

Chapter Leaders Handbook



People Helping People

CHAPTER LEADERS HANDBOOK

About This Handbook

This Chapter Leaders Handbook is designed to provide an overall picture of the important role Chapters play in the Michigan credit union community. It is hoped that this handbook will be a useful tool to help you to have an active, more effective Chapter. The first section details the structure and the function of a chapter. The remaining sections provide the information necessary for you to function in your role as a leader.

We trust that this handbook will be a valuable resource. Additional copies can be obtained by emailing educate@mcul.org.

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PURPOSE OF THE CHAPTERS

Chapters are a part of the League specifically provided for in the MCUL bylaws. Chapters exist to promote, perfect and protect credit unions and the credit union movement and to aid in the achievement of the League purposes. And, as integral parts of the League, the chapters shall at all times operate in accordance with the MCUL bylaws, the League Articles of Incorporation and policies of the League as adopted from time to time.

Each chapter should establish a set of objectives that will define how they will promote, perfect and protect credit unions and the credit union movement and to aid in the achievement of the League purposes.

To assist chapters reach their goals, the MCUL employs League Representatives to build and maintain relationships with MCUL member credit unions. The representatives meet with credit unions and attend chapter meetings. They serve as liaisons, helping credit unions understand and navigate resources available from the League. In addition, they work as a conduit to have staff from MCUL/CUSG departments follow-up on members' requests, while also making sure credit unions are satisfied.

League Representatives are responsible for making credit unions aware of MCUL/CUSG products and services, and ensuring that credit union needs are being met by MCUL, CUSG and their partners.

MCUL is focuses on four main areas:

1. Removing Barriers
2. Promoting the Credit Union Difference
3. Providing Solutions for Service Excellence
4. Delivering Comprehensive Compliance Solutions

1. Removing Barriers

Trade associations exist to help their members do collectively what they can't achieve on their own. First among our priorities is effective legislation and regulatory advocacy that help us remove barriers to credit union success.

While we want every chapter to help us with each of the four pillars, at a minimum, every chapter should have the first priority of being engaged in advocacy with local, state and national-level officials. Cultivating and leveraging these relationships is our top priority and this, along with grassroots and PAC fundraising, should be at the top of every chapters list of priorities.

Chapters can help remove barriers by:

- Organizing and Encouraging Participation in Grassroots Advocacy Events
 - MCUL GAC
 - CUNA GAC
 - MCUL Hike the Hill
 - MCUL Capitol Day
 - Chapter Legislative Breakfasts
- Participating in State PAC Campaign Efforts
 - Lapel Pins/PAC Charms
 - Casual Days
- Participating in Federal PAC Campaign Efforts
 - Grand Raffle
 - Candy Bar Sales
- Contributing to A Stronger Financial Michigan (ASFM) Issue Ad Fund
 - Making Corporate Contributions

Trade associations exist to impact the political process for the benefit of their members. Chapters participate by:

- Electing dedicated, energetic representatives to the MCUL's Government and Political Affairs Forum. Their job is to be familiar with legislative issues affecting credit unions, act as liaison between the Forum and the chapter, and write letters and make phone calls when urgent legislative issues arise.
- Getting to know local, state and national elected officials and candidates for elected office. Chapters are the link between the MCUL and individual credit unions in developing the grassroots support the MCUL needs if it is to be successful in impacting legislation and regulation.
- Making sure all credit unions in the chapter sign a "permission statement," (which is required by federal law), before a federal political action committee (PAC) like the Michigan Credit Union League's Federal PAC can solicit funds.
- Helping raise money for the State and Federal PACs and ASFM by participating in various fundraising activities.

2. Promoting the Credit Union Difference

Your chapter can help promote the credit union difference by:

- Promote/Contribute to the CU Link Campaign and integrate with CU Link to help *strengthen* Michigan's credit union community.
- Promote/Contribute to the Michigan Credit Union Foundation (MCUF) by getting involved with the foundation (both as chapter financial donors and as participants).
- Promote/Contribute to Credit Unions for Kids by participating in fundraising events and voting yearly in the "Vote for Miracles" contest.

Local Media Outreach

Individual credit unions and their chapters can collaborate with MCUL public and media relations to increase visibility and expand their reach by actively promoting, community events, financial education, reality fairs, as well as honors and awards.

Chapters and individual credit unions can also spread the word by using community events and through creative forms of advertising, such as:

- Community fundraising opportunities or telethons
- Credit union sponsored kiosks at public events
- Participation in school career days
- Sponsoring community-based events
(5k races, concerts, small business Saturday participation, etc.)

In order to increase awareness, chapters can include other chapters and MCUL in public relations planning. By keeping MCUL staff informed of chapter activities, plans and special announcements, we can amplify chapter and credit union messaging throughout the state.

A list of local contacts in various sectors is useful in planning public relations activities. Depending on circumstances, chapters may find it worthwhile to work with the following groups:

- Statewide and national media channels (newspapers, radio, television, publications, etc.)
- State and local government officials/offices (i.e. city council)
- Community service clubs
- Schools and colleges
- Consumer groups
- The local chamber of commerce
- Religious organizations
- Sponsor groups (unions, industrial firms, etc.)
- Other MCUL chapters in Michigan
- Community leaders

3. Providing Solutions for Service Excellence

Many MCUL/CUSG service solutions are available to you, such as:

- Technology Solutions
- Marketing Solutions
- Performance Solutions
- Consulting Services
- MCUL Education & Events

The Michigan Credit Union League & Affiliates Education and Events department provides training and networking opportunities.

CUNA and the MCUL also offer schools, conferences, seminars and workshops on a wide range of practical topics. Chapter leaders should be promoting these opportunities through announcements at meetings, in e-mail notices, in newsletters and in personal contacts with peers. MCUL staff are also available to discuss these programs with interested credit union volunteers and professionals.

Chapter Education Events

It is imperative that chapter leaders coordinate with the League's Education and Events department when planning training to avoid programming duplication. Before your chapter schedules an event, please coordinate with us via email at educate@mcul.org.

MCUL staff members can help identify resources for chapter programs and are also available to lead programs in their particular areas of expertise.

Additionally, it is important that at least one representative from each chapter serve on the MCUL's Educational Needs Task Force, where ideas and suggestions for training are shared, chapters can learn about upcoming training initiatives and provide input on conference experiences. The Task Force meets quarterly (via conference call). To join this group or to learn who the representative is for any particular chapter, contact educate@mcul.org.

4. Delivering Comprehensive Compliance Solutions

Chapters are encouraged to help highlight MCUL compliance resources such as *DestinationCompliance*. This website is a collaborative effort with CUNA, League InfoSight and the MCUL to provide credit unions with a total compliance solution.

Chapters are encouraged to solicit feedback on MCUL compliance offerings and help us strengthen out tools by identifying specific ways they can be enhanced.

CHAPTER MANAGEMENT

A chapter is managed by chapter officials who are elected from among the representatives of the member credit unions as provided in the MCUL Bylaws. Every MCUL member credit union has at least two members on the chapter board of representatives, (one or more individual members and a corporate representative [MCUL Bylaws, Article IV, Section 2 and Article IX, Section 8]) which is the governing body of the chapter.

At the chapter annual meeting, the board elects at least four members to the chapter executive committee, which manages the affairs of the chapter between board meetings. The executive committee in turn elects the chapter officers. The officers must include a chairperson, one or more vice chairs, a secretary and a treasurer. The MCUL Bylaws spell out the details of district and chapter elections (Article VII, Section 2) and leadership responsibilities (MCUL Bylaws, Article IX, Section 8, D, E and F).

CHAPTER MEETINGS

Regardless of how frequently you meet, regular chapter meetings are essential to strengthening relationships and maintaining strong cooperative spirit. Chapters are required by the MCUL Bylaws to have an annual meeting, at which chapter officers and delegates to the MCUL annual meeting are elected. Also, Resolutions of Record for the MCUL annual meeting may be proposed and discussed.

CHAPTER MEETING PLANNING

Planning a program that will appeal to the diverse group who are attending chapter meetings may require investigation. Some suggestions:

- Use interest surveys or topic suggestion cards to ask representatives of member credit unions what type(s) of information they need.
- Review articles in Credit Union National Association (CUNA), MCUL and other publications for current issues in the financial services industry and determine how they relate to credit unions.
- Other groups often seek access to chapter meetings to present informative programs.
- Once topics have been selected, potential speakers need to be identified. Speakers may be vendors of financial products and services, college and/or university faculty members, staff members of the organizations that sponsor credit unions or simply credit union people themselves.
- Review chapter notices from other chapters.

CHAPTER ELECTED POSITIONS

Four positions are elected at the chapter annual meeting, they are, chairperson, vice chairperson, secretary and treasurer. The duties of each position is listed below.

Duties of the chapter chairperson:

- Preside at all meetings of the chapter.
- Ensure that chapter affairs are conducted and coordinated in accordance with the MCUL Bylaws and parliamentary procedure.
- Appoint (in consultation with chapter officials) regular committees and special committees that are needed to carry out the functions of the chapter.
- Appoint a nominating committee.

Signing contracts: points to keep in mind for the chairperson- Chapter chairpersons do not have specific authority to bind the MCUL to a contract. Chapter chairpersons can, if authorized by the chapter, obligate the chapter treasury to pay for something. So before signing, make sure the chapter has approved the arrangement and has the funds to pay for it.

Chapter chairpersons must read every word of a contract before signing it. They are signing a contract on behalf of someone else, and they have a high duty of care to those people.

Under no circumstances should a chapter chairperson sign a contract containing words like “indemnity,” “indemnify,” “indemnification,” “hold harmless,” or words of similar effect without a review by the MCUL counsel. Only the MCUL Board can authorize a contract indemnifying or holding someone else harmless. Basically, these terms are often used when a business wants us to be responsible for its actions.

Do not hesitate to request assistance from the MCUL at 800.262.6285. Chapter obligations involve the MCUL itself as a corporate entity, and the MCUL is responsible for checking all contracts involving the MCUL.

If a chapter chairperson signs a contract beyond his/her authority, that person has potential liability to either the MCUL or the other party to the contract. This is particularly a problem with hold harmless and indemnification clauses. We do have insurance coverage designed to reduce our vulnerability in this area. However, it would be best to avoid it altogether. Again, don’t hesitate to ask questions.

We realize that chapters do need to sign contracts on occasion for meeting space, meals, etc. Our goal is not to discourage chapters from making the business arrangements they believe that they need. Our goal is to avoid problems caused by the fine print in contracts that some hotels, restaurants, and other organizations use.

Duties of the chapter vice chairperson

- Preside at meetings in the absence of the chapter chairperson.
- Ensure that chapter affairs are conducted and coordinated in accordance with the MCUL Bylaws and parliamentary procedure in the absence of the chapter chairperson.

Duties of the chapter secretary

- Prepare and maintain accurate records of all chapter officials and chapter membership meetings
- Cause to be prepared proper notice of all regular and special chapter official and chapter membership meetings.
- Maintain and report all chapter correspondence.
- Preside at meetings in the absence of the chapter chairperson or chapter vice chairperson.

