subordinate part thereof; and each reference to a section or subsection shall be deemed to include a reference to each and every subsection and other subordinate part thereof.