

U.S. Department of Treasury
President's Advisory Council on Financial Capability

By-Laws and Operating Procedures

The following By-Laws and Operating Procedures (the "By-Laws") will govern the operations of the President's Advisory Council on Financial Capability (the "PACFC"), whose funding and administrative support will be provided by the Department of the Treasury (the "Department").

Section I: Functions, Objective, Organization and Operation

The functions of the PACFC are advisory only. The objective of the Council is to assist in implementing the Federal government's policy to promote and enhance financial capability among the American people. To assist in implementing this policy, the Council shall:

- (a) collect information and views concerning financial capability from:
 - (i) officers of executive departments and agencies (including members of the Financial Literacy and Education Commission established under title V of the Fair and Accurate Credit Transaction Act, Public Law 108-159);
 - (ii) State, local, territorial, and tribal officials;
 - (iii) financial services providers and consumers, financial access advocates, and financial literacy educators;
 - (iv) experts on matters relating to the policy set forth in section 1 of Executive Order 13530; and
 - (v) such other individuals as the Secretary of the Treasury ("Secretary") may direct;

- (b) advise the President and the Secretary on means to implement effectively the policy set forth in section 1 of this order, including means to:
 - (i) build a culture of financial capability by promoting messages and lessons about sound financial practices as broadly as possible;
 - (ii) improve financial education efforts directed at youth, young adults, and adults in schools, workplaces, and other settings through innovative approaches;
 - (iii) promote access to financial services;
 - (iv) promote the private-sector development of financial products and services benefitting consumers, especially low- and moderate-income consumers;
 - (v) educate consumers about effective use of such products and services;
 - (vi) identify the most important basic financial concepts and actions individuals need to understand and perform to be financially capable;
 - (vii) identify effective financial education approaches and methods for evaluating the effectiveness of financial education approaches; and
 - (viii) strengthen and enhance coordination between public and private-sector financial education programs.

(c) periodically report to the President, through the Secretary, on:

- (i) the status of financial capability in the United States;
- (ii) progress made in implementing the policy set forth in section 1 of this order;
- and
- (iii) recommended means to further implement the policy set forth in section 1 of this order, including with respect to the matters set forth in subsection (b) of this section; and

(d) where appropriate in providing advice and recommendations, take into consideration the particular needs of traditionally underserved populations.

The PACFC has been formed by the authority vested in the President of the United States by the Constitution and the laws of the United States of America. The Federal Advisory Committee Act 5 U.S.C. App. 2 §§ 1-16, as amended (“FACA”), governs the creation and operation of advisory committees. In the event of any inconsistencies between the By-Laws and FACA (including its implementing regulations), the PACFC will carry out its Charter in accordance with FACA (including its implementing regulations), as the same may be amended from time to time.

Section II: Members

In addition to the Secretary and the Secretary of Education, who may designate a senior official from each of their respective departments to perform their Council duties, the PACFC shall consist of not more than 22 members appointed by the President, from among individuals not employed by the Federal Government, up to three of whom shall be SGEs selected by the President on the basis of their experience in academia or similar research experience related to financial education and financial access.

The remaining members of the Council will serve as a representative of his or her industry, trade group, public interest group or other organization or group, or serve as an SGE with expertise in other relevant areas. Each member of the Council shall be appointed to serve a term of two years. In selecting individuals for appointment to the Council, appropriate consideration should be given to selection of individuals with backgrounds as providers of, consumers of, promoters of access to, and educators with respect to financial education and financial services. The composition of the Council will reflect the views of diverse stakeholders.

Section III: Meetings

(A) **In General.** The PACFC shall meet at such regular intervals as necessary to carry out its duties. It is estimated that meetings shall be held twice a year at the call of the Chair and that the Chair will consult with the Executive Director on the meeting agendas. An official PACFC meeting consists of a quorum of the Members (including the Chair) then serving on the PACFC. The DFO shall ensure compliance

with the requirements of FACA and its implementing regulations. The Chair will preside at all meetings of the PACFC, unless the Secretary (or his designee) directs the DFO to preside in accordance with FACA. The presiding officer of the PACFC may specify the use of rules of parliamentary procedure consistent with the By-Laws. Subject to such reasonable guidelines and procedures as the presiding officer of the PACFC may adopt, Members may participate in a meeting by means of conference telephone or similar communications equipment if all Members can hear one another at the same time and members of the public entitled to hear them can do so.