Duties of the chapter treasurer:

- Receive and hold funds that may be presented to the chapter.
- Disburse payment for all invoices upon the direction of the chapter officials.
- Maintain accurate records of receipts and disbursements and report same at each meeting of the chapter membership.
- Provide chapter financial statement to the MCUL for filing with IRS

Additional financial information for the treasurer - In addition to fundraisers each chapter may do, each chapter receives a subsidy check from the MCUL in May of each year. The check is mailed to the chapter treasurer. These funds are to help the chapter with sponsored functions during the year. The amount of each payment is determined as follows: \$5 for each Individual League Member vote in the chapter, plus a flat fee of \$150. Some chapters also have dues that are collected from the individual chapter credit unions once a year to help in sponsoring functions during the year.

All of the MCUL chapters use the MCUL's Federal Employer Identification Number "FEIN." To ensure completeness of recording MCUL's financial transactions, the MCUL Accounting Department needs to receive documentation of receipts and disbursement from each chapter for incorporation into the MCUL's financial statements.

Below is the schedule of when the MCUL Accounting Department needs to receive the chapters' Treasurer Reports:

- Activity from December through February – By **March 21** of each year
- Activity from March through May – By **June 21** of each year
- Activity from June through August – By **September 21** of each year
- Activity from September through November – By **December 21** of each year

In addition, annually, the MCUL needs to receive the financial institution or depository institution statements showing the available balances as of **November 30** for all accounts held by each chapter to ensure proper accruals are recorded and to provide a copy to our external auditors.

Note: No chapter shall commit itself to expenditures to be borne by the League without authorization by the League Board of Directors. The League Board of Directors may, at its discretion, provide such financial assistance to chapters as it deems proper.

GETTING THE WORD OUT ABOUT A MEETING

Once you have an agenda and meeting date set, the next thing to do is notify the credit unions about the meeting. The MCUL is here to help with that task. The meeting information should be received at the MCUL about six weeks prior to the chapter meeting and may take up to seven days before the meeting notice goes out. Be sure to include the following information in your chapter meeting notices.

1. **Program** - include the title and program description on the notice. The program description should be at least two sentences that highlight what the speaker's topic will be.
2. **The meeting date.**
3. **The location** - include the name of the facility where the meeting will be held. Include street, town, phone number and travel instructions if necessary.
4. **Times of all functions** - the time of the cocktail hour (if you have planned one and whether or not it is a cash or open bar), time dinner will be served and the time the meeting is scheduled to begin.

5. **Cost** - include the cost per person. Note if the cost includes the price of anything beyond dinner.
6. **Guest speaker** - if a guest speaker has been invited to speak at your meeting, be sure his/her correct name, title and organization are included in the notice.
7. **Reservation deadline date** - all meeting notices should include a reservation cutoff date. The cutoff date should be at least three days or more prior to the meeting, depending on when the meeting facility needs its guarantee.
8. **Indicate who should attend this meeting**, e.g., staff, supervisors, committee, board, etc.
9. It is suggested that on all chapter notices the wording shown below be used:
 - **If an individual wishing to attend this meeting has a disability that requires special accommodations, please contact _____.**

CHAPTER ELECTIONS

Chapters are led by an elected **Executive Committee**. The Executive Committee consists of chairman, vice chairman, secretary and treasurer. Soon after the Board and officers are elected they should meet and outline the Chapter's goals for the year ahead. Each member of the Board may serve as a representative or chairperson of one of the Standing Committees. The Executive Committee should produce an outline of Chapter activities or "Chapter Planning Calendar" from which each member credit union can plan and carry out its responsibilities.

The chapter executive committee appoints committee members based on chapter goals and on its resources, which are the time and talent of its people.

- The committee's duties and authority must be defined clearly in writing and entered in the minutes of the meeting at which the committee was created.
- A few examples of committees are: Audit & Finance, Membership, Fundraising, and Nominating & Election.
- Each chapter should have an education liaison. It is the education liaison's duty coordinate the Chapter's educational efforts in coordination with the MCUL Education Department and to serve on the MCUL Education Needs Committee.

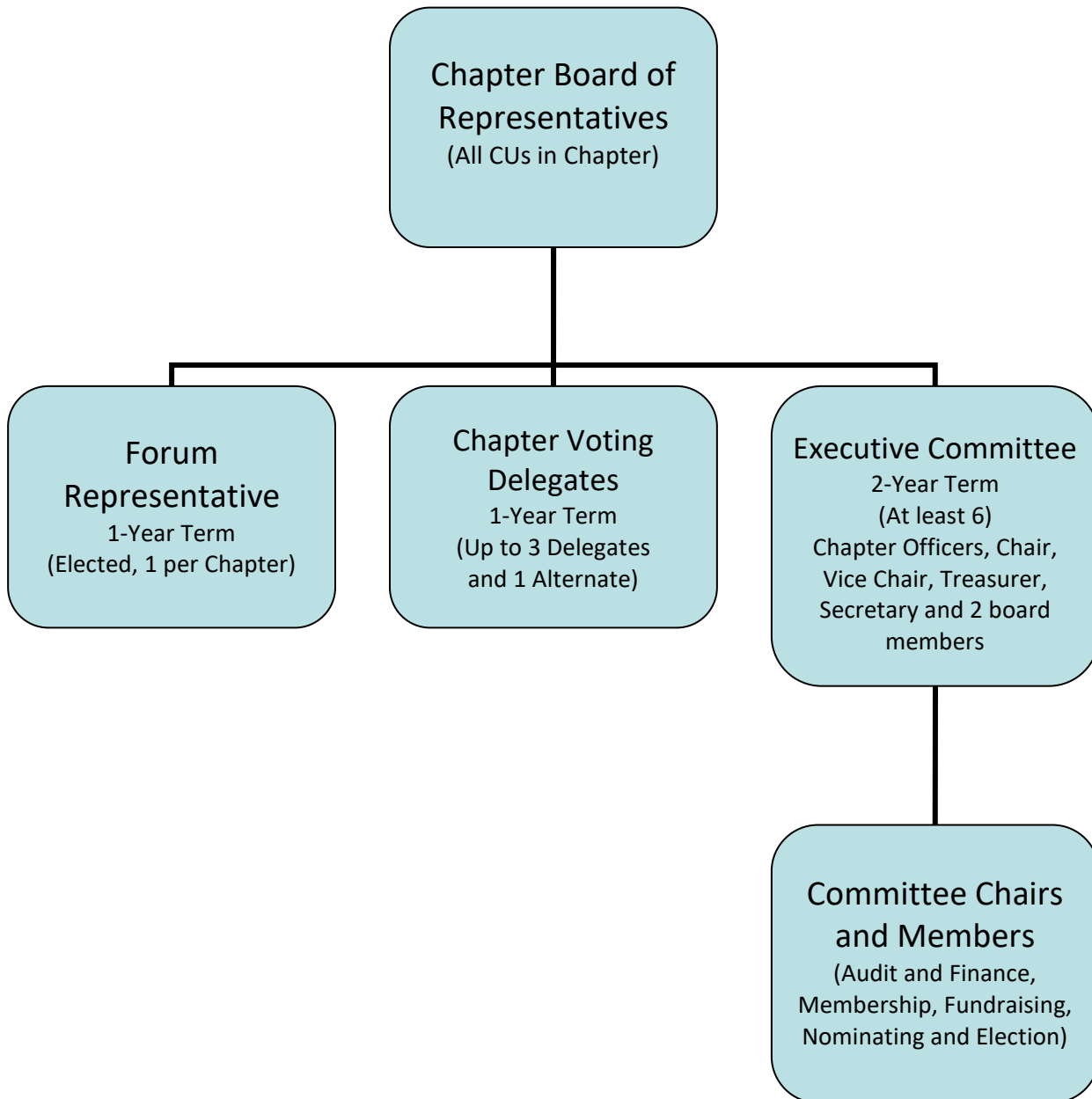
Chapter Executive Committee

Elections for members of the chapter executive committee are also for two year terms, half the number being elected in alternate years. At least six members of the chapter executive committee must be members of the chapter board of representatives as a certified MCUL individual member or corporate representative. (MCUL Bylaws, Article IX - Section 8.)

Delegates and Alternates

Each chapter elects up to three (3) delegates, as it may determine, and one (1) alternate delegate to the MCUL annual or special meetings. Eligibility is the same as for the chapter executive committee. The term of office is one (1) year. (MCUL Bylaws, Article VI - Sections 1, 2, 4.)

Note: Resolutions of Record meetings are held for the purpose of discussing the resolutions that will be presented at the MCUL Annual Meeting (*see more in the MCUL Annual Meeting Voting System section of this handbook*). This forum gives individual credit unions a chance to voice their opinion on any proposed resolution. It also gives the delegates to the MCUL annual meeting direction in casting the votes for credit unions not in attendance at the annual meeting.



Government & Political Affairs Forum Representative

Each chapter of the MCUL elects a Forum Representative to serve as the chapter's frontline key contact for political action and grassroots advocacy. All duly elected Representatives make up the membership of the Forum, plus appointees made by the MCUL Board Chair. Eligibility for appointment as a Representative shall be limited to employees and volunteers of credit unions affiliated with the MCUL. An employee or volunteer is eligible to run for the position of Representative in the chapter in which his or her credit union is a member. If during his/her term of office a Representative shall lose the eligibility to hold that office, such office will terminate. The term of office is one year.

DISTRICT ELECTIONS TIMETABLE – 2018

MICHIGAN CREDIT UNION LEAGUE

- Last date for District to decide to hold a meeting to elect its Director or Alternate Director and not take advantage of the mail ballot procedure for elections. 120 DAYS BEFORE THE ANNUAL MEETING

Notify the League whether or not the District wishes the League to handle the details of conducting the elections.

(a) Determine whether District Elections Committee (Chapter Secretaries) or the League will handle election mailings.

(b) Determine who will receive the nominations--League or District Elections Committee

- Notice to be sent to all credit unions (corporate League members) and to individual League members via the credit union indicating that individuals can nominate themselves. Self-nomination forms will be included with the notice. AT LEAST 100 DAYS PRIOR TO THE ANNUAL MEETING AND AT LEAST 70 DAYS PRIOR TO THE DEADLINE FOR RETURNING MAIL BALLOTS

