



California Certified Public Accountants
Education Foundation

Bylaws

ARTICLE I - OFFICES

- (1) **Principal Office.** The Board of Trustees ("Board") shall fix the location of the principal executive office of the Corporation at any place within the State of California.
- (2) **Additional Offices.** The Corporation may maintain additional offices at such other places as the Board of Trustees designates.

ARTICLE II - MEMBERSHIP

- (1) **Classes of Members.** There shall be but one class of members of the California Certified Public Accountants Education Foundation (the "corporation" or "Foundation"). The members shall be those persons serving as members of the CalCPA Council of the California Society of Certified Public Accountants (CalCPA). The members shall not be subject to liability for dues or assessments and not more than one membership shall be held by any single member.
- (2) **Distributions Prohibited.** No member shall have any right or interest in or to any of the gains, profits or dividends or property of the Foundation and no member shall have any proprietary interest in any membership.

ARTICLE III - QUALIFICATIONS, TERM OF OFFICE OF TRUSTEES, ELECTIONS AND MEETINGS

- (1) **Trustees.** Subject to any limitations imposed by law or contained in the Articles of Incorporation or these Bylaws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, on behalf of the members, by or under the ultimate direction of the Board of Trustees, which shall consist of fifteen (15) persons, who need not be members of the Foundation but must be over the age of twenty one years. No officer of CalCPA shall be eligible to concurrently serve as a Foundation Trustee, nor as a member of the Board of Trustees, with the exception of the Chair or First Vice Chair of the CalCPA Council. The Chair or the First Vice-Chair of the CalCPA Council and the immediate Past President of the Board of Trustees (collectively, "Trustees serving by designation") shall be two (2) of the fifteen (15) Trustees. In addition, the Chief Executive Officer (CEO) of the Foundation shall be a non-voting member of the Board of Trustees.
 - a) No more than three (3) members of the Board of Trustees in office at any one time, or relatives thereof, shall have received any compensation (in excess of de minimis) from the Foundation for services rendered to it as an instructor or in any other capacity during the previous twelve-month period.
- (2) **Term of Office.** The Trustees shall hold office for a term of two (2) years or until their successors are appointed or elected. No Trustee (other than officers, trustees serving by designation and the CEO of the Foundation) shall serve more than six consecutive years without at least a 365 consecutive day break in service. Each two-year term is determined independently without assumption of serving the full six year maximum. When a Trustee is appointed to fill a vacated Trustee position mid-term, that service time commences the six year maximum.
- (3) **Election.** The members annually shall elect Trustees to hold office for the terms provided herein, other than Trustees serving by designation. Terms shall be staggered with five (5) Trustees elected one year and four (4) Trustees elected in the subsequent year.

- (4) Vacancy.** Vacancies in the Board of Trustees occurring by reason of death, resignation, removal or otherwise, shall be filled by appointment by a majority of the Board of Trustees. A Trustee so chosen to fill a vacancy shall serve the predecessor's unexpired term.
- (5) Removal.** Any Trustee who has missed two consecutive meetings of the Board of Trustees may be removed from office at any duly held meeting of the Board of Trustees; provided that the action is documented in the notice of the meeting. Removal of a Trustee requires an affirmative majority vote of the members of the Board of Trustees present at a duly held meeting (not counting for this purpose the Trustee who is the subject of the removal vote).

ARTICLE IV - POWERS AND DUTIES OF TRUSTEES

- (1) Powers and Duties.** The Trustees shall have power and be responsible to the members of the Foundation for the conduct, management and control of the business affairs and activities of the Foundation. Except as specifically herein provided, the Trustees shall not have the power to appoint or remove officers of the Foundation. The Board of Trustees may require the furnishing of surety bonds in such amounts and for such officers and staff members as they may determine. In addition, the Trustees may accumulate and invest surplus funds of the Foundation in a manner which in their judgment will further the purposes of the Foundation. With the approval of the members of the Foundation, the Trustees may provide for the Foundation such buildings, lands or training facilities as they deem in the best interest of the purposes of the Foundation. The Trustees shall cause to be kept a complete record of all their minutes and acts and of the proceedings of the members. The Trustees shall not be paid any compensation for their services.
- (2) Compensation.** The Trustees shall not be paid any compensation for their services as trustees, but may be reimbursed for reasonable expenses incurred in attending meetings and/or carrying out Board responsibilities. Except as limited by law or other provisions of these Bylaws, no provision in this section shall be construed to preclude any trustee from serving the Corporation in any other capacity and from receiving reasonable compensation for such services. A Trustee shall recuse himself or herself from any action of the Board of Trustees when setting compensation for such Trustee serving in a capacity other than Trustee.

