

TACPA

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**AMENDED BYLAWS
OF
TEXAS ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS**

These Amended Bylaws (referred to as the “Bylaws”) govern the affairs of **TEXAS ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS**, a non-profit corporation (referred to as the “Corporation”) organized under the Texas Business Organizations Code, Chapter 22, (referred to as the “Act”).

**ARTICLE 1
OFFICES**

- 1.01. Principal Office. The principal office of the Corporation shall be such office as determined by the Executive Committee from time to time. The Corporation may have such other offices, either in Texas or elsewhere, as the Executive Committee may determine. The Executive Committee may change the location of any office of the Corporation.
- 1.02. Registered Office and Registered Agent. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation’s principal office in Texas. The Executive Committee may change the registered office and the registered agent as provided in the Act.

**ARTICLE 2
NONPROFIT PURPOSES**

- 2.01 Formation. The Corporation is organized for the purpose of performing one or more activities within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (hereinafter the “Code”). The Corporation pledges that all its assets will be used exclusively for its exempt purposes.
- 2.02 Overall Purpose. The Texas Association of Certified Public Accountants (TACPA or “Association”) dedicates itself exclusively to the unique interest of CPAs in public practice, including preserving the integrity and enhancing the value of the CPA certificate within the business and financial communities.

**ARTICLE 3
MEMBERS**

- 3.01. Members. The corporation shall have four classes of members:
- a. Voting Members - Voting Members shall include CPA's in good standing with the State Board of Accountancy, who are in the public practice of accountancy in Texas approved by the Executive Committee and designated as a member with voting rights.
 - b. Specially Acknowledged Members (no longer available). CPAs who were Founding and Charter members are mentioned on the organizations records and on its web site.
 - i. Founding Members—Founding Members are those who have paid their first year dues of \$1,000 during the year 2001, which was at or near the inception of the organization. They are acknowledged for their extraordinary contribution at that time. The Founding Member Category is closed.
 - ii. Charter Members— Charter Members are those who have paid their first year dues of \$500 during the year 2001, which was at or near the inception of the organization. They are acknowledged for their extraordinary contribution at that time. The Charter Member Category is closed.
 - c. Non-Voting CPA Members. No person may become or be a Voting Member if he or she is or becomes a partner in or is employed by a firm from which there are at least ten (10) other persons employed by or partners of the same firm that are Voting Members. If a Voting Member joins a firm (as a partner or employee) that has ten (10) other persons who are Voting Members, then the Voting Member's membership shall be converted to a non-voting membership so long as that member is affiliated with such firm or until such time as such firm no longer has ten (10) Voting Members or re-designates who shall be its Voting Members. Non-Voting CPA Members shall have other such rights as defined by the Executive Committee or the Voting Members.
 - d. Associate Members. Associate Members are non-voting membership types which may be added from time to time by majority vote of the Executive Committee. The criteria and requirements for each such category of members will be set by the Executive Committee.
 - e. Currently the Non-CPA non-voting associate membership types at the time these bylaws created are as follows:

- i. Honorary Members – Honorary Members are persons who are approved by the Executive Committee and need access to our website due to a business interest in the association’s operations.
 - f. The Executive Committee may further define the rights of the members of the Corporation.
- 3.02. Qualifications. Only individuals holding a valid Certificate of Public Accounting and license to practice as a CPA from the Texas State Board of Public Accountancy ("TSBPA") may become a voting member. To become a member, the individual shall submit an application via the association’s website, or to any member of the Executive Committee.
- 3.03. Dues or Assessments. Dues or assessments shall be determined by the Executive Committee and are payable in advance on the member’s applying for membership, and renewals shall be due on the anniversary of the date joined.
- 3.04. Voting Rights. After Thirty (30) days of the acceptance of the member’s application and payment of dues each Voting Member shall have one (1) vote on matters submitted to the membership.
- 3.05. Resignation. Any member may resign by delivering a written resignation to any Executive Committee member. Nonpayment of dues for a period of 60 days is a deemed resignation.
- 3.06. Termination of Membership. The Executive Committee may terminate the membership of any member at any time for any reason or for no reason. Any terminated member may appeal the termination to the membership by filing a written statement with the Secretary within thirty (30) days of the Executive Committee’s decision. In the event that a member is subject to disciplinary proceedings pursuant to a complaint filed by the TSBPA, and, in connection with such proceeding, the member’s license to practice as a CPA in the state of Texas is suspended, revoked, or otherwise terminated, the member’s membership shall automatically suspend. Termination requires a majority vote of the Executive Committee, which would take place at the next regularly scheduled Executive Committee meeting after knowledge of such TSBPA action against said member. A member whose membership has been suspended, revoked or otherwise terminated by reason of action by the TSBPA may request renewal of his or her membership at such time as his or her license to practice as a CPA in the state of Texas is fully restored and not subject to suspension or other disciplinary restriction on such person’s right to practice as a CPA in Texas. All decisions regarding renewal of membership shall be left to the sole discretion of the Executive Committee. Consistent with this provision, the Executive Committee may make such additional rules to give effect to this provision as it sees necessary, from time to time.