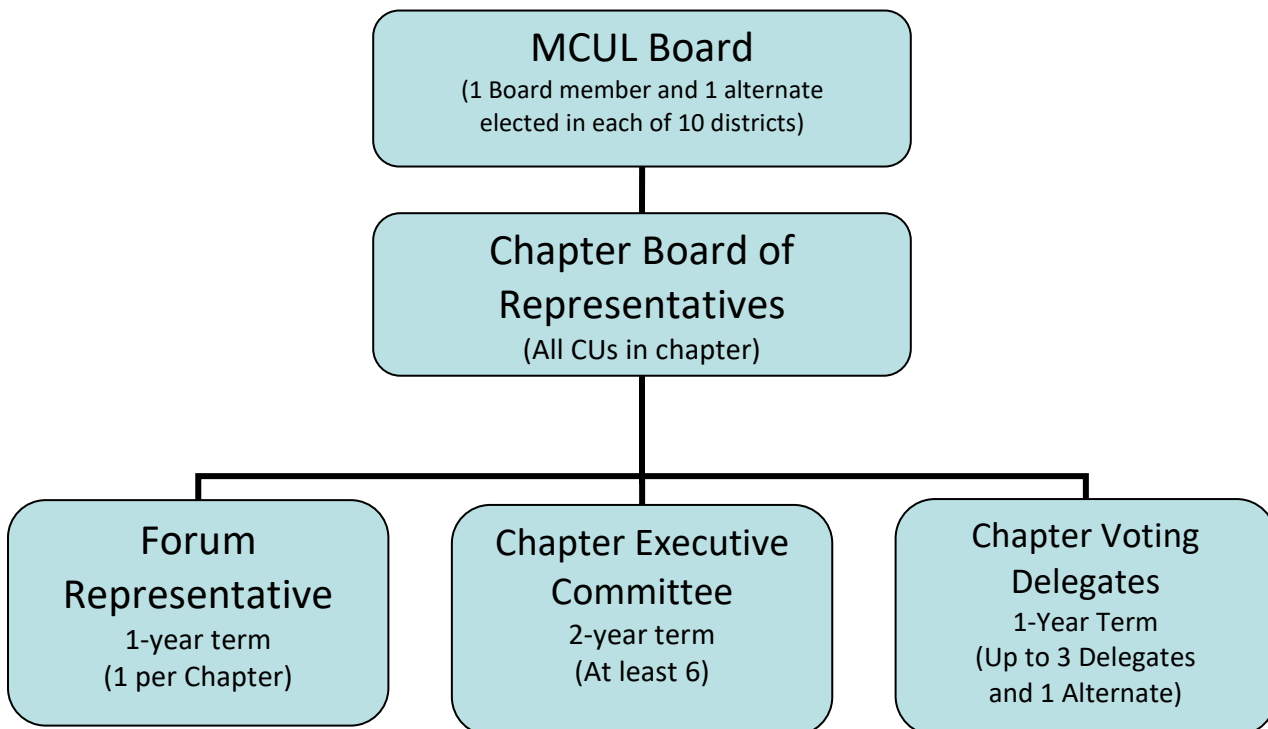
League staff will have a standard mailing prepared, broken down by District, and do the required mailing on behalf of the District Elections Committee unless the Committee tells the League that it wishes to do its own mailing. The responses will go to the Committees or to League staff in accordance with the Committees' wishes.

- Deadline for receipt of self-nominations. 15 DAYS PRIOR TO THE SCHEDULED DISTRIBUTION OF MAIL BALLOTS.

- Ballots distributed to all credit unions (corporate league members) and to individual League members via the credit union. Copy of each self-nomination form included with ballot mailing. NO EARLIER THAN 30 DAYS NOR LATER THAN 45 DAYS AFTER THE ELECTION NOTICE IS SENT TO LEAGUE CORPORATE MEMBERS.

League staff will have a standard mailing prepared, broken down by District, and do the required mailing on behalf of the District Elections Committee unless the Committee tells the league that it wishes to do its own mailing.

- Deadline for returning ballots. (assuming the District Elections Committee concurs). AT LEAST 20 DAYS TO RETURN MAIL BALLOTS.
- Last day for results of balloting to be reported to League Chairperson and CEO, the District Elections Committees and to each credit union in the District. BETWEEN 5 AND 10 DAYS AFTER THE DEADLINE FOR RETURNING BALLOTS.
- Last day for chapters to hold Annual Meetings. 20 DAYS PRIOR TO ANNUAL MEETING.



SAMPLE CHAPTER EXECUTIVE COMMITTEE AGENDA

- Call to order
- Roll call
- Approval of previous meeting's minutes
- Reports:
 - Treasurer's Report
 - Chapter Chairman's Report
 - The MCUL Director's Report
 - The MCUL League Representative Report
 - CUNA Mutual Group Representative's Report
 - Legislative Representative – Forum Representative Report
 - CU Link Cooperative Advertising Committee Report
 - Education Needs Committee Report
- Old business
- New business
- Date and place of next meeting
- Adjournment

MINUTES

The minutes are the complete history of the chapter and are valuable possessions to be carefully written and preserved for future reference. They should be kept in a permanent binder in chronological order.

Minutes of the last meeting are read early in the meeting when called for by the chairperson. If copies have been prepared, they may be distributed instead of read. The minutes are then either approved, or corrections and additions are made and submitted for approval. After the minutes have been approved, they should be signed by both the chairperson and the secretary.

Record the exact wording of all motions and the name and credit union of the member making the motion. Results of all votes on motions are entered in the minutes.

Minutes do not include discussion of the motion. It is necessary to name the person who seconded it. Motions which are withdrawn are not recorded nor is any mention made in the minutes of the fact that they were withdrawn.

Minutes are the property of the chapter but are usually in the secretary's possession. Any member who was absent at a previous meeting has a right to learn from the minutes what happened at that meeting.

When a motion rescinding a previous action of the chapter carries, enter the motion in the minutes of that meeting; also, write in the margin of the minutes of the meeting where the original motion was carried: "This action rescinded on such and such a date."

A copy of all written committee reports should be filed with the minutes by the secretary.

Minutes must contain the following

1. Name of chapter and type of meeting—regular or special
2. Date of meeting
3. Place of meeting
4. Time of call to order
5. Number of representatives present (individual and corporate members)
6. Name of presiding officer
7. Minutes of previous meeting read and approved
8. Reports of officers, regular and special committees
9. Record of business transacted
10. Time and place of next meeting
11. Time of adjournment

CHAPTER PLANNING

Generally, chapters should conduct a special planning meeting on an annual basis to examine the factors that will impact their operations and activities in the future. The primary objective of the planning session should be to identify the chapter's strategic issues through an assessment of the "environment" and examining its strengths and weaknesses. After identifying the critical strategic issues, the chapter can then more easily set annual goals.

SUGGESTED CHAPTER ANNUAL MEETING AGENDA

Call to Order:

Chairperson should announce that the secretary will call the roll of the credit unions in the chapter. As each credit union responds, one person selected by the credit union should come forward, state the number of representatives present and whether eligible to serve as corporate representatives in among them. The secretary will then hand the representative one ballot for each certified MCUL individual member present and, if the corporate representative is present, ballots for the remainder of the credit union's total authorized votes.

Roll Call:

Secretary should use the revised Attendance and Voting Record form to indicate attendance and votes present.

Determination of Quorum:

For any chapter board of representatives meeting, there must be 20 percent of corporate members and at least 20 percent of the total membership represented.

Minutes of Previous Meeting:

Approval.

Reports:

Old Business:

Unfinished items from previous meetings.

New Business:

Any motions or resolutions may be voted by voice or hand vote provided it is unanimous or unquestionably clear that the issue was passed or defeated, taking into consideration the fact that some representatives may be carrying several votes. Remember that in a voice, hand or roll call vote, the chair only votes to break a tie vote.

If the vote is close or the decision of the chair is challenged, there are two alternatives:

1. **Roll Call Vote:** Use the Attendance and Voting Record Form to record each credit union's total vote. You could suggest that the credit union's corporate representative report the total vote of its delegation.
2. **Ballot Vote:** One "Chapter Issues" ballot is included in the ballot sheet. Note: On a ballot vote, latecomers cannot vote after the chair announces that the polls have been closed. With other types of elections (voice, hand, roll call) latecomers may vote at any time before announcement of result.

Elections

Ballots for separate elections in all categories are available (see "Election Procedures"). The process of nominating and electing officers and other delegates is very important. Most often, a nominating committee presents nominations and calls for nominations from the floor.

Election Sequence

- Executive Committee Members
- Delegate(s)
- Alternate Delegate
- Legislative Forum Representative

VOTING PROCEDURES FOR DELEGATES AT THE MCUL ANNUAL MEETING

The chapter adopts voting procedures that chapter delegates will follow at the MCUL Annual Meeting and which must be certified to the MCUL. (See "Information" section for suggestions on simplification of this procedure. On Certificate of Chapter Elections form, show the action taken.)

Legislative Forum:

If any Forum agenda item other than elections requires discussion or action, and if Forum meeting is not separately scheduled.

Other New Business:

Recognition of 25th and 50th anniversary credit unions and presentation of other awards (if any).

ELECTION PROCEDURES

1. Chapter chairperson calls for report of the Nomination Committee. Committee chairperson or chapter chairperson then places the names of the committee candidates in nomination and calls for nominations from the floor.

2. Declare nominations closed. A motion to close nominations is in order only when no further nominations from the floor are forthcoming. Ask persons nominated from the floor whether they accept. Ask them to stand.
3. (a) If there is only one candidate for a position, a ballot vote is not needed.

(b) If more than one candidate, the names of all are displayed with equal prominence. MCUL staff will bring materials or equipment to display names.
4. Appoint tellers and a head teller. Proceed to voting.
(a) Chapter Executive Committee Members and Delegate(s), Names of the nominees are numbered for these elections. Chair instructs representatives how many candidates to vote for by circling numbers on ballot. If so, instruct tellers to report rank order of those elected.
Alternate Delegate, if separately elected, chair instructs representatives to write in name of their candidate on the ballot.

(b) Legislative Forum Representative, if applicable, chair instructs credit union representatives to use same ballots, writing in name of their candidate.
5. Close Polls (ballot voting). When the chair has ascertained that everyone has voted, announce that the polls are closed.
6. Each chapter can decide whether to complete each election separately and announce results before opening nominations for the next office or complete voting for all offices before collecting ballots. First method permits defeated candidate to run for another office; second method is faster.
7. The chair announces election results. It is better not to announce the number of votes received by candidates, but rank order will need to be reported if Delegates #1, #2 and #3 are distinguished in voting procedures for the League annual meeting, or if alternate is chosen by fourth position finish in delegate election.
8. After all elections are over, a motion is in order to destroy the ballots and discharge the tellers.
9. The names of those elected to chapter positions established by the MCUL Bylaws, and the qualifications (Credit Union - Office Held) and home addresses as well as voting procedures must be certified to the MCUL. (MCUL Bylaws, Articles VI - Sections 1, 7; and Article IX - Section 12.) The "Certificate of Chapter Elections" form meets these requirements. *Return it promptly after the chapter annual meeting and the first meeting of the new Executive Committee have both been held.*

MCUL Board of Directors

Chapter leaders help the MCUL and its functions. The MCUL is governed by a 10-member board of directors. Ten alternates are also elected. The MCUL Board of Directors conduct the business affairs of the MCUL.

In multi-chapter districts, traditionally one chapter elects the board member and the other elects the alternate director.

Note: Each district elects one director and one alternate to the MCUL Board of Directors. In the absence of the director, the alternate fills his or her place.

To qualify for election as an MCUL director or alternate director, the person must fall into at least one of these categories:

- Be a director of an affiliated credit union
- Be a credit or supervisory member of an affiliated credit union
- Be a manager or CEO of an affiliated credit union
- Be Senior Manager (with employees reporting to him/her) Recommended by the affiliated credit union's manager or CEO (and must be in good standing with the chapter/district).

Note: If during his or her term in office a director or alternate director shall lose any of the required prerequisites in the categories above, their position shall terminate and a vacancy shall then exist. The specifics on district elections can be found in the MCUL Bylaws (Article VII, Section 2).

IN SUMMARY...

This Chapter Leaders' Handbook is designed to help you fulfill your responsibilities as a MCUL leader. It is critical that chapters, as components of the MCUL, focus their efforts on those four areas:

- Removing barriers
- Promoting the CU Difference
- Providing Solutions for Service Excellence
- Delivering Comprehensive Compliance Solutions

As the MCUL chapters succeed, your MCUL moves closer to fulfilling its mission of *"Helping Credit Unions Serve, Grow and Remain Strong."*

APPENDIX A

MCUL Bylaws

MICHIGAN CREDIT UNION LEAGUE BYLAWS

Revised June 3, 2012

PREAMBLE

Joined in the cooperative spirit and dedicated to enriching the lives of those we serve, we the credit unions of the State of Michigan do hereby establish these bylaws for the Michigan Credit Union League, and in the bonds of that association do pledge our commitment to a unified and progressive credit union movement and to adherence to the principles that guided our credit union founders.

