

# Education Minnesota Financial Policies

*For Governance and Members*

*Board approved 9/18/98. Last amended 7/23/20*



**THE VOICE FOR PROFESSIONAL  
EDUCATORS AND STUDENTS**

## Table of Contents

|   | Page |
|---|------|
| I. General .....  | 3    |
| II. Financial Matters .....   | 3    |
| Responsibility .....  | 3    |
| Expense Reimbursement Forms.....  | 3    |
| Receipts.....   | 3    |
| Personal Vehicle.....   | 4    |
| Air Travel.....   | 4    |
| Meals.....  | 4    |
| Tipping .....   | 4    |
| Hotel Accommodations .....  | 4    |
| Substitute Pay/Salary Loss (Release Time) .....                                 | 5    |
| Dependent Care (Child or Elder) .....   | 5    |
| III. Governing Board Expenses .....   | 5    |
| Hotel Accommodations.....   | 5    |
| Transportation Policy.....  | 5    |
| Education Minnesota Representative Convention.....                              | 5    |
| Emergencies.....  | 6    |
| NEA National Directors and AFT Vice Presidents.....                             | 6    |
| Governing Board Conference Funding.....   | 6    |
| Governing Board Communications .....  | 6    |
| Governing Board Technology.....   | 6    |
| IV. Committee/Task Force Meeting Expenses .....                                 | 6    |
| V. Conferences .....  | 6    |
| Education Minnesota Sponsored Conferences.....                                  | 6    |
| General .....   | 6    |
| Summer Seminar .....  | 7    |
| Minnesota Educator Academy .....  | 7    |
| Collective Bargaining and Organizing Conference.....                            | 7    |
| Political Conference.....   | 7    |
| Annual School Law Conference.....   | 7    |
| Funded Members to In-State Conferences.....                                     | 7    |
| General.....  | 7    |
| Funded Members to Out-of-State Conferences.....                                 | 7    |
| General.....  | 7    |
| General Arrangements.....   | 8    |
| Hotel Accommodations.....   | 8    |
| Transportation.....   | 8    |
| VI. Education Minnesota Representative Convention.....                          | 8    |
| VII. AFT and NEA National Conventions and Conferences.....                      | 8    |
| VIII. Minnesota AFL-CIO Convention and Political Conference.....                | 9    |
| IX. Officers of Education Minnesota.....  | 9    |
| X. Financial Reporting.....   | 10   |
| XI. Donations.....  | 10   |
| XII. Hotels.....  | 10   |
| XIII. Memorials.....  | 10   |
| XIV. Project Money.....   | 10   |
| XV. Grievance Arbitration Funding.....  | 10   |
| XVI. Lobby Day Reimbursement.....   | 11   |
| Reimbursement Amounts .....   | 11   |
| Reimbursement Process .....   | 11   |
| Unused Funds .....  | 11   |
| Outside Groups .....  | 11   |
| XVII. Minnesota State Fair Volunteer Reimbursement Policy.....                  | 11   |
| XVIII. Education Minnesota Audit Committee.....                                 | 12   |
| XIX. Education Minnesota Investment Policy.....                                 | 12   |
| XX. Education Minnesota Affiliate Standards and Financial Responsibilities..... | 12   |

## **I. General**

This policy is to assist members engaged in travel and/or incurring expenses that are reimbursed by Education Minnesota. Education Minnesota is accountable to the membership for the prudent stewardship of the organization's funds and must maintain control over how funds are spent. To fulfill this responsibility, Education Minnesota reserves the right to request additional documentation where necessary to substantiate expenses, or to deny reimbursement for expenses that are outside this policy.

Members have a responsibility to utilize the organization's resources in a prudent and efficient manner, and to avoid unnecessary expense.

Members may be entitled to reimbursement for all appropriate expenses or may be restricted to certain expenses depending on the circumstances. Members should have a clear understanding in advance of what limitations are in effect. A predetermined "amount" and authorized "nights" as referred to in this document, will be established by the Secretary-Treasurer's Office. Reimbursement for expenses beyond this policy must have the prior approval of the Education Minnesota Secretary-Treasurer. Appeals regarding denials for reimbursement may be made to the Education Minnesota President.

## **II. Financial Matters**

### **Responsibility**

Any Governing Board motion having unbudgeted financial implications must have a financial impact statement.

