BYLAWS

Background
The Bylaws Committee conducted its work throughout the Summer and Fall of 2016. The proposed updates and changes were approved the Board of Directors at their December 2016 meeting, and by Council at its January 2017 meeting. Prior to these revisions, the last updates and changes to the Bylaws were approved in January 2007.

For your consideration, on the following pages is a redline version of CalCPA’s Bylaws, with updates and changes suggested by the Bylaws Committee and approved by the Board of Directors and Council. Bylaws changes affecting member rights have to be approved by the members.

Proposed Updates and Changes
The suggested updates fall into three categories: administrative changes such as clarifying titles to articles or paragraphs and using consistent nomenclature throughout the document; changes that conform the Bylaws to current organizational procedures such as the timing of notice and termination of membership for nonpayment of dues; and updates to reflect policy changes enacted by Council, such as the expansion of the associate member category.

This memo will not address all of the changes individually, for the sake of brevity, but the Committee felt it important to point out changes affecting member rights, which follow.

Changes Affecting Member Rights
Article II (7) changed to provide for suspension of membership for nonpayment of dues after 90 days from the due date for payment, termination of membership as of the end of the fiscal year. Conforms to current administrative practice.

Article II (9) changed to allow resignation of membership by electronic communication to any CalCPA office or staff member whose job duties include accepting such resignation. Conforms to current administrative practice.

Article III (9) changed to provide that CalCPA Council shall establish policies and procedures regarding cancelling a billing for dues or an assessment in “meritorious individual cases” rather than having the chapter boards of directors make those determinations. Conforms to current administrative practice.

The remaining updates and changes to the bylaws are administrative or procedural in nature, and do not affect member rights. Council provided final approval for those revisions.

Policy Questions
A number of policy questions came up during the course of our deliberations that the Committee believed to be beyond its scope. Those questions have been referred to other CalCPA committees, such as the Membership Committee or Board of Directors for further discussion.

Conclusion
In order to conform with CalCPA’s Bylaws and address other administrative changes needed, a review and update of all chapter bylaws was part of the process. Given the proposed changes, chapter bylaws only need to be approved by CalCPA Council. Redline versions of CalCPA and chapter bylaws, including accompanying memos, are available on CalCPA’s website at: www.calcpa.org/2017BylawsUpdates.

The members of the Bylaws Committee would like to express their appreciation for the opportunity to provide you with the proposed changes to the CalCPA Bylaws contained in the accompanying redlined document for your consideration.

Members of CalCPA’s Bylaws Committee: Greg Burke – Chair, Sacramento Chapter Vanessa Hill, East Bay Chapter Chris Raymer, Central Coast Chapter Cory Stigle, Los Angeles Chapter Ben Towne, Silicon Valley/San Jose Chapter Jill Gorman, CalCPA Staff Liaison.

CalCPA
California Society of Certified Public Accountants

Additions marked in blue, deletions struckthrough in red

ARTICLE I—NAME AND PURPOSE
(1) Name. The name of this organization is California Society of Certified Public Accountants, a nonprofit mutual benefit corporation, hereinafter called CalCPA.

(2) Purposes. CalCPA is established to advance the profession of accountancy in the state of California; to encourage the maintenance of high professional standards for the certified public accountant; to cultivate a cordial relationship among practicing accountants; to promote a better lay understanding of the services rendered by certified public accountants; and to act in a representative capacity for the profession.

ARTICLE II—MEMBERSHIP
(1) Classes of Members. Membership in CalCPA shall consist of four classes, namely, CPA members, student members and candidate members, and honorary members. In addition, pursuant to Section (4) of this Article II, the CalCPA Council may create a class of persons associated with CalCPA who shall hold the title of associate member.

(2) CPA Members. Any person holding a certificate from the state of California as a Certified Public Accountant and any person who is a resident of California and who holds a certificate or similar document as a Certified Public Accountant of another state or political subdivision of the United States is eligible for CalCPA membership. Such applicant shall be admitted to membership in CalCPA upon receipt of a completed membership application and verification that the candidate has satisfied all qualifications for membership as described in these bylaws.

(3) Student and Candidate Members. Any (1) student, or (2) CPA candidate, may be admitted to membership in CalCPA. Such student/candidate members shall be required to pay dues, as established by the CalCPA Council, and they shall not be eligible to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them. The CalCPA Council may establish policy for communication of this class of membership to the general public and acceptance and use of those standards shall be a requirement of membership.

(4) Honorary Members. Any person, who in the opinion of the CalCPA Council is distinguished in the profession of accountancy, but who is not eligible for membership, may, upon unanimous vote of the council members duly assembled at a meeting pursuant to the bylaws, be elected as an honorary member. Such honorary members shall not be required to pay initiation fees or other dues, nor shall they be eligible to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them.

(5) Associate Members. The CalCPA Council may, by resolution, create and establish criteria for a class of persons associated with CalCPA who shall have the title of the “associate members” of CalCPA. Such associate members may not be members within the meaning of “members” of this Article II and shall not be eligible to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them. The CalCPA Council shall have the right to establish the public description and rights of such associate members and the dues or other consideration to be paid by such associate members. The CalCPA
Council may establish policy for the communication of the rights of associate members to the general public and acceptance and adherence to those standards shall be a requirement for a person to be granted the title of associate member.

**Requirements for Retention of Membership.** Membership classes other than honorary members of CalCPA shall pay dues as established by the CalCPA Council, and comply with these bylaws and the Rules of the CalCPA Code of Professional Conduct.