ARTICLE I

NAME

The name of this association shall be the Michigan Credit Union League.

ARTICLE II

PURPOSE

The purpose of this League shall be to:

- A. Foster the vitality of affiliated credit unions by providing programs and services that will enhance their ability to successfully meet the needs of their members.
- B. Initiate and/or support changes in those laws having to do with credit unions that would be in the best interests of credit unions, their members and society, and conversely, in a timely manner recognize and defend against any legislation that would have an adverse impact on the credit union movement.
- C. Secure constructive interpretation of laws, rules, contracts, and other matters, for the purpose of serving the best interest of the credit union movement.
- D. Provide a code of ethics as a common standard of conduct for all members, League officials and employees, and member credit unions; promote respect for these obligations and secure their general recognition and observance.

- E. Discover, develop, use and give recognition to leadership on all levels of the credit union movement.
- F. Develop and maintain the best possible relations with the general public.
- G. Assist with the organization of credit unions where the potential, need and desire are present.
- H. Encourage and assist with the development of the potentials within existing credit unions.
- I. Achieve an ever higher level of knowledge of the social and economic values of credit unions through education.
- J. Engage in continuing research as it may apply to all concepts of present and future credit union activities.
- K. Conduct such central functions for and on behalf of its members as may make for their common benefit.
- L. Guard against any process, procedure, system or climate that would exclude, restrict or inhibit the participation of any group of people, at any governmental level of individual credit unions, chapters, leagues, or the national organization.

ARTICLE III

MEMBERSHIP

Section 1--Classes

There shall be two classes of memberships--corporate and individual.

Section 2--Corporate Membership

- A. Membership shall be limited to credit unions organized and doing business in the State of Michigan in accordance with the provisions of the state or federal law.
- B. Any credit union, organized and operating in the State of Michigan in accordance with the provisions of state or federal laws, may apply to the League for admission to membership. Said credit union, in its application, shall agree to adopt the Code of Ethics of this League. Upon approval of its application by the Board of Directors or, if authorized by the Board of Directors, by the president or a designee of the president, said credit union shall become a member. Any credit union refused membership in the League shall have the right to appeal to the next annual meeting, the decision of which meeting shall be final.
- C. New credit unions shall automatically become members of the League from the date of their charter approval until the 2nd anniversary date of their charter at no charge.

Section 3--Individual Membership

- A. For each credit union which is a corporate member of the League, the individuals associated with the credit union determined in accordance with the procedure set forth below or as otherwise determined by the credit

union's Board of Directors as set forth below shall, up to the number of individual members set forth in the schedule below, automatically be individual members of the League.

| Credit Union | | | Individual Members |
|------------------------------|------|--------|--------------------|
| <u>Membership Population</u> | | | |
| 0 | - | 1,000 | 1 |
| 1,001 | - | 1,500 | 2 |
| 1,501 | - | 2,250 | 3 |
| 2,251 | - | 3,375 | 4 |
| 3,376 | - | 5,063 | 5 |
| 5,064 | - | 7,596 | 6 |
| 7,597 | - | 11,394 | 7 |
| 11,395 | - | 17,091 | 8 |
| 17,092 | - | 25,636 | 9 |
| 25,637 | - | 38,455 | 10 |
| 38,456 | plus | | 11 |

Credit union membership populations shall be redetermined each time that membership figures for all member credit unions for a more recent common date become available. In the event that a League member credit union is the continuing credit union after a merger with one or more other credit unions, the membership populations of all of the credit unions involved, determined in accordance with this section, shall be combined, and the number of individual members of the League associated with the continuing credit union shall be redetermined accordingly.

- B. Only directors, credit and supervisory committee members, and employees of the corporate member shall be eligible for individual membership.
- C. Individual member determination procedure - Except where a corporate member's Board of Directors takes action to the contrary, the individuals described in the list below shall, from time to time, automatically be individual League members in the order set forth below until the total number of League individual members associated with the corporate member as determined in the schedule set forth above is reached.
 - 1. Manager/Chief Executive Officer
 - 2. Chairperson of the Board of Directors
 - 3. Vice Chairperson of the Board of Directors
 - 4. Secretary
 - 5. Treasurer
 - 6. The other members of the Board of Directors in alphabetical order
 - 7. The Chairperson of the Supervisory Committee
 - 8. The other members of the Supervisory Committee in alphabetical order
 - 9. The Chairperson of the Credit Committee
 - 10. The other members of the Credit Committee in alphabetical order
 - 11. Employees immediately below the level of the Manager/Chief Executive Officer in alphabetical order

A corporate member's Board of Directors may, upon notice to the League, specify other eligible individuals to be individual members of the League associated with that corporate member instead of using the procedure set forth above. To the extent that the Board of the corporate member does not specify individual members, the procedure set forth above shall be used to determine the individuals who will serve in the remaining individual member positions associated with that corporate member.

To the extent that vacancies occur in the position of individual member, the procedure set forth above shall determine which individual shall fill the vacancy until such time that the Board of Directors of the affected corporate member makes a different determination.

Section 4--Vote Lost by Liquidation

Credit unions in liquidation shall be considered members only for the purpose of their eligibility to receive liquidation services assistance and shall not be entitled to exercise any corporate or individual member voting rights.

Section 5--Corporate and Individual Voting

- A. Each corporate and each individual member shall be entitled to one vote at each regular or special meeting of the League or of the district or the chapter to which such member belongs.

- B. The vote of a corporate member shall be exercised at any such meeting by a "corporate representative," who must, at that time, be a member of the corporate member for which he or she is acting. A person may serve as a corporate representative of more than one corporate member. An individual member of the League may also serve as a corporate representative. The corporate representative shall be, if present at any meeting and in the following order:
 - (1) Any member of the corporate member so elected by its board of directors and certified to the League and to the chapter secretary,
 - (2) Its chairperson of the board of directors,
 - (3) Its vice chairperson of the board of directors,
 - (4) Its secretary,
 - (5) Its treasurer,
 - (6) Its manager, or

(7) Any individual League member elected by that corporate member.

- C. Notwithstanding anything in these bylaws to the contrary, the vote of any individual member not present in person at any League, district or chapter meeting shall be exercised by the corporate representative of the corporate member that elected such individual member.

Section 6 --Code of Ethics

A prerequisite to continuing membership shall be that each credit union adopt the Michigan Credit Union League Code of Ethics and failure to do so, or a revocation of such adoption, shall result in termination of membership.

Section 7--Expulsion

The Board of directors may, upon a two-thirds (2/3) vote at any regular or special meeting, expel a corporate or individual member of the League. Expulsion shall be only for good cause and after an opportunity is afforded such member to be heard. Good cause includes, but is not limited to:

- A. Failure to abide by the Michigan Credit Union League Code of Ethics,
- B. Sharing the benefits of League membership with a non-League member credit union, except as specifically authorized by the Board, and
- C. Failure to honor any contractual obligations to the League or any of its affiliates.

A corporate or an individual member may appeal its expulsion to the next annual League membership meeting and have the right to be heard at such meeting, but such an appeal shall not suspend the expulsion.

ARTICLE IV

LEAGUE GOVERNMENT

Section 1--Government by Members

The League shall be governed by its members, acting in person or through corporate representatives or chapter voting delegates, and its Board of directors.

Section 2--Chapter Board of Representatives

There shall be a chapter board of representatives composed of the corporate and individual members of each credit union in the chapter who shall have the following powers:

- A. Election of not more than three (3) chapter voting delegates and one (1) alternate to the annual and special meetings of the League.
- B. Election of a chapter executive board.
- C. Consideration of any matters within the jurisdiction of the chapter board of representatives which are consistent with League bylaws.

Section 3--League Board of Directors

There shall be a League Board of Directors consisting of one (1) director and one (1) alternate director elected from each of ten (10) districts. This Board shall have the power to conduct the business affairs of the League.

Section 4--Organization of Districts

For the purpose of electing members of the League Board of Directors, the chapters of the League shall be organized into ten districts, each district to contain one or more chapters. To avoid confusion, the districts shall be identified solely by Roman numeral. The districts shall be organized in such a manner as to avoid large disparities in the votes of the members of the Board of Directors, also taking into account the proximity of the chapters in the district to each other. The Board may reorganize the districts as the need arises, and shall reorganize them if the votes of any director rises above 15% of the total votes of all of the directors or falls below 5% of the total votes of all of the directors.

Section 5--Member Voting Rights

The voting rights on all matters to be considered at League meetings, other than Board meetings, shall be vested in the members, acting in person or through corporate representatives or chapter voting delegates.

ARTICLE V

DUES--INCOME

Section 1--Fiscal Year

The fiscal year of the League shall end the 31st day of December each year.

Section 2--Budget

At least ten (10) days prior to the expiration of each fiscal year, the League Board of Directors shall adopt a budget and any changes to the dues schedule for the ensuing year. Dues schedules as adopted by the Board shall remain in effect from year to year except as the Board changes them.

Section 3--Payment of Dues

Individual and corporate members' annual dues and matters related thereto shall be as determined by the Board of Directors of the League.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1--Chapter Delegate Elections

Each chapter board of representatives shall at the chapter annual meeting elect no more than three (3) chapter voting delegates (plus one alternate). Immediately following the election of its chapter voting delegate(s) and alternate, each chapter shall certify to the secretary of the League the names of such persons so elected.

Section 2--Chapter Delegates--Term of Office

All persons elected as chapter voting delegates or alternates shall serve for terms of one (1) year and until their successors are elected and certified to the League.

Section 3--Chapter Delegates-Vacancies

Vacancies in the office of chapter voting delegate or alternate shall be filled by the chapter executive committee and the persons so elected shall serve the unexpired term of office resulting from such vacancy.

Section 4--Eligibility of Chapter Delegate

No person shall be eligible for election as a chapter voting delegate, or alternate, unless he or she is a member of the board of representatives of that chapter, and if, after election, such person ceases to be a member of that board of representatives, his or her office as such voting delegate or alternate shall stand vacant and shall be filled in accordance with these bylaws.

Section 5--Separate Voting in Dual Status

Subject to eligibility requirements contained in these bylaws, one (1) individual may serve as both a corporate representative and as a chapter voting delegate, or alternate, but, when voting at League meetings, must vote separately in each capacity.

Section 6--Chapter Residual Vote

At annual or special meetings of the League the chapter voting delegate(s) shall cast the vote of all corporate and individual members of the chapter not present. In the absence of a chapter voting delegate, the alternate duly elected and certified may cast the vote or votes such absent chapter voting delegate would otherwise have been entitled to cast. Any director or officer of the League who is not an individual member, corporate representative or a chapter voting delegate or alternate shall be entitled to all the privileges of an individual member, except the right of voting.

Section 7--Instructed Votes

Corporate representatives and chapter voting delegates and alternates are agents and representatives of the body they represent and, if the chapter so desires, are subject to binding instructions as to the casting of their vote at all meetings of the League or its districts or chapters. Procedures for casting of votes by chapter voting delegates shall, in cases where a chapter has more than one chapter voting delegate, be established by the chapter board of representatives electing such delegation and such procedures shall be certified to the League at the same time the election of such delegation is certified. Such voting procedures shall be binding upon such delegation and upon the League.