ARTICLE V - OFFICERS AND DUTIES

- (1) Officers.** The Officers of the Board who shall also be officers of the Corporation shall be a President, a First Vice President, a Vice President, and a Treasurer, all of whom shall be members of the Board of Trustees. In addition, there shall be a Secretary and a Chief Financial Officer who are officers of the corporation, who are appointed by the Chief Executive Officer, and shall not be members of the Board of Trustees. The Officers of the Board shall be elected by the members at their Annual Meeting and shall

hold office for one (1) year or until their successors are chosen, subject to removal by a majority of the members.

Officers who are members of the Board of Trustees shall not be paid any compensation for their services.

- (a) Duties of President.** The President shall preside over all meetings of the Board, members and Trustees; appoint committees in conjunction with the Board of Trustees as provided in these Bylaws and in conjunction with the Board of Trustees prescribe their duties; appoint other committees as needed to conduct the business of the Foundation; serve as ex-officio member of all committees except the Nominating Committee and perform such other duties as assigned by the Board of Trustees. If at any time the President shall be unable to act, the First Vice President shall take the President's place and perform the President's duties. If the President and the First Vice President shall be unable to act, the Vice President shall take the President's place and

perform the President's duties. If the President, First Vice President and Vice President shall be unable to act, the Board of Trustees shall appoint some other member of the Board to do so.

- (b) Duties of the First Vice President.** The First Vice President shall take the President's place and perform the President's duties, in the event the President is unable to serve; shall spend the term as First Vice President learning the role and function of the President; and shall perform other duties as assigned by the President.
- (c) Duties of the Vice President.** The Vice President shall take the place and perform the duties of the First Vice President if he or she is unable to act, and shall take the place and perform the duties of the President if the President is unable to act and if the First Vice President is unable to act for and perform the duties of President; coordinate communication with the various member constituencies at the direction of the Board of Trustees; shall serve as chairperson of specific committees as appointed by the President; and shall perform other duties as assigned by the President and by the Board of Trustees.
- (d) Duties of the Treasurer.** The Treasurer shall have oversight of the financial affairs of the Foundation and shall report to the Board of Trustees with respect to the financial affairs and condition of the Foundation.
- (e) Duties of the Secretary.** The Secretary shall keep a record of the proceedings of the Board of Trustees and members; serve all notices required either by law or by the Bylaws of the Foundation (in case of absence, inability, refusal or neglect by the Secretary to do so, then such notices may be served by any person thereunto directed by the President); shall keep the corporate seal of the Foundation; and discharge such other duties as pertain to the office.
- (f) Duties of the Chief Financial Officer.** The Chief Financial Officer of the Foundation shall have responsibility for all moneys and securities of the Foundation and keep or supervise the preparation of regular books of account. In addition, the Chief Financial Officer will work with the Treasurer to keep the Treasurer apprised of all financial matters pertaining to the Foundation. The Chief Financial Officer shall have the assistance from others in the maintenance of the books and records of account when appropriate.

ARTICLE VI - COMMITTEES OF THE FOUNDATION

- (1) General.** The President of the Foundation may from time to time appoint committees to act on behalf of the Foundation subject to the approval of such action by the majority of the Board of Trustees. Each committee shall have such powers and duties as are given to it from time to time by the President or the Board of Trustees.

No committee shall contract any indebtedness or incur any liability without authority of the Board of Trustees. Unless the Board of Trustees otherwise determines and subject to limitations under the law, no Committee shall exercise the authority or act on behalf of the Board of Trustees or take any action or execute any documents on behalf of the Foundation.

- (2) Finance Committee.** The Finance Committee shall review and recommend financial and investment policy; review the budget for presentation to the Board of Trustees; and perform other duties as assigned by the President and the Board of Trustees. The Finance Committee shall report to the Board of Trustees. The Finance Committee shall be chaired by the Treasurer. The members of the Finance Committee shall be appointed by the President of the Board of Trustees. Unless the Board of Trustees otherwise determines, the Finance Committee's role shall be an advisory one and the Finance Committee shall have no authority to act on behalf of the Board of Trustees or take any action or execute any documents on behalf of the Foundation.

