4. Introductions, Agenda Changes/Corrections and Unscheduled Items
CSR 22/14/3 MOTION: Lease, second by Sears – that the CSR Board of Directors accept the agenda as corrected. CARRIED.

5. Approval of the June 26, 2014 Meeting Minutes
CSR 23/14/3 MOTION: Lease, second by Sears – that the CSR Board of Directors approve the minutes of the June 26, 2014 meeting as printed. CARRIED.

14A. Finance Committee
CSR 24/14/3 MOTION: Walgenbach, second by Lease – that the CSR Board of Directors amend Governing Rules Section 2.08 to read as follows, delete Section 2.09 in its entirety, and renumber Section 2.10 to 2.09:

2.08 Chapter’s Portion of Member’s Dues

Each chapter shall receive $1,000 a month plus $.35, inclusive of active, associate and beneficiary members as a share of its members’ dues. Allocations shall be contingent on the chapter having a balanced budget.

(a) Chapter funds shall only be used to accomplish the mission and implement the programs of CSR.

(b) Implementation of Chapter Dues Allocation Cap

Each chapter may retain up to a maximum of 12 months of estimated dues income in its bank accounts. When a chapter accumulates a greater amount based upon a quarterly assessment, the Chief Financial Officer will cause the withholding of further dues payments to the chapter until its total funds fall below the threshold.

(1) The maximum funds retainable by a chapter shall be referred to as the CAP.

(2) The process for determining the specific amount retainable or dues allocation CAP, shall be based upon each quarterly report submitted by the chapter.
(3) Using the monthly dues allocation reports, CSEA Accounting will calculate the maximum funds balance allowable or CAP, by averaging the dues income for the three months of the previous quarter and multiplying that by 12 months.

(4) When the result is less than the chapter funds balance, the chapter has excess funds and is subject to having their future dues allocation withheld. The withholding of funds will first commence with the next month’s dues allocation. Subsequent calculations shall be performed each quarter.

(5) When the difference is less than one month’s dues allocation, the dues allocation will be reduced to only bring the chapter up to the CAP amount. The chapter may notify the CFO in the event their fund balance drops below the CAP, by providing a mid-quarter financial statement, signed by the Chapter President and the Chapter Treasurer and a copy of the current bank statement, verifying the chapter funds. Once verified, the CFO may cause the dues allocation to be resumed.

(6) When the quarterly estimate of 12 months’ chapter dues allocation or CAP is more than the reported chapter funds balance on the quarterly report, the chapter will be considered in compliance and will not be checked until the next quarterly report.

(7) Grants and scholarships funds held by a chapter shall not be included in the calculation of maximum funds; however, CD’s and savings accounts shall be included in the calculation.

(8) A chapter whose funds have been restricted may appeal to the Board of Directors for review.

(9) Dues funds withheld from a chapter as a result of the CAP restriction shall be forfeited by the chapter and retained by the CSR in the CSR General Fund.

CARRIED.

CSR 24/14/3 MOTION: Rose, second by Sears – that the CSR Board of Directors submit the following resolution to Delegate Assembly:
WHEREAS (1), current bylaws severely restrict the asset allocation of Corporate funds to U.S. Government and State of California backed Securities; and

WHEREAS (2), while such tax-advantaged securities often make sense for Individuals, they are less advantageous to nonprofits such as CSR, which pay no income taxes; and

WHEREAS (3), allocation across several asset classes is critical to reducing portfolio risk and achieving a rate of return above inflation; and

WHEREAS (4), investments should be overseen by a committee of knowledgeable members; therefore be it

RESOLVED, that Bylaws Article X, Finance, Section 5, be amended to read as follows:

Section 5. Investment of Corporate Funds.

Corporate funds in excess of those needed for current expenses shall be deposited in one or more accounts insured by the U.S. Government in depository institutions chartered by the U.S. Government or by the State of California, or invested in securities issued by, and backed by the full faith and credit of the U.S. Government or the State of California. Additional investments are limited to investment grade bonds, diversified mutual funds and exchange-traded funds approved by the Board. An investment committee of three members consisting of the CFO and two members knowledgeable in investments shall be appointed by the CSR President to make recommendations to the Board.

CARRIED.

18B. Proposed Amendments to Governing Rules
CSR 25/14/3 MOTION: Walgenbach, second by Evans - that the CSR Board of Directors approve the amendments to the Governing Rules as recommended by the Bylaws and Governing Rules Committee in agenda item 18B(1). CARRIED.

CSR 26/14/3 MOTION: Walgenbach, second by Evans - that the CSR Board of Directors approve the amendments to the Governing Rules as recommended by the Bylaws and Governing Rules Committee in agenda item 18B(2). CARRIED.

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NOTE: This is not an official report--only an expedient until the official minutes can be printed.