

# ELECTRONIC VOTING USING CU\*BASE

## Update for the 2012 CU\*Answers Leadership Conference

### Why Use CU\*BASE for Credit Union Elections?

CU\*BASE offers electronic balloting through the **Its Me 247**, providing credit unions the opportunity to conduct board and special elections efficiently and at essentially no cost. Our experience has shown credit unions who embrace electronic voting will substantially increase member participation in the democratic process.

### Who is Eligible to Receive an Electronic Ballot?

There are a certain number of voters who will automatically be eligible for electronic voting. The bylaws of most credit unions state that any member who has consented to receive electronic communications from their credit union will not require a mail ballot, as long as the member has proper Notice of Election. By using electronic ballots, many credit unions can save thousands of dollars in postage and processing costs.

### Can My Credit Union Eliminate Mail Ballots Altogether?

A credit union will likely never eliminate mail ballots entirely. The general rule is members who have not consented to receive electronic communications from their credit union **require** a paper ballot. The model election process CU\*Answers champions is when electronic voting is the default, and mail ballots are provided **only upon request**. Whether the credit union will actually be able to implement this model will depend primarily on the credit union bylaws.

### Federally Chartered Credit Unions

The NCUA has specifically stated that the most current bylaws (2007) require paper ballots for those members who have not consented to electronic communications. The NCUA has specifically said it does not want members of a federally chartered credit union to request mail ballots if the member opts-out of electronic voting.

This limitation is not present in the 1999 version of the bylaws, so those credit unions who did not adopt the 2007 version may be able to run a predominantly electronic election and only provide paper ballots upon request. A credit union with the 1999 bylaws would still be well-advised to get the opinion of their legal counsel prior to implementing the paper ballot on request election model.

*CU\*Answers encourages all federally chartered credit unions to comment to the NCUA and request reconsideration of the 2007 bylaw election provisions.*



### State Chartered Credit Unions

State chartered credit unions may have significantly greater flexibility in choosing their election model. For example in Michigan, the Office of Financial and Insurance Regulation (OFIR) has indicated a willingness to consider mail ballots upon request model if the membership votes to approve the bylaw changes. OFIR generates the bylaw amendment; the credit union cannot use their own form or a form drawn up by the credit union's legal counsel. The bylaw amendment can be approved by a majority of the members present at a duly constituted annual or special meeting, as long as notice of this proposed change is made to the membership ahead of time. Final approval of the bylaw change would have to be approved by OFIR.

Each state chartered credit union would need to look at their state laws along with advise of counsel to determine the extent electronic voting can be implemented.

### What are the Next Steps for My Credit Union?

Remember that every credit union will be able to implement *some* amount of electronic voting based on the membership who have already agreed to receive electronic communications. The more members who provide consent to receive electronic communications, the less cost to the credit union. CU\*Answers encourages all credit unions to investigate the possibilities with the CU\*BASE electronic election services to increase democratic participation by the membership while reducing cost to the credit union.



*CU\*Answers also provides marketing and election teller services for credit unions. For more information contact Melinda Haehnel at (800) 327-3478 x138 or Patrick Sickels at (800) 327.3478 x335, or visit our website at :*

<http://marketing.cuanswers.com/category/election-services/>