**Nonpayment of Dues.** If a CPA member, student or candidate member, or associate member shall neglect to pay any dues, assessments or indebtedness to CalCPA or a chapter, notification of such delinquency shall be given to such CPA member, student or candidate member, or associate member by the chair of the CalCPA Council or their designee, or CalCPA 30 days after said dues, assessments or other indebtedness shall be payable. If a person in any of the membership classes, except honorary members, does not pay the delinquent dues 90 days after said dues shall be payable, the person’s membership shall be suspended. If a person in any of the membership classes, except honorary members, does not pay the delinquent dues prior to 0 days after said dues were payable, the last day of the fiscal year in which dues were payable, the person’s membership shall be terminated.

**Reinstatement.** Any person whose membership in any of the membership classes, except honorary members, has been suspended or terminated for nonpayment of dues, assessments or other indebtedness, may be reinstated upon payment of said dues, assessments or other indebtedness.

**Resignation.** The resignation of a member shall be in writing or electronic communication, or as prescribed by the CalCPA Council and sent to CalCPA’s headquarters office, a CalCPA office, or staff person whose responsibilities include accepting a member resignation.

**Resignation, Suspension and Reinstatement of Members under Charges or Complaints.** A person whose resignation was accepted, or whose suspension became effective when the member was under investigation by the California Board of Accountancy (CBA), or was the object of a complaint under the bylaws or the Code of Professional Conduct of either CalCPA or CBA, will not be eligible for reinstatement until the case is resolved.

**Complaint Against Member.** Whenever a member of CalCPA shall be alleged to have violated these CalCPA Bylaws, the California Board of Accountancy rules, or similar rules or regulations of any state in which such member is licensed, or the CalCPA Code of Professional Conduct, such complaint shall be processed in accordance with policies and procedures adopted by the CalCPA Council. The Committee on Professional Conduct of CalCPA is hereby empowered to carry out these policies and procedures unless the CalCPA Council makes an alternative determination.

**Disciplinary Suspension and Termination of Membership.** Membership in CalCPA shall be suspended should there be filed with the secretary/treasurer of CalCPA a judgment of conviction imposed upon any member for:

- a crime defined as a felony (or its equivalent) under the law of the conviction jurisdiction;
- the willful failure to file any income tax return which the member, as an individual taxpayer, is required by law to file;
- the filing of a false or fraudulent income tax return on the member’s or a client’s behalf;
- the willful aiding in the preparation and presentation of a false and fraudulent income tax return of a client.

Such membership shall be terminated upon the similar filing of a final judgment or conviction.

Membership in CalCPA shall be suspended should a member’s certificate as a Certified Public Accountant, or license, or permit to practice as such, or to practice public accounting be suspended as a disciplinary measure by a state board of accountancy, or its equivalent, but such suspension of membership in CalCPA shall terminate upon reinstatement of the certificate. Membership in CalCPA shall be terminated should such certificate, license, or permit be revoked, withdrawn as a disciplinary measure or be canceled by the said state board of accountancy.

**Sanctions Against Members for Other Reasons.** Any member renders himself or herself liable to expulsion, suspension or lesser sanctions if the member:

- inflicts or violates any of these bylaws or the CalCPA Code of Professional Conduct or similar rules or regulations of any state in which such member is licensed or knowingly aids or abets any other persons in any transgression thereof;
- is declared by court of competent jurisdiction to have committed any fraud, or
- is declared by a competent court to be insane or otherwise incompetent; or
- has a certificate as a Certified Public Accountant revoked or withdrawn for cause by authority of any state or territory of the United States or the District of Columbia.

**Enforcement Procedures.** Pursuant to the bylaws and the rules of CalCPA Code of Professional Conduct, the CalCPA Council will establish policies and procedures by which complaints against members shall be investigated. Persons belonging to any class of membership may request copies of CalCPA’s Bylaws and Code of Professional Conduct, or membership policies and procedures from CalCPA’s headquarters office.

**Certificate of Membership.** The CalCPA Council shall cause a certificate of membership, in such form as it may prescribe, to be issued as a matter of course to each person admitted to membership. Membership certificates issued by CalCPA shall state on the certificate that CalCPA is a nonprofit mutual benefit corporation, which may not make distributions except as a dissolution. Upon termination of any member for disciplinary reasons or by resignation of any member under charges or complaints, the certificate of membership shall be returned to CalCPA for cancellation.

**Termination of Membership.** A member who ceases to be a member of a chapter shall thereafter cease to be a member of CalCPA.
special section

chapters, and if carried, such assessments shall thereupon be levied and collected by CalCPA. Honorary members and members who have been relieved of further payment of dues pursuant to Section (2) of this Article shall be exempt from the payment of any assessment. Nothing herein shall restrict the power of a chapter to levy assessments for its particular use, provided notice is given to the members of the chapter of such proposed action to be taken at a chapter meeting.

(8) Refunds. Any member who shall have resigned shall not be entitled to a refund of any dues paid except dues which may have been paid for a fiscal period succeeding the period in which such resignation shall have been presented.

(9) Cancellations. In meritorious individual cases, the CalCPA Council shall establish procedures for the cancellation of any dues, assessments or other indebtedness of the member, including any dues, assessments or other indebtedness of a member seeking reinstatement after termination of membership.