Section 8--Registration

All individual members, corporate representatives and chapter voting delegates and alternates shall register with the credentials committee, or other duly authorized body or official. In the event that no voting delegate or

alternate from a chapter shall have so registered, the votes of individual members and corporate members of that chapter not present at the meeting shall not be cast at that meeting, nor shall the same be counted for purposes of determining a quorum.

Section 9--Time and Place of Annual Meeting

The time and place of the League Annual Meeting shall be determined by the Board of Directors.

Section 10--Thirty (30) Day Notice

At least thirty (30) days prior to the annual meeting, the president of the League shall notify each League member and chapter in writing of the time, place and hour of the meeting, and as soon as practical thereafter each chapter and each corporate member shall give similar notice to its respective corporate representative or chapter voting delegate(s) and alternate.

Section 11--Balloting

At each meeting of League members, ten (10) percent of the members shall constitute a quorum. For purposes of these bylaws, an individual member is present at any League or chapter meeting if present in person or by the corporate representative of the corporate member electing the individual member, while a corporate member is present if its corporate representative is present. All contested elections shall be by secret ballot.

Section 12--Business

The annual meeting may carry on and transact any business for the common good of the membership. The order of business at the annual meeting shall be determined by the presiding officer, unless otherwise established by vote of the members.

Section 13--Power of Members

Subject to the provision of governing law, the ultimate power of the League vests in the members who, at any annual or special meeting, shall have the power to review any and all acts of the chairperson, vice chairperson, secretary, treasurer, the Board of Directors, or any committee thereof, and to reverse, alter or rescind the decisions of any such committee, board or officer, except that duly authorized contracts or agreements may not be modified or rescinded.

Section 14--Resolutions

Subject to the restrictions of Article XIII of these bylaws, the advance submission or waiver of advance submission requirements of this section, as applicable, and in accordance with procedures that may be established by the Board as to the time and method of presentation, resolutions may be submitted to the annual meeting for membership action by:

- A. Any credit union that is a League member in good standing provided that such resolution has been regularly approved by its membership or board of directors,
- B. Any chapter, provided that such resolution has been regularly approved by that chapter's executive committee or board of representatives,
- C. Any individual member personally present at the meeting, or

D. The League Board of Directors.

A copy of any resolution to be submitted to the annual meeting for membership action must be submitted to the chairman of the League Board of Directors or the president of the League at least sixty (60) days prior to the scheduled date of the annual meeting unless the membership, by a simple majority vote at the annual meeting, votes to waive this requirement.

Section 15--Special Meetings

Special meetings of the members shall be called by two-thirds (2/3) vote of the Board of Directors or upon the written petition of ten (10) percent or more of the corporate members or twenty-five (25) percent or more of the chapters as determined in each chapter by the board of representatives. Notice of any special meetings shall contain a statement of the purpose of the meeting, and only the business specified in the call may be acted upon at said meeting. If a resolution is to be submitted to the special meeting for membership action, a copy of the resolution shall be enclosed with the notice of the meeting. Each League member and chapter shall be entitled to fifteen (15) days written notice of the time, place, hour and purpose of any and all special meetings. Each corporate member and chapter shall be responsible for similarly notifying its respective corporate representative or chapter voting delegate or delegates, and alternate. The Board of Directors shall determine the time and place of all special meetings, except that the date set for a special meeting called pursuant to petition shall be as soon as practicable following receipt of the petition.

Section 16--Amendment of Articles of Incorporation

The vote of the members relating to any amendment to the Articles of Incorporation of the Michigan Credit Union League, which require by law the affirmative vote of at least a majority of the members, may be taken at any regular or special meeting of the membership by written ballot received by mail and/or cast at such meeting, provided that the proposed resolution for the amendment of the Articles of Incorporation shall be set forth in the notice of meeting. For the purpose of this article, such amendments shall be proposed by resolution and shall be subject to the same rules and procedural requirements as all other resolutions.

ARTICLE VII

BOARD OF DIRECTORS

Section 1--Composition

The Board of Directors shall consist of persons elected in number and manner hereinafter provided. One (1) director and one (1) alternate director shall be elected by each district. Alternate directors shall have the power and function hereinafter described. The director shall have the number of votes at all League Board meetings equal to the total number of corporate and individual members in his or her district.

Section 2--Election

- A. The secretaries of each chapter in the district shall together constitute the elections committee for that district unless the district, at a combined meeting of the boards of representatives of all of the chapters in the district or, if there is only one chapter in the district, a meeting of that chapter's board of representatives, chooses another manner for selecting its elections committee. Each district shall elect its director and alternate director using one of the procedures set forth in subsection B. The district elections committee shall, as soon as possible following election, certify to the League chairperson and president the names and

addresses of each elected director and alternate director and the qualifications of each for office. The League shall recognize only such directors and alternate directors as have been properly certified. Alternate directors, in the absence of a director, shall be permitted the full rights of the absent director.

B. Each district shall use one of the following two methods to elect its director and alternate director:

- (1) If a district consisting of a single chapter decides or, if all chapters in a district with more than one chapter agree at least one hundred and twenty days (120) days prior to the League annual meeting, the district shall hold an elections meeting and shall elect its director or alternate director at that meeting. If this procedure is chosen, it shall remain in effect for future elections until a meeting of the district votes to change it. If the district consists of a single chapter, the elections meeting shall be a meeting of the chapter board of representatives, and may be held as part of any regularly scheduled or special meeting of the board of representatives. If the district consists of more than one chapter, the meeting shall be a combined meeting of the boards of representatives of all of the chapters in the district. The elections committee shall, at least ninety (90) days prior to the date of the League annual meeting, schedule an elections meeting to be held at least twenty (20) days prior to the League annual meeting, and notice shall be given to all League corporate members at least forty-five (45) days prior to the date of the elections meeting. Each corporate member, in turn, shall be responsible for providing a copy of the notice to each individual League member chosen by that corporate member.

If this election method is chosen, eligible individuals interested in running for director or alternate director may nominate themselves by communicating that fact to the district elections committee at least thirty (30) days prior to the scheduled date for the elections meeting and, unless the district has previously decided otherwise, nominations may also be made from the floor of the meeting. Individuals who nominate themselves prior to the meeting shall do so using a form prescribed by the chapter elections committee, such form to be available from any member of the committee at least forty-five (45) days prior to the scheduled date for the meeting. At least twenty (20) days prior to the scheduled date for the meeting, copies of the nomination forms shall be distributed to each League corporate member in the district. Each League corporate member, in turn, shall distribute copies of the nomination forms to each individual League member chosen by that corporate member.

- (2) If the method set forth in subdivision (1) is not chosen, a mail ballot procedure shall be used. In this case, the district elections committee shall provide notice to all League corporate members of the mail ballot election at least one hundred (100) days prior to the League annual meeting and at least seventy (70) days prior to the deadline for returning mail ballots. Each corporate member, in turn, shall be responsible for providing a copy of the notice to each individual League member chosen by that corporate member. Mail ballots shall be distributed no earlier than thirty (30) days nor later than forty-five (45) days after the election notice is distributed to League corporate members.

If this election procedure is followed, eligible individuals interested in running for director or alternate director may nominate themselves by communicating that fact to the district elections committee at least fifteen (15) days prior to the scheduled date for distribution of mail ballots. On the scheduled date, the elections committee shall distribute copies of the nomination forms and ballots containing the names of all nominees with equal prominence to each League corporate member and League individual member in the district. Ballots for individual members may be mailed to the credit union which elected them; ballots sent to credit unions shall be mailed to the last address shown on the books of the League. Members shall be given at least twenty (20) days to return the ballots to the elections committee or other individual or committee chosen by the elections committee.

Between five (5) and ten (10) days after the deadline for returning ballots, the committee shall count the ballots and communicate the names of the successful candidates to each credit union in the district.

- C. The district elections committee shall cause notice of district meetings to be sent to all chapter representatives of all chapters in the district at least seven (7) days prior thereto. The notice shall contain a brief description of the subject matter of the meeting.

Special meetings may be called by the chapter chairperson of any chapter in the district or by twenty-five (25) percent of the aggregate members of all of the chapter boards of representatives in the district in writing, directed to the district elections committee. The district elections committee shall then cause sending of notice of the special meeting to all chapter representatives of all chapters in the district, which notice shall contain a statement of the purpose of said special meeting and only the business specified in such notice may be acted upon. The date set by the district elections committee for a special meeting shall be as soon as practicable following receipt of a request therefor; provided, however, that each chapter representative shall be entitled to notice of at least fifteen (15) days, commencing from the date of mailing of such notice. Notices of all district meetings shall also be sent to the president of the League.

The quorum requirement for any district elections meeting or any other district meeting shall be representation of not less than twenty (20) percent of the number of corporate members and representation of not less than twenty (20) percent of the total membership (this being the combined total of corporate and individual members), such percentages to be calculated on the basis of all of the corporate and individual members of all of the chapters in the district and not on a per chapter basis.

If the district consists of only one chapter, the chapter chairperson, or in his or her absence the chapter vice chairperson next in succession, shall preside at the meeting. If the district consists of more than one chapter, the chairpersons of the chapters in the district shall choose by any method acceptable to them which of the chairpersons present shall preside at the meeting. If none of the chapter chairpersons are present, the vice chairpersons of all of the chapters in the district shall choose by any method acceptable to them which of the vice chairpersons present shall preside at the meeting.

Section 3--Qualifications

- A. A person to qualify for election as a League director or alternate director shall be:
- (1) A member of, and
 - (2) A director, credit committee or supervisory committee member, manager/chief executive officer, or senior management employee who reports directly to, or recommended by the manager/chief executive officer of the credit union that is a League member in good standing and that is affiliated with a chapter in the district that such person seeks to represent.
- B. If during his or her term in office a director or alternate director shall lose the requisite qualifications therefor, such office shall forthwith terminate and a vacancy shall thereupon exist.

Section 4--Terms of Office

Each director and alternate director shall be elected to serve for a term commencing with the call to order of the first regular meeting of the Board of Directors following the League Annual Meeting for the year during which such person is so elected and expiring with the call to order of the first regular meeting of the Board of Directors following the second League Annual Meeting thereafter. Directors and alternate directors elected and certified under Section 11 of this article to fill vacancies shall hold office for the unexpired term.

Section 5--Directors' Reports

In addition to their usual duties, League directors and alternate directors attending Board meetings shall be required to report to the chapters in their district action taken by the League at its directors meetings.

Section 6--Quorum

A majority of the League Board of Directors shall constitute a quorum. Alternate directors, when appearing in the place of an absent director, shall be counted in determining whether a quorum is present.

Section 7--Notice of Meetings

The president shall cause to be sent written notice to each director and alternate director at least seven (7) days before any regular or special meeting of the League Board, which notice shall contain the place, time and date of the meeting, and if the meeting be a special meeting, the purpose of the meeting. Special meetings may be called by the chairperson or vice chairperson, or shall be called on request in writing to the chairperson or vice chairperson of not less than twenty-five (25) percent of the Board. A special meeting may be called with only seventy-two (72) hours notice if (a) the notice of the special meeting is given by telegram or other electronic media (including address information) designated by the individual director or alternate director involved and (b) the notice states why the board needs to deal with the subject or subjects forming the purpose of the special meeting within a time period shorter than seven (7) days. Notice of any regular or special meeting of the Board of Directors may be waived with the unanimous consent of all directors then in office.

