

**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.

<p><b>ARTICLE 9: FINANCE AND ACCOUNTING</b></p>	<p><b>ARTICLE 9: <u>ETHICS, TRANSPARENCY, FINANCE AND ACCOUNTING ACCOUNTABILITY</u></b></p>	<p><b>ARTICLE 9: ETHICS, TRANSPARENCY, AND ACCOUNTABILITY</b></p>	<p>Change title</p>
<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 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</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>c. <del>2.</del> 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</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> <p>c. 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</p>	<p>Define party resources</p>

<p>Committee. The Audit Committee shall present its findings to each regular convention and clarify for the National Committee any recommendations made by the auditor.</p> <p>3. No disbursements exceeding \$100 may be made with cash.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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 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.</p> <p>d. <del>3.</del> <u>Party Resources shall not be disbursed without prior notice to the Treasurer. Unless explicitly authorized in advance by the Party, 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 treasurer and chair. If the replacement value of an item is greater than \$100, contact information of the recipient shall also be recorded.</u> No disbursements exceeding \$100 may be made with cash.</p> <p>e. <del>4.</del> The National Committee shall have the power to designate the depository</p>	<p>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 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.</p> <p>d. Party Resources shall not be disbursed without prior notice to the Treasurer. Unless explicitly authorized in advance by the Party, 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 treasurer and chair. If the replacement value of an item is greater than \$100, contact information of the recipient shall also be recorded. No disbursements exceeding \$100 may be made with cash.</p> <p>e. The National Committee shall have the power to designate the depository of all funds of the Party and shall appoint such officers and employees</p>	<p>To be sure money isn't being spent without permissions, and the money and goods aren't slipped out the back door.</p>
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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.

- f. ~~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.
- 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 Party.
  - o Use their official position or office to obtain financial gain or other personal benefit, for themselves, any family member, or a business associate.
  - o Use Party Resources or their position in the party to show favor or disfavor toward a candidate prior to receiving nomination or being elected, or vote to intentionally influence the outcome of

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  - o Use Party Resources or their position in the party to show favor or disfavor toward a candidate prior to receiving nomination or being elected, or vote to intentionally influence the outcome of such processes. This shall not prevent a committee member from acting as a sustaining

Volunteer positions should not be used for the title-holder to enrich themselves or their friends and family.

Can't use party resources or titles to try to affect the outcome of internal elections.

such processes. This shall not prevent a committee member from acting as a sustaining member of the Party.

- 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 and may not be advertised as Party Resources.
- k. All in-kind donations shall be approved in advance by the treasurer. In-kind donations shall be valued at the reasonable market value for the goods or service in question.

2. Party Records

- a. "Open Record" means all meeting minutes, financial summaries, officer 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 secretary, provided the person so-

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- 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 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 secretary shall notify the Requestor that they do not have custody, and, if they know who does, shall so inform the

Make sure we know what's owned or borrowed or lent-out, and where those assets are.

Ensure in-kind donations are properly accounted for.

Create an Open Records provision for the party.

Define what qualifies for open records.

Limit requests to members who have 2+ years seniority to prevent abuse by outside parties.

	<p><u>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.</u></p> <p><u>c. If no such record exists, the secretary shall notify the Requestor that they do not have custody, and, if they know who does, shall so inform the Requestor.</u></p> <p><u>d. When 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 actual cost not to exceed \$25 per hour. The Party may require partial or full payment in advance.</u></p> <p><u>e. The following shall be exempt from disclosure and the Open records provisions:</u></p> <ul style="list-style-type: none"> <li><u>o Personal information about members, delegates, and donors other than what is required to be in campaign finance filings and when not obtained for commercial purposes;</u></li> <li><u>o Security-related items, such as software licenses, passwords, access codes, user identifications, or any</u></li> </ul>	<p>Requestor.</p> <p>d. When 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 actual cost not to exceed \$25 per hour. The Party may require partial or full payment in advance.</p> <p>e. The following shall be exempt from disclosure and the Open records provisions:</p> <ul style="list-style-type: none"> <li>o Personal information about members, delegates, and donors other than what is required to be in campaign finance filings and when not obtained for commercial purposes;</li> <li>o Security-related items, such as software licenses, passwords, access codes, user identifications, or any other mechanism for controlling the security or restricting access to the Party's physical facilities, financial accounts, and computer systems;</li> <li>o Legal advice, memorandum, active real estate negotiations, or matters protected by legal privilege recognized by state or federal courts;</li> <li>o Records of the Party involved</li> </ul>	<p>Ensure that requests are not intentionally obfuscated; if someone know where the record is, the holder must be disclosed.</p> <p>Prevent abusive requests and pay for fulfilling requests with a reasonable fee.</p> <p>Limited exemptions existing</p> <p>Exempting PII of members</p> <p>Exempting passwords and whatnot, of course</p>
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	<p><u><i>other mechanism for controlling the security or restricting access to the Party's physical facilities, financial accounts, and computer systems;</i></u></p> <ul style="list-style-type: none"> <li>○ <u><i>Legal advice, memorandum, active real estate negotiations, or matters protected by legal privilege recognized by state or federal courts;</i></u></li> <li>○ <u><i>Records of the Party involved in active investigation or adjudication, if the premature disclosure of the information would harm the investigation or adjudication;</i></u></li> <li>○ <u><i>Preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended, but upon which no external action was taken;</i></u></li> <li>○ <u><i>All records or information where disclosure is prohibited by federal or state law or regulation.</i></u></li> </ul> <p><u><i>3. Recognizing that these bylaws are created by the delegates to both direct</i></u></p>	<p>in active investigation or adjudication, if the premature disclosure of the information would harm the investigation or adjudication;</p> <ul style="list-style-type: none"> <li>○ Preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended, but upon which no external action was taken;</li> <li>○ All records or information where disclosure is prohibited by federal or state law or regulation.</li> </ul> <p>3. Recognizing that these bylaws are created by the delegates to both direct and limit the actions of the Party between conventions; nothing in these bylaws may be suspended by the Party between conventions except where explicitly outlined in these bylaws.</p>	<p>Exempt materials under client-attorney privilege</p> <p>Exempt materials involved in an active investigation</p> <p>Exempt APCR-style content that was talked about but not published.</p> <p>Can't break the law.</p> <p>Create provision to override new RONR</p>
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	<p><u><i>and limit the actions of the Party between conventions; nothing in these bylaws may be suspended by the Party between conventions except where explicitly outlined in these bylaws.</i></u></p>		<p>interpretations that suggest that bylaws in the nature of a rule are suspendable, and return to bylaws not being suspendable. If it's in the bylaws it must be followed.</p>
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<p><b>ARTICLE 10: CONVENTIONS</b></p> <p>5. Delegate List: Any Party member shall be provided, upon request and payment of copying and mailing costs, a list of the names and addresses of all delegates selected to attend and those who actually attended the most recent two conventions, with those who attended clearly identified, and all delegates / alternates selected to the upcoming convention, if available.</p>	<p><b>ARTICLE 10: CONVENTIONS</b></p> <p><del>5. Delegate List: Any Party member shall be provided, upon request and payment of copying and mailing costs, a list of the names and addresses of all delegates selected to attend and those who actually attended the most recent two conventions, with those who attended clearly identified, and all delegates / alternates selected to the upcoming convention, if available.</del></p>		<p>Remove paragraph exposing PII of members and replace with better protections in Open Records provisions</p>
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