

STATE OF IDAHO
BYLAWS
PERTAINING TO THE
IDAHO CREDIT UNION ACT



DEPARTMENT OF FINANCE

DEPARTMENT OF FINANCE
CREDIT UNION BYLAWS
TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE</u>
I	Name and Purpose	1
II	Qualification for Membership	1
III	Shares of Members	2
IV	Receipting for Money	3
V	Deposits and Disbursements of Funds	3
VI	Meetings of Members	4
VII	Elections	5
VIII	Board of Directors	6
IX	Officers and Their Duties	7
X	Credit Committee	9
XI	Supervisory Committee	10
XII	Loans	11
XIII	Reserves	12
XIV	Dividends	12
XV	Expulsion and Withdrawal	13
XVI	Minors	13
XVII	Trust Accounts	13
XVIII	Records	14
XIX	Branch Offices	14
XX	Communication Terminals	14
XXI	Amendments	14

BYLAWS

ARTICLE I

NAME AND PURPOSE

- Section 1. The name of this credit union shall be _____ Credit Union, as stated in Article 1 of the Articles of Incorporation of this credit union.
- Section 2. The purpose of this credit union is to promote thrift among its members by affording them an opportunity for accumulating their savings, and to create for them a source of credit for provident or productive purposes, and to afford the opportunity for members to use and control their money for their mutual benefit as hereinafter provided.

ARTICLE II

QUALIFICATION FOR MEMBERSHIP

- Section 1. The field of membership of this credit union shall be limited to that stated in Article 5 of its Articles of Incorporation.
- Section 2. Each application for membership from persons eligible for membership under Article 5 of the Articles of Incorporation shall be signed by the applicant on forms approved by the board; which forms, however, shall provide for the member's account or book number, name, address, birth date, social security number, agreement to conform to the by-laws and to subscribe to at least one share, the manner in which the person falls within the field of membership, date of approval of the membership application, whether the application was approved by the board or membership officer and the signature of the Secretary or membership officer.
- Section 3. An applicant shall not be admitted to membership until:
- (a) It is determined that he is eligible for membership under Article 5 of the Articles of Incorporation.
 - (b) The application for membership shall have been approved by the affirmative vote of a majority of the directors present at the meeting at which the application is acted upon or by a duly appointed and authorized membership officer.

(c) He shall have qualified as a member by paying an entrance fee, if any, as determined by the board of directors.

(d) He has subscribed to and paid for one or more shares and has complied with such other requirements as the Articles of Incorporation may specify.

An account or book number shall be assigned to each member as a means of identifying his account.

Section 4. A member who withdraws his shareholdings to less than one full share ceases to be a member.

Section 5. Subject to the condition herein contained, a member who leaves the field of membership of this credit union may retain full privileges of his membership at the discretion of the Board of Directors. Such approval shall require the affirmative vote of the majority of the board members at a regular or special meeting. All such approvals shall be duly recorded in the minutes of such meeting.

Section 6. Other Idaho credit unions may become members of this credit union as provided in Section 26-2110 (f), Idaho Code.

ARTICLE III

SHARES OF MEMBERS

Section 1. The par value of each share shall be _____. Any number of shares may be purchased on any day of business within the limits prescribed by the Board of Directors.

Section 2. The maximum amount of shares or deposits which may be held by any one member shall be established from time to time by resolution of the Board of Directors.

Section 3. Money paid in on shares or deposits or installments thereon, may be withdrawn as provided in these bylaws on any business day; but the Board shall have the right, at any time, to require members to give, in writing, twenty (20) days' notice of intention to withdraw shares and deposits, the whole or any part of the amounts so paid in by them, provided that no member may withdraw any shareholdings or deposits below the amount of his pledged shares or deposits to the credit union as borrower, endorser, co-maker, or guarantor without the written approval of the Credit Committee.