ARTICLE IV—CHAPTERS

(1) Formation of Chapters. Chapters of CalCPA may be formed in any city or area within the state of California whenever there are 100 or more members of CalCPA, or 100 or more Certified Public Accountants eligible for membership resident in such area, or who have their principal offices in such area. Prior to the date of granting a chapter charter, the CalCPA Council shall require the proposed chapter to function successfully for two years as an area group related to a chapter already charted. The organization and function of an area group shall be in accord with procedures adopted by the CalCPA Council. Upon compliance with all the requirements under these bylaws, CalCPA may grant a chapter charter to such area group.

(2) Membership in Specific Chapter. Each member of CalCPA shall belong to a primary chapter. A member may belong to multiple secondary chapters. For the purposes of the chapter membership count for determining chapter representatives to council, a member will be counted only in his primary chapter. Leadership opportunities for secondary chapter membership shall be determined by each chapter. A member may change his or her primary chapter membership.

(3) Revocation of Chapter Charter. If at any time the number of members in a chapter shall fall below the required number of members as provided elsewhere in this article, and such number of members in the chapter shall not be brought up to such required number within six months after written notice thereof to its secretary by the secretary of CalCPA, or designee, of CalCPA, then such chapter may be subject to suspension or revocation of its charter as the CalCPA Council may determine. Upon suspension or revocation of its charter, all rights and privileges of the chapter shall cease. Members of a chapter whose charters have been revoked or suspended shall transfer to other chapters in accordance with the provisions of Section (2) of this Article.

(4) Reinstatement of Chapter. A chapter thus having been deprived of its charter may be reinstalled by the CalCPA Council upon compliance with the requirements of these bylaws.

(5) Limitation of Chapter Communication. No chapter or chapter committee, except by express written permission of the chair of the CalCPA Council, shall communicate with, (a) any federal or state governmental body, bureau, commission, or unit, concerning matters affecting the profession in California as a whole, or (b) any national or state professional society, except in matters relating to the dissemination of general information to the public pursuant to plans by such national or state professional society, and except in general routine matters.

(6) Chapter Bylaws. Each chapter shall be self-governing, but no chapter may have or adopt bylaws which are in conflict with the bylaws of CalCPA. Chapter bylaws and any amendments thereto or changes therein shall not be effective unless and until ratified by the CalCPA Council. Any bylaws of a chapter inconsistent with these bylaws shall be declared void by the CalCPA Council.

ARTICLE V—MEETINGS OF THE MEMBERSHIP OF CALCPA

(1) Annual Meeting. There shall be an Annual Meeting of CalCPA held within 120 days after fiscal year end on such day and at such place, or places, as the CalCPA Council shall designate.

(2) Special Meetings. Special meetings may be called at any time by the chair of the CalCPA Council, by a majority of the CalCPA Council, or shall be called by the secretary/treasurer of CalCPA, or designee, of CalCPA upon written request of not less than 125 members of CalCPA entitled to vote, to be held at such place as CalCPA shall designate. Any such special meeting shall be held at a time fixed by the CalCPA Council not less than 30 days or more than 90 days after receipt of the request for the meeting. At such special meeting no business shall be transacted except such as shall be specified in the call thereof.

(3) Quorum. At any meeting of the membership of CalCPA, the presence of 30 members in person, or by such other means as determined by CalCPA Council, constitutes a quorum. If no quorum shall be present within 30 minutes after the time appointed for a meeting, such meeting shall be considered adjourned.

(4) Adjournment. The members present may adjourn the meeting to be reconvened at a specified date, and the secretary/treasurer of CalCPA, or designee, is required to send to all members of CalCPA notice of such adjournment and said new meeting date.

(5) Notice of Meetings. Written notice of all meetings of the members of CalCPA shall be sent to every member at the member’s registered address not less than 30 or more than 90 days prior to the date of the meeting. The notice shall state the matters to be voted upon at the meeting. CalCPA shall determine how notice is to be given to members consistent with applicable legal requirements.

(6) Record Date. The CalCPA Council shall determine the record date for the purpose of determining the members entitled to notice of, and to vote at a meeting as provided by law.

(7) Voting. A vote shall be taken on each motion or resolution at each meeting. The members present at any meeting of the CalCPA Council or the CalCPA Board of Directors, may direct that a motion or resolution be submitted by mail, or by such other method as may be established by the CalCPA Board of Directors in conformity with applicable law to each member entitled to vote thereon, and that such vote thereon be taken in lieu of a vote at a meeting of CalCPA, as provided in Section (11) of this Article V. An affirmative majority of the votes cast shall be sufficient for the adoption of any motion or resolution, except as otherwise provided in these bylaws.

(8) Proxies. All members of CalCPA shall be entitled to vote by proxy at any meeting of the membership. A member may vote by proxy by appointing another member of CalCPA or the secretary/treasurer of CalCPA, or designee, to act as the member’s proxy. All proxies must be in writing and must contain a statement which sets forth the name of the member to whom the proxy is given. No member may vote more than 10 such proxies, except as specified in (a) (1) of this section.

(a) Directed Proxy. A member may direct exactly how their vote shall be cast and shall specify in the proxy exactly how said member’s vote shall be cast by the individual who is assigned to cast their vote by proxy.

(1) A member may assign their proxy to the secretary/treasurer of CalCPA, or designee, to cast their vote. The proxy form must be received by CalCPA at such location, date, and time as stated on the proxy form. There shall be no limitation to the number of directed proxies the secretary/treasurer of CalCPA, or designee, may cast.