Budgeted programs shall have spending flexibility as determined jointly between the person responsible for the program and the Executive Director. However, no Statement of Principal area of the budget can be overspent without prior review by the Governing Board. A monthly financial report will be given to the Education Minnesota Secretary-Treasurer. A financial report will be given to the Budget and Finance Committee and the Governing Board at each meeting.

The contingency fund shall be annually set at a minimum of 0.5% of total revenue net of continuous membership revenue.

### **Expense Reimbursement Forms**

The expense reimbursement form is an official Education Minnesota document. By signing the form, the member is attesting that the expenses listed are a true and complete representation of actual costs incurred, that they correspond to the event and that they conform with the guidelines designated in this policy.

Expense reimbursement forms must be submitted within 60 days after the expense is incurred. It is essential to include the last four digits of one's Social Security Number on the form.

### **Receipts**

Original, itemized receipts are required for all airline tickets, hotel accommodations, meal, taxi fare, dependent care and parking fees. Boarding passes should be submitted along with the original airline receipt. Original itemized receipts must also be submitted for any expense if an itemized paper receipt was generated in the expense transaction. Receipts are not required for expenses such as tips for housekeeping or baggage handling. Documentation must be written on all receipts including:

- Date
- Meeting (reason and place) or reason for expense
- Names of people participating in the meal or expense

### **Personal Vehicle**

Mileage is reimbursable at the IRS rate in effect at the date of travel. The reimbursable rate will not be higher than the IRS rate.

Mileage rate for the State Fair booth, political conference or conference/convention airport mileage will be 20 cents per mile.

The mileage reimbursable rate may be increased by ten cents per mile for each additional participant passenger to encourage car-pooling. The additional reimbursement is taxable income and must be reported to the IRS to the extent that it exceeds the IRS rate.

Parking fees are reimbursable when paid parking is necessary at the meeting location or at the airport. Original itemized receipts for parking expenses must be submitted for reimbursement.

The use of an alternative mode of transportation (plane, train, bus, etc.) will not result in additional expenses being reimbursed as compared with the cost of travel by personal vehicle unless there is prior approval by the President or Secretary-Treasurer.

### **Air Travel**

The use of air travel (based on readily available discount fares) will not result in additional expenses being reimbursed as compared with the cost of travel by personal vehicle. Air travel or alternative modes of transportation are permitted only with the prior approval of the President or Secretary-Treasurer. No-show or unused tickets that have been direct billed or paid by Education Minnesota become the member's expense. Members will pay Education Minnesota the cost of the ticket. The ticket cost becomes a credit in the member's name for future flights with the airline. Education Minnesota will reimburse the cost of checking up to two bags. Airline tickets purchased with frequent flyer miles are not reimbursable.

### **Meals**

Actual cost, including tax and gratuities, for meals will be reimbursed. Daily maximum for meal reimbursement is \$70. No reimbursement for a meal will be made when a meal is provided. When meals are included as part of the event, deductions from the daily maximum will be made as follows: \$15 for breakfast, \$20 for lunch and \$35 for dinner. Original, itemized receipts are required for meals. Reimbursement for one alcoholic beverage per receipted meal is permitted.

### **Tipping**

Education Minnesota will reimburse members for travel tips, which are reasonable in relation to the services rendered. This would be \$1.00 per bag for baggage handling, \$3.00 per day for housekeeping service, and generally no more than 20% of the cost of a meal or taxi trip. Tips for meals are included in the amount specified as the daily maximum reimbursement for meal expenses. Reimbursement for baggage and maid service tips shall not exceed \$7.00 per day.

### **Hotel Accommodations**

Hotel Accommodations are reimbursable at the rate of the double occupancy standard room rate (including tax) or discounted rate, if available. Expenses for additional occupants are not reimbursable.

For direct-billed rooms, members must pay for any nights not authorized for payment as well as any incidental charges incurred for movies, fitness room, bar tabs, telephone calls and other incidental charges when checking out.

### **Substitute Pay / Salary Loss (Release Time)**

Members are encouraged to use locally negotiated leave. This policy will be in effect when local negotiated leaves are not available or when a local has a limited number of union leave days and needs them for local union business.

Substitute pay and/or salary loss will be reimbursed when members are requested to attend meetings on workdays. Additional reimbursement for substitute pay or salary loss may be reimbursed subject to prior approval of the Education Minnesota President or Secretary-Treasurer when the member requires extra travel time in order to reach the meeting location.