ARTICLE 4
MEMBERSHIP MEETINGS

- 4.01. Annual Meeting. An annual meeting of the members shall be held in August of each year, at such place, date and time as the Executive Committee shall determine. At the annual meeting, the members shall elect the Executive Committee from the candidates offered by the nominating committee (as further described in these Bylaws) and conduct such other business as may be properly considered.
- 4.02. Special Meetings. Special meetings may be called by the president, the Executive Committee, or a petition signed by twenty percent (20%) of the Voting Members.
- 4.03. Quorum and Voting. Twenty (20) Voting Members present at any properly noticed meeting shall be a quorum. The vote of a majority of the Voting Members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Voting Members unless the act of a greater number is required by law or the Bylaws.
- 4.04. Proxy. Voting Members may vote by proxy, if the proxy is written. The proxy shall only be valid for eleven months after its execution. The maximum number of proxies which may be voted by any one member at a meeting shall be ten (10) Proxies. [See voting by proxy under section 13.02 of these bylaws]
- 4.05. Action without a meeting. Any action required or permitted to be taken by the Voting Members may be taken without a meeting, and with the same force and effect as a vote of the Voting Members, if twenty percent (20%) of the Voting Members consent in writing or by electronic mail (“E-Mail”) to the action, unless a greater number is required by law or these Bylaws. Such consent may be given individually or collectively.

ARTICLE 5
EXECUTIVE COMMITTEE

- 5.01. Management. The board of directors, called the Executive Committee, shall manage and govern the affairs of the Corporation.
- 5.02. Number, Term and Qualifications. The powers of the Corporation shall be exercised by or under the authority of, and the property, business, and affairs of the Corporation shall be managed under the direction of board of not less than three (3) and not more than eleven (11) Executive Committee members, as may be determined by the Executive Committee from time to time, provided that the number of Executive Committee members shall not be decreased to less than three (3) and that no decrease in the number of Executive Committee members

shall have the effect of shortening the term of any incumbent Executive Committee member. The Executive Committee shall be comprised of the President, President-Elect, Treasurer, Treasurer-Elect, Secretary, and up to eight (8) Vice Presidents. Each Executive Committee member shall serve as long as they hold office.

5.03 Nominating Committee & Nominations. Prior to the date of each annual meeting, the Executive Committee shall appoint a Nominating Committee to submit a list of nominees for Executive Committee Members, and their respective Offices to be placed upon the ballot and voted upon at the annual meeting.

- a. The Nominating Committee shall consist of a Chairman, who may serve consecutive terms, and as many as two (2) volunteer members.
- b. Any Voting Member qualified by the Nominating Committee may be placed on the ballot.
- c. The Nominating Committee shall present a slate of nominees to the Secretary by the last day in May of each year.
- d. Additional nominations may be made by a written petition, signed by five (5) Voting Members sent to the President at least thirty (30) days prior to the annual meeting. The President shall inform the members of the additional nominees at least ten (10) days prior to the annual meeting.
- e. At the annual meeting of the members, each Voting Member shall be entitled to cast one vote for one nominee for each office. The nominees who receive a majority of the votes cast shall be elected.