(2) A member may assign their proxy to another member of CalCPA to cast their vote, subject to the 10 proxy limit.

(b) Undirected Proxy. A member may assign their voting rights to another member giving them full power and authority to exercise all voting rights in the sole and absolute discretion of the individual who is so appointed to vote the proxy.

(9) Suspended Members. A CPA member suspended for any cause shall not be qualified to vote on any matter of CalCPA.

(10) Inspectors of Election. The presiding officer at the Annual Meeting or at any meeting at which a member of the CalCPA Council is to be chosen or an officer elected shall appoint three inspectors, none of whom shall be an officer of CalCPA or member of the CalCPA Council or nominee as officer or member of the CalCPA Council. The inspectors of election shall determine the number of memberships outstanding, and the voting power of each, the number represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all members. The candidate for office, or the candidates for membership on the CalCPA Council receiving the highest number of votes for the respective offices, as specified in Article VII and for the respective membership on the CalCPA Council, as specified in Article VI (1) shall thereupon be declared elected by the presiding officer.

(11) Action Without Meeting. In addition to the pro-
pcedures set forth in Section (7) of this Article, any action which may be taken at the Annual Meeting or at a special meeting of CalCPA members may be taken without a meeting if the CalCPA Council distributes a written ballot to every CPA member entitled to vote on the matter, in accordance with applicable law. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within 30 days of submission of the ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

ARTICLE VI—CALCPA COUNCIL

(1) Representation on CalCPA Council. The governing body of CalCPA shall be the CalCPA Council. For purposes of the Corporations Code of the State of California (the “Code”), and other applicable law, the CalCPA Council shall be deemed to be, and shall have all of the authority, power, rights and obligations of, a “Board” (as defined in Section 3038 of the Code), and the members of the CalCPA Council shall have all of the rights and obligations of members of such Board. The members of the CalCPA Council shall be set by the CalCPA Council as follows:

(a) Chapter representatives are to be determined by the following rules:

(1) Each chapter shall be entitled to two CalCPA Council members, and one additional CalCPA Council member for every full 1000 CPA members, elected for one-year or staggered two-year terms, as specified in the chapter’s bylaws.

(2) The determination of the number of members in each chapter and the total number of elected CalCPA Council members under this paragraph shall be made as of April 30 of the year immediately preceding the year of election.

(3) Chapter vacancies in the CalCPA Council, determined by the application of the above rules, shall be filled in accordance with chapter bylaws and no later than May 1 of each year. Positions authorized but not filled by this process, and subsequent vacancies in the year, shall be filled by appropriate chapter nomination in accordance with chapter bylaws and a vote of the Council at any regular meeting.

(b) Six CalCPA Council members elected at large for staggered two-year terms by the members of CalCPA without regard to the chapter to which they belong, but with considerations for achieving diversity.

(c) The following officers of CalCPA Council shall automatically serve on the CalCPA Council so long as they serve in such position: chair of the CalCPA Council, first vice-chair, the four vice-chairs and the secretary/treasurer.

(d) The immediate past chair of the CalCPA Council shall automatically serve on the CalCPA Council so long as he/she serves in such position.

(e) The president of the California Certified Public Accountants Education Foundation shall automatically serve on the CalCPA Council so long as he/she serves in such position.

(f) State committee and section chairs shall automatically serve on the CalCPA Council so long as they serve in such position, subject to a six consecutive years term limit as any state committee or section chair.

(g) The ten past chairs of the CalCPA Council who served most recently shall automatically serve on the CalCPA Council.

(h) All voting members of the CalCPA board shall also be members of the CalCPA Council.

(i) The Chief Executive Officer (CEO) of CalCPA shall serve as a non-voting member of Council.

(2) Non-voting Invited Guests. Non-voting invited guests at each regular CalCPA Council meeting shall be past chairs of the CalCPA Council who do not serve on the CalCPA Council, members of AICPA Council, speakers, active task force chairs, presenters and others who shall be invited to attend CalCPA Council meetings from time to time. Such invited guest shall not be eligible to vote but may be permitted to speak and participate in the CalCPA Council meetings they attend.

(3) Service. No CalCPA Council members except for officers, past chairs of the CalCPA Council and state committee or section chairs may serve more than six consecutive years without at least a 365 consecutive days break in service. Service for more than 6 months in a term shall constitute a full year. (Effective July 2001)

(4) Vacancy. If a vacancy occurs due to death, resignation or removal of a CalCPA Council member, or for any other reason, the CalCPA Council shall appoint a member of CalCPA to fill the vacancy for the unexpired term; provided, however, that if the CalCPA Council position vacated is that of a voting member who holds office pursuant to Section (1)(a) of this Article, then the member appointed to fill the vacancy shall be from the same chapter with respect to which such vacancy exists.

(5) Removal from Office. Any CalCPA Council member who holds office pursuant to Section (1)(a) of this Article and who has served two consecutive CalCPA Council meetings may be removed from office by his or her chapter in accordance with procedures determined by CalCPA Council. Any CalCPA Council member who holds office pursuant to Section (1)(b) of this Article and who has served two consecutive CalCPA Council meetings may be removed from office at any duly held CalCPA Council meeting, provided that the action is documented in the notice of the meeting. Removal of a CalCPA Council member requires an affirmative majority vote of the members of the CalCPA Council present at a duly held meeting (not counting for this purpose the member who is the subject of the removal vote).