The school district or local must bill Education Minnesota directly for the expense. Reimbursement for substitute pay and/or salary loss must be verified in writing by the school district, and must state the specific cost deducted from the member's pay. If the local or member is to be reimbursed, the local president must verify with the correct documentation. Prior approval of the Education Minnesota President or Secretary-Treasurer is required in extenuating circumstances.

Listed in order of preference are the methods for such reimbursements:

1. Education Minnesota reimburses the school district directly.
2. Education Minnesota reimburses the local directly.
3. Education Minnesota reimburses the individual member (must be reported to the IRS as non-employee compensation on the Miscellaneous Income Tax Form-1099).

### **Dependent Care (Child or Elder)**

Dependent care fees are reimbursable to daily maximum of \$60. Original itemized receipts are required.

## **III. Governing Board Expenses**

### **Hotel Accommodations**

Education Minnesota will reserve rooms and arrange for direct billing of single/double room hotel costs for each board member. Room, meals, and tax will be direct billed to Education Minnesota. The member must pay all other costs at the time of checkout.

All hotel reservations will be guaranteed for late arrival. Only authorized nights may be direct billed. No-show costs shall be the board member's personal expense. In the event of an emergency, board members shall notify the President's office as soon as possible in advance of check-in.

Hotel accommodations will be provided before or after a meeting.

### **Transportation Policy**

Members must request prior approval to use alternative means of transportation (air, bus, etc.).

The following will be considered in granting such requests:

1. Distance and time preclude driving.
2. Substitute pay deducts or negotiated leave would exceed cost of commercial transportation, or substitute pay or negotiated leave is not available.
3. If the request is granted, the member will be encouraged to secure the lowest airfare available. Charter flights will be used only if the cost does not exceed the cost of commercial flights or if no other option exists. Charter flights will be booked or coordinated through the Education Minnesota Secretary-Treasurer.

### **Education Minnesota Representative Convention**

Governing Board members will have their expenses reimbursed.



### **Emergencies**

When weather or other emergency conditions arise while a member is participating in Education Minnesota activities, reasonable expenses will be reimbursed.

### **NEA Board Directors and AFT Vice Presidents**

NEA Board Directors by virtue of their position are voting members of the Education Minnesota Governing Board. If a NEA director is appointed by the Education Minnesota President to participate in specific state activities, Education Minnesota will be responsible for these expenses.

AFT Vice Presidents by virtue of their position are non-voting members of the Education Minnesota Governing Board. Their expenses will be reimbursed the same as for Governing Board Members.

### **Governing Board Conference Funding**

Funding will be provided for Governing Board members to attend one conference per governing board term. Conferences must be sponsored by Education Minnesota, the American Federation of Teachers, the National Education Association or the AFL-CIO. Board members must get prior approval from the Education Minnesota president.

### **Governing Board Communication**

Funding will be provided for Governing Board members to attend constituent meetings.

### **Governing Board Technology**

Governing board members, per each term served, are eligible to be reimbursed up to \$550 for the purchase of technology related items (laptops, iPads, smartphones, etc.) and/or data plans to allow board members to participate and communicate in meetings.

## **IV. Committee/Task Force Meeting Expenses**

Members appointed or elected to serve on Education Minnesota committees/task forces or to represent Education Minnesota at the state level will be reimbursed for actual expenses at the same level as Board members. The assigned staff to a committee or task force will review and sign each committee member's expense reimbursement form, prior to the Treasurer signing off on the approval. All meetings of committees or task forces will be provided standard refreshments, ordered by the staff liaison's office.

Expenses (e.g., mailings, printing, supplies, etc.) will be charged against the committee, or task force, which incurred the expense.

## **V. Conferences**

### **Education Minnesota Sponsored Conferences**

#### **General**

Presenters who are members of Education Minnesota will be reimbursed expenses for mileage, hotel accommodations and meals not provided by the conference or event when necessary. Expenses incurred by presenters are not eligible for reimbursement.

Education Minnesota approved member-presenters who have been assigned to a training at a local or Intermediate Organization by Education Minnesota will receive \$40.00 per hour presenting as well as up to 1 hour of drive time each way, not to exceed a maximum of 2 hours driving time.