ARTICLE VII - MEETINGS

(1) Meetings of the Members.

- (a) **Annual Meetings.** There shall be an Annual Meeting of the members of the Foundation on such day and at such place as the Trustees may designate and within 120 days of the end of the fiscal year. Written notice of Annual Meetings shall be sent to every member, at the member's registered address, not less than thirty (30) days or more than ninety (90) days prior to the date of meeting.
- (b) **Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board of Trustees or any fifteen (15) members. Written notice of special meetings shall be sent to every member, at the member's registered address, not less than thirty (30) or more than ninety (90) days prior to the date of the meeting.
- (c) **Quorum.** A majority of members shall constitute a quorum for the transaction of business at any members' meeting.

- (2) **Trustee Meetings.** Regular meetings of the Trustees shall be held at times and places designated by the Board. The President, First Vice President or two (2) of the Trustees may call special meetings of the Board of Trustees at any time and notice thereof shall be sent to the Trustees at least seven (7) days preceding the date of the meeting by first class mail or 48 hours notice delivered personally, or by telephone, email or facsimile transmission. Eight (8) Trustees shall constitute a quorum for the transaction of business at Trustee meetings. Participation in any meeting of the Trustees, whether regular or special, through the use of conference telephone or electronic video screen communication constitutes presence in person so long as all members participating in the meeting are able to hear each other. In addition, participation in a meeting through the use of electronic transmission other than conference telephone and electronic video screen communication constitutes presence in person, so long as all Trustees participating in such meeting can communicate with all other members concurrently and each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

ARTICLE VIII - FINANCES

- (1) **Fiscal Year.** The fiscal year of the Foundation shall end on April 30 of each year.
- (2) **Use of Revenue.** Revenue shall accrue to the Foundation from fees charged for products and services including but not limited to courses, conferences, webcasts, onsite training, self study, and related discount programs. In addition, revenue shall accrue from grants, gifts and bequests which may be accepted by the Trustees and from any other source the Trustees may deem appropriate within the purposes of the Foundation. Such revenues must be used wholly for the purposes set forth and anticipated under the provisions of the Articles of Incorporation of the Foundation, the terms of any such gifts, grants or bequests, and under these Bylaws when applicable.
- (3) **Record Keeping.** The Trustees shall cause accounts and records of the Foundation to be maintained. The Audit Committee of CalCPA shall recommend and the members of the Board of Trustees shall appoint independent auditors to audit the annual statements. Each member of the Foundation shall be provided with a copy of the financial statements and the related audit report.
- (4) **Dissolution.** Upon dissolution of the Foundation, any funds remaining after the payment of all liabilities and obligations of the Foundation shall be distributed by the Trustees as provided in the Articles of Incorporation of the Corporation.

ARTICLE IX - SEAL

- (1) General.** The Foundation shall have a common seal, consisting of a circle having conveniently arranged therein the name of the Foundation and the state and date of incorporation.

ARTICLE X - NOMINATIONS

- (1) Nominating Committee.** The Foundation Nominating Committee shall be comprised of five members; the immediate Past President of the Foundation; a former chairperson of CalCPA's Council; two (2) members of the Foundation elected by the members of the Foundation at the Annual Meeting for staggered two (2) year terms; and the past president of the Foundation once removed who will serve as chairperson. In the event the Foundation Past President once removed is unable to serve as chairperson, then the Foundation Past President twice removed shall serve as chairperson.
- (2) Duties of Nominating Committee.** The duties of the Committee shall be to nominate officers and Trustees by an affirmative simple majority vote of the Committee. A report of the Committee shall be approved in writing by an affirmative simple majority vote of the Committee and shall be filed with the Secretary no later than sixty (60) days before the Annual Meeting. Nominations for officers and Trustees as filed with the Secretary shall be mailed to the members no later than forty-five (45) days prior to the Annual Meeting.
- (3) Notice.** Nominations for officers and Trustees as filed with the Secretary shall be provided to the members under the rules established by the Board of Trustees no later than forty five (45) days prior to the Annual Meeting.
- (4) Nominations by Members.** Any ten (10) or more members may submit additional nominations within a period of not less than forty five days prior to the Annual Meeting.

