

Proposal V

Date Heard:

Vote:

Proposal: ETHICS, TRANSPARENCY, AND ACCOUNTING

Description: Expand Article 9 to add ethics and transparency and expand existing accounting language. Clarify the boundaries of what is permitted regarding ethics. Restricts use of Party resources to assist or detract from any particular candidate prior to nomination or election. Creates an Open Records system for the Party.

Rationale: This sets clear lines of ethical behavior, and applies them equally to all leadership.

ARTICLE 9: FINANCE AND ACCOUNTING	ARTICLE 9: <u>ETHICS, TRANSPARENCY,</u> FINANCE AND ACCOUNTING	ARTICLE 9: ETHICS, TRANSPARENCY, AND ACCOUNTING
<p>1. The fiscal term of the Party shall begin on January 1 of each year. From January 1 until the National Committee has approved a budget, the Treasurer may authorize expenditures for any item incorporated in the previous year's budget as long as the level of expenditure is consistent with that budget.</p> <p>2. The National Committee shall cause an efficient double-entry system of accounts to be installed and maintained. Financial statements of the Party shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP). Audits shall be performed annually by an independent auditor. The non-officer members of the National Committee shall appoint a standing Audit Committee of three members with power to select the independent</p>	<p>1. <u>Financial controls and Party Resources</u></p> <p>a. <u>"Party Resources" are funds, time, compensated personnel, property, or any asset of value, which are owned, leased, coordinated, controlled, employed, contracted, or operated by the Party.</u></p> <p>b. The fiscal term of the Party shall begin on January 1 of each year. From January 1 until the National Committee has approved a budget, the Treasurer may authorize expenditures for any item incorporated in the previous year's budget as long as the level of expenditure is consistent with that budget.</p>	<p>1. Financial controls and Party Resources</p> <p>a. "Party Resources" are funds, time, compensated personnel, property, or any asset of value, which are owned, leased, coordinated, controlled, employed, contracted, or operated by the Party.</p> <p>b. The fiscal term of the Party shall begin on January 1 of each year. From January 1 until the National Committee has approved a budget, the Treasurer may authorize expenditures for any item incorporated in the previous year's budget as long as the level of expenditure is consistent with that budget.</p>

auditor. One member shall be a non-officer member or alternate of the National Committee and the other two shall not be members or alternates of the National Committee. The Assistant Treasurer is not eligible to serve on the Audit Committee. The Audit Committee shall present its findings to each regular convention and clarify for the National Committee any recommendations made by the auditor.

3. No disbursements exceeding \$100 may be made with cash.

4. The National Committee shall have the power to designate the depository of all funds of the Party and shall appoint such officers and employees as in its judgment may seem advisable to deposit and withdraw funds.

5. The Party shall not borrow in excess of \$2,000 total without prior approval by 2/3 vote of the National Committee. This shall not include current operating debt for trade payables.

6. The National Committee shall designate an Assistant Treasurer to temporarily serve in the event the Treasurer is incapacitated or unavailable, or vacates the position.

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d. ~~3.~~ Party Resources shall not be disbursed to any affiliate without prior notice to the Treasurer. Unless explicitly authorized in advance by the Executive Committee, when Party Resources are released from the Party's possession, the value and the number of items, along with the date, location, and event title given shall be reported to the Executive Committee Treasurer and Chair. If the replacement value of an item is greater than 100 dollars,

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- g. ~~6.~~ The National Committee shall designate an Assistant Treasurer to temporarily serve in the event the Treasurer is incapacitated or unavailable, or vacates the position.
- h. **Except as explicitly outlined in these bylaws, no member of a committee shall:**
 - o **Be compensated, other than for actual costs incurred for providing goods or services pre-approved by the Executive Committee.**
 - o **Use his or her official position or office to obtain financial gain or other personal benefit, for himself or herself, any family member, or a business associate.**

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- i. A list of all Party Resources shall be recorded and maintained by the Party.
- j. Any Party Resource in the possession of, but not owned by, the Party shall be tracked. The owner's name, contact information, date obtained, and condition of use shall be maintained until the Party returns that Party Resource to its owner. Personal assets may not be advertised as Party Resources.
- k. All in-kind donations shall be approved in advance by the Treasurer of the Executive Committee. In-kind donations shall be valued at the reasonable market value for the goods or service in question.

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- b. Any person who has been a sustaining member consecutively for the

reports presented at any meeting, photographs, video, or audio of any meeting or event, and reports filed with any public agency.

- b. Any person who has been a sustaining member consecutively for the preceding 2 years ("Requestor") may request to inspect any Open Record of the Party by placing the request to the Executive Committee Secretary, provided the person so-requesting certifies that they are not seeking the records for a commercial purpose. In no event shall any record be released to anyone other than a valid Requestor.
- c. If no such record exists, the Executive Committee Secretary shall notify the Requestor that they do not have custody, and, if they know who does, shall so inform the Requestor.
- d. Whenever electronic records exist, such records shall be provided electronically. For physical copies, the Party may charge \$0.25 per page copied, plus reasonable postage fees. Time required to collect and collate records may be charged at a rate not to exceed three-times minimum wage within the jurisdiction where the Party is incorporated. The Party may require partial or full payment in advance of expending Party Resources to collect and/or collate records.

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- e. The following shall be exempt from disclosure and the Open records provisions:
 - o Personal information about members, delegates, and donors other than what is required to be public for campaign finance reporting purposes;

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- **Personal information about members, delegates, and donors other than what is required to be public for campaign finance reporting purposes;**
- **Information Technology items such as software licenses, passwords, access codes, user identifications, or any other mechanism for controlling the security or restricting access to records in the Party's computer systems;**
- **Financial information such as taxpayer identification number, banking information, and active real estate negotiations;**
- **Legal advice, memorandum, or matters protected by the attorney-client or other applicable legal privilege recognized by state or federal courts;**
- **Records of the Party involved in active investigation or adjudication, if the premature disclosure of the information would harm the investigation or adjudication;**

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- Records of the Party involved in active investigation or adjudication, if the premature disclosure of the information would harm the investigation or adjudication;
- Preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended, but upon which no external action was taken;
- All records or information where disclosure is prohibited by federal or state law or regulation;
- By vote of 3/4 of the entire Executive Committee, any

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