

Bylaws
Accounting Education Foundation
of the Texas Society of Certified Public Accountants, Inc.

APPROVED BY:
Members of the Accounting Education
Foundation of the Texas Society of
Certified Public Accountants, Inc.

EFFECTIVE DATE:
January 28, 2009

ARTICLE I – NAME, PURPOSE AND SEAL

- (a) The name of this corporation shall be ACCOUNTING EDUCATION FOUNDATION OF THE TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS, INC.
- (b) The corporation is organized and shall be operated exclusively for charitable purposes (which shall be deemed to include religious, charitable, scientific, literary or educational purposes, within the meaning of those terms as used in section 501(c)(3) of the Internal Revenue code of 1986 or the corresponding provisions of any subsequent federal tax law and under the laws of the State of Texas).

The purposes of the corporation shall be to aid, promote, develop and advance education and research relating to the study, teaching and practice of accountancy and allied fields; to make donations, gifts and contributions out of the annual net income or assets of the corporation to organizations, foundations, institutions, projects or individuals in the State of Texas for educational purposes relating to the field of accountancy and allied fields for the improvement of education or for the advancement of educational standards in accounting and allied fields; to provide financial assistance to students; to initiate, promote, encourage, assist, finance, fundraise, administer and execute such programs and projects as may be desirable for the effective realization of the objectives and purposes herein set forth and the accomplishment thereof; to accept money and funds of every kind by gift, grant, bequest or otherwise; to sell, trade, or exchange property coming into its possession for the best advantage in order to effectuate the purposes of the corporation, and for the purchase of and payment for property acquired for any of the objectives or purposes of this corporation or in relationship to the handling of any part of its activities. In furtherance of its purposes as aforesaid, the corporation shall have all of the powers enumerated in Article 2.02 of the Texas Non-Profit Corporation Act.

Notwithstanding any other provision of these Bylaws or in the Articles of Incorporation, the corporation shall neither have or exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status as a

corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

- (c) The seal of the corporation shall be circular in form and shall contain the name of the corporation.
- (d) The funds received and accumulated by the corporation shall be limited to use in the State of Texas, unless specified to the contrary by the contributor thereof, in which case, such funds specified to be used in any other jurisdiction will be segregated in the accounts of the corporation during the term designated by the contributor.

ARTICLE II – MEMBERS

- (a) The corporation shall have two classes of members, voting members and honorary members. Voting members shall have all voting rights and privileges provided to members of a non-profit corporation under applicable law, including the right to elect all trustees. The voting members of the corporation are the members of the Board of Directors of the Texas Society of Certified Public Accountants, Inc. (“Society”) and the members of the Board of Trustees of the corporation, in each case as such bodies may be constituted from time to time. In no event shall the number of members be less than three. All rights, powers, privileges, obligations and duties of a member of the corporation shall cease upon the termination of his/her membership by death, resignation, or otherwise.
- (b) Honorary members shall be appointed by the Board of Trustees of this corporation and shall have no voting rights .

ARTICLE III – BOARD OF TRUSTEES

- (a) The governing body of this corporation shall be its Board of Trustees, which shall have general charge and control of the affairs, funds and property of the corporation and shall carry out the purposes of the corporation in accordance with these *Bylaws*. The responsibilities of the Board of Trustees shall include, but not be limited to, the determination of need for funds, the development of budgets and projects within the purposes of the corporation as set forth in Article I (b) of these *Bylaws*, and the determination of the priority of such projects.
- (b) The Society, through its Executive Board, shall be requested by the Board of Trustees from time to time to designate the appropriate group to be responsible for special or continuing fundraising efforts on behalf of the corporation. Such Executive Board shall exercise the final approval of any and all policy decisions which might require coordination through or action by the Society or its members.

- (c) The Board of Trustees shall consist of eighteen (18) voting members, all of whom shall be Society members in good standing. Sixteen (16) trustees shall be elected by voting members of the corporation and shall serve, commencing with the adjournment of the annual meeting of the Board of Trustees, for a term of four years, with four such trustees' terms expiring May 31 of each year and their successors being elected during the annual meeting of members. The 17th trustee shall be the current chairman-elect of the Society or another current member of the Society's Executive Board if the chairman-elect so designates and shall serve a term of one year commencing June 1, after the annual meeting of members. The 18th trustee shall be appointed by the president of the corporation and shall serve a term of one year commencing June 1, after the annual meeting. From time to time, the number of trustees may not consist of eighteen members due to, but not limited to, officer appointments, trustee term overlaps or resignations. The President, or a designated trustee, shall notify the chairman of the Society and, as set forth in Article III (e), the Chairman will appoint an interim trustee.
- (d) Recommendations for nominations of the 18 voting members of the Board of Trustees shall be made by a committee consisting of the president of the corporation and the chairman and immediate past chairman of the Society. The immediate past chairman of the Society shall serve as chairman of this nominating committee.
- (e) Any vacancy on the Board of Trustees, other than one created by expiration of a term, shall be filled by interim appointment by the chairman of the Society within 30 days following the creation of the vacancy. An interim trustee so appointed shall serve until the end of the next annual meeting of the members of the corporation, at which time he shall be succeeded by a trustee elected by the members of the corporation at the annual meeting of members to serve for any unexpired term created by such vacancy.
- (f) Any elected member of the Board of Trustees may be removed for cause by a two-thirds vote of the full membership of the Board of Trustees or by a two-thirds vote of all the members of the corporation. Absence of any trustee from two consecutive meetings of the Board of Trustees may be deemed a tender of his/her resignation, which may be accepted by the president of the corporation, unless satisfactory reason for such absence is given.
- (g) In addition to the powers and authority expressly conferred by these *Bylaws*, the Board of Trustees shall exercise all such powers of the corporation and do all such acts and things as deemed proper which are not prohibited by law or by the articles of incorporation or the *Bylaws* of this corporation.
- (h) The Board of Trustees shall report annually to its membership.

