

CHAPTER 8  
INTERNAL CONDUCT OF EMPLOYEE ORGANIZATIONS

**621—8.1(20) Requirements.** Before the agency certifies an employee organization as the exclusive representative of a bargaining unit, the employee organization shall electronically file a registration report, constitution and bylaws, and an annual report. Once certified, the certified employee organization shall thereafter file an annual report as required by rule 621—8.4(20) and a registration report and constitution and bylaws whenever its constitution or bylaws are amended as required by rules 621—8.2(20) and 621—8.3(20).

[ARC 2916C, IAB 1/18/17, effective 2/22/17]

**621—8.2(20) Registration report.**

**8.2(1) Time of filing.** An employee organization shall file a complete registration report:

*a.* Before the employee organization may be certified as the exclusive representative of a bargaining unit; and

*b.* Once the employee organization is certified, whenever changes or amendments are made to its constitution or bylaws; or

*c.* When the certified employee organization files a petition to amend its certification.

**8.2(2) Form and content.** The registration report shall be on the form prescribed by the agency.

**8.2(3) Method of filing.** The registration report shall be electronically filed pursuant to 621—Chapter 16.

[ARC 2916C, IAB 1/18/17, effective 2/22/17]

**621—8.3(20) Constitution and bylaws.**

**8.3(1) Time of filing.** An employee organization shall file its constitution and bylaws:

*a.* Before the employee organization may be certified as the exclusive representative of a bargaining unit; and

*b.* Once the employee organization is certified, whenever changes or amendments are made to its constitution or bylaws; or

*c.* When the certified employee organization files a petition to amend its certification.

**8.3(2) Form and content.**

*a.* The constitution or bylaws of every employee organization shall provide that:

(1) Accurate accounts of all income and expenses shall be kept, and an annual financial report and an audit shall be prepared, such accounts shall be open for inspection by any member of the organization, and loans to officers and agents shall be made only on terms and conditions available to all members.

(2) Business or financial interests of its officers and agents, their spouses, minor children, parents or otherwise, that conflict with the fiduciary obligation of such persons to the organization shall be prohibited.

(3) Every official or employee of an employee organization who handles funds or other property of the organization, or trust in which an organization is interested, or a subsidiary organization, shall be bonded in an amount and form determined by the agency.

(4) Periodic elections by secret ballot shall be conducted subject to recognized safeguards concerning the equal rights of all members to nominate, seek office, and vote in such elections; that individual members have the right to participate in the affairs of the organization; and that there are fair and equitable procedures in disciplinary actions.

*b.* The employee organization's national or international constitution and bylaws shall be accepted in lieu of the employee organization's constitution and bylaws provided that such national or international constitution and bylaws conform to the requirements of Iowa Code section 20.25.

**8.3(3) Method of filing.** The constitution and bylaws shall be electronically filed pursuant to 621—Chapter 16.

[ARC 2916C, IAB 1/18/17, effective 2/22/17]

**621—8.4(20) Annual report.**

**8.4(1) *Time of filing.*** An employee organization shall file a complete annual report:

- a. Before the employee organization may be certified as the exclusive representative of a bargaining unit; and
- b. Once the employee organization is certified, within 90 days following the certified employee organization's fiscal year end; and
- c. When the certified employee organization files a petition to amend its certification.

**8.4(2) *Form and content.*** The annual report shall be on the form prescribed by the board and shall contain:

- a. The names, addresses, e-mail addresses, and telephone numbers of the organization, any parent organization or organizations with which it is affiliated, the principal officers and all representatives.
- b. The name, address, e-mail address, and telephone number of its local agent for service of process.
- c. A general description of the public employees the organization represents or seeks to represent.
- d. The amounts of the initiation fee and monthly dues members must pay.
- e. A pledge, in a form prescribed by the board, that the organization will comply with the laws of the state and that it will accept members without regard to age, race, sex, religion, national origin or physical disability, as provided by law.
- f. A financial report and audit.

(1) The financial report shall contain, at a minimum, the following information: the cash balance from the previous year; a listing of sources and amounts of income; an identified listing of disbursements; and a closing balance. For the first annual report filed by an employee organization, the financial report shall reflect the last completed fiscal year of the organization or, in the case of a new organization, the last completed quarter or quarters of the current fiscal year. For annual reports filed mid-fiscal year with petitions for amendment of certification, the financial report shall reflect the last completed quarter or quarters of the current fiscal year.

(2) The audit shall consist of a statement that the financial report has been reviewed and found to be true and accurate. The audit must be signed by an auditing committee or a person or persons who hold no office in the employee organization and who did not prepare the financial report.

g. The name(s) of the person(s) required to be bonded pursuant to rule 621—8.5(20), the amount of the bond, and the name of the corporate surety company that issued the bond(s).

**8.4(3) *Method of filing.*** The annual report shall be electronically filed pursuant to 621—Chapter 16. [ARC 2916C, IAB 1/18/17, effective 2/22/17; ARC 3278C, IAB 8/30/17, effective 8/10/17]

**621—8.5(20) Bond required.** Every person required by Iowa Code section 20.25(3)“c” to be bonded shall be bonded to provide protection against loss by reason of act of fraud or dishonesty on the part of such person, directly or through connivance with others.

