



WASHINGTON SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

# **WSCPA**

## **Bylaws**

**Effective October 18, 2012**

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*As amended January 1991; May 1996; November 1998;  
June 2000; June 2001; June 2004; June 2008; October 2012*

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# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## BYLAWS

### ARTICLE I – NAME AND DESCRIPTION

**1.1 NAME.** The name of this organization shall be the Washington Society of Certified Public Accountants (“Society”).

**1.2 DESCRIPTION.** The Society is a voluntary association of Certified Public Accountants (“CPAs”) who work in business and industry, education, government, not-for-profit organizations, and public accounting.

**1.3 EFFECTIVE DATE OF THE OCTOBER 2012 AMENDMENTS TO BYLAWS.** The amendments to the Society’s Bylaws contained herein shall become effective on October 18, 2012.

### ARTICLE II – BOARD OF DIRECTORS AND OFFICERS

**2.1 DIRECTORS AND THEIR TENURE.** The Society shall be governed by a Board of Directors (“Board”). The Board shall consist of 14 to 20 Directors, as the Board may establish, that are elected from the Society at large to serve as Directors. If the Board changes the number of Directors, such change shall not become effective until the end of the term of any existing Director. The term of the Directors shall be three years with one-third of the Directors to be elected each year. No Director, however, shall serve more than two consecutive three-year terms, unless the Director is the Vice-Chair or Chair, in which case such Director’s term shall be extended and shall terminate at the same time such Director’s term as Immediate Past Chair terminates. In addition, the President & CEO (hereinafter defined) shall serve *ex officio* as a Director.

The Board shall have the authority to approve the nomination of persons who are not CPAs to serve as Directors. The Board shall not approve more than two non-CPAs as part of the slate of nominations for Director positions. The Board shall not have more than two non-CPA Directors serving on the Board at any time, exclusive of the President and Chief Executive Officer (“President & CEO”).

The Board shall have general charge and control of the affairs, funds, and property of the Society, and shall carry out the mission of the Society in accordance with these Bylaws. The Board may not alter, amend, or rescind any resolution or motion duly adopted at a meeting of the Regular Members.

**2.2 OFFICERS AND THEIR TENURE.** The Officers of the Society shall be a Chair, Vice President and Vice Chair, Secretary, Treasurer, President & CEO, and Immediate Past Chair. The Vice Chair shall serve as Vice President for statutory purposes. All Officers shall be Regular Members of the Society except the President & CEO. The President & CEO may or may not be a Regular Member of the Society depending upon if he or she is a CPA or a non-CPA. All Officers, including the President & CEO, shall be members of the Board of Directors. No person shall hold more than one office at a time. The term of office for each Officer

position, except that of the President & CEO, shall be one year, or until the election and qualification of his/her successor.

**2.3 CHAIR.** The Chair shall preside at all meetings of the members of the Society and Board provided for in these Bylaws, and shall perform all executive and other duties ordinarily pertaining to the office of the Chair or delegated by the Board. The Chair shall also be the chair of the Executive Committee and the Compensation Committee, and an “Ex Officio” nonvoting member of all other committees of the Board. If temporarily unable or unwilling to act, the Vice Chair shall act in the Chair’s absence. If neither the Chair nor Vice Chair is able to preside at a meeting, the Board shall select a Director to act as the presiding chair pro tempore.

**2.4 VICE CHAIR.** The Vice Chair shall assist the Chair in the discharge of such duties as the Chair may assign. The Vice Chair serves as Vice President for statutory purposes. The Vice Chair shall also act in the Chair’s absence or inability to serve, and with the guidance of the Chair, undertake such preparations to become the next Chair of the Society. At the end of the Vice Chair’s term of office, the Vice Chair shall become the Chair and shall perform all duties pertaining to the office of Chair.

**2.5 SECRETARY.** The Secretary shall attend all meetings of the members of the Society, the Board and the Executive Committee provided for in these Bylaws, and shall record the proceedings of such meetings. The Secretary shall give notice of all meetings requiring notice, have custody of the seal and affix the seal to documents when required, and shall perform all other duties ordinarily pertaining to the office of the Secretary or delegated by the Chair or the Board. If the Secretary is temporarily unable or unwilling to act at any meeting of the members, the Board or the Executive Committee, a Secretary pro tempore for the meeting shall be elected by a majority vote of those Board members present.

**2.6 TREASURER.** The Treasurer shall serve as the Chair of the Audit and Finance Committee of the Board, which Committee shall have oversight responsibilities of the finances, investments, and accounting functions of the Society. The Treasurer shall report to the Board in a manner and frequency designated by the Board, and shall perform all other duties ordinarily pertaining to the office of Treasurer or delegated by the Board or Chair. If the Treasurer is temporarily unable or unwilling to act, the Board members shall select another Board member to perform the duties of Treasurer.