ARTICLE IV – OFFICERS

- (a) The officers of this corporation shall be a president, a vice-president, a secretary-treasurer and an executive director. The president, vice-president and secretary-treasurer shall be elected from the membership of the Board of Trustees. The executive director shall be a member of the staff of the Society and shall be named by the Executive Board of the Society with the approval of the Board of Trustees.
- (b) The officers shall be elected for a one-year term annually at the first meeting of the incoming Board of Trustees prior to June 1 and after the annual meeting; and shall take office June 1 and serve until their successors are elected and qualified.
- (c) The resignation of an officer shall be tendered to the Board of Trustees. Officers may be removed for cause by a vote of at least two-thirds of the members of the Board of Trustees.
- (d) If a vacancy shall occur among the officers during the fiscal year by reason of death, resignation or otherwise, the Board of Trustees shall elect a member from the Board of Trustees to fill the vacancy until the next annual meeting.
- (e) The president shall be the chief executive officer. The president shall preside at all meetings of the members of the corporation and all meetings of the Board of Trustees and shall appoint all committees and perform all executive duties ordinarily pertaining to the office of president or delegated by the Board of Trustees. In addition to the aforementioned duties, the president shall be empowered to act on behalf of the Board of Trustees with respect to all financial transactions, and the signature of such officer shall be binding upon the entire corporation. In the event the president is temporarily unable or unwilling to act, the following shall act in the order named: the vice-president or a member of the Board of Trustees, as designated by the Board of Trustees.
- (f) The vice-president shall perform all executive and other duties pertaining to the office or delegated by the president or the Board of Trustees.
- (g) The secretary-treasurer of the corporation shall have the following duties: As secretary, the officer shall approve and sign the minutes of all meetings of the corporation and perform all other duties prescribed in these *Bylaws* or which may be delegated by the Board of Trustees. As treasurer, the officer shall: oversee all funds, accounts, and fiscal affairs of the corporation, subject to direction or review by the Board of Trustees; shall furnish such reports and statements as the Board of Trustees may direct; and shall review and sign all governmental reports.
- (h) The executive director shall cause a record of the proceedings at all meetings to be made and of all matters of which a record shall be ordered. The executive

director shall perform all other duties prescribed in these *Bylaws* or which may be delegated by the Board of Trustees.

ARTICLE V – MEETINGS, DATES, QUORUM

- (a) An annual meeting of members shall be held coincident with the last regularly scheduled meeting of each Board of Directors of the Society: a quorum shall be 50 members.
- (b) The president of the corporation or any four members of the Board of Trustees of the corporation shall have authority to call a special meeting of the members upon 30 days' notice to each member as defined in Article XII, which shall state the purpose of such meeting; a quorum shall be the members in attendance at the meeting, of whatever number, and a majority of those in attendance at such special meeting shall have full authority to act on behalf of the members.
- (c) The outgoing Board of Trustees shall hold its annual meeting coincident to or following the Midyear Board of Directors Meeting of the Society, but before June 1. A meeting of the incoming Board of Trustees shall convene for the purpose of electing officers for the coming year and transacting any other business that may come before the Board of Trustees.
- (d) Special meetings of the Board of Trustees may be called for a future time at any meeting of the Board of Trustees or may be called by the president or upon request of any four members of the Board of Trustees. Fifteen days' notice of any special meeting of the Board of Trustees shall be given to the Board of Trustees members, such notice stating the purpose or purposes of the special meeting.
- (e) At any meeting of the Board of Trustees, each trustee shall have one vote and the vote of a majority of those present and voting at any meeting shall be sufficient to take any action. A majority of the total number of members of the Board of Trustees will constitute a quorum.
- (f) Any formality or all formalities as to the notice of or conduct of any meeting of members or the Board of Trustees may be waived. Failure to object to the lack of such formalities shall constitute a waiver by each member of or trustee present at a meeting, and the members or trustees present at a meeting may by majority vote to waive formalities as to the notice, time or place of a meeting, which waiver will be effective as to all members and trustees.