5.04. Vacancies. Vacancies on the Executive Committee shall exist upon: (a) the death, resignation, or removal of any Executive Committee member; (b) an increase in the authorized number of Executive Committee members; or (c) the failure of the Voting Members to elect the full authorized number of Executive Committee members to be voted for at any annual, regular, or special meeting of the members at which any Executive Committee member is to be elected. The Executive Committee may declare the office of an Executive Committee member vacant if the Executive Committee member is adjudged incompetent by a court, is convicted of a financial crimes, is removed as a member of the Corporation, or does not accept the office of Executive Committee member, in writing or by attending a meeting of the Executive Committee, within thirty (30) days' notice of election. Any vacancy occurring in the Executive Committee, and any Executive Committee member position to be filled due to an increase in the number of Executive Committee members, shall be filled by the President, with approval of the remaining Executive Committee. An Executive Committee member elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. Vacancies reducing the number of Executive Committee members to less than three (3) shall be filled before the transaction of any other

business.

- 5.05. Regular Meetings. The Executive Committee may provide for regular meetings by resolution stating the time and place of such meetings. The meetings must be held within the State of Texas and may be held by conference call or other electronic means if the resolution does not specify the location of the meetings. No notice of regular meetings of the Executive Committee is required other than a resolution of the Executive Committee stating the time of the meetings.
- 5.06. Special Meetings. Special meetings of the Executive Committee may be called by or at the request of the President or any two members of the Executive Committee. The person or persons calling the meeting may fix any place within Texas as the place for holding the special meeting. The person or persons calling a special meeting shall notify the Secretary of the information required to be included in the notice of the meeting. The Secretary shall give notice to the Executive Committee as required in the Bylaws.
- 5.07. Action by Consent of the Executive Committee Without Meeting. Any action required or permitted to be taken by the Executive Committee may be taken without a meeting, and with the same force and effect as a unanimous vote of the Executive Committee, if all members of the Executive Committee consent in writing or by electronic mail (“E-Mail”) to the action. Such consent may be given individually or collectively.
- 5.08. Notice. Written or printed notice of any special meeting of the Executive Committee shall be delivered to each member of the Executive Committee not less than three (3) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.
- 5.09. Quorum. A majority of the number of Executive Committee members then in office shall constitute a quorum for the transaction of business at any meeting of the Executive Committee. The Executive Committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Executive Committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Executive Committee members required to constitute a quorum.
- 5.10. Conduct of Meetings. At every meeting of the Executive Committee, the President shall preside, and if not, the Executive Committee shall select a Vice President to preside. The Secretary of the Corporation shall act as secretary of the Executive Committee. When the Secretary is absent from any meeting, the President, or the person presiding, may appoint any person to act as secretary of the meeting, and such person shall sign the minutes as “Secretary Pro-tem”.

- 5.11. Powers of the Executive Committee. In addition to the powers and authorities expressly conferred by these Bylaws upon them, the Executive Committee may exercise all such powers of the Corporation and do all such lawful acts and things as are not directed or required to be exercised or done by statute, the Certificate of Formation, or these Bylaws.
- 5.12. Duties of Executive Committee members. Executive Committee members shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Corporation. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on Executive Committee members, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or attorneys. An Executive Committee member is not relying in good faith if the Executive Committee member has knowledge concerning a matter in question that renders reliance unwarranted.
- 5.13. No Fiduciary level responsibilities. Executive Committee members are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.
- 5.14. Duty to Avoid Improper Distributions. Executive Committee members who vote for or assent to improper distributions, are jointly and severally liable to the Corporation for the value of improperly distributed assets, to the extent that debts, obligations, and liabilities of the Corporation are not thereafter paid and discharged. Any distribution made when the Corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the Corporation insolvent is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for all known debts, obligations, and liabilities, is also improper. Executive Committee members participating in an Executive Committee meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the Secretary before adjournment or mailed to the Secretary by registered mail or email immediately after adjournment.