- Section 4. The Board of Directors may establish conditions under which Christmas Share Clubs, Vacation Clubs or other Thrift Clubs may be established within the membership by this credit union.
- Section 5. Share accounts of less than one full share with no activity may by board authority be transferred to accounts payable. If after a reasonable documented effort has been made to locate the member during two (2) years following the credit to accounts payable, such amount of less than one full share may be cleared in the form of a fine, such a fine to be credited to undivided earnings.
- Section 6. With board approval, a share or deposit account with no deposit or withdrawal activity for two (2) years may be segregated into a dormant account. Such accounts shall not require individual postings except during established dividend periods.

ARTICLE IV

RECEIPTING FOR MONEY

- Section 1. Money paid in on accounts of shares, deposits, thrift clubs, loans, interest, fees or fine shall be evidenced by a form of receipt or voucher to be determined by the Board of Directors. Every person receiving or paying out monies on behalf of this credit union shall be identified on the form of receipt or voucher as determined by the Board of Directors.
- Section 2. Should the receipt be lost or stolen, the credit union shall issue a duplicate receipt upon request.

ARTICLE V

DEPOSITS AND DISBURSEMENTS OF FUNDS

- Section 1. All funds of this credit union, except for petty cash and change funds authorized by Sections 2 and 3 of this Article, shall be deposited in such qualified depository or depositories as the Board of Directors may from time to time by resolution designate, and shall be deposited no later than the second business day after their receipt; provided, however, that receipts in the aggregate of one hundred dollars (\$100.00) or less may be held as long as one (1) week before they are deposited.
- Section 2. All disbursements of funds of this credit union shall be made by checks or drafts signed by the Treasurer, or duly authorized Assistant Treasurer, or General Manger; provided, however, that the Board of Directors may, by resolution, provide for the establishment and replacement, at least annually, of a petty cash fund not exceeding one thousand dollars

(\$1,000.00) for postage and for defraying other expense items of this credit union in amounts of less than twenty-five dollars (\$25.00).

Section 3. Establishment of a change fund for the purpose of making change may be provided by the Board of Directors by resolution.

Section 4. Funds not used for loans to members may be invested as provided in Sections 26-2127 and 26-2146, Idaho Code.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. The annual meeting of the members shall be held during the first quarter of each calendar year and shall be held within the state. The date shall be determined from time to time by resolution of the Board of Directors.

Section 2. At least twenty (20) days before the date of any annual meeting or special meeting of the members, the Secretary shall cause written notice thereof to be mailed to each member at his address as the same appears on the records of this credit union.

Section 3. Special meetings of the members may be called by the President, Board of Directors, or by the Supervisory Committee, if authorized by the majority vote of members of said committee. A special meeting shall be called by the President on the written request of fifteen (15) members with written notice of such meeting forwarded to the Director of Finance.

Notice of any special meeting shall state the purpose for which it is to be held and no business other than that related to this purpose shall be transacted at the meeting.

Section 4. The order of business at annual meetings shall be:

- (a) Ascertainment that quorum is present
- (b) Reading and approval or correction of the minutes of the last meeting
- (c) Report of Board of Directors
- (d) Report of Treasurer
- (e) Report of Credit Committee
- (f) Report of Supervisory Committee
- (g) Unfinished business
- (h) New Business
- (i) Elections
- (j) Miscellaneous activities
- (k) Adjournment

The members at any annual meeting may suspend the above order of business upon a two-thirds (2/3) vote of the members present at the meeting.

Section 5. Except as hereinafter provided, at annual or special meetings of the members, _____members will constitute a quorum. If no quorum is present, another meeting shall be called at a date not fewer than ten (10) or more than twenty (20) days thereafter; and the members present at any such meeting shall constitute a quorum, regardless of the number present. The same notice shall be given for this meeting as is prescribed in Section 2 of this Article for the original meeting.

ARTICLE VII

ELECTIONS

Section 1. At least thirty (30) days prior to each annual meeting, the President shall appoint a nominating committee of three (3) members. It shall be the duty of the nominating committee to nominate at the annual meeting at least one (1) member for each vacancy for which elections are being held.

Section 2. After the nominations of the nominating committee have been placed before the members, the President shall call three (3) times for nominations from the floor. When nominations are closed, tellers shall be appointed by the President, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. All elections shall be determined by plurality vote and shall be by ballot, except where there is only one (1) nominee for the office. In the case of a tie vote, succeeding ballots shall be taken.

