

Proposed By-laws Amendment on Outside Financial Review Frequency

Article IV, Elected Officers, Section 2: Powers and Duties

COMMENTARY:

The purpose of this revision is to streamline the financial oversight of the AEU and decrease the cost of hiring outside accountants each year, which currently costs up to \$5,000 annually and is projected to increase in the coming years.

The benefits of the yearly outside financial review are currently adequately provided by the Finance Committee's monthly review of AEU finances and accounts and quarterly financial reports to the Board, and will be further enhanced by the Treasurer's annual in-depth financial review required by the proposed amendment.

This document contains three (3) versions of the proposal based on substantive revisions that were suggested during the Delegate discussion sessions, which will be voted on using ranked choice voting. The differences in each version are explained below. Non-substantive revisions from the original published version are also included. One revision corrects the original language from "audit" to "review"; the current Bylaws require, and the AEU currently commissions, an annual *review*, not a full audit.

CURRENTLY:

c.) **Treasurer:** The Treasurer shall have custody of the funds and other property of the AEU. The Treasurer shall oversee the keeping of books of account, ensure the review of these books within twenty-four months of the end of the fiscal year by an independent firm of certified public accountants approved by the Board of Directors, and make this review available for the inspection of the Board and Assembly. The Treasurer shall be a member, and may serve as the chair, of the Finance Committee, and shall ensure that investments are made in accordance with AEU policy.

ORIGINAL PROPOSED REVISION (*changes are indicated in RED*):

c.) **Treasurer:** The Treasurer shall have custody of the funds and other property of the AEU. The Treasurer shall oversee the keeping of ~~books of accounts;~~ ~~ensure the review of these books within twenty four months of the end of the fiscal year by an independent firm of certified public accountants approved by the Board of Directors,~~ **ensure the regular and timely monthly and quarterly review of such accounts; provide an annual verified income and expense report to the Board for review; provide for the review of such accounts at a minimum every fifth year (beginning in 2025) by an independent firm of certified public accountants approved by the Board of**

Directors by the end of the following fiscal year; and make this review available for the inspection of the Board and the Assembly. The Treasurer shall be a member, and may serve as the Chair of the Finance Committee, and shall ensure that investments are made in accordance with AEU policy.

VERSION 2 (original changes indicated in RED; additional revisions indicated in PURPLE):

Summary: Adds language to trigger an automatic outside review should the Finance Committee and/or Treasurer fail to carry out the monthly and quarterly reviews.

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VERSION 3 (previous changes indicated in RED and PURPLE; further changes in GREEN):

Summary: Changes language to require that, if the Finance Committee and/or Treasurer fail to carry out the monthly and quarterly reviews, the Board or President should take action to address the situation and may, at its discretion, commission an outside review if the appropriate financial reports are not made available.

c.) **Treasurer:** The Treasurer shall have custody of the funds and other property of the AEU. The Treasurer shall oversee the keeping of ~~books of~~ accounts; ~~ensure the review of these books within twenty-four months of the end of the fiscal year by an independent firm of certified public accountants approved by the Board of Directors,~~ **ensure the regular and timely monthly and quarterly review of such accounts; provide an annual verified income and expense report to the Board for review; provide for the review of such accounts at a minimum every fifth year (beginning in 2025) by an independent firm of certified public accountants approved by the Board of**

Directors by the end of the following fiscal year; and make this review available for the inspection of the Board and the Assembly. **If the regular and timely monthly and quarterly reviews are not carried out, there shall be a review by a firm of certified public accountants then the President should obtain such reports; if such reports are unavailable, the Board may choose to engage a firm of CPAs to review the AEU's fiscal systems.** The Treasurer shall be a member, and may serve as the Chair of the Finance Committee, and shall ensure that investments are made in accordance with AEU policy.

REFERENCES:

The current monthly and quarterly reviews are conducted by the Finance Committee. The current Bylaws include language stating that there is to be a Finance Committee, but do not specify its duties. There are additional policies that touch on the responsibilities of the Finance Committee, and these are currently under revision to ensure they accurately reflect current AEU practices (see this [document](#), page 31).