(6) Responsibilities of Council. The responsibilities of the CalCPA Council shall focus on strategic planning and policy making on behalf of the membership. Specifically, the CalCPA Council:

(a) Shall have the authority to establish policies and procedures of CalCPA and to enact resolutions binding upon the CalCPA Board of Directors, officers, state committees, sections and staff.

(b) Shall determine the desired outcomes for the success of CalCPA, including strategic planning, annual budgeting and promoting CalCPA to the public.

(c) Shall carry out CalCPA’s mission in accordance with these bylaws.

(d) May delegate any of its responsibilities to the CalCPA Board of Directors except the appointment of a member to fill a vacancy on the CalCPA Council and except as may otherwise be provided by applicable law;

(e) Shall determine the role of the CEO; and

(f) Shall not alter, amend or rescind any resolution or motion duly adopted at any properly assembled meeting of the CalCPA membership in accordance with the bylaws.

(7) Conduct of Meetings.

(a) The CalCPA Council shall adopt rules and procedures for the conduct and transaction of its business at its meetings. A record shall be kept of all of the CalCPA Council meeting, in the form of minutes. The record of each meeting shall be available for inspection by any member of CalCPA at all reasonable times after it is compiled. The record of each CalCPA Council meeting shall also be posted to a CalCPA web site, which is available to all classes of membership of CalCPA only. The secretary/treasurer of CalCPA, or designee, of CalCPA shall timely distribute copies of the minutes of each CalCPA Council meeting to the members of the CalCPA Council.

(b) A majority of the members of CalCPA Council shall constitute a quorum for the transaction of the business of the CalCPA Council.

(c) A meeting may be adjourned and rescheduled to another time or place by vote of a majority of the CalCPA Council members present whether or not a quorum is present. If the postponement is for more than 24 hours, then notice of the new time or place shall be given to all members of the CalCPA Council, including those not present at the time of adjournment.

(d) Members of the CalCPA Council do not need to be physically present to participate in a meeting. The CalCPA Council shall establish rules for holding a duly noticed CalCPA Council meeting from site(s) remote from the main location. Members of the CalCPA Council may participate from a remote site in accordance with such rules shall constitute presence. However, the remote meeting site must minimally provide that all participants are able to hear one another. Since there are limitations inherent in tallying and verifying votes at a remote site, unless otherwise determined by the CalCPA Council, each remote site shall be staffed by a member of CalCPA Council or staff.

(e) The CalCPA Council shall hold at least two regular meetings each year.

(8) Call for Meetings. The chair of the CalCPA Council or 15 members of the CalCPA Council acting as one may call a meeting of the CalCPA Council. The time and place of the meeting shall be specified in the call, which time shall be seven days or more after the notice is given. Notice shall be given to all members of the CalCPA Council using a method established by the CalCPA Council. The CalCPA Council may fix the time and place of regular meetings, and such meetings may be held at the time and place so fixed without further notice or call.

(9) Written Opinion of Members. The CalCPA Council, at any meeting of the CalCPA Council, may request a written opinion of the members of CalCPA.
(a) The secretary/treasurer of CalCPA, or designee, shall have CalCPA staff prepare the canvas to be sent out to members using procedures for delivery and return of the canvas that have been established by the CalCPA Council.
(b) The results of the canvas shall not be binding on the CalCPA Council.

10. Removal. Council shall have the authority to remove any officer or member of the board by a two thirds vote of the Council. Such removal may occur at a duly held meeting of the Council.

ARTICLE VII—CALCPA BOARD OF DIRECTORS

1. Role and Responsibilities of the CalCPA Board of Directors. The CalCPA Board of Directors shall have a Board of Directors, but for the purposes of the Code and other applicable law, the CalCPA Board of Directors shall be deemed to be an executive committee of the CalCPA Council (rather than a “Board” within the meaning of Section 5038 of the Code). The CalCPA Board of Directors shall work at an operational level to carry out the strategies and policies set by the CalCPA Council and the membership. Specifically, and except for those matters that are exclusively reserved to the CalCPA Council as a “Board” within the meaning of Section 5038 of the Code, the CalCPA Board of Directors:
(a) Shall direct the activities of CalCPA;
(b) Shall act as the Executive Committee of the CalCPA Council and shall take whatever action it deems desirable, including the establishment of procedures to implement the policies set by Council relating to the conduct of the affairs of CalCPA, consistent with the provisions of these bylaws, motions and resolutions of the membership, or actions of the CalCPA Council;
(c) Shall supervise the financial management of CalCPA and ensure accountability, including the responsibility for the hiring, firing, compensation and review of the CEO;
(d) Shall ensure appropriate communication, notice, and working relationships with the CalCPA Council;
(e) Shall assist with the work of the CalCPA Council and its work groups (i.e., committees and task forces);
(f) Shall report the actions of the CalCPA Board of Directors to the CalCPA Council at the regular meetings of the CalCPA Council; and
(g) Shall have the authority to delegate decision making to the chair of the CalCPA Council, first vice-chair of CalCPA Council, immediate past chair of the CalCPA Council, the secretary/treasurer and the CEO, in the event of a situation that may arise from time to time and require immediate attention or action on decisions between regularly scheduled meetings of the CalCPA Board of Directors.