Section 3. Voting shall be by written ballot. There shall be no voting by proxy; however, a society or association which is a member may cast a single vote through a delegated agent.

Section 4. Irrespective of the number of shares held by him, no member shall have more than one vote.

Section 5. Within ten (10) days after their election, the names and addresses of all persons elected to the office shall be forwarded to the Director of Finance, in such manner as shall be required by Section 26-2115, Idaho Code.

ARTICLE VIII

BOARD OF DIRECTORS

- Section 1. The Board of Directors shall consist of _____ members, which shall be an odd number, all of whom shall be members of this credit union, elected by and from the membership of this credit union as provided in Article VII.
- Section 2. At the first annual meeting, or at any annual meeting following a change in the number of members constituting the Board of Directors, a bare majority of the directors shall be elected for a term of two (2) years, and the minority for a term of one (1) year. Whenever the number of members on the Board of Directors is increased by amendment to the bylaws, one-half (1/2) of such additional members shall be elected at the first annual meeting following the approval of the amendment for one (1) year, and one-half (1/2) for two years. Thereafter the term of office for directors shall be for two (2) years and until the election of their respective successors.
- Section 3. Any vacancy in the Board of Directors shall be filled by a vote of a majority of the remaining directors. Directors so appointed shall hold office only until the next annual meeting, at which time the unexpired terms shall be filled by vote of the members.
- Section 4. Following the first annual meeting or any annual meeting following a change in the number of members constituting the Supervisory Committee or Credit Committee, a majority of the Board of Directors shall appoint from the membership of this credit union, members to serve on the Credit Committee and Supervisory Committee.
- Section 5. A regular meeting of the Board of Directors shall be held monthly, in the State of Idaho, the date, time and place to be fixed by resolution of the Board of Directors. The President, or in his absence, the Vice-President, may call a special meeting of the Board of Directors at any time, and shall do so upon the written request of any three (3) directors. The President, or in his absence, the Vice-President, shall fix the time and place of special meetings unless the Board of Directors, by resolution, prescribes otherwise. Notice of all meetings of the Board of Directors shall be given in such manner as the Board of Directors may from time to time, by resolution, prescribe.
- Section 6. The Board of Directors shall have the general management and control of the affairs, funds, and records of this credit union.

- a. The Board of Directors shall have such duties as provided in Section 26-2116, Idaho Code.
- b. At any time that a credit union does not have a bond in force and effect the Board of Directors of the credit union shall automatically suspend all operations of the credit union until such time as a new bond becomes effective.

- Section 7. A majority of directors shall constitute a quorum for the transaction of business at any meeting. A written record of any scheduled meeting shall be kept in the board minutes.
- Section 8. If a director fails to attend the meetings of the Board of Directors for three (3) consecutive meetings without approval or otherwise fails to perform any of the duties required of him as a director, his office may be declared vacant by the Board of Directors and the vacancy filled as provided in Article VIII, Section 3 of the bylaws.
- Section 9. The Board of Directors may with two-thirds (2/3) approval of the Board suspend any member of the Supervisory Committee or Credit Committee for reasons provided in Section 26-2116 (n), Idaho Code. Any suspended committee member may request a special hearing as provided in Section 26-2111, Idaho Code. Such request must be submitted in written form to the Board of Directors within five (5) days following receipt of suspension notice.
- Section 10. The Board of Directors shall have the authority to exercise on behalf of the credit union those corporate powers as provided by Section 26-2108, Idaho Code.
- Section 11. All meetings of the Board of Directors shall be open meetings and any and all members of the credit union may attend any board meeting. The Board of Directors may go into executive session for personal matters or to discuss individual loans.

ARTICLE IX

OFFICERS AND THEIR DUTIES

- Section 1. Within ten (10) days following each annual meeting, the directors shall elect from their own number, a President, Vice-President, Treasurer, and Secretary, of whom the last two (2) may be the same individual. Unless sooner removed, as herein provided, the officers so elected shall hold office for a term of one (1) year or until the election and qualification of their respective successors; provided, however, that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer

shall be elected by the Board of Directors to serve only during the unexpired term of such officer and until his successor is duly elected and qualified.