**8.5(1) *Bond requirements.*** The bond of each such person shall be fixed at the beginning of the employee organization's fiscal year and shall be in an amount of not less than 10 percent of the funds handled by such person or that person's predecessor or predecessors, if any, during the preceding fiscal year, but in no case less than \$2,000 nor more than \$500,000. If the employee organization or the trust in which an employee organization is interested does not have a preceding fiscal year, the amount of the bond shall not be less than \$2,000. Such bonds shall have a corporate surety company as surety thereon.

**8.5(2) *Prohibitions.*** Any person who is not covered by such bonds shall not be permitted to receive, handle, disburse or otherwise exercise control of the funds or other property of an employee organization or of a trust in which an employee organization is interested. No such bond shall be placed through an agent or broker or with a surety company in which any employee organization or any officer, agent, shop steward or other representative of an employee organization has any direct or indirect interest.

[ARC 2916C, IAB 1/18/17, effective 2/22/17]

**621—8.6(20) Trusteeships.**

**8.6(1) *Application and establishment.*** Prior to establishing a trusteeship, an organization shall file an application to establish or administer a trusteeship over a subordinate employee organization certified by the agency. The organization shall attach a copy of its constitution and bylaws to its application.

*a.* The board will review the organization's constitution and bylaws and permit the establishment of a trusteeship if the trusteeship procedures are reasonable.

*b.* Trusteeships shall be established or administered by an organization over a subordinate employee organization only in accordance with the constitution or bylaws of the organization which has assumed trusteeship over the subordinate body and for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures or otherwise carrying out the legitimate objectives of the employee organization.

**8.6(2) *Reports.***

*a.* Every organization which assumes trusteeship over any subordinate employee organization shall file with the agency within 30 days after the imposition of any such trusteeship, and semiannually thereafter, a report, signed by its president and treasurer or corresponding principal officers, as well as by the designated trustees of such subordinate employee organization, containing the following information:

- (1) The name and address of the subordinate employee organization;
- (2) The date of the establishment of the trusteeship;
- (3) A detailed statement of the reason for the establishment or the continuation of the trusteeship;

and

(4) The nature and extent of participation by the membership of the subordinate employee organization in the selection of delegates to represent such employee organization in regular or special conventions or other policy-determining bodies and in the election of officers of the organization which has assumed trusteeship over the employee organization.

*b.* The initial report of the establishment of the trusteeship shall include a full and complete account of the financial condition of the subordinate employee organization as of the time trusteeship was assumed over it.

**8.6(3) *Continuing duty to report.*** During the continuance of a trusteeship, the organization which has assumed trusteeship over a subordinate employee organization shall file on behalf of the subordinate employee organization all reports required by this chapter. Such reports shall be signed by the president and treasurer or corresponding principal officers of the organization which has assumed such trusteeship and the designated trustees for the subordinate employee organization.

**8.6(4) *Method of filing.*** The application and any required reports shall be electronically filed pursuant to 621—Chapter 16.

[ARC 2916C, IAB 1/18/17, effective 2/22/17]

**621—8.7(20) Failure to comply with employee organization requirements.** The agency shall not certify an employee organization or may revoke the existing certification(s) of an employee organization for failure to file a registration report, its constitution and bylaws, or an annual report or otherwise fail to comply with Iowa Code section 20.25.

**8.7(1) *Upon completion of a valid certification election.*** If an employee organization fails to file a registration report, constitution and bylaws, or annual report or otherwise comply with these rules or Iowa Code section 20.25 within 90 days following the completion of a valid certification election, the agency will not certify the employee organization and will serve notice of noncertification. The agency may grant extensions of time for good cause.

**8.7(2) *Failure to file reports once certified.*** If an employee organization fails to file a registration report, constitution and bylaws, or annual report or otherwise comply with these rules and Iowa Code section 20.25, the agency may revoke the certification of the employee organization. When the organization fails to comply following notice of its noncompliance, the agency will order the employee organization to show cause why its certification should not be revoked and set the matter for hearing.

**8.7(3) *Complaints by affected parties.*** A complaint that any employee organization has engaged in or is engaging in any practice which constitutes a violation of Iowa Code section 20.25 may be submitted in writing to the board by any affected person. Upon receipt of a complaint, the agency shall serve a copy upon the employee organization by certified mail, return receipt requested. The board shall conduct a preliminary investigation of the alleged violation. In conducting the investigation, the board may require the production of evidence, including affidavits and documents. If the investigation shows there is no reasonable cause to believe a violation has occurred, the complaint shall be dismissed and the parties notified. If the investigation shows reasonable cause to believe a violation has occurred, the board shall notify the parties. If the parties are unable to agree on an informal settlement after notification of reasonable cause, the board shall schedule the complaint for hearing.

[ARC 2916C, IAB 1/18/17, effective 2/22/17; ARC 3278C, IAB 8/30/17, effective 8/10/17]

These rules are intended to implement Iowa Code chapter 20.

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