Members who are invited to present at an Education Minnesota Conference - such as MEA, Annual School Law Conference, the Collective Bargaining and Organizing Conference, Political Conference, or Summer Seminar – are not eligible for the hourly stipend rate. However, they will receive complimentary admission to the conference along with having their expenses reimbursed as outlined in this section.

Education Minnesota will establish grants based on need to assist selected local leaders, new members, and ethnic minorities to participate. Governing Board members will be funded to attend all Education Minnesota sponsored conferences. Funding will include registration, hotel, meals and mileage.

As a condition of funding and participation, participants are required to report in a manner prescribed and as set forth prior to each conference.

Costs incurred by Education Minnesota for hotel, meals, flight, and registration that result from cancellations or no-shows will be the responsibility of the participant except in cases of emergency.

### **Summer Seminar**

Education Minnesota will provide the registration fee, meals and double occupancy room for one participant per local and one ethnic minority per local. There will be a charge for additional participants from each local and for participants who request single room lodging accommodations. Education Minnesota will not provide mileage reimbursement for participants. Presenters who are members of Education Minnesota will be reimbursed for registration fee, mileage, meals and lodging accommodations when necessary.

### **Minnesota Educator Academy (MEA)**

Presenters who are members of Education Minnesota will be reimbursed for mileage, meals and hotel accommodations when necessary.

### **Collective Bargaining and Organizing Conference (every other year)**

Education Minnesota will provide the registration fee for one participant per local. Presenters who are members of Education Minnesota will be reimbursed for registration fee, mileage and hotel accommodations when necessary.

### **Political Conference (every other year)**

Education Minnesota will provide one hotel accommodation at the rate of the double occupancy standard room rate (including tax) and the first registration for free, per local. Mileage will be reimbursed, per the rate set under Section II; Personal Vehicle; paragraph 2.

### **Annual School Law Conference**

Education Minnesota provides local leaders a reduced registration fee.

## **Funded Members to In-State Conferences**

### **General**

Members elected or appointed by Education Minnesota to attend state conferences will be reimbursed for actual expenses subject to the limits specified in Section II.

Presenters who are members will be reimbursed registration fee; mileage, hotel accommodations and meals when necessary. Stipends and release time costs will not be paid. Expenses incurred by presenters are not eligible for reimbursement.

Education Minnesota may provide funding to assist selected local leaders to attend.

## **Funded Members to Out-of-State Conferences**

### **General**

Members elected or appointed by Education Minnesota to attend out-of-state conferences will be reimbursed for actual expenses subject to the limits specified in Section II.

As a condition of funding and participation, participants are required to report in a manner prescribed and as set forth prior to each conference.

Costs incurred by Education Minnesota for hotel accommodations, meals, flight, and registration that result from cancellations or no-shows will be the responsibility of the participant except in cases of emergency.

### **General Arrangements**

1. Education Minnesota prepays registration fees and makes all conference reservations for state funded participants.
2. All room/travel arrangements for state funded participants will be coordinated through the President's office. Participants will be notified of the process for securing airline and hotel reservations.
3. The participant is responsible for returning the conference confirmation form to the Presidents' office by the deadline stated on the form.
4. Costs that result from cancellations or changes that occur after the confirmation deadline will be the responsibility of the participant.

### **Hotel Accommodations**

Education Minnesota will reimburse at the rate of the double occupancy standard room rate (including tax) or discounted rate, if available, for the authorized days and number of nights. Costs for guests accompanying participants are the responsibility of the participant.

### **Transportation**

1. Education Minnesota reimburses actual costs up to the predetermined amount for members using alternative transportation to airfare.
2. Education Minnesota reimburses transportation to and from airport and transportation to and from airport and hotel.
3. Education Minnesota reimburses reasonable airport parking expenses when necessary.
4. Individual participants will make their travel arrangements through a direct bill account set up with a designated travel agency. Non-participants will not be listed on the direct bill account.

## **VI. Education Minnesota Representative Convention**

Education Minnesota reimburses mileage for one round trip only for delegates attending the Representative Convention. Education Minnesota reimburses one hotel night per local. Locals or members will be responsible for all other expenses. Locals must have remitted a minimum of 50% of the state and national dues obligation by February 25, in order for local delegates to be seated at the Annual Representative Convention.

## **VII. AFT and NEA National Conventions and Conferences**

The Secretary-Treasurer will determine the authorized number of days for state funding. Members elected to represent the state at national conventions or selected for state TEACH funding will be reimbursed for the following.