- Section 2. The President shall preside at all meetings of the members and at all meetings of the Board of Directors, and, together with the Treasurer, shall sign all conveyances of property. The President shall perform such other duties as customarily appertain to the office of president or as he may be directed by the Board of Directors not inconsistent with the provisions of the law or these bylaws.
- Section 3. The Vice-President shall have and exercise all the powers, authority, and duties of the President during the absence of the latter or his inability to act.
- Section 4. The office and duties of the Treasurer shall be as follows:
- a. Subject to such limitation and control as may be imposed by the Board of Directors, the Treasurer shall have the custody of all funds, securities, valuable papers, and other assets of this credit union. The Treasurer shall provide and maintain full and complete records of all assets and liabilities of this credit union in accordance with the forms and procedures prescribed by law.
 - b. The Treasurer shall conduct the general operations of the credit union under the control and direction of the Board of Directors until a Manager is employed. The Manager shall not be a member of the Board of Directors.
 - c. The Board of Directors may appoint a General Manager and authorize him under the direction of the Treasurer to perform any of the duties required of the Treasurer, including the signing of checks. The Manager may be compensated.
 - d. Within ten (10) days after the close of each month, the Treasurer shall insure that the books are closed and that a financial and statistical statement showing the condition of this credit union as of the close of business on the last business day of the preceding month, is prepared and submitted to the Board of Directors. A copy of this statement shall be promptly posted in a conspicuous place in the office of this credit union, where it shall remain until replaced by the financial statement of the succeeding month. He shall prepare and forward to the Director of Finance such financial reports as said Director of Finance may require.

Section 5. Directors and committee members may be reimbursed for actual expenses they may incur while carrying out the duties of their office and assignments as authorized by the Board of Directors.

Section 6. The Secretary shall prepare and maintain full and correct records of all meetings of the members and of the Board of Directors. He shall give or cause to be given, in the manner provided by these bylaws, proper notice of all of the meetings of the members and shall perform such other duties as he may be directed to perform by resolution of the Board of Directors not inconsistent with the provisions of law or bylaws.

ARTICLE X

CREDIT COMMITTEE

Section 1. The Credit Committee shall consist of _____ members, all of whom shall be members of this credit union, appointed by the Board of Directors from the membership of this credit union. No member of the Credit Committee may serve as a member of the Board of Directors of Supervisory Committee while serving as a member of the Credit Committee.

Section 2. Credit Committee members shall serve at the pleasure of the Board of Directors.

Section 3. The Credit Committee shall choose from their number a Chairman and a Secretary. The offices of Chairman and Secretary may be held by the same person. The Secretary shall keep a record of all actions taken at each meeting and shall submit a written report to the members at the annual meeting and to the Board of Directors monthly.

Section 4. The Credit Committee shall meet as often as the business of the credit union may require, and at least once each month to review delinquent loans. Notice of such meetings shall be given to members of the Credit Committee in such a manner as the committee members may from time to time, by resolution, prescribe.

Section 5. The Credit Committee shall have the general supervision of all loans to members. The Credit Committee or a loan officer shall inquire carefully into the character and financial condition of each applicant for a loan, and his sureties, if any, to evaluate his ability to repay the obligations incurred by him and to determine whether the loan sought is for a provident or productive purpose and will benefit the borrower. The Credit Committee shall make every effort to assist applicants in solving their financial problems.

- Section 6. No loan shall be made unless it has been approved in writing by a loan officer or has received majority approval of the members of the Credit Committee present when the loan was considered, which members present shall constitute at least a majority of the Credit Committee.
- Section 7. Not more than one member of the committee may be appointed as a loan officer. Each loan officer shall furnish to the committee a record of each loan approved or disapproved by him within seven (7) days of the filing of the application thereof, and such record shall become a part of the records of the committee.
- Section 8. Subject to the limits imposed by law and these bylaws and the policies set forth by the Board of Directors, the Credit Committee shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid. When there are pending more loan applications than can be granted with the funds available, preference shall be given applications for smaller loans if the need and credit factors are nearly equal.
- Section 9. Should members of the Credit Committee absent themselves for a period of time to the extent that less than a majority is available to act on loan applications, the Board of Directors may, by resolution, at a regular or special meeting, appoint alternate members to act in the absence of regular members.