An Executive Committee member is not liable if, in voting for or assenting to a distribution, the Executive Committee member (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Corporation; legal counsel, public accountants, or other persons as to matters the Executive Committee member reasonably believes are within the person's professional or expert competence; or a committee of

the Executive Committee of which the Executive Committee member is not a member; (2) while acting in good faith and with ordinary care, considers the assets of the Corporation to be at least that of their book value; or (3) in determining whether the Corporation made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Executive Committee members are protected from liability if, in the exercise of ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Corporation.

Executive Committee members who are held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

- 5.15. Delegation of Duties. The Executive Director, with the approval of the Executive Committee, may hire staff as necessary to run the normal operations of the association.
- 5.16. Executive Director. The Association may have an Executive Director who need not be a member of the Association, and will be directed by the Executive Committee.
- 5.17. Actions of the Executive Committee. The Executive Committee shall try to act by consensus. However, the vote of a majority of Executive Committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Executive Committee unless the act of a greater number is required by law or the Bylaws. An Executive Committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Executive Committee.
- 5.18. Proxies. An Executive Committee member may vote by proxy executed in writing by the Executive Committee member. No proxy shall be valid after three (3) months from the date of its execution. There is no limit to the number of proxies that may be voted by any one Executive Committee member. [See voting by proxy under section 13.02 of these bylaws]
- 5.19. Compensation. Executive Committee members may not receive compensation or salaries for their services as an Executive Committee member. An Executive Committee member shall be entitled to reimbursement for reasonable expenses incurred in carrying out his or her duties as an Executive Committee member, including any cost incurred to attend the meetings by any Executive Committee member. An Executive Committee member may serve the Corporation in any other capacity and receive compensation for those services as permitted by law.

- 5.20. Removal of Executive Committee members. The Executive Committee may vote to remove a member of the Executive Committee at any time, with or without good cause. A meeting to consider the removal of an Executive Committee member may be called with notice to the Executive Committee. The notice of the meeting shall state that the issue of possible removal of the Executive Committee member will be on the agenda. An Executive Committee member may be removed by the affirmative vote of two-thirds (2/3s) of the Executive Committee. The removal shall also remove the Executive Committee member as an officer.
- 5.21. Advisory Members of the Executive Committee. The Executive Committee may elect advisory members of the Executive Committee as they see fit. The Advisory Members of the Executive Committee shall not have a vote, but may attend all Executive Committee meetings and participate in the discussion like the regular Executive Committee members.

ARTICLE 6 **OFFICERS**

- 6.01. Officer Positions. The officers of the Corporation shall be a President, a Treasurer, a Secretary, and up to eight (8) Vice Presidents. The Executive Committee may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person, except the offices of President and Secretary, may hold any two or more offices.
- 6.02. General Duties. All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority, perform such duties, and manage the Corporation as may be provided in these Bylaws or as may be determined by resolution of the Executive Committee not inconsistent with these Bylaws.
- 6.03. Election and Term of Office. The Voting Members shall elect all of the officers, of the Corporation at the annual meeting as described in section 5.03. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified, or until the next election. An officer may be elected to succeed himself or herself in the same office.
- 6.04. Resignation. Any officer may resign at any time by giving written notice to the Executive Committee, the President, or the Secretary. Such resignation shall take effect at the time specified in the notice, and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation. The resignation shall also remove the officer as a member of the Executive Committee.

- 6.05. Vacancies. Vacancies shall be determined and filled as set forth in section 5.04.
- 6.06. President. The President shall be the chief executive officer of the Corporation and a member of the Executive Committee. The President shall supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and the Executive Committee. The President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Executive Committee has authorized to be executed.
- However, the President may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Executive Committee, the Bylaws, or statute.
- The President shall perform other duties prescribed by the Executive Committee and all duties incident to the office of President.
- 6.07. President-Elect. The President-Elect shall serve as chief executive officer of the Corporation during the year following his election as President-Elect. The President-Elect shall be a member of the Executive Committee. The President-Elect shall perform other duties prescribed by the Executive Committee and all duties incident to the office of President-Elect.
- 6.08. Vice President. When the President is absent, is unable to act, or refuses to act, a Vice President may perform the duties of the President. When a Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. If there is more than one Vice President, the Executive Committee shall determine which Vice President shall act in place of the President on a case by case basis. A Vice President shall perform other duties as assigned by the President or the Executive Committee.

