

July 2013¹
**Operating Procedures
For
NASCUS**

Section 100 General Provisions

§100.1 Effective Date

These Operating Procedures will be deemed effective upon their enactment.

§100.2 Supremacy Clause

These Operating Procedures are intended to supplement the NASCUS Bylaws. To the extent a provision in the Operating Procedures conflicts with a provision of the NASCUS Bylaws, the NASCUS Bylaws will be deemed to preempt the conflicting provision in the Operating Procedures.

§100.3 Principal Office

Pursuant to Article I Section 2 of the NASCUS Bylaws, the principal offices of the Association will be located at 1655 N. Fort Myer Drive, Suite 650, Arlington, Virginia.

§100.4 Administrative Services

NASCUS shall provide all administrative services to any NASCUS Affiliates.

§100.5 Compliance with Applicable Laws

NASCUS shall not engage in any activity from which NASCUS is prohibited by tax laws or other applicable laws.

§100.6 NASCUS Policies

NASCUS shall maintain a record of all of the Association's policies duly enacted by the Board. All NASCUS policies duly enacted by the Board shall sunset three (3) years from enactment unless re-authorized for another three (3) year term. There is no limit on how often a policy may be re-authorized.

§100.7 NASCUS Personnel Policies Manual

NASCUS shall maintain a Personnel Policies Manual articulating the policies and procedures affecting the terms of employment, rights, privileges, and benefits of NASCUS staff.

¹ Originally enacted March, 2005.

§100.8 Parliamentary Procedure

Parliamentary procedure not specified in the NASCUS Bylaws or these Operating Procedures at meetings of the NASCUS Board and Credit Union Advisory Council shall be governed by Keesey's *Modern Parliamentary Procedure*.

§100.9 Terms of Employment of the President and CEO

The NASCUS Chairman shall give the NASCUS Board and the Credit Union Advisory Council Chairman timely notice of the resignation, termination, disability or death of the President and CEO and of any actions taken under the management succession plan.

§100.10 Secret Ballots

It shall be the right of any NASCUS member, Director, or Advisory Council member to request a vote be taken by secret ballot for any vote in which that member, Director or Advisory Council member is entitled to participate. This right is absolute and does not require a motion or a second be made. The right must be exercised before the voting begins.

§100.11 Fiscal Year

The fiscal year of NASCUS shall be July 1 through June 30. Credit Union Members and Associate Members shall be on a calendar year for dues purposes.

Committees²

§100.12 Committees

Pursuant to Article XII Section 1 of the NASCUS Bylaws the following committees shall be maintained by NASCUS. Unless otherwise noted in this Section, all the below established committees shall be made up of Regulator Members or their Agency staff appointed by the NASCUS Chairman and Credit Union Members appointed by the Credit Union Advisory Council Chairman. In addition, both the NASCUS Chairman and the Credit Union Advisory Council Chairman may appoint Associate Members to the committees.

Committees comprised of the combined membership shall have a Chairman and Vice-Chairman.

Actions of committees shall be in accordance with the standing rules of the Board and each committee chairman will file on request a written report with the Chairmen and President.

A. Performance Standards Committee

The Performance Standards Committee shall administer the accreditation program and, from time to time, make recommendations to the NASCUS Board for modification. It shall be the duty of this committee to determine which applicant state credit union regulatory agencies meet the standards for accreditation whereupon the Board shall notify the agency in writing of its accredited status. Membership to the Performance Standards Committee shall be limited to NASCUS

² Amended April 2, 2005. See Appendix.

Regulator members of an accredited Agency and special designees appointed by the NASCUS Chairman.

B. Education Committee

The Education Committee shall design, promote and provide educational programs and training for employees of NASCUS members. The Education Committee shall oversee the preparation and coordination of the NASCUS Conference and Annual Meeting. The Committee shall monitor results and submit educational and training recommendations to the Board and Advisory Council for consideration. The Board may appoint not more than three advisory members who serve at the pleasure of the Board to consult with the members and advise the committee in carrying out its duties and responsibilities. An advisory member is not considered an official member of the committee and is not entitled to vote on any matter before the committee, but may participate in the discussions of the committee. An advisory member need not be eligible for membership in the association.