- (B) **Notice.** The Department will publish a notice of each meeting in the Federal Register at least 15 calendar days before the meeting, unless there are exceptional circumstances in which case the reason will be included in the Federal Register notice. The notice will include (1) the name of the Committee; (2) the time, date, place, and purpose of the meeting; (3) a summary of the agenda and/or the topics to be discussed; (4) a statement as to whether all or part of the meeting will be open to the public and, if any part is closed, a statement as to why, citing the specific statutory provision that serves as a basis for closure; and (6) the name and telephone number of the DFO or other Department official who may be contacted for additional information concerning the meeting.
- (C) **Agenda.** The Chair of the PACFC will draft an agenda for each meeting of the PACFC sufficiently in advance of the meeting to permit a copy or summary of the agenda to be published with the notice of the meeting, if required. The Department staff will distribute the agenda to the members before each meeting and will make available copies of the agenda to members of the public attending the meeting. Items for the agenda may be submitted to the Chair by any Member of the PACFC or by any member of the public.
- (D) **Quorum.** A quorum will consist of a simple majority of the Members (including the Chair) then serving on the PACFC.
- (E) **Voting.** A Member must attend a PACFC meeting either in person or by telephone to cast a vote. When a decision or recommendation of the PACFC is required, the presiding officer will request a motion for a vote. Any Member may make a motion for a vote and vote. No second after a proper motion will be required to bring any issue or recommendation to a vote. PACFC action based on a vote requires a simple majority of the votes cast at a meeting at which there is a quorum, except that formal advice or recommendations to the President requires two-thirds of the votes cast at a meeting at which there is a quorum.
- (F) **Open Meetings.** Unless otherwise determined in advance, all meetings of the PACFC will be open to the public either in person as space permits or via live webcast. Once an open meeting has begun, it may not be closed for any reason. If, during the course of an open meeting, matters inappropriate for public disclosure arise during discussion, the presiding officer will order such discussion to cease and will schedule the matter for closed session in accordance with FACA. All materials brought before, or presented to, the PACFC during an open meeting will be made available to the public for review during the meeting. All such materials also will be made available on the Department's web site as soon as practicable afterwards. The Chair of the PACFC, may decide in advance to exclude oral public statements during a meeting in which case the meeting notice published in the Federal Register will

invite written statements as an alternative. Members of the public may submit written statements to the PACFC at any time.

- (G) **Activities Not Subject to Notice and Open Meeting Requirements.** Consistent with FACA regulations, the following activities are excluded from the procedural requirements contained in Sections B) and III (F): (a) Preparatory work. Meetings of two or more PACFC Members or subcommittee members convened solely to gather information, conduct research, or analyze relevant issues and facts in preparation for a meeting of the PACFC, or to draft position papers for deliberation by the PACFC; and (b) Administrative work. Meetings of two or more PACFC Members or subcommittee members convened solely to discuss administrative matters of the PACFC or to receive administrative information from a Federal officer or agency.
- (H) **Closed Meetings.** All or parts of meetings of the PACFC may be closed in limited circumstances in accordance with applicable law. Requests for closed meetings must be submitted by the DFO to the Secretary (or his designee) under FACA, generally at least 30 days in advance of the publication of the meeting notice in the Federal Register. The appropriate Department official must determine that closing the meeting is consistent with the provisions of the Government in the Sunshine Act. Consistent with Section III(B)(4), the notice of the PACFC meeting published in the Federal Register must include information on the closure.
- (I) **Hearings.** The PACFC may hold hearings to receive testimony or oral comments, recommendations, and expressions of concern from the public. The PACFC may hold hearings at open meetings or in closed session in accordance with the standards in the By-laws for closing meetings to the public. The Chair of the PACFC may specify reasonable guidelines and procedures for conducting orderly hearings, such as requirements for submitting requests to testify and written testimony in advance and placing limitations on the number of persons who may testify and the duration of their testimony.
- (J) **Minutes.** The DFO will prepare minutes of each meeting of the PACFC and submit them to the Chair of the PACFC for certification of their accuracy. The minutes must be certified by the Chair of the PACFC within 90 calendar days of the meeting to which they relate. The DFO will distribute copies of the certified minutes to each Member. Minutes of open or closed meetings will be made available to the public, subject to the withholding of matters about which public disclosure would be harmful to the interests of the Government, industry, or others, and which are exempt from disclosure under the Freedom of Information Act. The minutes will include a list of the persons who were present at the meeting, and a complete and accurate description of the matters discussed and the resolution, if any, made by the PACFC regarding such matters; and copies of all reports or other documents received, issued or approved by the PACFC at the meeting.