- 6.09. Treasurer. The Treasurer shall:
- a. Have charge and custody of and be responsible for all funds and securities of the Corporation.
 - b. Receive and give receipts for moneys due and payable to the Corporation from any source.
 - c. Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositaries as provided in the Bylaws or as directed by the Executive Committee or the President.

- d. Write checks and disburse funds to discharge obligations of the Corporation.
 - e. Maintain the financial books and records of the Corporation.
 - f. Prepare financial reports at least annually.
 - g. Perform other duties as assigned by the President or by the Executive Committee.
 - h. If required by the Executive Committee, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Executive Committee.
 - i. Perform all the duties incident to the office of Treasurer.
 - j. The Treasurer may delegate as many duties to a Bookkeeper as he sees fit.
- 6.10. Treasurer-Elect. The Treasurer-Elect shall serve as Treasurer of the Corporation during the year following his election as Treasurer-Elect. The Treasurer-Elect shall be a member of the Executive Committee. The Treasurer-Elect shall perform other duties prescribed by the Executive Committee and all duties incident to the office of Treasurer-Elect.
- 6.11. Secretary. The Secretary shall:
- a. Give all notices as provided in the Bylaws or as required by law.
 - b. Oversee the taking of minutes of the meetings of the members and the Executive Committee and keep the minutes as part of the corporate records.
 - c. Oversee the custody of the corporate records of the Corporation, which are to be stored on the association's website.
 - d. Oversee the keeping of a register of the mailing address of each member, Executive Committee member, officer, and employee of the Corporation to be stored on the association's website.
 - e. Perform duties as assigned by the President or by the Executive Committee.
 - f. Perform all duties incident to the office of Secretary.

- g. The Secretary may delegate his duties to the Executive Director as he sees fit.
- 6.12. Assistant Officers. The Executive Committee may appoint one or more assistant secretaries and one or more assistant treasurers. Each assistant secretary and each assistant treasurer shall hold office for such period as the Executive Committee may prescribe. Any assistant secretary may perform any of the duties or exercise any of the powers of the Secretary or otherwise as occasion may require in the administration of the business and affairs of the Corporation, and any assistant treasurer may perform any of the duties or exercise any of the powers of the Treasurer at the request or in the absence or disability of the Treasurer or otherwise as occasion may require in the administration of the business and affairs of the Corporation. Each assistant secretary and each assistant treasurer shall perform such other duties and/or exercise such other powers, if any, as the Executive Committee shall prescribe. To establish the authority of an assistant secretary or an assistant treasurer to take any action on behalf of the Corporation in place of the Secretary or the Treasurer, as the case may be, it shall not be necessary to furnish proof of any request by, or of the absence or disability of, the Secretary or Treasurer or any other assistant secretary or assistant treasurer, respectively.
- 6.13. Request a public hearing. Any Executive Committee Member may make a request of any state agency to hold a public hearing if the request is associated with a posting in the Texas Register or other such public notice register, and the posting affects any law associated with Certified Public Accountants.
- a. The person calling the public hearing shall prepare an analysis of the posting to the Texas Register which will include;
 - i. Specific rule or law citation posted,
 - ii. The posting in the Texas Register,
 - iii. State if the reason is due to procedural failure of the agency making the posting,
 - iv. State if the reason is due to substantive issues in the rule that adversely affect our membership,
 - v. Provide a proposed change that would remedy the problem.
 - b. Prior to holding such hearing, a majority vote of the Executive Committee shall be required to ratify the request at the next regularly scheduled Executive Committee meeting, or by Special Meeting per section 5.06.
 - c. If an Executive Committee majority vote is against the public hearing, the request shall be withdrawn by email notice to the agency to the request was made.