C. Legislative and Regulatory Affairs Committee

The Legislative and Regulatory Affairs Committee shall advance legislative and regulatory issues that preserve the viability of the dual chartering system and strengthen state credit union regulatory agencies, by communicating and working cooperatively, whenever practicable, with the credit union community and federal and state legislative and governmental bodies.

Section 200 Board & Advisory Council Communication, Consultation and Cooperation

§200.1 Cooperative Consultation

The NASCUS Board and the Credit Union Advisory Council shall work cooperatively and in consultation to accomplish the mission of the Association and preserve the integrity of NASCUS as a Regulator's Association.

§200.2 Notice of Meeting

To further the cooperation and consultation between the Board and the Advisory Council, the Chairman of the NASCUS Board or the Advisory Council shall cause notice to be given to the other Chairman that the NASCUS Board or the Advisory Council has scheduled a meeting.

The notice shall contain the time and place of the meeting and identify any non-executive session agenda items to be discussed at the Board or Advisory Council meeting.

§200.3 Notice of Action

To further cooperation and consultation between the Board and the Advisory Council, the Chairman of the NASCUS Board or the Advisory Council shall cause notice to be given to the other Chairman that the NASCUS Board or the Advisory Council has taken action at a Board or Advisory Council meeting within twenty (20) days of the vote concerning such action.

Said notice shall identify all non-executive session action taken.

**§200.4 Concurrent
Meetings**

To further Board and Advisory Council cooperation and consultation, upon mutual agreement, the Board and the Advisory Council may meet in concurrent session. Such concurrent meetings shall be scheduled by the NASCUS Board Chairman pursuant to Article V Section 5 of the NASCUS Bylaws.

Concurrent meetings may also be compelled by petition. A concurrent meeting petition must be signed by a majority of the petitioning body and at least one member of the petitioned body. Such petitioned concurrent meeting shall be scheduled by the petitioned Chairman pursuant to Article V Section 5 of the NASCUS Bylaws. In the case of concurrent meeting by petition, if the meeting cannot be scheduled with a quorum for both the Board and the Advisory Council, the next scheduled meeting of the petitioned body must be a concurrent meeting.

For concurrent meetings, motions for discussion, to call for a vote, to end discussion or to adjourn may not be seconded from a member of the same body that made the motion. A motion for an individual body to temporarily move into executive session may be made and seconded by members from the same body.

All votes in a concurrent meeting will be made first by the Advisory Council and then by the NASCUS Board. Motions defeated by the Advisory Council in a concurrent meeting shall not then be voted upon by the NASCUS Board. Motions approved by the Advisory Council will then be voted upon by the NASCUS Board where they will be deemed effective if approved, or defeated if voted down.

§200.5 Closed and Executive Sessions

The NASCUS Board, the Advisory Council and their Executive Committees may go into Closed or Executive session at the discretion of the Chairman of the respective bodies or by Board/Advisory Council vote.

A Closed session is a session that precludes attendance by individuals other than the Directors/Members of the Board/Advisory Council or the Executive Committee, NASCUS management staff, ex officio members of the Board/Advisory Council, the designated voting members of the body's constituency and specially designated individuals invited by the Board/ Advisory Council or the Executive Committee.

An Executive Session is a session that precludes attendance by all except the Directors/Members of the Board/ Advisory Council or Executive Committee in Executive Session and individuals whose presence is requested by the Board/Advisory Council or the Executive Committee.

Section 300 Regulator Members

**§300.1
Dues**

Dues of the Regulator members shall be set by the Board and published for the use of the membership.

Regulator dues are payable starting on July 1 and must be paid in full by July 31 of each fiscal year.

(a) Unless an extension or waiver has been granted, dues that are not received by July 31 shall be considered delinquent and the member shall not be considered in good standing with the Association until the dues have been paid. Members that are not in good standing forfeit their rights and privileges to vote, hold elected or appointed office, serve on committees, or participate in the membership meeting. Further, the Performance Standards Committee will be notified whenever a member is not in good standing.

(b) The NASCUS president shall have the discretion to grant an extension of time to pay the dues or waive the dues for one year.

§300.3 Special Meetings

Special Meetings called pursuant to Article IV Section 2 of the NASCUS Bylaws shall be established by the NASCUS Board at a time and place of convenience to the Regulator Membership. If a physical location is chosen for an Article IV Special Meeting, it should be centrally located within the United States.