1. In order to be funded, Education Minnesota state elected or funded delegates/conference attendees are to be in attendance for the entire Representative Assembly/Convention/Conference. State elected delegates/conference attendees are expected to attend all caucus meetings or conference sessions and be on the convention floor for all proceedings (unless duties assigned by the president or responsibilities of the convention require them to be absent).
2. State elected or funded delegates/conference attendees will be reimbursed the cost of air travel (up to the predetermined amount), hotel accommodations for the authorized days and number of nights at the delegates'/conference attendees' hotel, mileage/alternative transportation between home and the airport, up to two checked bags, airport parking and transportation between the airport and the delegate/conference attendee hotel. State elected or funded delegates/conference attendee's hotel



stays that do not provide for the delegate/conference attendees to be at the first Minnesota caucus meeting and present until the conclusion of the Assembly/Convention/Conference, will not be reimbursed. Original, itemized receipts are required for reimbursement. Cluster Delegates will be reimbursed the cost of their hotel accommodations for the authorized days and number of nights at the delegates' hotel.

3. State elected or funded delegates/conference attendees may make travel arrangements with the Education Minnesota designated travel agency and may have their airline ticket direct billed or reimbursed, providing the flight ensures the delegates/conference attendees will be at the first Minnesota caucus meeting and present until the conclusion of the Assembly/Convention/Conference. Travel arrangements which are made elsewhere or for delegates/conference attendees using alternative transportation to airfare, will be reimbursed up to the predetermined amount with original itemized receipts providing they will be at the first Minnesota caucus meeting and present until the conclusion of the Assembly/Convention/Conference.
4. State elected or state-funded delegates/conference attendees who are subject to these guidelines are eligible to receive \$70 per day to help defray meal and other eligible costs if the delegate/conference attendees is present at the conclusion of business at the Assembly/Convention/Conference. Original itemized receipts will be required for reimbursement. The Education Minnesota President or the Secretary-Treasurer must verify attendance at the conclusion of the Assembly/Convention/Conference. Delegates/conference attendees shall be responsible for all other expenses. Substitute or release time pay for state elected or funded delegates/conference attendees working in year-round schools is outlined on page 5. Expenses beyond this policy must have prior approval of the Education Minnesota Secretary-Treasurer. Exceptions to this policy may be allowed only in cases of emergency.
5. If a state elected or state funded delegate/conference attendee knows in advance that they will miss parts of the Assembly/Convention/Conference, the delegate/conference attendee should relinquish their position to an alternate delegate/conference attendee.
6. Members of color who are registered to attend the NEA RA as a local, state or cluster delegate are eligible for registration fee, meals and hotel accommodations not covered by NEA to attend the Conference on Racial and Social Justice.

## **VIII. Minnesota AFL-CIO Convention and Political Conference**

Education Minnesota will provide funding for Governing Board members to attend the Minnesota AFL-CIO Convention and the Minnesota AFL-CIO political conference.

Education Minnesota will reimburse locals up to \$500 for the actual costs of registration, mileage, meals and lodging per delegate attending the Minnesota AFL-CIO Convention and the Minnesota AFL-CIO political conference.

## **IX. Officers of Education Minnesota**

Education Minnesota shall have three full-time release officers: President, Vice President and Secretary-Treasurer.

Each year delegates to the Education Minnesota Representative Convention will receive a published listing of the salaries for elected officers and executive staff members along with other general Education Minnesota financial information. Salary schedules and/or salary ranges for other employees will be published at the same time but individual salaries for other employees shall not be released.

The officer compensation package is contained in the Education Minnesota Officer Compensation and Benefits Policy.

## **X. Financial Reporting**

The fiscal year for Education Minnesota shall be September 1 – August 31.

## **XI. Donations**

Education Minnesota may hold membership in and/or contribute to charities and organizations which advance the cause of public education, children and members.

Education Minnesota does not make cash charitable contributions to individual members, schools, or organizations for unique individual events. However, Education Minnesota will provide timely publicity, when appropriate, through Education Minnesota communication vehicles, to encourage members and/or locals to support such causes.

The Education Minnesota Budget and Finance Committee will annually review and make recommendations for donations to be included in the Education Minnesota budget. An annual written report of sponsorships, donations and memberships will be provided to the Governing Board.