ARTICLE 7
COMMITTEES

7.01. Establishment of Committees. The Executive Committee may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more Executive Committee members and may include persons who are not Executive Committee members. If the Executive Committee delegates any of its authority to a committee, the majority of the committee shall consist of Executive Committee members. The Executive Committee may establish qualifications for membership on a committee. The Executive Committee may delegate to the President its power to appoint and remove members of a committee that has not been delegated any authority of the Executive Committee. The establishment of a committee or the delegation of authority to it shall not relieve the Executive Committee, or any individual Executive Committee member, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Executive Committee to:

- a. Amend the Certificate of Formation;
- b. Adopt a plan of merger or a plan of consolidation with another corporation;
- c. Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation;
- d. Authorize the voluntary dissolution of the Corporation;
- e. Revoke proceedings for the voluntary dissolution of the Corporation;
- f. Adopt a plan for the distribution of the assets of the Corporation;
- g. Amend, alter, or repeal the Bylaws;
- h. Elect, appoint, or remove a member of a committee or a member of the Executive Committee, or an officer of the Corporation;
- i. Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 8.05, below; and

- j. Take any action outside the scope of authority delegated to it by the Executive Committee.

- 7.02. Term of Office. Each member of a committee shall continue to serve on the committee until a successor is appointed or the committee is terminated. However, the term of a committee member may terminate earlier if the committee is terminated or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.
- 7.03. Chair and Vice-Chair. One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be elected by the members of the committee or appointed by the President of the Corporation. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.
- 7.04. Notice of Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.
- 7.05. Quorum. One half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.
- 7.06. Actions of Committees. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

- 7.07. Proxies. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after three (3) months from the date of its execution. [See voting by proxy under section 13.02 of these bylaws]
- 7.08. Compensation. Committee members may not receive salaries for their services. The Executive Committee may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.
- 7.09. Rules. Each committee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board of Executive Committee members.

ARTICLE 8

TRANSACTIONS OF THE CORPORATION

- 8.01. Contracts. The Executive Committee may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.
- 8.02. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositaries that the Executive Committee selects.
- 8.03. Gifts. The Executive Committee may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.
- 8.04. Loans and Related Parties. The Corporation shall not make any loan to an Executive Committee member or officer of the Corporation.
- 8.05. Affiliated Transactions. No contract or transaction between the Corporation and one or more of its Executive Committee or officers, or between the Corporation and any other corporation, partnership or association or other organization in which one or more of its Executive Committee members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, if:
- a. The material facts concerning the financial interests are disclosed to the Executive Committee and the Executive Committee

authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Executive Committee members;

- b. The contract or transaction is fair to the Corporation at the time of the approval. Nothing herein shall prevent retroactive approval of a transaction.
- c. The interested Executive Committee member that is present may be counted towards a quorum for purposes of voting on the contract or transaction. In the discretion of the Executive Committee, the interested Executive Committee member may participate in the discussion of the matter; provided, however, the Executive Committee member may not vote.

8.06. Prohibited Acts. As long as the Corporation is in existence, and except with the prior approval of the Executive Committee, no Executive Committee member, officer, or committee member of the Corporation shall:

- a. Act in violation of the Bylaws or a binding obligation of the Corporation.
- b. Act with the intention of harming the Corporation or any of its operations.
- c. Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- d. Receive an improper personal benefit from the operation of the Corporation.
- e. Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- f. Wrongfully transfer or dispose of Corporation property, including intangible property such as goodwill.
- g. Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- h. Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 9
BOOKS AND RECORDS

9.01. Required Books and Records. The Corporation shall keep correct and complete books and records of account. The files may be stored in an electronic format, preferably the Adobe portable document format, commonly referred to as (pdf) files, and may be stored on the corporation's website behind a password, changed annually, if of a sensitive nature, given to current Executive Committee members. The Corporation's books and records shall include:

- a. A copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, Articles of Incorporation, or the Certificate of Formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b. A copy of the Bylaws, and any amended versions or amendments to the Bylaws.
- c. Minutes of the proceedings of the members, Executive Committee members, and committees having any of the authority of the Executive Committee.
- d. A list of the names and addresses of the members, Executive Committee members, officers, and any committee members of the Corporation.
- e. A computerized set of accounting records containing the detail support for the financial statements. At the time of these bylaws were created the program in use is QuickBooks.
- f. Work papers, including financial statements, and other documents relating to the Association's federal, state, and local tax returns.
- g. The Association's federal, state, and local tax returns, whether information or income tax returns, for each of the Corporation's three most recent tax years.

