

SEIU Local 1021

Policy on Chapter Funds held externally

In effort to protect our member assets and resources, Chapters are expected to exercise strong internal controls and meet the fiduciary responsibilities expected by Local Policies, Laws, and Regulations. Chapters with legacy external Chapter Fund accounts and assets should bring these accounts and assets to be financially administered by our Local Union, with the exception that Chapters can maintain their external account so long as they meet the fiduciary responsibilities outlined below.

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

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

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

1. Audits – Annual audits are a general requirement of all non-profit organizations to allow for transparency around the nonprofits' finances and ensure members' dues are properly safeguarded. Chapters must participate and comply with the Local's Annual financial audit in coordination with the Local Finance Department. Chapters may be subject to additional audits at the discretion of the Local Finance Department. Any additional audit costs initiated by the Local Finance Department shall be borne by the Local.
2. Financial Education – Chapters must undergo financial chapter fund and asset management education at a reasonable date and time designated by the Local Union.
3. Documentation and Reporting – Chapter must provide copies of all account statements, asset statements, and finance related documents (e.g. Tax filings, Audits, etc.) at least at

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the end of every quarter, where the end of each quarter shall be defined as the end of March, June, September, and December. Upon request by the Local's Finance Department, Chapters must provide requested financial related documentation within thirty (30) calendar days from date of request.

4. Fiduciary / Approvers / Financial Signatories – Chapter must notify the Local Union regarding any changes in Chapter Fiduciaries / Chapter Fund Approvers / Chapter Financial Signatories within the first 10 business days from date of change.
5. Account Update – Chapters must update all financial accounts by October 2026 with the Local Union's Employer Identification Number (EIN) and ensure that Local Union is co-owner to the account with unrestricted access and controllership.
6. Checks, ACH (e-check), Wire Transfers Only – Chapter may only use checks, ACH (e-check), and Wire Transfers to distribute chapter funds for chapter union business. ATM cash withdrawals, credit cards, debit cards, or any equivalent payment platforms (zelle, venmo) associated with the Chapter account are expressly prohibited. Given the evolving payment platforms, Chapters may request the Local Finance Department for limited exceptions.

Compliance with this Policy is critical to show our membership that we are financially responsible with member assets. Any Chapter that has been notified officially by SEIU 1021 of non-compliance and remains in non-compliance status for more than three (3) months from date of the notification, the Local will end any contributions to the Chapter's external account effective no later than the fourth (4) month. Any chapter that is in non-compliance after six (6) months from date of the notification will be required to have their accounts administered by the Local's Finance Department. Once a chapter has their chapter funds brought under the Local Finance Department, the Chapter may not have such external account restored.

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