



BYLAWS CHANGES

Notice of upcoming vote on proposed changes sent to voting members:

February 1, 2023

To be presented for a vote of the TXCPA Members:

March 6 – April 6, 2023

Volunteer Group(s) Responsible:

Governance Committee

Governance Committee:

Stephen Parker, Houston, Chair

Allyson Baumeister, Fort Worth

Christi Mondrik, Austin

Jim Oliver, San Antonio

Angela Ragan, Central Texas

Bill Schneider, Dallas

Jerry Spence, Corpus Christi

Lei Testa, Fort Worth

Strategic Plan Goal and Objective:

Goal One: Organize the Society's governance and chapter affiliations to design an adaptable and unified structure that will act as a catalyst for growth and strengthening operations.

Objective Three: Clarify the fiduciary and advisory roles and responsibilities between the Executive Board and Board of Directors to enable governance to be adaptive and proactive.

[View all TXCPA Strategic Plan goals and objectives.](#)

Background:

TXCPA's Strategic Plan was developed in 2020 with feedback and input from various stakeholders, and then approved by the Executive Board with implementation beginning in 2020-2021. Included in the Strategic Plan is a goal focused on organizational structure, with the intent of evolving TXCPA's structure to allow the association to be agile, adaptable, and responsive to member needs. Specifically, the plan detailed an objective to clarify the roles and responsibilities between the Executive Board and Board of Directors.

The Governance Committee led the work involved in exploring governance structure best practices in associations and recommending changes to TXCPA's structure to meet the objectives and goals outlined in the Strategic Plan.

For more than a year, the committee spent significant time researching, discussing, and analyzing TXCPA's current structure and identifying the opportunities to evolve to better serve our members and the profession. Preliminary proposals were shared with the Board of Directors and



Executive Board for their review and input, and a final draft of the proposal was presented to the Executive Board, Board of Directors, and Chapter Leaders in November. The final proposal was approved by the Board of Directors at the January 25, 2023 Board of Directors Meeting.

Proposed Changes:

- Expand the current Executive Board to 15-20 members and have it serve as the fiduciary board of the organization and renamed the Board of Directors.
- Rename the current Board of Directors to Leadership Council.
- Create a Nominations and Board Development Committee designed to develop and foster a diverse leadership pipeline for the Society. Responsible for nominations of officers, Board of Directors, and Nominations Committee at-large members.
- Change the existing Nominations Committee to a Nominations Council. Responsible for nominations for Leadership Council at large members, Nominations Council at large members, and AICPA Council Members.
- Nominations will continue to be solicited from all members, and members will retain the voting rights to approve all nominations slates.

The composition of the Board of Directors in the Articles of Incorporation will need to be amended to align with the updated Bylaws. The current AOI states that the Board of Directors shall not be less than 25. This language will be amended to state not less than 15 and not more than 25.

View the [Proposed Bylaws Changes](#)

View the [amendment to Articles of Incorporation](#)

Summary of Bylaws changes

General Changes

- Replaced Executive Board with Board of Directors where appropriate.
- Language was added for Board of Directors and Officers to clearly outline that these members are elected by TXCPA members.

Article I – Purpose

- Language stating TXCPA is a 501c6 nonprofit Corporation.

Article II – Membership

- Removed mention of requirement for student/candidate member dues prescribed by Executive Board. *All Member dues are addressed in Article XI.*
- Updated nomination of distinguished fellows and honorary members to Awards Committee with approval by Leadership Council.



Article III – Disciplinary actions and Termination of Membership

- Added language to give Board the authority to suspend, expel, place on probation, reprimand or address membership status if a U.S. or state regulatory authority has taken action against a member's license.
 - o Notwithstanding Article III or any provision of these *Bylaws*, the Board of Directors shall have the authority to suspend, expel, place on probation, reprimand, or otherwise address membership status when a U.S. or state regulatory authority has taken an action relating to the member's license to practice accountancy or placed a limitation on practice and the facts of the member's case may harm or damage the public's confidence in the profession or TXCPA.

Article V – Board of Directors

- Composition
 - o The Board of Directors shall consist of not less than 15 and not more than 20 directors. The number of directors shall be set from time to time by the Board of Directors in a manner not inconsistent with the Corporation's Articles of Incorporation, these *Bylaws*, and the General Laws of Texas.
- Terms
 - o Directors shall serve for a term of 3 years, with a limit of 2 consecutive terms. One full year must lapse after 2 consecutive terms before a board member shall be eligible for reelection.
- Vacancies
 - o Vacancies, however created, among the directors may be filled by the Board of Directors with input from Nominations and Board Development Committee for the remainder of the unexpired term.
- Meetings
 - o The chair designates time, place and agenda of meetings. Written notice stating purpose shall be furnished at least 5 days in advance
 - o Majority constitutes a quorum and a majority vote of directors present and voting shall constitute a vote of the Board of Directors.