9.02. Inspection and Copying. A member, Executive Committee member or officer of the Corporation may, as provided below, inspect and receive copies of books and records of the Corporation required to be kept by the Bylaws. A member, Executive Committee member or officer may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing stating the proper purpose. Only books and records relevant to the proper purpose may be inspected or copied. For

purposes of this provision, “relevant” means supporting or evidencing the proper purpose identified in the request. As allowed under applicable law, and to protect the interests of the Corporation, and as a condition precedent to any inspection or copying of confidential, proprietary, or trade secret books and records, the Corporation shall have the right to require that the person requesting the records execute a Nondisclosure or Confidentiality Agreement relating to the nondisclosure of the books and records inspected or copied. Subject to the protection of the Corporation’s interests in preventing the disclosure of confidential, proprietary or trade secret books and records, a person entitled to inspect the Corporation’s books and records may do so at a reasonable time no later than required by Internal Revenue Regulation after the Corporation’s receipt of a proper written request. The Executive Committee may establish reasonable fees for copying the Corporation’s books and records. The fees may cover the cost of materials and labor, but may not exceed the Internal Revenue Service guidelines for providing copies. The Internal Revenue Service requires that copies of some corporate documents be made available to the legitimate, requesting public. The Corporation shall receive and respond as required by Internal Revenue Service guidelines to requests from the public for copies of the Corporation’s Form 1023 and Form 990. The Corporation shall maintain a file containing all documents required by the Internal Revenue Service to be made available to the public.

ARTICLE 10
FISCAL YEAR

10.01. Fiscal Year. The fiscal year of the Corporation shall begin on September 1 and end August 31 of each year.

ARTICLE 11
INDEMNIFICATION

11.01. When Indemnification is Required, Permitted, and Prohibited.

- (a) The Corporation shall indemnify a Executive Committee member, officer, committee member, Executive Director, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. For the purposes of this article, an agent includes one who is or was serving at the request of the Corporation as an Executive Committee member, director, officer, Executive Director, partner, venturer, proprietor, trustee of a partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified

only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if a court of competent jurisdiction has adjudged the person liable and all appeals have been exhausted.

- (b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.
- (c) The Corporation shall pay or reimburse expenses incurred by an Executive Committee member, officer, committee member, Executive Director, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.
- (d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify an Executive Committee member, officer, committee member, Executive Director, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a), above.
- (e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the Bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in an proceeding brought by the Corporation or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.
- (f) If the Corporation may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

11.02. Procedures Relating to Indemnification Payments.

- (a) The association shall carry a D&O policy with minimum \$1,000,000 coverage.
- (b) At such time as the executive committee becomes aware there is a claim, the association's D&O insurance carrier shall be contacted, if not before, and a request of assistance will be made consistent with the terms of the D&O insurance contract. The terms of the insurance contract may influence the associations deliberations in regard to items (c) and (d) below.
- (c) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 11.02(e), below. The Corporation may make these determinations and decisions by any one of the following procedures:
 - (i) Majority vote of a quorum consisting of Executive Committee members who, at the time of the vote, are not named defendants or respondents in the proceeding.
 - (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Executive Committee, designated to act in the matter by a majority vote of all Executive Committee members, consisting solely of two or more Executive Committee members who at the time of the vote are not named defendants or respondents in the proceeding.
 - (iii) Determination by special legal counsel selected by the Executive Committee by vote as provided in paragraph 11.02(c)(i) or 11.02(c)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Executive Committee members.
- (d) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is Permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the

manner specified by paragraph 11.02(c)(iii), above, governing the selection of special legal counsel. A provision contained in the Certificate of Formation, the Bylaws, or a resolution of the members or the Executive Committee that requires the indemnification permitted by paragraph 11.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

- (e) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 11.02(c), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