§300.4 NASCUS Board Meetings

Pursuant to Article V Section 4 of the NASCUS Bylaws, the NASCUS Board may hold meetings at any time or place designated by the Chairman or by Board vote for the conduct of its business.

§300.5 Procedures for the Election of Directors

Pursuant to Article VI Section 5 of the NASCUS Bylaws, the elections for Director positions will be governed by the following rules:

The NASCUS Chairman shall chair the meeting at which an election is being held unless the Chairman is himself or herself seeking re-election. In the case of the Chairman seeking re-election, the most recent NASCUS Past Chairman not seeking re-election at that meeting shall chair the meeting for the conduct of the election.

If ballots are required, the Parliamentarian shall cause ballots to be distributed to each voting member present. The Parliamentarian shall be responsible for collection and counting of the Ballots. The Parliamentarian then shall inform the Chairman presiding over the election of the results. The Chairman will announce the results to the membership.

Section 400 Credit Union Members

Membership

§400.1 Membership

Pursuant to Article II Section 3 of the NASCUS Bylaws, each member credit union shall be

represented by one individual "representative". This individual shall be designated by the credit union.

The credit union representative shall be entitled to vote on matters before the Credit Union Membership, to be counted in a quorum and to serve on the Advisory Council. The representative shall be entitled to one vote. Only one person from each credit union may serve as representative at any given time. All credit union officials and board members of any member credit union may attend any Credit Union Member meetings.

§400.2 Honorary Membership

The Credit Union Advisory Council may recommend honorary membership be granted to individuals who have made significant contributions to activities of NASCUS pursuant to Article II Section 5 of the NASCUS Bylaws.

§400.3 Term of Membership

Membership, other than Honorary, shall be for twelve (12) months and coincide with the Calendar year. Partial year memberships may be pro-rated.

§400.4 Termination of Membership

Membership shall be deemed to have been terminated at the time a member's application for conversion from a state credit union to a federally chartered credit union or other state or federal financial institution is approved by the state regulator. If dues are in arrears by more than ninety (90) days, membership will be deemed to have been terminated, unless the Advisory Council votes to take other action or waive payment of dues. The Advisory Council may delegate the authority to waive payment of dues to the CEO.

The Advisory Council shall have sole authority to terminate the membership of, and expel, any credit union member for conduct detrimental to the mission, goals or reputation of the Association. The credit union member to be expelled must be given notice of the time and place of the Advisory Council's meeting where the vote will be taken, notice of the exact charges for expulsion, and a reasonable time to respond to those charges in writing or to be present and heard at the meeting where expulsion will be voted upon.

Expulsion must be by a unanimous vote of the Advisory Council Members present and voting.

DUES

§400.5 Dues Schedule³

Pursuant to Article III Section 2 of the NASCUS Bylaws, the dues schedule shall be established by the Advisory Council, except that a dues increase of more than 10% in any single fiscal year shall be subject to approval by a majority of the members voting on the issue.

³ Amended August 2006.

§400.6 Dues Payable

All dues shall be payable at the start of each calendar year and shall be remitted within thirty days thereafter, except the Advisory Council may establish policy for deferred payment on such terms as it may deem appropriate.

Meetings of the Membership

§400.7 Annual Meeting

Pursuant to Article XIII Section 2 of the NASCUS Bylaws, Credit Union Members shall hold annually a meeting of the Credit Union Members in conjunction with the NASCUS annual meeting. Each Credit Union Member shall be sent notice of such annual meeting not less than thirty (30) days prior to said meeting.

All Credit Union Members shall be given reasonable opportunity to submit, in writing, agenda items for consideration of the membership during the annual meeting. Actual agenda items for consideration at the annual meeting shall be at the discretion of the Chairman of the Credit Union Advisory Council.

Any agenda item submitted with written support of ten (10) percent of the credit union membership in good standing must be presented for discussion, at the Advisory Council Chairman's discretion, either at the most immediate annual meeting of the membership or the immediate subsequent meeting of the membership.

§400.8 Voting of Membership

Each credit union holding membership shall be entitled to one vote on all questions before the membership. In order to vote and participate in an annual meeting, any vote must be cast by the person authorized to act for the credit union as specified in §400.1 of these Operating Procedures.

§400.9 Quorum

The lesser of twenty members or 20% of the membership, shall constitute a quorum for a meeting of the Credit Union Membership.

§400.10 Special Meetings

Special meetings of the Credit Union Membership for any purpose may be called by the Chairman and shall be called upon the written request of three or more Advisory Council Members.