2. Conduct of Meetings. The CalCPA Board of Directors shall meet at least three times per year.
(a) The CalCPA Board of Directors may fix the time and place of regular meetings, which may be held at the time and place so fixed without further notice or call. The CalCPA Board of Directors may call a special meeting as required from time to time. Notice of regular or special meetings of the CalCPA Board of Directors shall be given at least four days’ notice by mail, or 48 hours delivered personally, by telephone, fax or e-mail.
(b) Meetings shall be held in person or as established by the CalCPA Board of Directors as long as proper notice has been given. The CalCPA Board shall establish rules for holding a duly noticed CalCPA Board meeting. Members of the CalCPA Board participating from a remote site in accordance with such rules shall constitute presence.

3. Quorum. At any meeting of the CalCPA Board of Directors, the presence of the majority of members of the CalCPA Board of Directors shall constitute a quorum.

4. Composition of the CalCPA Board of Directors. The CalCPA Board of Directors shall have not less than 8 and no more than 15 members.
(a) Members of the CalCPA Board of Directors shall be:
(1) Chair of the CalCPA Council;
(2) First vice-chair of the CalCPA Council;
(3) Four vice-chairs who serve for staggered two-year terms;
(4) Secretary/treasurer;
(5) Immediate past chair of the CalCPA Board;
(6) President of the California Certified Public Accountants California Certified Public Accountants Education Foundation;
(7) Four representatives from the CalCPA Council who shall be nominated and elected by CalCPA Council to the CalCPA Board of Directors for staggered two-year terms;
(8) Two at-large representatives from the membership appointed by the chair of the CalCPA Board for staggered two-year terms and such representatives also shall serve on the CalCPA Council according to Article VI, Section 1(h).
(b) The CEO shall serve as a non-voting member of the CalCPA Board.

5. Removal of a Member of the CalCPA Board of Directors from Office. The CalCPA Board of Directors shall have the authority to remove any director who holds such positions pursuant to Section (4) (a)(8) of this Article. Such removal of a director requires an affirmative majority vote of the directors present and voting at a duly held meeting (not counting for this purpose the director who is the subject of the removal vote).

ARTICLE VIII—OFFICERS

1. Officers. The officers of CalCPA shall be the chair of the CalCPA Council, the first vice-chair of the CalCPA Council, four vice-chairs of the CalCPA Council and a secretary/treasurer all of whom shall be CPA members of CalCPA. No person shall hold more than one office at a time. No trustee of the California Certified Public Accountants—California Certified Public Accountants Education Foundation shall be eligible to concurrently serve as a CalCPA officer, nor as a member of the CalCPA Board of Directors, with the exception of the chair of the CalCPA Council and the president of the California Certified Public Accountants—California Certified Public Accountants Education Foundation Board of Trustees.

2. Election. The officers with the exception of the continuing vice-chairs, shall be elected at the Annual Meeting of the membership of CalCPA except as provided for in Article XIII, (b), in each year concurrently with the election of the at-large members of the CalCPA Council and shall hold office until the next Annual Meeting of the membership, or until the election and qualification of their respective successors. Vice-chairs shall hold office for two years and shall have staggered terms, with two vice-chairs being nominated and elected each year at the Annual Meeting of the membership.

3. Vacancy. If any vacancy shall occur in an office by reason of death, resignation, removal, or for any other reason, the chair of CalCPA shall appoint a replacement, subject to approval by the CalCPA Board, to fill the vacancy until the next Annual Meeting of the membership.

4. Duties of the Chair of the CalCPA Council. In addition to the duties and prerogatives prescribed elsewhere in these bylaws, the chair of the CalCPA Council:
(a) Shall preside at all meetings of CalCPA, CalCPA Council, and the CalCPA Board;
(b) Shall enforce the bylaws of CalCPA;
(c) Shall be a member “ex officio” of every committee except the Audit Committee and the Nominations Committee;
(d) May conduct such correspondence as the chair of the CalCPA Council considered to be in the best interests of CalCPA; and
(e) Shall perform all executive and other duties ordinarily appertaining to the office of chair of the CalCPA Council.

4. Absence of Chair of the CalCPA Council. In the event of the absence, disability or refusal of the chair of the CalCPA Council to act, the first vice-chair of the CalCPA Council shall act in the chair of the CalCPA Council’s stead. In the further event of the absence, disability or refusal of the chair of the CalCPA Council and the first vice-chair of the CalCPA Council to act, the CalCPA Council shall designate one of the other vice-chairs to act. In the further event of the absence, disability or refusal of the chair of the CalCPA Council, the first vice-chair of the CalCPA Council and any of the vice-chairs of the CalCPA Board to preside at any meeting, the members of the CalCPA Council shall select one of its members to preside.

5. Duties of First Vice-Chair. Pursuant to paragraph 5 above, the first vice-chair shall take the chair’s place and perform the chair’s duties, in the event the chair is unable to serve. The first vice-chair shall also spend the term as first vice-chair learning the role and function of the chair and shall perform other duties as assigned by the chair.

6. Duties of Secretary/Treasurer. The secretary/treasurer shall be responsible for:
(a) Giving required notice of all meetings of CalCPA members and of the CalCPA Council and the CalCPA Board of Directors;
(b) Keeping a record of the proceedings held at all such meetings to be made and of all matters of which a record shall be ordered;
(c) Keeping custody of the corporate seal and affixing the seal to papers and documents when required.

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BYLAWS

ARTICLE I—SEAL
(1) Form. The seal shall consist of a circular die, with two concentric circles, between which shall be the words “California Society of Certified Public Accountants,” and in the center of the die, the words “Incorporated September 27, 1909.”