In consultation with each other, the officers of Education Minnesota shall have the authority to approve individual requests of up to \$2,500 not to exceed \$12,500 annually in the aggregate from the contingency fund. These donations must be reported to the Budget and Finance Committee.

## **XII. Hotels**

Education Minnesota will not schedule meetings in hotels in which management seeks to deny union membership or union organizing. All hotel accommodations for Education Minnesota will be booked through the President's office.

## **XIII. Memorials**

When a death occurs in the family of an Education Minnesota Governing Board member or standing committee chair and the office of the President is informed, Education Minnesota officers will send an appropriate memorial not to exceed \$100. Family is interpreted as spouse, significant other, mother, father, or child.

## **XIV. Project Money**

Project money requested from AFT or NEA must be reported to the Education Minnesota Budget and Finance Committee in advance, when possible. Project money received from AFT and NEA must be reported to the Budget and Finance Committee.

## **XV. Grievance Arbitration Funding**

In order to defray the direct costs of grievance arbitrations to locals, Education Minnesota will share costs on an annual basis according to the following schedule:

1. The cost to each local will be \$5 per FTE of bargaining unit membership per year (example: a local of 100 FTEs would pay up to \$500 of the grievance arbitration cost).
2. Education Minnesota will pay 100 percent for direct grievance arbitration costs after the local has expended \$5 per member.

## **XVI. Lobby Day Reimbursement**

Each Local may request financial assistance to help defray the cost of their lobby day by following the guidelines listed below.

### **Reimbursement Amounts**

1. Locals:
  - a. Locals may be reimbursed for lost wages and/or substitute costs for up to two (2) members for each lobby day they attend when local negotiated leaves are not available or when a local has a limited number of union leave days and needs them for local union business. Mileage will be reimbursed at .20 per mile for one round trip per vehicle. Meals will be reimbursed up to \$15 per member attending.
  - b. In addition, locals will be reimbursed for one (1) standard hotel room, per local, when member lobbyists travel 125 miles or more one way. Meal reimbursements will be up to an additional \$35 per member.
2. Statewide Affiliates:

Statewide affiliates will receive reimbursement of up to \$300.
3. Education Minnesota Committees and Task Forces:
  - a. Committee and task force members may be reimbursed for lost wages and/or substitute costs for each lobby day they attend when local negotiated leaves are not available or when a local has a limited number of union leave days and needs them for local union business. Mileage will be reimbursed at .20 per mile for one round trip per vehicle. Meals will be reimbursed up to \$15 per member attending.
  - b. In addition, each committee or task force member will be reimbursed for one (1) standard hotel room, when member lobbyists travel 125 miles or more one way. Meal reimbursements will be up to an additional \$35 per member.

### **Reimbursement Process**

1. Each local/statewide affiliate must attend a briefing session by an Education Minnesota lobbyist.
2. A completed lobby report form must be submitted to the Education Minnesota Public Affairs Department for each legislator visited.
3. Each local must submit a reimbursement request form to the Education Minnesota Public Affairs Department for processing.

### **Unused Funds**

1. Additional lobby days will be eligible for unused funds only after the initial lobby day reimbursements for all units are processed.
2. Other unused funds will be distributed, as requested, by locals requesting assistance for an additional lobby day. The additional funding must be approved prior to the lobby day.

### **Outside Groups**

1. Upon approval by the President and Executive Director, education related or ideologically aligned groups may have access to Education Minnesota facilities for lobby day briefings. Education Minnesota may choose to provide them with snacks and briefing materials.

## **XVII. Minnesota State Fair Volunteer Reimbursement Policy**

Members will be reimbursed parking (up to \$10) and mileage per the rate set under Section II; Personal Vehicle; paragraph 2.

## **XVIII. Education Minnesota Audit Committee**

The audit committee will consist of four (4) Governing Board members and one (1) Budget and Finance Committee member (excluding an officer). Committee members will be appointed by the President and approved by the Budget and Finance Committee. Appointments will be staggered for continuity and consideration will be made for composition balance. The chair of the audit committee will be the Budget and Finance Committee member. The audit committee will receive training, an audit manual, relevant Governing Board or Representative Convention action affecting the budget for the year being audited, approve the audit firm, meet with the auditor at the beginning of the audit process and upon completion of the Education Minnesota audit (including a review of the management letter) and present the audit report to the Budget and Finance Committee and Governing Board.