Article VI – Officers

- Terms
 - o Officers shall serve a term of 1 year or until their successor is duly elected or until they resign, die, or are removed from office.
 - o The chair shall serve as immediate past chair on the Board of Directors for a term of 1 year following term as chair.
- Clarified chair role



- The chair shall serve as chair of the Board of Directors, Executive Committee and Leadership Council and shall preside at all meetings of the membership, the Board of Directors, the Executive Committee and the Leadership Council.

Article VII – Executive Committee

- Composition
 - The Executive Committee shall consist of the chair, chair-elect, treasurer and secretary.

Article VIII – Leadership Council

- The Leadership Council (the “Council”) will provide strategic insight and feedback to support the viability, value, and relevance of TXCPA.
- The Council shall consist of the following members:
 - Chair of the Board of Directors who shall serve as chair of the Council
 - All past TXCPA volunteer presidents and chairs may serve at their own election and shall hold a valid, unrevoked and unexpired license
 - The members of the Board of Directors
 - The president of each chapter
 - 45 members-at-large
 - One extra member elected by each chapter for each complete unit of 200 CPA members with a minimum of one per chapter
 - Chair of TXCPA’s Strategic Planning Committee
 - Chair of the Accounting Education Foundation
- Members-at-large shall be elected by TXCPA members for a term of 3 years and should not serve more than 3 consecutive terms of 3 years. One full year must lapse before member is eligible for reelection as a member-at-large.
- Chapter-elected members shall have a term not to exceed 3 years and may not serve more than 9 consecutive years as a chapter-elected member. One full year must lapse before member is eligible for reelection as a chapter-elected member.
- Vacancies
 - Vacancies of at-large members filled by Board of Directors with input from Nominations Council for the remainder of the unexpired term.
 - A vacancy among the extra members elected by chapters shall be filled for the unexpired term by action of the respective chapter.
- Meetings



- The chair shall designate the time, place and agenda for meetings. Written notice stating the purpose shall be given at least 5 days in advance.
- A majority constitutes a quorum and a majority vote of the Council members present and voting shall constitute a vote of the Council.
- Nominations Council
 - There shall be a Nominations Council responsible for selecting nominees for the members-at-large of the Leadership Council and Nominations Council.
 - The Nominations Council shall include:
 - The immediate past chair of the Board of Directors who shall serve as chair
 - Nominations and Board Development Committee members
 - 8 members-at-large
 - Members-at-large of the Nominations Council shall be elected by TXCPA members for a term of one (1) year. Nominees shall be selected by the Nominations Council from candidates submitted by chapters and the general membership.
 - At least 5 members of the Nominations Council shall come from chapters other than Houston, Dallas, Fort Worth, Austin and San Antonio

Article IX – Trial Board and Committees

- The Nominations and Board Development Committee is responsible for nominating candidates for Board of Directors, officers, and members of the Nominations and Board Development Committee. The Nominations and Board Development Committee shall include:
 - The immediate past chair of Board of Directors who shall serve as chair of the committee
 - The chair-elect of the Board of Directors
 - 2 additional members of the Board of Directors
 - 3 at-large members
- The two (2) Board of Director positions shall be appointed by the Board of Directors.
- Members-at-large shall be elected by TXCPA members. Nominees for the at-large positions shall be selected by the Nominations and Board Development Committee from candidates submitted by chapters and the general membership.
- Board of Directors and at-large members of the Nominations and Board Development Committee may serve up to three consecutive terms of 1 year.
- Vacancies
 - If any vacancy shall occur on the Nominations and Board Development Committee, the Board of Directors shall appoint a member to fill the vacancy.



- Finance Committee duties clarified
 - o review and recommend approval of the corporation's annual operating and capital budgets to the Board of Directors;
 - o monitor the financial performance of the corporation;
 - o ensure that the insurance policies where TXCPA is the insured are reviewed annually; and
 - o review and analyze the adequacy and effectiveness of internal controls and advise the CEO of potential enhancements.

Article XI – Meetings of Members

- Clarified section was in reference to member meetings

Article XII – Dues and Assessments

- Dues for CPA members recommended by Board and approved by Leadership Council
- All other affiliate dues determined by Board of Directors

Article XIX – Conflict of Interest

- Added language around the conflict of interest policy as recommended by legal counsel. (language currently only in the Volunteer Policies & Procedures manual).

Article XX – Amendments and Interpretations

- If a proposal to amend Bylaws is put forth by members or the Board of Directors, the proposal must be presented to the Leadership Council for review and recommendation prior to a vote being taken by the Board of Directors