ARTICLE XI

SUPERVISORY COMMITTEE

- Section 1. The Supervisory Committee shall consist of at least three (3) members, all of whom shall be members of this credit union, appointed by the Board of Directors from the membership of this credit union, as provided in Article VIII, Section 4, none of whom shall be a member of the Board of Directors or Credit Committee, or an employee of the credit union.
- Section 2. Regular terms of office for Supervisory Committee members shall be for a period of two (2) years and until the appointment and qualification of their successors. The regular terms shall be fixed at the first annual meeting to appoint a majority for two (2) years and a minority for one (1) year.
- Section 3. Vacancies in the Supervisory Committee shall be filled by a majority vote of the Board of Directors.
- Section 4. The Supervisory Committee shall choose from among their number a Chairman and a Secretary, which may be the same person. The Secretary shall maintain minutes of all meetings and have custody of full and correct

records of all action taken by it and an official copy shall be filed in the credit union's office.

- Section 5. The Supervisory Committee shall make or cause to be made an examination of the affairs of the credit union at least twice each year. These examinations are to be called the annual and the semi-annual audits and are to include an audit of the books, an inspection of the securities, cash accounts and loans, and a determination that all actions are in conformity with the Idaho Credit Union Act and these bylaws. The Supervisory Committee shall make a written report to the Board of Directors of its findings following each audit and shall submit a written report of the annual audit to the members at the annual meeting. The annual audit shall cover the full year of operations; however, the findings of the semi-annual audit may be incorporated into the annual audit in order to avoid duplication of work.
- Section 6. The Supervisory Committee shall make or cause to be made an annual verification of all accounts of the members with the records of the credit union.
- Section 7. The Supervisory Committee shall have the power, by unanimous vote of the entire committee at a meeting called for the purpose, to suspend any officers, any or all directors, or any or all members of the Credit Committee, or to call a special meeting of the credit union, as otherwise herein provided, to consider violations of the law or articles of incorporation or bylaws of the credit union. Within not fewer than five (5) days nor more than twenty (20) days after the suspension of any officer, director, or member of the Credit Committee, the Supervisory Committee shall call a special meeting of the members of this credit union. The members at said meeting may sustain such suspension and remove such suspended officer permanently or reinstate said officer. Notice of any such special meeting shall be given in the manner provided in Article VI, Section 3.

ARTICLE XII

LOANS

- Section 1. Except as otherwise provided in Article V, Section 4, of these bylaws, loans shall be restricted to members and shall be made for provident or productive purposes only upon such security and terms as the Credit Committee shall have approved.
- Section 2. Rates of interest shall be fixed from time to time by the Board of Directors and shall in no case exceed the maximum allowable by law.

- Section 3. Loans may be made to, co-signed, endorsed, or guaranteed by members of the Board of Directors, Credit Committee, and Supervisory Committee under the same general terms and conditions as to the other members of the credit union. Any loan made to, co-signed, endorsed or guaranteed by membership of the official family shall require the two-thirds (2/3) written approval of all members of the Board of Directors and two-thirds (2/3) written approval of all members of the Credit Committee where such loans exceed the unsecured loan limits of the credit union plus the unencumbered share balance of the borrowing official.
- Section 4. A borrower may repay his loan prior to maturity in whole or in part, on any day the credit union office is open for business without any prepayment penalty.
- Section 5. Application for loans shall be on forms approved by the Board of Directors and shall in each case set forth the purpose for which the loan is desired, the security, if any, and other such data as may be required to exercise proper loan judgment.
- Section 6. All loans to members shall be made in accordance with limits as set forth from time to time by resolution of the Board of Directors, and Sections 26-2119 and 26-2120, Idaho Code.