Written notice of special meetings of the Credit Union Members, stating the place, day, hour, and purpose(s) for which the meeting is called, shall be mailed not less than (20) twenty days nor more than (50) fifty days before the date of the meeting to each Credit Union Member of record entitled to vote.

The Credit Union Advisory Council

§400.11 Authority and Responsibility

The Advisory Council shall actively promote the objectives of NASCUS and shall supervise the disbursements of funds through its participation in the Finance Committee and approval of the budget.

§400.12 Districts

Nine Credit Union Advisory Council Members shall be elected from 4 geographic districts. The geographic districts shall be as follows:

District 1: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Maryland, West Virginia, Virginia, Kentucky, Rhode Island, Vermont, Ohio, Indiana, and Michigan

District 2: Illinois, Alabama, Florida, Georgia, North Carolina, South Carolina, Mississippi, Tennessee, Louisiana, and Puerto Rico

District 3: Wisconsin, Iowa, Missouri, Arkansas, Oklahoma, and Texas

District 4: Kansas, Minnesota, Arizona, California, Colorado, Nevada, New Mexico, Utah, Alaska, Idaho, Montana, Nebraska, North Dakota, Oregon and Washington

The Advisory Council Member positions shall be apportioned as follows:

District 1 2 Members

District 2 2 Members

District 3 2 Members

District 4 3 Members

§400.13 Redistricting

As it deems necessary, the Advisory Council shall recommend to the Credit Union Membership a “redistricting” which causes each district to contain an approximately equivalent number of state credit unions. Any redistricting must be approved at the annual meeting. If the redistricting is not approved, the previous district structure shall remain in place.

§400.14 Composition of the Credit Union Advisory Council

The Advisory Council shall consist of nine (9) elected district members and three (3) at-large members appointed by the Advisory Council Chairman.

§400.15 Term of Office

An Advisory Council Member's term of office shall be from the time of election or appointment until his or her successor takes office. The term of an advisory Council Member shall be for three years except that the term of a Director elected to fill an un-expired term shall terminate at the time such un-expired term shall expire.

§400.16 Filling Advisory Council Vacancies

In the event that a position of an Advisory Council Member on the Advisory Council becomes vacant, the Advisory Council Chairman shall appoint a successor to fill the balance of the un- expired term or, if the position becomes vacant within one hundred twenty (120) days of the next scheduled election, may direct the position to remain vacant until the scheduled election.

§400.17 Inability to Fill Advisory Council Vacancy

In the event a vacant *district* Advisory Council Member seat is unable to be filled by election or appointment, and the seat remains unfilled for one year, the Advisory Council Chairman may fill the seat by appointment of an at-large Advisory Council Member to fill the remainder of the unexpired term or until an eligible member can fill the position.

§400.18 Meetings of the Advisory Council

The Advisory Council shall hold regular meetings for the conduct of its business. A majority of sitting Advisory Council Members shall constitute a quorum for the conduct of its business.

Special meetings shall be held at the call of the Chairman or upon the demand of the majority of all Advisory Council Members. Each Advisory Council Member shall be entitled to one vote on all questions before the Advisory Council.

Elections

§400.19 Nominating Committee

The Nominating Committee shall cause notice to be mailed to all Credit Union Members encouraging all qualified and interested persons to apply to be nominated for the Advsiory Council Member district positions. The notice shall explain the financial commitment which each elected person shall have.

From those who apply, the Nominating Committee shall create a slate of all qualified candidates and shall deliver that slate to the President.

If there is more than one nominee in any single district, the President shall cause ballots to be created and shall cause the ballots to be mailed to the voting representative of each Credit Union Member credit union in the district with instructions to return the ballot, by mail, by a reasonable date.

The President shall then cause the ballots to be counted and shall notify the Chairman of the Advisory Council of the results of the election.

If a vacancy on the Advisory Council occurs after the appointment of the Nominating Committee,

the Advisory Council Chairman shall have the discretion of directing the Nominating Committee to slate the vacant seat or the Chairman may appoint an Advisory Council Member to fill the seat for the first year of the term or until a special election may be held. If no special election is held, the seat shall be filled by election at the next regularly scheduled election of Advisory Council Members.

§400.20 Plurality Vote

All elections shall be determined by plurality vote except where there is only one nominee for each position to be filled.