## **XIX. Education Minnesota Investment Policy**

Education Minnesota's investment committee will be composed of the Education Minnesota President, Vice President, Secretary-Treasurer, Executive Director and Chief Financial Officer. The investment policy will serve as a guideline for the investment of cash or other investment assets of Education Minnesota. The policy will be approved by Education Minnesota's Executive Committee and reviewed annually.

## **XX. Education Minnesota Affiliate Standards and Financial Responsibilities**

### **1. PREAMBLE**

One of the core values identified as a key component for Education Minnesota to achieve its mission to become the pre-eminent source of excellence in teaching and learning in Minnesota is integrity. To embrace this core value fully, Education Minnesota and all of its affiliates and intermediate organizations must conduct their business in full compliance with all applicable local, state and federal laws, rules and regulations, as well as the governing documents and policies of our national affiliates, the American Federation of Teachers and the National Education Association. This is a fidelity to integrity that our members and the public expect and deserve.

Affiliate leaders have a tremendous responsibility to live up to the trust given them by the members they serve. Leaders must follow standards that promote both accountability and the highest ethical behavior by all parties. Leaders have a fiduciary obligation to carry out their responsibilities with the utmost degree of good faith, honesty, integrity, loyalty and undivided service of the interest of the members.

### **2. AFFILIATE GUIDELINES**

#### **Conflict of Interest**

It is the responsibility of each affiliate governing board and officer to act in the best interest of the affiliate, rather than in furtherance of personal interests or the interests of third parties.

#### **Membership Information**

Affiliates are obligated to timely submit membership information of sufficient quality to enable Education Minnesota, NEA, AFT, and the AFL-CIO to communicate with and provide direct benefits to members as well as determine the total affiliate dues obligation.

#### **Dues Formula/Calculation**

Education Minnesota calculates the dues for the Active Professionals/ Teachers/Faculty membership categories using the data reported by the Minnesota Department of Education on February 28<sup>th</sup> of each year on the average teacher salary. Education Minnesota calculates dues for the Active Education Support Professionals (ESP) membership categories utilizing data reported from local affiliates on the average starting teacher salary.

### **Dues Transmittal**

Affiliates are billed ten percent of their total dues obligation, over a ten-month period, beginning October 1. Payments are due by the 25<sup>th</sup> of each month. Locals must have remitted a minimum of 50% of the state and national dues obligation by February 25, in order for local delegates to be seated at the Annual Representative Convention.

### **New Affiliates**

Newly certified affiliates will begin submitting dues no less than one year from the date the affiliate is certified as the exclusive representative for the bargaining unit by the Minnesota Bureau of Mediation Services or the National Labor Relations Board. Current Education Minnesota local units that restructure and continue as affiliates are not “newly certified affiliates.” Any exceptions to this require approval by the Secretary-Treasurer.

### **Audits**

Affiliates are subject to the following audit/review requirements:

#### **Locals**

| <b>Number of Members</b>                            | <b>Minimum Type of Audit/Review Required</b>                   | <b>May Choose to Have</b>             |
|---|--|---------------------------------------|
| Fewer than 300 members                              | Review by an Internal Audit Committee of at least 2 members.   | Audit or Review by an Independent CPA |
| At least 300 members but fewer than 1,000 members.  | Review by an Internal Audit Committee of at least 3-5 members. | Audit or Review by an Independent CPA |
| At least 1,000 members but fewer than 2,500 members | Review by an Independent CPA                                   | Audit by an Independent CPA           |
| 2,500 members or more                               | Audit by an Independent Certified Public Accountant (CPA)      |                                       |

#### **Intermediate Organizations**

| <b>Revenue and Assets</b>   | <b>Minimum Type of Audit/Review Required</b>                   | <b>May Chose to Have</b>              |
|---|--|---------------------------------------|
| Less than \$100,000 in revenue <b>and</b> less than \$100,000 in assets | Review by an Internal Audit Committee of at least 3-5 members. | Audit or Review by an Independent CPA |
| Revenue <b>or</b> assets of \$100,000 or more                           | Audit by an Independent CPA                                    |                                       |

A copy of the applicable report must be filed annually with Education Minnesota within six months of the close of the affiliate/IO fiscal year. It must include a statement, signed by the affiliate's principal officer/president and at least one other elected general officer certifying that the audit has been presented at a specified meeting of the affiliate's governing body and published and made available to the members.