ARTICLE XIII

RESERVES

- Section 1. Liquidity reserves shall be established and maintained as provided in Section 26-2128, Idaho Code.
- Section 2. In addition to the liquidity reserves provided in Section 1, a special reserve for delinquent loans shall be established as provided in Section 26-2129, Idaho Code.

ARTICLE XIV

DIVIDENDS

- Section 1. The Board of Directors may at the close of any dividend period duly established, declare a dividend from the undivided earnings remaining after all expenses have been paid and provision for reserves, as specified in Article XIII of these bylaws. Such dividends shall be paid on all paid up shares outstanding at the end of the dividend period. Shares which become fully paid up during such dividend period and are outstanding at the close of the dividend period shall be entitled to a proportional part of such

dividend. All shares fully paid up during the first _____ days of the month shall earn dividend credit from the first day of that month.

Section 2. Dividends paid to a member that has a loan which is delinquent more than one hundred twenty (120) days at the end of the dividend period may be assessed a fine not to exceed seventy-five per cent (75%) of the dividend so credited. Such fines are to be credited to undivided earnings.

Section 3. From the remaining current earnings after the establishment of a required reserve and the payment of a share dividend, the Board of Directors may authorize an interest refund to members of record at the close of the dividend period in proportion to the interest paid by them during the dividend period.

ARTICLE XV

EXPULSION AND WITHDRAWAL

Section 1. A member may be expelled only in the manner provided by Section 26-2111, Idaho Code. All amounts paid on shares or as deposits of an expelled or withdrawing member, with any dividends or interest accredited thereto to the date thereof, shall, as funds become available and after deducting all amounts due from the member to the credit union be paid to him. The credit union may require twenty (20) days' notice of intent to withdraw shares and deposits. Withdrawing or expelled members shall have no further rights in the credit union but are not, by such expulsion or withdrawal, released from any remaining liability to the credit union.

ARTICLE XVI

MINORS

Section 1. Share and deposit accounts may be issued in the name of a minor and such above accounts may be withdrawn by such minor and payments made on such withdrawals shall be valid.

ARTICLE XVII

TRUST ACCOUNTS

Section 1. Shares may be issued in the name of a member in trust for a beneficiary, including a minor, but no beneficiary, unless a member in his own right may be permitted to vote, obtain loans, hold office, or be required to pay an entrance fee. Payment of part or all of such shares to such member shall, to the extent of such payment, discharge the liability of the credit

union to the member and the beneficiary, and the credit union shall be under no obligation to see the application of such payment. In the event of the death of a member, and if shares are so issued or held and the credit union has been given no other written evidence or terms of any trust, such shares and any dividends or interest thereon shall be paid to the beneficiary.

Section 2. This credit union may act as a trustee of retirement accounts as provided by Section 26-2151, Idaho Code.

ARTICLE XVIII

RECORDS

Section 1. All records shall be retained in accordance with the policies established by the Board of Directors.

Section 2. Books and records shall be maintained as provided in Section 26-2135, Idaho Code.

ARTICLE XIX

BRANCH OFFICES

Section 1. This credit union may establish branch offices at locations other than its main office according to the provisions of Section 26-2143, Idaho Code.

ARTICLE XX

COMMUNICATION TERMINALS

Section 1. The credit union may participate in a customer-credit union communication terminal as provided in Section 26-2150, Idaho Code.

ARTICLE XXI

AMENDMENTS

Section 1. Any and all amendments to the bylaws must be submitted to the Director of Finance for approval before they are submitted to a vote by the members.

Section 2. Amendments to these bylaws may be adopted by the affirmative vote of three-fourths (3/4) of the members present at any duly held meeting thereof, if the notice of such meeting has contained a copy of the proposed amendment or amendments. An amendment or amendments approved by

the members shall become effective upon receipt of a certification of approval of the change by the Director of Finance.

Section 3. Three (3) copies of the Articles of Incorporation or bylaws as amended shall be submitted to the Director of Finance within sixty (60) days after the effective date of an amendment with one copy to be returned with the endorsement of the Director of Finance.

Bylaws approved and filed in the Department of Finance on _____,
20____.

Director of Finance