In the event of an election during a membership meeting, nominations shall not be made from the floor unless sufficient nominations have not been made from the Nominating Committee or unless circumstances prevent the candidacy of one nominee for a position to be filled.

§400.21 Officers

The Advisory Council Chairman and Secretary shall hold office for two years and until their successors are elected and take office. The Chairman-Elect shall hold office for one year.

The Advisory Council Secretary may serve only one term.

§400.22 Duties of Officers

A. Chairman.

The Chairman shall preside at all meetings of the credit union membership and the Advisory Council. He or she shall also perform all duties as set forth in the NASCUS Bylaws and these Operating Procedures and shall perform all duties as customarily assigned to the office of Chairman, or as he or she may be directed to perform by the Board, not inconsistent with these Operating procedures.

The Chairman of the Credit Union Advisory Council shall be an ex-officio member of the NASCUS Board and all committees and task forces created pursuant to the NASCUS Bylaws or these Operating Procedures, unless expressly excluded pursuant to the NASCUS Bylaws or these Operating Procedures.

B. Chairman Elect.

The Chairman Elect shall exercise the power of the Chairman during the Chairman's absence or inability to act as determined by the Secretary. The Chairman Elect shall conduct ongoing Bylaw reviews as he or she or the Advisory Council Members deems appropriate; shall be the presiding officer in the absence of the Chairman; and shall be responsible for the orderly and businesslike conduct of the affairs and the performance of other duties assigned to him or her by the Chairman or the Advisory Council.

D. Secretary.

The Secretary shall perform all duties commonly assigned to his or her position as set forth herein. He or she shall issue notice of and attend all meetings of the credit union membership; keep a list of the membership; keep a record of the meetings of the credit union members; and prepare a report on the condition of the credit union membership at such time as the Advisory Council may direct.

§400.23 Credit Union Advisory Council Officer Vacancies

A vacancy in the office of the Chairman or Chairman Elect shall be temporarily filled by the next senior officer until a meeting of the Advisory Council. All other vacancies of the officers shall be filled by appointment of the Chairman with approval of the Advisory Council.

Executive Committee

§400.24 Executive Committee

The Credit Union Advisory Council will establish an Executive Committee consisting of the Advisory Council's Chairman, Chairman Elect, Secretary and the immediate past Chairman.

§400.25 Duties of the Executive Committee

To make recommendations from time to time to the Advisory Council concerning the affairs, policies, functions, and management of the credit union membership.

To advise and assist the Chairman in making policy decisions between meetings that affect the general welfare of the credit union members. Such decisions shall be limited to those deemed sufficiently important to require immediate action which cannot be delayed until the next full meeting of the Advisory Council. The President may participate in discussions but does not have a vote in any policy decision.

To act for the Advisory Council and to perform such other duties as the Advisory Council may from time to time direct.

Section 500 Associate Members

§500.1 Dues

The Board and the Advisory Council shall set dues categories for Associate Members.

§500.2 Membership and Classes of Membership

Associate membership may conferred upon those who pay dues to the Association pursuant to §500.3 of these Operating Procedures.

Honorary memberships may be designated by the NASCUS Board upon petition by the Credit Union Advisory Council to individuals, businesses, or associations who have made significant contributions to activities of NASCUS. Such membership shall be continuous until revoked by the Advisory Council.

§500.3 Term of Membership

All membership, other than Honorary, shall be for the calendar year in which dues are paid.

APPENDIX

Amendments

- 1) **April 2, 2005:** Section 100.12 Committees amended. Previous §100.12(A),(B) and (D) defining the Membership, Regulatory Development and Government Relations Committees were eliminated and §100.12(C) was added reflecting the new combined L&R Committee.
- 2) **August 2006:** Section 400.7 Dues Schedule amended to reflect new dues schedule.
- 3) **May 12, 2007:** Credit Union Advisory Council Executive Council substituted for Council Board
- 4) **February 2008:** Section 300.2 Dues Payable amended to add (a) (b) and (c).
- 5) **May 2008:** Regulator dues updated
- 6) **September 2010:** Board and Executive Council approved redistricting shifted MD, WVA, VA and KY from District II into District I to realign 90 credit unions and shifted KS from District III into District IV to realign 82 credit unions.
- 7) July 2013 - Amended to conform to Revised Bylaws (major revisions)