ARTICLE X—BUDGET
(1) Annual Budget. The CalCPA Board of Directors, with the assistance of the chief executive officer no later than May 1, the first day of the first fiscal year in each year, shall prepare for the approval and adoption by CalCPA an annual budget, including budgets from each chapter, showing all amounts to be appropriated for the purposes of CalCPA and estimating all revenues for the current fiscal year. The CalCPA Board of Directors may amend the budget from time to time during the year, subject to approval and adoption by the CalCPA Council. Unexpended appropriations shall lapse at the end of each fiscal year and shall not be carried forward.

ARTICLE XI—AMENDMENTS
(1) Proposals for Amendments by CPA Members. Every proposal by CPA members to adopt, amend or rescind bylaws or the CalCPA Code of Professional Conduct shall be in writing and shall set forth the nature of the proposal. Such proposals shall be initiated, signed and presented to the secretary/treasurer of CalCPA, or designee, of CalCPA by 3% or more CPA members or by the CalCPA Council and may be voted upon at the Annual Meeting of the members or at special meeting of the CalCPA members or by ballot, as determined by the CalCPA Council.

(2) Voting on Amendments at Annual Meeting or Special Meeting. Unless the CalCPA Council orders a written ballot or by other means as established by rules set by the CalCPA Council, the secretary/treasurer of CalCPA, or designee, shall include in the call of the Annual Meeting or a special meeting of CalCPA members all properly presented proposals by CalCPA members to adopt, amend or rescind bylaws or the CalCPA Code of Professional Conduct.

A majority affirmative vote of the CalCPA members voting at such Annual Meeting or the membership or special meeting is required to adopt, amend or rescind bylaws or the CalCPA Code of Professional Conduct.

(3) Voting on Amendments by Ballot. When the CalCPA Council orders a written ballot or a ballot by other means as established by rules set by the CalCPA Council, the secretary/treasurer of CalCPA, or designee, shall forthwith submit the proposal to CalCPA members in such manner. Approval by ballot shall be valid only when the number of votes cast by ballot within the time specified by the CalCPA Council, which shall not be less than 30 days after the date the ballot is submitted to members, equals or exceeds 10% of CPA members, and the number of approvals constitutes a majority affirmative vote of the votes cast by ballot.

(4) Amendment by CalCPA Council. Except to the extent CPA member approval is required pursuant to Section 7150 of the California Corporations Code, bylaws and the CalCPA Code of Professional Conduct may be adopted, amended, or repealed by the CalCPA Council without member approval.

ARTICLE XII—COMMITTEES AND SECTIONS OF CALCPA
(1) State Committees and Sections. The members of CalCPA at any time, or the CalCPA Council, or the chair of the CalCPA Council, may designate such committees and sections as may seem desirable from time to time to create and carry out the purposes of CalCPA. They or the chair of the CalCPA Council may specify the number of members to compose each committee and sections and the duties thereof.

(2) Appointments by First-Plus Incoming Chair of the CalCPA Council. The incoming chair of the CalCPA Council shall annually designate the personnel of every committee, except the Audit Committee, see Article XIII, the Nominations Committee, see Article XIV, Section (3), and the CalCPA Board of Directors, see Article VII, Section (4), and at the time of appointment of a committee shall designate the chair of the committee. The chair of the CalCPA Council shall be a member “ex-officio” of every committee except the Audit Committee and Nominations Committee.

(a) The incoming chair of the CalCPA Council shall be the person nominated to serve as chair by the Nominations Committee pursuant to Article XIV (1)(b) for the coming fiscal year.

ARTICLE XIII—AUDIT COMMITTEE AND AUDITORS
(1) Appointment of Audit Committee. The CalCPA Council will annually appoint an audit committee. The appointment shall occur at the first meeting of the council year.

(2) Composition. The audit committee may include persons who are not members of the CalCPA Council. The audit committee cannot include staff members, the chair, secretary/treasurer, CEO, or CFO of the organization.

Members of the finance committee may serve on the audit committee, but cannot comprise 50 percent or more of the audit committee.

(3) Auditors. The audit committee, under the supervision of CalCPA Council, is responsible for making recommendations to the council on the hiring and firing of independent certified public accountants (CPAs). The audit committee can negotiate the independent CPAs’ compensation. The Audit Committee shall recommend and the CalCPA Council shall appoint the auditors.

The auditors shall have access to the books and records of the secretary/treasurer, or designee, at all reasonable times and to meet each year. They shall render an opinion on the financial statements included in the annual report of the treasurer and shall furnish one copy each thereof to the officers. Facsimiles of such financial statements and the auditors’ opinion shall be distributed to the membership annually.

(4) The audit committee must:
(a) Confer with the auditor to satisfy committee members that the financial affairs of CalCPA are in order;
(b) Review the audit and decide whether to accept it;
(c) Approve non-audit services by the auditors, and ensure such services conform to standards in the Yellow Book issued by the U.S. Comptroller General.

ARTICLE XIV—NOMINATIONS COMMITTEE
(1) Responsibilities of the Nominations Committee. The responsibilities of the Nominations Committee shall be to:
(a) Collect and process the candidate applications for officers of CalCPA and at-large members of the CalCPA Council;
(b) Nominate officers and at-large members of the CalCPA Council by either of the following methods, as determined by the Nominations Committee:

(1) An affirmative vote of at least a majority of the members of the Nominations Committee at a meeting at which a quorum is present;
(2) An affirmative vote by ballot at least a majority of the members of the Nominations Committee, who vote by ballot, provided that the number of votes cast by ballot within the time specified by the Nominations Committee equals or exceeds three-fourths of the number of members of the Nominations Committee.