Section IV: Officials

- (A) **Chair.** The Chair of the PACFC appointed by the President shall, subject to the direction of the Secretary of the Treasury, convene and preside at meetings of the Council, determine its agenda, direct its work, and, as appropriate to deal with particular subjects, establish and direct the work of subgroups of the Council.

- (B) **Vice Chair.** The President shall designate a Vice Chair from among the members of the PACFC. The Vice Chair shall perform (i) the duties of the Chair when the position of Chair is vacant; and (ii) such other functions as the Chair may from time to time assign.
- (C) **Executive Director.** The Secretary of the Treasury shall designate an official within the Department of the Treasury to serve as an Executive Director to supervise the administrative support for the Council.
- (D) **Designated Federal Officer.** The DFO is designated by the Secretary (or his designee) and serves as the Department's agent for matters related to the PACFC's activities. Under FACA, the DFO must, among other things, approve or call all meetings of the PACFC, attend meetings, and adjourn meetings when he or she determines such adjournment is in the public interest. In addition, the DFO is responsible for providing adequate staff support to the PACFC, including staff to assist the Staff Director, DFO and the Chair of the PACFC in performance of the following administrative functions: (1) notifying Members of the time and place for each meeting; (2) maintaining the role; (3) preparing the minutes of all meetings of the PACFC and its subcommittees, as required by FACA; (4) attending to official correspondence; (5) maintaining official PACFC records, including subcommittee records, as required by law; (6) maintaining a website for the PACFC; (7) acting on behalf of the Department to collect, validate and pay all vouchers for pre-approved expenditures of the PACFC authorized by law; and (8) preparing and handling all reports (except those required by section 6 of FACA), including the annual report of the PACFC required to be submitted to the General Services Administration under the FACA regulations.
- (E) **Support Staff.** To the extent permitted by law, the Department of the Treasury will provide administrative support for the PACFC, as determined by the Secretary, to implement the Executive Order. Additionally, an official designated by the Secretary within the Department of the Treasury will serve as the Executive Director to supervise the administrative support for the PACFC.

Section V: Subcommittees.

The PACFC Chair, with the approval of the DFO, may establish such subcommittees as it deems necessary to support the PACFC's functions and may appoint Members to, and the Chairs of, any subcommittees so convened. Subcommittees shall consist exclusively of Members of the PACFC. The Chair of the PACFC will be an ex officio member of each subcommittee. Each subcommittee shall be established by means of a written request for approval from the PACFC Chair to the DFO, which approval shall be recorded in writing, whether in the minutes of a meeting or otherwise. No subcommittee will have any authority to provide advice or recommendations (1) directly to the President or any other agency or officer of the Federal Government or (2) to be adopted by the PACFC without discussion or consideration at an open meeting of the PACFC. All activities of the subcommittees will be in compliance with FACA, as applicable.

Section VI: Records

All documents, reports and other materials prepared by or submitted to the PACFC constitute official government records and must be maintained and made publicly available in accordance with applicable law.

Section VII: Expenses

Expenses related to the operation of the PACFC that are authorized by law will be borne by the Department. Expenses of any kind must be approved in advance by the DFO.

Section VIII: Amendments

The By-Laws may be amended from time to time by the affirmative vote of a majority of the Members (including the Chair) then serving.