

XX. Education Minnesota Affiliate Standards and Financial Responsibilities

1. PREAMBLE

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

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

2. AFFILIATE GUIDELINES

Conflict of Interest

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

Membership Information

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

Dues Formula/Calculation

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

Dues Transmittal

Affiliates have the option to choose between ten-month or twelve-month dues transmittal schedules. Payments are due by the 25th of each month in the selected schedule.

New Affiliates

Newly certified affiliates are not required to begin submitting dues until the earlier of either 1) the ratification of the initial collective bargaining agreement for that affiliate or 2) one year from the date the affiliate is certified as the exclusive representative for the bargaining unit by the Minnesota Bureau of Mediation Services or the National Labor Relations Board. Current affiliates that restructure and continue as affiliates are not "new affiliates."

Audits

Affiliates are subject to the following audit/review requirements:

Locals

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

Intermediate Organizations

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

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

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

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

3. **AFFILIATE SUPPORT**

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

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

4. ENFORCEMENT

Membership Information

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

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

Dues Transmittal

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

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

Representative Convention 40% Obligation	Notice sent to:
February	Affiliate President and Treasurer
March	Affiliate Field Staff

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

Dues Transmittal (NEA)

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

Audits

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

Guiding Principles

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

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

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