

**SEIU Local 1021**  
**Policy on Chapter Funds held externally**

In effort to protect our member assets and resources, the Local Union strongly encourages Chapters with legacy external Chapter Fund accounts and assets to voluntarily bring these accounts and assets to be financially administered by our Local Union.

Chapters with legacy external Chapter Funds who voluntarily have chapter accounts and assets financially administered by our Local Union's Finance department will benefit in the following areas:

1. Strong fiduciary controllership – Chapter member funds and assets will be subject to the Local Union's financial systems and controls.
2. Chapter leader liability protection – Chapter leaders with financial authority over will have reduced exposure to liability as a result of the Local Union's financial systems and controls.
3. Proper legal filings (i.e. IRS, DOL as applicable)
4. No chapter cost of a financial audit

In order strengthen oversight and transparency, the Local Union will establish the following fiduciary responsibilities for those Chapters with external accounts and assets:

1. Independent Audit – Chapters must conduct an independent financial audit in coordination with the Local Finance Department beginning in 2020 and conclude such audit no later than by June 2021 with an outside auditing firm. The audit cost will be born equally between the Local and Chapter (A recommendation on the audit frequency will be based on the results of the initial audits).
2. Financial Education – Chapters must undergo financial chapter fund and asset management education at a reasonable date and time designated by the Local Union.
3. Documentation and Reporting – Chapter must provide copies of all account statements, asset statements, and finance related documents (e.g. Tax filings, Audits, etc.) at least at the end of every quarter, where the end of each quarter shall be defined as the end of March, June, September, and December.
4. Fiduciary / Approvers / Financial Signatories – Chapter must notify the Local Union regarding any changes in Chapter Fiduciaries / Chapter Fund Approvers / Chapter Financial Signatories within the first 10 business days from date of change.

This policy shall supersede any agreements between the Local and the Chapter in only the instances where the fiduciary standards expected of the chapter are below that established by this policy.