Three-fourths of the Nominations Committee shall constitute a quorum. The report of the Nominations Committee shall be filed with the secretary/treasurer of CalCPA, or designee, not later than April 1, in each year, the first day of the last month of each fiscal year.
(d) Five at large members of the CalCPA Council who shall be elected by the CalCPA Council and shall serve staggered two years terms.

(e) Those not eligible to serve on the Nominations Committee are: elected officers, appointed Board members, and candidates for CalCPA officer or Council at large positions.

(f) Term Limit. Members of the Nominations Committee, with the exception of those serving in an ex-officio capacity as identified in item (3) (a) & (b) of this article, may not serve more than 4 consecutive years, without a 365-day break in service.

(g) Pursuant to Article XIV of these bylaws, shall the post-chair of the CalCPA Council serve until the first month of the fiscal year in which he or she is no longer post-chair of the CalCPA Council.

4 Consent. The consent of nominees proposed by the Nominations Committee or by other members, as provided herein, shall be obtained before the forwarding of such nomination to the secretary/treasurer of CalCPA, or designee.

5 Close of Nominations. Notice of nominations for officers and at-large members to the CalCPA Council shall close not later than the first day of the first month of the fiscal year. In accordance with California Corporations Code 7522 (d), if after the close of nominations the number of nominees is not more than the number of positions to be elected, CalCPA may without further action, declare that those nominated and qualified to be elected have been elected.

6 Notice. Notice of nominations for officers and at large members to the CalCPA Council shall be made by the Nominations Committee and filed with the secretary/treasurer of CalCPA, or designee, and shall be provided to members of CalCPA, under rules established by the CalCPA Council, not later than the fifteenth day of the first month of the fiscal year.

7 Nominations by Members. One hundred or more CPA members may nominate a candidate for officer or at large member to CalCPA Council. Such nominations must be filed with the secretary/treasurer of CalCPA, or designee, not later than the first day of the first month of the fiscal year, the close of nominations.

8 Secretary/Treasurer’s Report. In the event that there are nominees in addition to those nominated by the Nominations Committee, the secretary/treasurer of CalCPA, or designee, shall send to the members a report containing the names of all nominees, whether nominated by the Nominations Committee or otherwise. Such report shall be given not later than 15 days before the Annual Meeting of the membership.

9 Election of Petition Nominees. If a petition nominee is presented for a director or at-large member of the CalCPA Council, the election shall occur at the CalCPA Annual Membership Meeting of the membership.

ARTICLE XV - APPOINTMENT AND NOMINATION OF AICPA REPRESENTATIVES

1 Representatives. The bylaws of the AICPA provide for representation of CalCPA and AICPA members residing in California on AICPA Council. Those bylaws set forth the process for AICPA Council designations and nominations. To the extent that rights are granted by AICPA to CalCPA with respect to this process, this article shall govern the exercise of such rights.

(a) State Society Representative to AICPA Council. The AICPA bylaws provide that the executive director of state societies (CEO of CalCPA) will be requested to provide the name of their designated representative to AICPA Council. That representative will be the chair of CalCPA unless the chair is already serving as an AICPA Council member. If the chair of CalCPA is already serving on AICPA Council, the chair, after such consultation as the chair deems appropriate, shall provide the name of an eligible CalCPA member as the AICPA representative.

(b) California AICPA Member Positions on AICPA Council. The AICPA bylaws provide for the process by which societies of certified public accountants in each state are to provide the names of suggested candidates to fill AICPA Council vacancies that may arise in the coming year. Nominations from CalCPA shall be administered by the CalCPA Nominations Committee utilizing the same process used for nomination of at large members of CalCPA Council. Nominations from the CalCPA Nominations Committee shall be provided to the AICPA without further CalCPA review.

1 Applicant not a Member of CalCPA. If an applicant is an AICPA member, but not a CalCPA member, the Nominations Committee shall expand its process to incorporate the applicant, using measures they deem appropriate.

ARTICLE XVI—MISCELLANEOUS

1 Parliamentary Procedure. The rules contained in the current edition of “Robert’s Rules of Order Newly Revised” shall govern CalCPA in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order CalCPA may adopt.

2 Location of Offices. The offices of CalCPA shall be maintained at such location or locations as the CalCPA Council may designate from time to time.

3 Right of Indemnity. To the full extent permitted by law, CalCPA shall indemnify its members of the CalCPA Council, members of the CalCPA Board of Directors, officers, employees, and other persons described in Subsection 7237 (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 these bylaws, shall have the same meaning as in Subsection 7237 (a) of the California Corporations Code.

4 Approval of Indemnity. Upon written request to the CalCPA Board of Directors by any person seeking indemnity under Subsection 7237 (b) or (c) of the California Corporations Code, the CalCPA Board of Directors shall promptly determine whether such person has met the applicable standards of conduct set forth in such subsections.

5 Advancement of Expenses. To the full extent permitted by law, and except as shall otherwise be determined by the CalCPA Board of Directors 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 CalCPA 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 CalCPA therefore.

6 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 CalCPA’s Articles of Incorporation, these bylaws, any contract, any vote of CPA members or directors, or under the laws of the state of California.