Section 8--Regular Meetings

Regular meetings of the Board shall be held at least six times a year. Meetings may be scheduled on a more frequent basis by the Board.

Section 9--Absence of Directors

If a director is absent from three (3) meetings of the Board of Directors during a twelve-month period without being excused for cause, his or her office shall be declared vacant by the Board.

Section 10--Removal of Officers

The Board of Directors shall have the power by a two-thirds (2/3) majority of the votes cast to remove or recall any officer or member of any committee.

Section 11--Vacancies

In the event of a vacancy in the office of a director, by death, incapacity, resignation, removal, loss of eligibility, or otherwise, the alternate director from that district shall serve that director's unexpired term of office. In the event of vacancy in the office of an alternate director, including vacancy resulting from an alternate director succeeding to the office of director, or if both the offices of director and alternate director become vacant at the same time, such vacancy or vacancies shall be filled in the same manner as directors and alternate directors are normally elected unless the district chooses, or has previously chosen, a different method for filling such vacancies. Certification of election shall be given as in case of full-term elections. If the scheduled term for the office of alternate director has less than six (6) months remaining when a vacancy in that office occurs, the district elections committee may, by unanimous consent, choose to leave the office vacant for the remainder of the scheduled marterm.

Section 12--Compensation and Expense Reimbursement

Members of the Board of Directors shall serve without compensation; provided, however, the Board of Directors, at its discretion, may authorize payment by the League of part or all of the expenses and per diem loss of wages or salaries of persons involved in the conduct of League affairs.

Section 13--Limitation of Expense Reimbursement

No director or other representative of the League shall receive any expense reimbursement from the League until such time as the credit union of which he or she is a member shall have paid its dues to the League for the current fiscal year, unless such payment is approved by the Board of Directors.

Section 14 - President

The Board of Directors shall have the power to set the terms and conditions of employment of the president and to fix his or her compensation.

Section 15 - Committees

The Board shall establish the need for and terminate such standing and special committees as it may deem necessary and request the chairperson to make the required appointments.

ARTICLE VIII

OFFICERS

Section 1--Officers--Election/Appointment

The officers of the League shall be a chairperson of the board, a vice chairperson, a president, one or more vice presidents, a secretary-treasurer who shall fulfill all functions prescribed in these bylaws or elsewhere for either the League secretary or the League treasurer, a recording secretary and one or more assistant secretaries and/or assistant treasurers. All officers except the president, vice presidents, recording secretary, assistant secretaries and assistant treasurers shall be elected by plurality vote of the Board of Directors from its membership and shall continue to hold office only so long as they shall continue to be directors. The president shall be elected by and serve at the pleasure of the Board or as provided in his or her employment contract. The president may appoint and dismiss vice presidents, the recording secretary, assistant secretaries and assistant treasurers as he or she shall determine to be in the best interests of the League and set the terms and conditions of employment thereof. Vacancies in the office of vice president, recording secretary, assistant secretary, or assistant treasurer shall be filled by the president; vacancies in other offices shall be filled by the Board of Directors.

Section 2--Chairperson, Vice Chairperson and Secretary-Treasurer--Terms of Office

The chairperson of the League Board of Directors, the vice chairperson, and the secretary-treasurer shall be elected at any time following the elections of MCUL Board members at district election at an MCUL board meeting designated by the chairman for officer elections. The chairperson, vice chairperson, secretary-treasurer shall serve for a one (1) year term, commencing after the annual MCUL business meeting and thereafter until their successors have been chosen and have qualified for office.

Section 3--Representatives to Other Organizations

The Board, and, except as otherwise determined by the Board, the president, may from time to time designate and remove representatives of the League to other organizations.

Section 4--Chairperson

The chairperson shall preside at all meetings, both of the Board of Directors and of the members, shall appoint the members of all standing and special committees, subject to confirmation by the Board of Directors, and shall be an ex-officio member thereof.

Section 5--Vice Chairperson

The vice chairperson shall perform the duties of the chairperson in the absence or disability of that officer or in the event of vacancy in said office until such vacancy is filled in accordance with these bylaws.

Section 6--President

The president shall be the chief executive officer and general manager of the League, with the power to appoint and discharge employees, agents and office personnel, and shall have such other duties and responsibilities as may be delegated to him or her by the Board of Directors from time to time.

Section 7--Vice Presidents

The vice president (or the vice president so designated, if there be more than one) shall, in the absence of or during the disability of the president, perform the duties and exercise the powers of the president.

Section 8--Secretary

The secretary shall perform such duties as are regularly performed by a secretary other than the keeping of minutes of meetings; provided, however, that he or she may delegate such duties as desired to the president if approved by the Board of Directors.

Section 9--Treasurer

The treasurer shall keep a full and complete record of all financial affairs and money of the League and shall make an annual report to the members at the annual meeting and shall perform such other duties as are regularly performed by a treasurer; provided, however, that he or she may delegate such duties as desired to the president if approved by the Board of Directors.

Section 10--Assistant Secretaries and Assistant Treasurers

Assistant secretaries and assistant treasurers shall perform such duties as shall be prescribed by the president from time to time.

Section 11--Recording Secretary

The recording secretary shall keep the minutes of all membership meetings and all meetings of the Board of Directors.

ARTICLE IX

CHAPTERS

Section 1--Organization

There shall be chapters of this League organized by the Board of Directors of the League as the need may develop.

Section 2--Composition

Each chapter shall be composed of the member credit unions of the League in good standing whose principal places of business are located in the chapter area, except as one or more of the following apply:

- A. A credit union entering liquidation shall cease to be a member of the chapter.
- B. If on December 31, 1984 the credit union was a member of a chapter other than the one in which its principal place of business was located, it shall remain a member of that chapter unless it chooses otherwise. Such a credit union may at any time change its membership to the chapter in which its principal place of business is located.
- C. If a credit union moves its principal place of business, it may remain a member of the chapter of which it was a member prior to the move or may change its membership to the chapter to which it has moved its principal place of business. Until the credit union states its intention, its chapter membership shall not change.
- D. A credit union may choose to be a member of a chapter that is contiguous to the one in which its principal place of business is located. Any change of chapters pursuant to this subsection D must remain in effect for five (5) years unless the credit union moves its principal place of business to a chapter other than either of the two (2) with which it was most recently affiliated.
- E. To change chapters, a credit union must send a written notice of its decision to change chapters to:
 - (1) The League chairperson and secretary of the board,
 - (2) The League president, and
 - (3) The chapter chairpersons of the chapters affected.

The change shall be effective forty-five (45) days after receipt of the notice by the League president. The League secretary shall notify the credit union, the League Board of Directors and the chairpersons of the chapters affected of the exact date on which the change will be effective.

If a member of a credit union that changes chapters within the same district holds a chapter elected office on the effective date of the change, unless that individual retains his or her qualifications for such office in the former chapter, such individual's office shall be deemed vacant on the effective date of the change.

If a member of a credit union that changes chapters across district lines holds a position as League director, League alternate director, or any other League or chapter elected office on the effective date of the change, unless that individual retains his or her qualifications for such office in the former district or chapter, such individual's office shall be deemed vacant on the effective date of the change.

All League, district and chapter level voting strengths shall be redetermined on the effective date of the change in chapter membership to reflect the change.

- F. All individual League members shall be members of the same chapter as the credit union that elected them.

Section 3--Geographic Boundaries

The exact geographic boundaries of each chapter shall be determined by the Board of Directors of the League.

Section 4--Voluntary Division of Chapter

- A. Subject to the approval of the League Board of Directors, a chapter may divide into two (2) chapters whenever it consists of more than fifty (50) member credit unions, provided there remains a minimum of twenty (20) member credit unions in each of the new chapters created by the division. The matter shall first be placed before each of the member credit unions within the chapter by a petition addressed to the League Board of Directors requesting such division, which petition shall set forth the names of each credit union to be included in each of the new chapters. The petition must be executed by a majority of all credit unions in each of the chapters resulting from such a division. Upon obtaining the requisite number of signatures to the petition, the same shall be forwarded to the League Board of Directors together with certifications by the secretaries of each credit union signing the petition that same was signed pursuant to a resolution of the board of directors of the credit union. Whenever possible, the said petition shall be acted upon by the Michigan Credit Union League prior to the next annual meeting of the chapter involved.

If approved by the League Board of Directors, the chapter division shall take place at the next annual meeting of the chapter following such approval.

- B. Whenever the number of member credit unions within a chapter exceeds 120, the chapter shall be divided by the League Board of Directors into two (2) chapters, and such division shall take effect at the next chapter annual meeting following such action of the Board.

Section 5--Voluntary Merger

Subject to the approval of the League Board of Directors, any two (2) or more contiguous chapters that are located in the same district may merge into a single chapter as herein provided if the resulting chapter does not have more than 100 member credit unions.

- A. A petition requesting such merger signed by a majority of the member credit unions in each merging chapter shall be presented to the League Board of Directors and a copy thereof shall be presented to each member credit union in each such chapter which has not signed such petition. Such petition must be signed by an officer of the credit union duly authorized to do so by its board of directors and the original petition presented to the League Board shall be accompanied by a certificate from the secretary of each member credit union signing same attesting the resolution authorizing such signing. The petition shall state the names of the chapters seeking merger and all of the member credit unions in each of such chapters and shall specify the name proposed for the chapter to result from such merger.
- B. Upon filing of such a petition and satisfactory evidence that copies thereof have been presented to non-signing member credit unions in the merging chapters, the League Board shall act upon same not later than its second regular meeting following receipt thereof.
- C. If the League Board approves the proposed merger, the League secretary shall give notice of such approval to each member credit union in each chapter being merged within ten (10) days after such action. The next

annual or other membership meeting of such chapters shall be a combined membership meeting and the merger shall take effect upon the commencement thereof. At such combined chapter membership meeting, a new chapter executive committee and chapter voting delegate(s) and alternate shall be elected.

- D. The terms of office of the executive committee members of the former chapters shall end at such combined chapter membership meeting, anything contained in these bylaws to the contrary notwithstanding.

Section 6--Minimum Number of Credit Unions

- A. If the membership of a chapter falls below five (5) credit unions and does not thereafter increase to at least five (5) credit unions before six (6) months after the end of the month in which it falls below five (5) credit unions, the chapter shall automatically be dissolved. For purposes of this section only, any credit union which disaffiliates from the League while receiving assistance under Section 208 of the Federal Credit Union Act shall, for two (2) years after the disaffiliation, be considered a member of the chapter with which it was last affiliated. The League secretary shall notify all credit unions in an affected chapter within fifteen (15) days when the chapter's membership falls below five (5) credit unions. The notice shall also contain the date on which the chapter will dissolve unless it increases its membership to at least five (5) credit unions. Any chapter affected by this section may merge with another pursuant to Section 5 of this Article IX if the League Board approves the merger prior to the chapter's automatic dissolution date.
- B. When a credit union is notified that the chapter of which it is a member is subject to being dissolved, it may designate the chapter with which it wishes to affiliate after such a dissolution. The chapter designated must be contiguous to the chapter in which the credit union's principal place of business is located. If the credit union makes no such designation, the League chairperson shall designate which contiguous chapter the credit union shall temporarily be affiliated with after dissolution. Such temporary affiliation shall be effective until the credit union makes a designation or the League Board redraws chapter boundaries. At its first meeting after the dissolution of a chapter, the League Board shall redraw chapter boundaries to place a dissolved chapter's territory into other chapters. Such other chapters shall be within the same district unless the League Board chooses to redraw district boundaries at the same time. In drawing new boundaries, the League Board shall consider the affiliation designations of the credit unions in the dissolved chapter. Any such credit union that has not made a designation shall, after the redrawing of boundaries, become a member of the chapter in which its principal place of business is located.