ARTICLE VI – DUES AND ASSESSMENTS

No dues or assessments of any kind shall ever be presented or paid by any member, trustee or officer.

ARTICLE VII – FISCAL YEAR

The fiscal year of the corporation shall coincide with the fiscal year of the Society.

ARTICLE VIII – BANK ACCOUNTS, DEPOSITORIES, TITLE TO PROPERTY AND DISBURSEMENTS

- (a) The Board of Trustees shall have power to name depositories of funds of the corporation and for the safekeeping of valuable instruments and to designate in whose name title to any real or personal property may be taken as trustee or otherwise.
- (b) The executive director shall prepare an annual administrative budget which shall be submitted to the Executive Board of the Society for approval and to the Board of Trustees for their information. Such administrative budget shall cover all funds expended by the Society on behalf of the corporation and show all amounts appropriated for the purposes of the corporation in accordance with the requirements indicated by the activities budget and an estimate of receipts for the current fiscal year. No expenditure shall be made in a fiscal year in excess of the limitations of the administrative budget for the year unless authorized or ratified by the Society through its Executive Board. Such authorization or ratification shall constitute an amendment to the administrative budget to that extent.
- (c) The corporation shall have an annual audit. The auditor shall be appointed by the Board of Directors of the Society.
- (d) Purchases, sales, exchanges or other financial transactions of the corporation shall be the responsibility of the Board of Trustees, except that the president shall be empowered to act on behalf of the Board of Trustees with respect to such transactions, and the signature of such officer shall be binding on the entire Board of Trustees. The Board of Trustees shall designate the person or persons to receive and disburse funds. Such person or persons shall be members of the Board of Trustees or a member of the staff of the Society authorized by the Board of Trustees and approved by the Executive Board of the Society.

ARTICLE IX – INDEMNIFICATION

- (a) The corporation shall indemnify any person who is or was a party or is or was threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a trustee or officer of the corporation or a member of any board, committee, subcommittee, or task force of

the corporation, against expenses, judgments, awards, fines, penalties and amounts paid in settlement actually and reasonably incurred by such person (with the prior consent of the corporation acting through its Board of Trustees by a two-thirds vote and concurrence of counsel which the corporation shall have retained to defend such person, as hereinafter provided) in connection with such action, suit or proceeding,

- (i) except with respect to matters as to which it is adjudged in any suit, action or proceeding that such person is liable to the corporation by reason of the fact that such person has been found guilty of the commission of a crime or of gross negligence in the performance of his/her duties, it being understood that termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent (whether or not after trial) shall not, of itself, create a presumption or be deemed an adjudication that such person is liable to the corporation by reason of the commission of a crime or gross negligence in the performance of his duties; and
 - (ii) provided that such person shall have given the corporation prompt notice of the threat or commencement (as appropriate) of any such action, suit or proceeding.
- (b) Upon notice from any such indemnified person that there is threatened or has been commenced any such action, suit or proceeding, the corporation:
- (i) shall defend such indemnified person through counsel selected by and paid for by the corporation and reasonably acceptable to such indemnified person, which counsel shall assume control of the defense; and
 - (ii) shall reimburse such indemnified person for expenses encompassed by the foregoing indemnity in advance of the final disposition of any such action, suit or proceeding, provided that the indemnified person shall agree to repay to the corporation all amounts so reimbursed if a court of competent jurisdiction finally determines that such indemnified person is liable to the corporation by reason of the fact that such indemnified person has been found guilty of the commission of a crime or of gross negligence in the performance of his/her duties.
- (c) The foregoing provisions shall be in addition to any and all rights which the persons specified above may otherwise have at any time to indemnification from and/or reimbursement by the corporation.

ARTICLE X – AMENDMENTS

- (a) A proposal to amend the *Bylaws* of this corporation shall be initiated by the Board of Trustees or by a petition signed by 50 members filed with the executive

director. At least 10 days prior to the annual meeting or any special meeting called for that purpose, the executive director shall notify the members in writing of all proposals to amend the *Bylaws*.

- (b) All proposals to amend the *Bylaws* that have been duly noticed shall be presented for a vote of the members at the annual meeting or any special meeting called for that purpose and, if approved by a two-thirds vote of the members present, shall be adopted.

ARTICLE XI – INTERPRETATIONS

In the event of a lack of clarity, the Board of Trustees shall interpret these *Bylaws*.

ARTICLE XII – NOTICE

Notice, when required, may be mailed or otherwise disseminated in whatever manner and form the Board of Trustees designates as being reasonably effective to convey notice, including by electronic means or by inclusion in Society publications.