

conferences for local, state, and national staff, which are to enhance skills in collective bargaining, grievance handling, and contract administration are considered to be fully chargeable since they pertain to matters which are germane to collective bargaining. Executive Board meetings and meetings which pertain to the governance of the International Union such as formulating and communicating union internal policy are considered to be fully chargeable.

h. Communications and Media – Direct printing and publishing expenses of the publications are allocated based on the specific content of articles in the publications such as the International Union's magazine, *SEIU Action*, which is distributed to all members and agency fee payers and the newsletter, *Bold Action Fax*. Expenses allocable to articles considered to be political or ideological in nature are deemed not to benefit non-members and are considered to be nonchargeable. Expenses allocable to reporting on legislative and lobbying activities, litigation activities, illegal strike activities and articles relating to enhancement of the reputation of the International Union as a whole are considered to be nonchargeable. The content of articles deemed chargeable are directly related to issues on collective bargaining, contract administration, and grievance matters. These articles include topics such as collective bargaining contracts negotiated by locals throughout the country and arbitrations won by the International Union's locals.

i. Promotional expenses – Promotional expenses are incurred for the purpose of promoting the reputation of the International Union. These items do not directly benefit the employees under collective bargaining agreements and are considered to be fully non-chargeable.

j. Special projects – Special projects are considered to be solely for the benefit of International Union members and thus are considered to be fully non-chargeable.

k. Affiliation fees and assessments – Per capita taxes and assessments paid to the AFL-CIO and affiliated labor organizations are considered to be fully non-chargeable.

l. Death gratuities – Death gratuities are benefits paid to a deceased member's family and are considered to be fully non-chargeable.

m. Building expenses – This category represents expenses incurred by 1313 L Street for the operation and maintenance of the International Union's headquarters building, such as utilities, real estate taxes, insurance, repairs and maintenance and other related expenses. These expenses are allocated to chargeable and non-chargeable expenses based on the same ratio as personnel costs.

n. Regional conferences and joint council meetings – The International Union returns a portion of per capita taxes received from the local unions to the International Union's councils for regional conferences and joint council meetings. These governance meetings are considered to be fully chargeable.

o. Expenses for locals under trusteeship – Payments made on behalf of locals under trusteeship are considered to be financial assistance to the local unions and are considered to be fully chargeable.

p. Strike and Defense Fund – Expenses of the strike and defense fund include financial assistance to local unions involved in legitimate strikes in addition to providing financial assistance for educational programs including newspaper advertisements, leaflets, handbills and other media based messages concerning contract ratification. Expenses also include Local union withdrawals of their per capita tax payments. All expenses of the strike and defense fund are considered to be fully chargeable.

q. Political Education and Action Funds – Expenses incurred by the Committee on Political Education and the Political Education and Action Funds relate entirely to political and legislative activities and are considered to be fully non-chargeable. The total expenses as reported in the audited consolidated financial statement have been modified to remove from expenses the political expenses paid from voluntary contributions.

r. Convention Fund – Expenses for the International Union's convention are considered to be fully chargeable.

s. Other Funds – Subsidies paid to locals from the California Homecare Council Fund are considered to be fully chargeable. Expenses incurred by the California Legal Fund are considered to be fully non-chargeable.

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