Section 7--Purposes

The purposes of the chapters shall be to promote, perfect and protect credit unions and the credit union movement and to aid in the achievement of the League purposes, and, as integral parts of the League, the chapters shall at all times operate in accordance with these bylaws, the League Articles of Incorporation and policies of the League as adopted from time to time.

Section 8--Chapter Government

- A. Each chapter shall be governed through a board of representatives. Said board will consist of the League members, both corporate and individual, within the chapter. If a chapter representative, during his or her term of office, shall lose the requisite qualifications for election, his or her office as a member of the board of representatives shall thereupon be deemed vacant. Such vacancy shall be filled as provided for in Section 14 hereof.
- B. The affairs of each chapter shall be managed by an executive committee of not less than six (6) members to be elected by the chapter board of representatives by plurality vote and at least six (6) of which must be members of the chapter board of representatives. The chairperson, vice chairperson(s), secretary, and

treasurer must be members of the chapter board of representatives; all members of the executive committee must each hold a position with a chapter member credit union of director, credit or supervisory committee member (or a member of a committee consisting of members of the credit union that performs basically the same services as those performed by a credit or supervisory committee), or employee. The above sentence notwithstanding, however, an employee of a credit union in a particular chapter, that actually works in a branch facility of that credit union that is located within another chapter, may be eligible for election to the position of an additional member of the executive committee of the chapter within which the branch facility is located, provided that the affected employee may not hold the position of chairperson, vice-chairperson(s), secretary, treasurer, or AC&E delegate (or alternate delegate). The executive committee shall meet, as the business of the chapter may require, upon the call of the chairperson or of any three (3) members of the committee, according to such notice requirements as may have been adopted by the committee. A majority of the executive committee shall constitute a quorum.

- C. At the organization meeting of a newly formed chapter, one-half (1/2) of such executive committee shall be elected to one-year terms and one-half (1/2) shall be elected for two-year terms. Thereafter, executive committee members shall be elected at the annual meeting of this chapter for a term of two (2) years and shall serve until the election and acceptance of their duly qualified successors. Upon any increase or decrease in the number of executive committee members, the term of the first members thereafter elected shall initially be set at one (1) year or two (2) years so that approximately an equal number of terms of office or an equal number of terms plus one shall expire at alternate annual meetings thereafter.
- D. The officers of the chapter shall be a chairperson, one (1) or more vice chairpersons (the number thereof to be determined by the executive committee), a secretary and a treasurer, each of whom shall be a member of the executive committee. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the executive committee. Any two (2) or more offices may be held by the same person, except the offices of chairperson and secretary.
- E. The officers of the chapter shall be elected, and such committees as are deemed necessary shall be appointed, annually by the executive committee at the first meeting of the committee held after each chapter annual meeting. The chapter chairperson, vice chairperson(s), secretary, and treasurer must be elected from among those members of the executive committee who are also members of the chapter board of representatives. If the election of officers and/or appointment of committees shall not be held or made at such meeting, such election and/or appointment shall be held or made as soon thereafter as convenient. Each officer and appointed committee member shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified.
- F. The chapter chairperson shall preside over all chapter and executive committee meetings and shall, as outlined by the board of representatives and the executive committee consistent with these bylaws, manage the affairs of the chapter. The vice chairperson next in order of succession shall assume all duties of the chairperson in his or her absence. The secretary shall keep all chapter records and certifications and shall cause the sending of notices when required. The treasurer shall be the custodian of chapter funds and shall report relative thereto at each business meeting and shall make all collections and disbursements on direction of the executive committee or the board of representatives; the treasurer shall be bonded if and when and to such extent as the executive committee shall deem necessary.
- G. Any chapter officer or elected member of the executive committee may be removed or recalled by a two-thirds (2/3) vote of the representatives present at any duly called and convened regular or special meeting of the board of representatives; provided, however, that the notice of the meeting at which such action is proposed to be taken shall specify such proposed action as a purpose of the meeting and that such written notice shall be given to the representatives at least thirty (30) days in advance of such meeting.

Section 9--Board of Representatives and Executive Committee Authority

- A. Each board of representatives shall meet as often as it may deem fit. The executive committee shall carry on the business of the chapter between meetings of the board of representatives. The board shall have the power to review all acts of the executive committee and take such action as it sees fit.
- B. The board of representatives of each chapter shall have the right to elect chapter voting delegates and the alternate in accordance with these bylaws.

Section 10--Chapter Annual Meeting and Other Meetings

The annual meeting of each chapter shall be held at least twenty (20) days prior to each League Annual Meeting. The chapter secretary shall cause notice of chapter meetings to be sent to all chapter representatives at least seven (7) days prior thereto and shall contain a brief description of the program or other subject matter of the meeting. Special meetings may be called by the chapter chairperson or by twenty-five (25) percent of the members of the chapter board of representatives in writing, directed to the secretary of the chapter. The secretary shall then cause sending of notice of the special meeting to all chapter representatives, which said notice shall contain a statement of the purpose of said special meeting and only the business specified in such notice may be acted upon. The date set by the chapter secretary for a special meeting shall be as soon as practicable following receipt of a request therefor; provided, however, that each chapter representative shall be entitled to notice of at least fifteen (15) days, commencing from the date of mailing of such notice. Notices of all chapter meetings shall also be sent to the president of the League.

Section 11--Expenditures

No chapter shall commit itself to expenditures to be borne by the League without authorization by the League Board of Directors. The League Board of Directors may, at its discretion, provide such financial assistance to chapters as it deems proper.

Section 12--Certification of Elections

Upon the election of the chapter executive committee and officers, the secretary of the chapter shall certify the results of such election to the League chairperson and the League president.

Section 13--Quorum

The quorum requirement for any chapter regular or special meeting shall be representation of not less than twenty (20) percent of the number of corporate members and representation of not less than twenty (20) percent of the total membership (this being the combined total of corporate and individual members). A business meeting duly called may be conducted in conjunction with any chapter function.

Section 14--Vacancies

- A. In the event the office of chapter chairperson is vacated, the vice chairperson or first vice chairperson shall assume all the duties of the chairperson and shall serve for the unexpired term. The second vice chairperson, if any, shall, for the unexpired term, become the first vice chairperson.
- B. Vacancies in chapter offices, except chairperson or chapter representative, shall be filled by appointment by the executive committee of the chapter from among individuals eligible for election to the position being filled. Vacancies in the office of chapter representative shall be filled by appointment by the board of

directors of that credit union which had elected the predecessor representative. Officers and representatives so appointed shall serve for the unexpired term of office.

- C. If any elected member of the executive committee is absent from three (3) meetings of such committee during a twelve (12) month period without being excused for cause, his or her office shall be declared vacant by such committee and such vacancy shall be filled in accordance with this section.

Section 15--Notices

Notices to be given to individual League members, either as members of the chapter board of representatives or otherwise, may be given by sending a copy of the notice involved to the credit union which chose the individual League members, and requesting the credit union to distribute a copy of the notice to such individual League members.

ARTICLE X

AUDITS

The League Board of Directors shall provide for and have made at least one (1) audit or review per year by an independent certified public accountant. A report of such audit shall be presented to the League Board of Directors and at the annual membership meeting by the League treasurer or, in his or her absence, by another League director who shall be designated by the League chairperson.

ARTICLE XI

BORROWING

The Board of Directors of the League at any regular or special meeting called for that purpose may authorize the borrowing of such monies as may be necessary to carry on the operations of the corporation in accordance with the intent and purpose of the Articles of Incorporation and bylaws as approved and adopted, and they shall also have authority to pledge or mortgage the assets of the League to secure such loan which they believe to be in the best interest of the League.

ARTICLE XII

PARLIAMENTARY AUTHORITY

The latest edition of "Robert's Rules of Order--Revised" shall be the parliamentary authority in all matters not specified in the bylaws or standing rules of the League. Rulings made by the parliamentarian appointed to act as such at any meeting shall be final and conclusive.

ARTICLE XIII

AMENDMENTS

Section 1--Proposal of Amendments

Amendments may be proposed, adopted and put into effect by either the membership of the League at an annual meeting of the membership or a special meeting of the membership called for that purpose or by the Board of Directors of the League, in accordance with the procedures set forth in this article. Except for amendments proposed by an individual member in accordance with the requirements of Article VI, Section 14 of these bylaws from the floor of the League Annual Meeting, all proposed amendments shall be accompanied by a written explanation of the purpose of the proposed amendment.

Section 2--Amendment by Membership

Bylaw amendments may be proposed at any annual meeting of the League membership or any special meeting of the membership called for that purpose. Such amendments shall be proposed by resolution, and shall be subject to the same rules and restrictions that govern other resolutions. The membership, at any such meeting, shall have the authority to adopt by a simple majority vote any such proposed amendment and to put it into effect either immediately or such later time as is determined by the membership.

Section 3--Amendment by Board of Directors

Bylaw amendments may also be proposed, adopted and put into effect by the Board of Directors through the procedure described in this section. The procedure shall be as follows:

- A. At any regular meeting of the Board of Directors or special meeting called for that purpose, the Board of Directors may propose a specific amendment to the League bylaws,
- B. After voting to propose a bylaw amendment, the Board of Directors shall cause a notice of the proposed amendment, and the reasons therefor, to be sent to all League member credit unions and to all chapter chairpersons, and
- C. At any regular meeting of the Board of Directors held more than forty-five (45) days after the notice described in subsection B of this section is mailed or any special meeting of the Board of Directors called for that purpose held more than forty-five (45) days after the notice described in subsection B is mailed, the board may, by a two-thirds (2/3) vote of the total votes represented on the Board of Directors, adopt the previously proposed bylaw amendment. The Board may put the amendment into effect at that time or at any later time as determined by the Board.

Section 4--Limitations

Amendments affecting either Article VI or Article XIII may only be approved by an annual meeting of the membership or a special meeting of the membership called for that purpose.

ARTICLE XIV

GIFTS

Any general gifts to the League shall be added to the funds of the League and may be used for any purpose designed to promote credit union development. Donors of gifts shall have the right to specify the purpose for which the gift shall be used and, if accepted by the Board of Directors, the use of the gift shall be restricted to the purpose designated.

ARTICLE XV

BRANCHES

Section 1 -- Organization

To facilitate various functions of the Michigan Credit Union League, facilitate separate accounting for money, or otherwise to meet legal and/or accounting requirements, the League shall have branches. The branches shall be those facilities described in this Article and any other facilities or functions designated as branches by the Board of Directors. Upon acceptance as a branch of the League, a charter or similar document shall be issued to the branch. The terms of such charter or similar document shall require the branch to be organized and to operate in a manner consistent with these Bylaws. The bylaws or any other organizational document of a branch must be submitted for approval to the Board of Directors of the League, or a committee established by the Board of Directors. All branches shall be subject to rules and other governing procedures and restrictions as may be established by the League Board of Directors in accordance with applicable law from time to time.