ARTICLE XI - AMENDMENTS

- (1) General.** Every proposal to adopt, amend or rescind these Bylaws shall be in writing and shall set forth the nature of the proposal. Such proposals may be initiated and presented to the Secretary by a two-thirds (2/3) vote of the Board of Trustees present at a duly called meeting or by fifteen (15) or more members of the Foundation. Proposals to adopt, amend or rescind these Bylaws may be voted upon at the Annual Meeting. A copy of any amendment(s) proposed for consideration must be sent to the last recorded address of each member of the Foundation at least forty five (45) days prior to the date of the meeting at which voting will take place. A two-thirds (2/3) affirmative vote of the membership of the Foundation present in person is necessary for the adoption of any such amendment of the Bylaws.

ARTICLE XII - INDEMNIFICATION

- (1) Right of Indemnity.** To the full extent permitted by law, the Foundation shall indemnify its Trustees, officers, employees, and other persons described in Subsection 5238(a) of the California Corporations Code, including persons formerly occupying such positions (collectively, "agents"), against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in such subsection by reason of the fact that such person is or was a person described in such subsection. The term "expenses" as used in this Bylaw, shall have the same meaning as in Subsection 5238(a) of the California Corporations Code. The right to indemnity provided in this Article XI shall apply to any agent of the Foundation who is or was a trustee, investment manager or other fiduciary of a Foundation benefit plan in such person's capacity as such.
- (2) Approval of Indemnity.** Upon written request to the Board of Trustees by any person seeking indemnity under Subsection 5238(b) or (c) of the California Corporations Code, the Board of Trustees shall promptly determine whether such person has met the applicable standards of conduct set forth in such subsections.

- (3) Advancement of Expenses.** To the full extent permitted by law, and except as shall otherwise be determined by the Board of Trustees in the specific instance, expenses incurred by a person seeking indemnity under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Foundation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall be determined ultimately that such person is entitled to be indemnified by the Foundation therefore.
- (4) Non-Exclusivity.** Nothing herein shall be deemed to diminish or otherwise restrict any rights to which any person indemnified under these Bylaws may be entitled under the Foundation's Articles of Incorporation, these Bylaws, any contract, any vote of the members or disinterested Trustees, or under the laws of the State of California.

Bylaws adopted June 21, 1966.

Bylaw Amendments

Amended November 21, 1969: Articles II, VII, IX, X and XI.

Amended March 21, 1980: All Articles, to recognize and comply with new California Non-Profit Corporations Code.

Amended March 19, 1982: Article XI added.

Amended March 18, 1983: Article IX.

Amended March 22, 1985: Article IX.

Amended July 3, 1991: Article II, Section 1.

Amended June 30, 1992: Article II, Sections I, II and III; Article IV, Sections I, II, III, IV, and V; Article V; Article VI, Section 2; Article IX, Section I.

Amended June 30, 1993: Article II, Section 1; Article IV, Section 1.

Amended October 16, 1993: Article I, Section I; Article II, Section I; Article IV, Section I; to be in accordance with the new management structure that was implemented July 16.

Amended September 1997.

Amended June 1998.

Amended June 1999.

Amended July 13, 2002: Article I, Section (1); Article II, Sections (1), (2), (3) and (5) (new); Article IV, Sections (1), (4) and (5); Article V, Section (2); Article VI, Section (1); Article VII, Sections (2) and (4); Article IX, Sections (1) and (2); Article XI.

Amended July 22, 2005

Amended and Submitted for Council Approval May 14, 2008: Article I, Sections (1) and (2) (new); Article III, Sections (1), (1)A (new) and (2); Article IV, Sections (1), (2) (new); Article V, Section (1), (1)(d), (1)(e), (1)(f) (new); Article VI Section (1); Article VII, Sections (1)(a), (1)(b); Section (2); Article VIII, Sections (2), (4); Article XI, Section (1).

Amended June 28, 2008

Amended September 27, 2010: Article III Section (2); Article X, Sections (1) and (2).

CalCPA Education Foundation Bylaws – June 22, 2012

Amended June 22, 2012: Article III, Section (2) and (3); Article X, Section (1), (2), (3) and (4)