

CHAPTER 19
AMEND, MODIFY OR REVERSE ACTS OF THE BOARD OF DIRECTORS—
MAILED BALLOT VOTING PROCEDURE

189—19.1(533) Definitions. Reserved.

189—19.2(533) Authority for mailed ballots.

19.2(1) The members present at any annual or special meeting of the membership may vote to amend, modify or reverse an act of the board of directors or to instruct the board to take action not inconsistent with the bylaws or Iowa Code chapter 533.

19.2(2) In order to be binding upon the board, any vote so taken by the membership at any meeting to amend, modify or reverse an act of the board or to instruct the board to take action requires an affirmative vote of a simple majority of all eligible members of the credit union after submitting the action to the membership by mailed ballot.

189—19.3(533) Notice to voting members.

19.3(1) Within 60 days of an annual or special meeting of the membership where it was voted to amend, modify or reverse an act of the board of directors or to instruct the board to take action not inconsistent with the bylaws or Iowa Code chapter 533, the board of directors shall submit the issue to all eligible voters of record as of the date of such annual or special meeting.

19.3(2) The proposed amendment, modification, reversal or instruction to take action shall be set forth in its entirety in a notice mailed to all members eligible to vote at least 20 days but not more than 30 days prior to the closing date of balloting by mail. The only items included in the mailing of the notice shall be pertinent to the proposed amendment, modification, reversal or instruction to take action, and the notice shall not be included as part of any general mailing to the members.

19.3(3) The notice shall set forth the rules and procedures of voting, the date of the close of balloting, the name of the election committee chairperson, and an announcement that balloting on the action(s) specified in the notice are subject to an affirmative vote of a simple majority of all members eligible to vote and that no other vote on the action(s) will be taken after the specified closing date of balloting.

19.3(4) The notice shall contain a summary of the board's reasons for their actions which were subsequently voted amended, modified or reversed, as well as a summary of the reasons, if known, for the vote to amend, modify or reverse the board action.

189—19.4(533) Balloting procedures.

19.4(1) A ballot and envelope shall be included with the notice to all eligible voting members of the credit union. The ballot shall be substantially in the form specified in this rule.

19.4(2) An envelope marked "BALLOT" shall be provided to all eligible voters and the voter shall sign in the appropriate location on the outside of the envelope and seal the envelope before mailing or delivering the ballot in person to the credit union office. The use of a return envelope with postage affixed is not required and the envelope shall be substantially in the form specified by this rule.

19.4(3) Ballots must be returned to the credit union by the date of the closing of the balloting as specified in the notice to members. Ballots hand-delivered to the credit union must be received prior to the close of normal credit union business hours of the closing date of balloting in order to be considered valid. Ballots mailed to the credit union must be postmarked no later than the closing date of balloting and received within five business days after such closing date in order to be considered valid.

19.4(4) Ballots shall be delivered to the election committee in envelopes unopened. Ballots received by the election committee not in compliance with this subrule shall be considered invalid.

189—19.5(533) Ballot and envelope.

19.5(1) Ballots referred to by this rule shall be substantially in the following form:

SAMPLE BALLOT:

<p>It has been voted at an annual or special meeting of the membership that action previously taken by the Board of Directors of the credit union should be (amended) (modified) (reversed).</p> <p>In accordance with Iowa Code section 533.7 and 189 Iowa Administrative Code Chapter 19, the enclosed notice advises you that you have the right to vote on this matter, provides you important information concerning this issue and sets forth the procedures and rules for voting.</p> <p>ON THE ISSUE AT HAND: _____</p> <p>_____</p> <p>_____</p> <p>SHALL THE ABOVE ACTION, PREVIOUSLY TAKEN BY THE BOARD OF DIRECTORS, BE (AMENDED) (MODIFIED) (REVERSED) AS WAS VOTED AT AN ANNUAL OR SPECIAL MEETING OF THE MEMBERSHIP AND AS SET FORTH IN ITS ENTIRETY IN THE NOTICE ENCLOSED WITH THIS BALLOT?</p> <p>YES _____ NO _____</p>

19.5(2) Envelopes referred to by this rule shall be substantially in the following form:

SAMPLE ENVELOPE:

<p>FROM:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>"BALLOT ENCLOSED"</p> <p>_____</p> <p>Signature</p>	<p>TO: Election Committee (Name) Credit Union (Address) (City, State & Zip)</p>
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19.5(3) Each proposed amendment, modification, reversal or instruction to take action must be listed separately on the ballot so that the member has the opportunity to vote on each proposal.

189—19.6(533) Confidentiality of ballots.

19.6(1) The board of directors shall appoint from the credit union membership an election committee of not less than five members to be in charge of counting of the ballots and verifying that no eligible member voted more than once. No more than two members of the election committee shall be from the board of directors.

19.6(2) All returned ballots become the property and responsibility of the election committee.

19.6(3) No director, employee, agent or member of the election committee shall reveal the manner in which any member voted on the proposed amendment, modification, reversal or instruction to take action.

189—19.7(533) Counting of ballots and reporting results of the vote to the membership.

19.7(1) No sooner than 10 nor later than 20 calendar days after the closing date of balloting, the election committee shall meet and open the ballot envelopes and count or cause to be counted the ballots.

19.7(2) If a simple majority of all eligible members voted in favor of the amendment, modification, reversal or instruction to take action, the vote of the members taken at the annual or special meeting shall be considered affirmed, and the board of directors shall take immediate action to comply with the directions of the membership.

19.7(3) If a simple majority of all eligible members failed to vote in favor of the amendment, modification, reversal or instruction to take action, the vote of the members taken at the annual or special meeting is not affirmed, and the prior action of the board of directors shall be considered upheld.

19.7(4) The election committee shall submit to the board of directors a certified statement as to the results of the election, including the number of members eligible to vote on the proposed amendment, modification, reversal or instruction to take action, the actual number of members voting on the proposal, and the vote count of the eligible members voting in favor of the proposed amendment, modification, reversal or instruction to take action. The certified statement shall be submitted to the board of directors within 30 days after the closing date of balloting.

19.7(5) Within five calendar days after certification by the election committee to the board of directors, the board of directors shall inform the members of the results of the vote and whether the amendment, modification, reversal or instruction to take action was or was not affirmed by the membership by conspicuously posting a notice in the credit union office for a period of 60 days and by one of the following methods:

- a.* Include the results in a notice in the next general mailing of the members' statements of account;
- or
- b.* Include the results in a notice in the next issue of the credit union newsletter; or
- c.* Include the results in a notice in a newspaper of general circulation within the credit union's area of operation.

189—19.8(533) Preservation of ballots.

19.8(1) Immediately upon certification of the vote by the election committee, the ballots shall be sealed and appropriately labeled.

19.8(2) Ballots shall be retained in the credit union for a period of 60 days after the date of the latest notice method used in providing the voting results to the members as specified in subrule 19.7(5) before being destroyed.

These rules are intended to implement Iowa Code section 533.7.

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