Section 2 -- Access to and Audit of Records

Each branch shall give to the League reasonable access during normal business hours of all of the branch's properties, books, assets, contracts, commitments and records, and shall furnish the League with all information concerning the branch which the League reasonably may request. In addition, on an annual basis, each branch must automatically send to the League copies of all audited and unaudited financial statements of the branch.

Section 3 -- Payment of Dues

The annual dues for each branch, and all matters related thereto, shall be as determined by the Board of Directors of the League.

Section 4 -- Termination

The Board of Directors may, upon a two-thirds (2/3) vote at any regular or special meeting, terminate the branch status of a branch of the League. Termination shall be only for good cause and after an opportunity is afforded such branch to be heard. Good cause includes, but is not limited to:

- A. Failure to abide by the Michigan Credit Union League Code of Ethics.
- B. Failure to honor any contractual obligations to the League or any of its affiliates.

A branch may appeal its termination to the next annual League membership meeting and have the right to be heard at such meeting, but such an appeal shall not suspend the termination.

Section 5 -- Branch Government

Each branch shall be governed by a Board of Trustees, which shall assume the responsibility for the activities of such branch. Individual members of the League shall automatically be eligible for branch membership, provided that such individual members of the League satisfy all monetary obligations imposed by the branch to be eligible for branch membership. In order to strengthen the relationship between the League and each branch:

- A. The then acting chairperson and then acting vice chairperson of the League Board of Directors shall at all times serve as members of the Board of Trustees of each branch.
- B. The then acting president of the League shall at all times serve as an assistant treasurer of each branch.

Section 6 -- Michigan Credit Union League Legislative Action Fund

The Michigan Credit Union League Legislative Action Fund shall be a branch of, and a subordinate organization to, the League. This branch shall be used for raising funds for distribution to candidates for federal elective office, and committees organized under the Federal Election Campaign Act, as amended, or any similar or successor statute. This branch shall be responsible for the League's activities in connection with candidates for federal elective office.

Section 7 -- Michigan Credit Union League Action Fund

The Michigan Credit Union League Action Fund shall be a branch of, and a subordinate organization to, the League. This branch shall be used for raising funds for distribution to candidates for state and local elective office within the State of Michigan, and committees organized under the Michigan Campaign Finance Act, as amended, or any similar or successor statute. This branch shall be responsible for the League's activities in connection with candidates for Michigan state and local elective office.

APPENDIX B

GUIDE TO RUNNING AN EFFECTIVE CHAPTER MEETING

Parliamentary Procedure - A Quick Reference Guide for Chapter Leaders

Parliamentary Procedure is a safeguard that protects individuals and groups in their exercise of free speech, free assembly and freedom to unite in groups and organizations. Its purpose is to promote efficient meetings so business can be transacted in an orderly manner. The rules of Parliamentary Procedure come from actual court decisions, which mandate the proper way to conduct business.

While this ready reference does not go in depth into every rule needed to run effective, successful meetings, it does provide a few basics to get started or refresh memory.

Organizations using parliamentary procedure usually follow a fixed order of business. Below is a typical example:

1. Call to order
2. Roll call of members present
3. Reading of minutes of last meeting
4. Officer's reports
5. Committee reports
6. Special orders — Important business previously designated for consideration at this meeting
7. Unfinished business
8. New business
9. Announcements
10. Adjournment

Steps in Making a Board Decision:

1. **Motion:** A motion is a request that something be done or that something is the opinion or wish of the District. Only one motion should be placed before the Board at a time, at which point it is debatable and amendable.
2. **Second:** Someone from the District Board must "second" the motion, or agree to the motion so it can be discussed by the full Board.
3. **Discussion:** The motion "on the floor" is discussed by all members to address its pros and cons.
4. **Re-state the motion:** The Chair re-states the motion before the Board votes on it.
5. **Vote:** Votes by voice (aye/no) by show of hands; by standing; by secret ballot; or by roll call vote are all acceptable ways to carry out a vote.

Basic Principles

- Only one topic or motion should be addressed at a time, and proceedings must be carried out in the correct order.
- Once presented for consideration, the topic is entitled to full and free discussion.
- All members are equal.
- Majority rules, but minority rights must be recognized.
- Secret ballot is a right.

Basic Terms and Definitions:

Abstain—to give up one’s vote when a vote has been called.

Amend a motion—to add, insert, or substitute words, strike or delete words, or substitute an entire motion for original.

Motion—all business begins with a motion, which needs to be stated carefully and clearly. For a motion to proceed, it needs a second. Once it is seconded, it can be followed by discussion and, finally, a vote.

Second—to voice agreement to a motion so it can be discussed.

Quorum—the number of voters required by the District to transact business. When a simple majority of voting members is in attendance—one over half of the total number of Board members—a quorum is achieved. Note that while a quorum is not needed to hold a meeting, motions cannot be voted on or action taken without a quorum of members present.

RULES OF ORDER

Rules of order are simply the public manners or “code of conduct” for people who are meeting together to transact Chapter business.

Basic Principles Behind Rules of Order:

One question at a time: This is done by means of a motion. The heart of parliamentary law is the making and handling of motions, putting the group through the process of making up its mind on each proposal submitted. Under rules of order, motions are clearly expressed and votes accurately counted.

Free and full debate: Members should take turns so everyone has a chance to speak. After speaking once a member should not speak a second time on the same question if others wish to speak. It is the right and duty of members to secure information and understanding of the matter before the group will be able to form an opinion and cast an intelligent vote. In securing information, there are two fears to overcome: fear to express disagreement and fear to ask questions. The key to debate is to discuss, not to dispute.

Majority rule: The will of the majority must prevail, yet the minority shall be protected by the

guarantee of individual rights. The majority must also be protected from the minority.

Equality: Every member has an equal right to introduce, debate and vote on matters before the group. The time to express an opinion is during the meeting, not later when leaving. Time to think should be allowed. To have rules of order is a convenience; to find out what people really think and want is a necessity.

Courtesy: Wise safeguards are provided. Members should wait to be recognized and then direct all discussion to the chair. There is no direct argument between members.

REACHING DECISIONS

Making Motions: A member rises, addresses the Chair, and identifies himself/herself:

Member: "Mr. Chairperson, I am _____ from _____ Credit Union."

Chairperson: "The Chair recognizes _____."

Member: "I move _____."

Another member seconds the motion. (It is not necessary to rise.) The chairman states the motion in full after it has been seconded. After full discussion a vote is taken.

Order of Motions:

- a. No motion may conflict with the Chapter Bylaws, standing rules, resolutions, the MCUL Bylaws or state or federal law. Before introducing a motion that creates a conflict with bylaws or standing rules, it is necessary to amend them. Conflicts with previous resolutions also require action to rescind or amend the prior resolution.
- b. All motions have relative precedence and there is a strict order in which successive motions may be introduced when a subject is being considered.
- c. The four (4) types of classified motions are described below in order of precedence. When any motion is pending, those below it on the list are in order but those above it are not in order and may not be entertained.
 - 1) **Main motion** brings a subject before the meeting for decision: it may not be made when any other question is before the meeting and yields to all privileged, incidental and subsidiary motions; that is, any of these can be made while a main motion is pending.
 - 2) **Subsidiary motion** proposes a method of disposing of the main motion: it may modify, postpone or refer to committee for study. When a subsidiary motion is made it must be decided before the main motion can be acted upon.

A motion to amend is a subsidiary motion that modifies or changes the main motion under consideration. The following are methods of amending: striking out a certain word or words or a sentence; inserting a word or words; and/or substituting a new motion for the one being considered.

There may be only two amendments to a main motion at any one time: the

amendment itself and an amendment to the amendment. If the amendment is lost another may be introduced, provided it differs from the one that lost.

- 3) **Incidental motion** disposes of procedural problems that arise from a pending question and relates to methods of voting, questions of order and appeal, and suspension of the rules. Incidental motions take precedence over main and subsidiary motions but yield to privileged motions.
- 4) **Privileged motion** does not relate to the pending question but is of such great importance as to take precedence over all questions. A privileged motion cannot be debated.

TABLE OF MOTIONS

| MOTION | SECOND | DEBATE | AMEND | VOTE |
|-------------------------------------|---------------|---------------|--------------|-------------|
| MAIN MOTION | yes | yes | yes | M |
| SUBSIDIARY MOTION | yes | yes | no | M |
| Postpone indefinitely | yes | yes | yes | M |
| Amend | yes | yes | yes | M |
| Refer to committee | yes | yes | yes | M |
| Postpone to a certain time | yes | yes | yes | M |
| Limit or extend debate | yes | no | yes | 2/3 |
| Previous question (stop debate) | yes | no | no | 2/3 |
| Lay on the table | yes | no | no | M |
| INCIDENTAL MOTION | | | | |
| Leave to withdraw a motion | no | no | no | M |
| Parliamentary inquiry | no | no | no | C |
| Division of assembly (vote count) | no | no | no | C |
| Divide the question | no | no | no | M |
| Object to consideration of question | no | no | no | 2/3 |
| Suspension of the rules | yes | no | no | 2/3 |
| Questions of order and appeal | yes | yes | no | M |
| PRIVILEGED MOTION | | | | |
| Call for orders of the day | no | no | no | C |
| Question of privilege | no | no | no | C |
| Recess | yes | no | no | M |
| Adjourn | yes | no | no | M |
| Fix time of next meeting | yes | no | yes | M |
| UNCLASSIFIED MOTION | | | | |
| Take from the table | yes | no | no | M |
| Reconsider | yes | yes | no | M |
| Rescind or repeal | yes | yes | yes | 2/3 |

Classified motions above are listed in the reverse order of precedence with the last one having the highest rank.

M - Majority vote required

2/3 - Two-thirds vote required

C - Chair decides

Example: *A motion to adjourn takes precedence over all motions except the motion to fix time of next meeting. It must be seconded; may not be debated; may not be amended; and requires a majority vote to pass.*

Appendix C

MCUL ANNUAL MEETING VOTING

The purpose of the annual meeting is to carry on and transact any business for the common good of the membership. The order of business at the annual meeting shall be determined by the presiding officer, unless otherwise established by vote of the members.

There are two methods of determining the individual member voting selection:

1. Corporate Member Voting

The credit union is entitled to one corporate vote at regular or special meetings of the MCUL. The corporate representative shall be, if present at any meeting in the following order:

1. Any member of the credit union so elected by its board of directors, and certified to the MCUL and the chapter Secretary
2. Its Chairperson of the Board of Directors
3. Its Vice-Chairperson of the Board of Directors
4. Its Secretary
5. Its Treasurer
6. Its Manager/Chief Executive Officer
7. Any Individual MCUL Member elected by the credit union

2. Individual Member(s) (MCUL Bylaws, Article III, Section 3)

Except where a credit union's Board of Directors takes action to the contrary, the individuals listed below shall automatically be individual members in the order listed below until the total of authorized individual members has been selected.

1. Manager/Chief Executive Officer
2. Chairperson of the Board of Directors
3. Vice Chairperson of the Board of Directors
4. Secretary
5. Treasurer
6. The other members of the Board of Directors in alphabetical order
7. The Chairperson of the Supervisory Committee
8. The other members of the Supervisory Committee in alphabetical order
9. The Chairperson of the Credit Committee
10. The other members of the Credit Committee in alphabetical order
11. Employees immediately below the level of the Manager/Chief Executive Officer in alphabetical order.

The Credit Union's Board of Directors may, upon notice to the MCUL, substitute other eligible individuals in place of some or all of those listed above to be individual members of the MCUL.



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