ARTICLE 12 **NOTICES**

- 12.01. Notices. Any notice required or permitted by the Bylaws to be given to a member, Executive Committee member, officer, or committee member of the Corporation may be given in any manner allowed by the Act. Notice of a meeting that is: (1) mailed is considered to be given on the date notice is deposited in the United States mail with postage paid in an envelope addressed to the person at the person's address as it appears on the membership records of the Corporation; and (2) transmitted by facsimile or electronic message is considered to be given when the facsimile or electronic message is transmitted to a facsimile number or an electronic message address provided by the person, or to which the person consents, for the purpose of receiving notice. If notice is served by facsimile or electronic message, the person giving notice shall retain any records produced showing actual delivery to the appropriate number or electronic message address. A person may designate his or her preferred notice method and shall provide all necessary information regarding the same by giving written notice to the Secretary of the Corporation. Without a preference designation, the

person serving the notice may give notice by regular mail.

- 12.02. Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Certificate of Formation or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.
- 12.03. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 13

SPECIAL PROCEDURES CONCERNING MEETINGS

- 13.01. Meeting by Electronic Means. The members, the Executive Committee, and any committee of the Corporation may hold a meeting by means of a remote electronic communications system, telephone conference call or other electronic means, including videoconferencing technology or the Internet, if: (a) each person entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. The notice of a meeting by electronic means must state the fact that the meeting will be held by electronic means as well as all other matters required to be included in the notice. Participation of a person in a meeting by electronic means constitutes presence of that person at the meeting.
- 13.02. Voting by Proxy. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the secretary of the meeting before the business of the meeting begins.
- (a) There are 3 sections of these bylaws which authorize the use of proxies
 - i. Section 4.04 – Membership voting proxy
 - ii. Section 5.19 – Executive Committee voting proxy
 - iii. Section 7.07 – Sub Committee Member voting proxy
 - (b) The Secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy.
 - (c) If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the Secretary or other designated officer shall remain in

force and effect until the first of the following occurs:

- i. An instrument revoking the proxy is delivered to the Secretary or other designated officer.
- ii. The proxy authority expires under the terms of the proxy.
- iii. The proxy authority expires under the terms of the Bylaws.

ARTICLE 14 **AMENDMENTS TO BYLAWS**

- 14.01. Amendments to Bylaws. The Voting Members may alter, amend, or repeal, or enact new Bylaws. The notice of any meeting at which the Bylaws are altered, amended, or repealed, or at which new Bylaws are adopted shall include the text of the proposed Bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions. The vote of three-fifths (3/5s) of the Voting Members present and voting at a meeting at which a quorum is present shall be sufficient amend the Bylaws. [A “Membership Quorum” is defined at section 4.03]

ARTICLE 15 **MISCELLANEOUS PROVISIONS**

- 15.01. Legal Authorities Governing Construction of Bylaws. The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.
- 15.02. Legal Construction. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.
- 15.03. Headings. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.
- 15.04. Electronic Signatures. To the fullest extent permitted by the Act and other law, including the Texas Uniform Electronic Transactions Act, electronic signatures (such as e-mail) of members, Executive Committee members and officers, as between each other or each of them and the Corporation, shall constitute the valid signature of the person for purposes of obtaining consents or other matters prescribed by these Bylaws, unless a member, Executive Committee member or

officer submits a written refusal to conduct certain transactions by electronic means.

- 15.05. Gender. Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.
- 15.06. Seal. No seal is required.
- 15.07. Terms. The term “Association” used in these bylaws shall have the meaning as “corporation” and vice versa.
- 15.07. Power of Attorney. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary of the Corporation to be kept with the Corporation records.
- 15.08. Parties Bound. The Bylaws shall be binding upon and inure to the benefit of the members, Executive Committee members, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

CERTIFICATE OF SECRETARY

I hereby certify that I am duly elected and acting Secretary of **TEXAS ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS** (the “Corporation”) and that the foregoing Bylaws, comprised of twenty seven (27) pages, constitute the Bylaws of said Corporation as duly adopted by the Corporation at a meeting of the members held on the 7th day of February, 2014.



DATED: Friday, February 7, 2014

M. R. Yousuf
Secretary