#### **IRS Required Returns: Form 990, 990-EZ or 990-N (e-Postcard)**

All affiliates are required to file Form 990, 990-EZ, or 990-N. Affiliates must prove that they have filed one of the returns each year. A signed statement by the affiliate's president certifying the return has been filed must be included with the affiliate's annual audit report filed with Education Minnesota.



### 3. AFFILIATE SUPPORT

Successful implementation of the Affiliate Guidelines requires that we have an organized support system for persons involved with affiliate finances. To fulfill this obligation to our affiliates, Education Minnesota will:

- Upgrade and expand the content and distribution of the Treasurer Handbook
- Improve the communication system with affiliate Treasurers to make it more periodic and formal
- Provide ongoing and uniform financial and fiduciary training for local leaders
- Provide training for affiliate leaders and members who serve on audit committees
- Expand training to include Field Staff
- Expand training to include Intermediate Organizations
- Identify CPA firms for use by affiliates required to have an audit performed by an Independent Certified Public Accountant
- Coordinate and consolidate financial and fiduciary training programs offered by the AFT and NEA

### 4. ENFORCEMENT

#### **Membership Information**

For purposes of Representative Convention seating, continued participation in liability insurance programs, legal defense coverage, and continued participation in programs that include staff and financial assistance from Education Minnesota, AFT, NEA, and the AFL-CIO, affiliates have the following requirements:

- Timely payment of dues
- Timely submission of current audit
- Timely submission of names, addresses and phone numbers of officers and executive board
- Timely submission of current membership roster
- Timely submission of current constitution as revised/updated

#### **Dues Transmittal**

Affiliates that fail to submit dues in accordance with the agreed-upon dues transmittal schedule will be subject to the following arrearage notices:

| <b>Length of Arrearage</b>  | <b>Notice sent to:</b>  |
|-----------------------------|---|
| Two months or \$150,000     | Affiliate President and Treasurer                                     |
| Three months                | Affiliate President, Vice President, Treasurer and Membership Contact |
| Past Due Account/Final Bill | Affiliate Executive Board   |

| <b>Representative Convention<br/>50% Obligation</b> | <b>Notice sent to:</b>            |
|---|-----------------------------------|
| February  | Affiliate President and Treasurer |
| March   | Affiliate Field Staff             |

The Education Minnesota Secretary-Treasurer receives notification of all arrearage notices that are sent out to any affiliate.

#### **Dues Transmittal (NEA)**

An affiliate delinquent in its dues transmittal schedule by more than thirty days is assessed an NEA penalty of two percent per month on the overdue balance. Unless waived by the NEA Executive Committee, delegates to the NEA Representative Assembly of an affiliate that fails to transmit dues in accordance with the dues transmittal schedule have no right to participate in the NEA Representative Assembly at the Annual Meeting other than to participate in elections for officers and vote on dues increases.

### **Audits**

If an affiliate/IO fails to conduct and submit the applicable audit/review within six months of the close of the affiliate/IO fiscal year, Education Minnesota is authorized to conduct the applicable audit/review at the affiliate/IO's expense. Education Minnesota will notify the membership of the affiliate/IO that an audit/review is underway and will report the results of the audit/review to the membership of the affiliate/IO.

### **Guiding Principles**

In cases where further action is required and in recognition of our dual affiliation with AFT and NEA, Education Minnesota will be responsible for monitoring affiliate compliance with state and national policies. In doing so, Education Minnesota will be guided by the following principles:

1. Whenever possible, consequences should be positive rather than punitive.
2. Whenever possible, consequences should apply to the affiliate rather than to the member.
3. Whenever possible, consequences should be progressive.
4. Whenever possible, include Intermediate Organizations in the process.
5. Whenever possible, consequences imposed will align with those required by the national organizations.
6. Provide reasonable opportunities to correct deficiencies prior to implementing consequences.

If affiliates are not in compliance, the Education Minnesota Executive Committee will authorize the Education Minnesota President and Executive Director to enter into discussions with both AFT and NEA regarding additional actions to be taken in order to bring the affiliate into compliance. Such actions will be consistent with the above principles and pursuant to national and state constitution and bylaw provisions. Actions taken by the Executive Committee to bring the affiliate into compliance are subject to the approval of the Education Minnesota Governing Board.

*U:\RodneyRowe\FinancialPolicy\2018-19FinPolicyforGovandMembers*