**2.7 PRESIDENT & CEO.** The Board shall appoint a President & CEO, whose duties and tenure shall be determined by the Board. The President & CEO shall act in accordance with the general policies of the Board and shall be responsible for performing such duties and responsibilities as determined by the Board.

The contract for the President & CEO shall be negotiated by the Compensation Committee and shall set out the President & CEO’s duties, responsibilities, and compensation. The President & CEO shall be paid such compensation, including bonuses, as the Compensation Committee may decide as part of its negotiation of the President & CEO’s contract. The Chair shall execute the contract negotiated by the Compensation Committee with the President & CEO, effective at the same time as the Board appoints the President & CEO.

**2.8 IMMEDIATE PAST CHAIR.** At the end of the Chair's term of office, the Chair shall become the Immediate Past Chair and shall perform all executive and other duties ordinarily pertaining to the office of the Immediate Past Chair, or delegated by the Board. The Immediate Past Chair shall be the Chair of the Governance Committee.

**2.9 ELECTION OF DIRECTORS AND OFFICERS.** As provided in, or consistent with, Article VI of these Bylaws, the Governance Committee nominates the slate of candidates for Director positions, which nominees shall then be approved by the Board. The Board's Executive Committee nominates the slate of candidates for all Officer positions except the Chair, President & CEO, and Immediate Past Chair positions. The nominees for Board and Officer positions, (except the Chair, President & CEO, and Immediate Past Chair positions) shall be voted upon by the Regular and Honorary Life Members of the Society. The Officer positions (with the exception of the Chair, President & CEO, and Immediate Past Chair) shall be elected annually, concurrently with the election of Directors, and shall hold office until the next Annual Meeting or until the election and qualification of their successors. The President & CEO shall be appointed by the Board until, at the Board's discretion, the appointment is terminated or the President & CEO resigns.

**2.10 BOARD MEETINGS.** The Board shall adopt rules, procedures, and policies for the conduct of its meetings, including executive sessions, and record retention. The Board shall keep a record of all its meetings, except executive sessions. The record shall be available for inspection by any member of the Society at all reasonable times.

The Board shall meet a minimum of four times per year. The Chair or a majority of the Directors may call other meetings at such time and place as they may specify. The Chair, or the majority of the Directors seeking to call a meeting, must give at least five days' notice to the Directors stating the purpose of the meeting.

A majority of the Board members shall constitute a quorum of the Board. The Chair shall have the discretion to allow Board members to participate in a Board meeting by phone or video conference, and such participation shall constitute presence for purposes of determining a quorum. A majority vote of the Directors in attendance at any meeting of the Board shall be necessary on any question brought before it. Except, however, with respect to the censure, suspension, or expulsion of a Society member by a vote of the Board, a two-thirds vote of the entire Board shall be necessary. When suspension or termination of membership is automatic, a vote of the Board shall not be necessary.

**2.11 REMOVAL OR VACANCY.** The removal of any Director or Officer shall be by a two-thirds vote of the entire Board, provided such action shall not be taken unless notice of such action and vote has been included in the notice for the Board meeting. If a vacancy shall occur in a Board or Officer position by reason of death, resignation, or otherwise, the Board may either elect a member to fill the Board vacancy for the unexpired term or allow the position to remain vacant until the end of that position's term. If the Board decides to elect a member to fill the unexpired term of the Director or Officer position, it shall give notice of the Board meeting at which a member is to be elected to fill the vacancy. A two-thirds vote of the entire Board is required to elect a member to fill a vacancy. Provisions elsewhere contained in these Bylaws, with respect to nominations and elections, shall not be applicable to the election of a member to fill a Director or Officer vacancy.

Any Officer or Director may resign his or her position by tendering a written resignation to the Board. Resignations should be effective upon the Board's receipt of the Officer's or Director's written resignation.

**2.12 INDEMNIFICATION.** Officers or Directors shall be indemnified by the Society against all expenses they reasonably incur in connection with an action, suit, or proceeding to which they may be party defendants or with which they may be threatened by reason of their being or having been Directors or Officers of the Society or by reason of their having acted pursuant to a resolution of the Board, but Officers or Directors shall not be indemnified for any matter for which they are held liable for negligence or misconduct in the performance of their duties. The term "expenses" includes, but is not limited to, the amount paid in satisfaction of a judgment or in the settlement of a claim if the settlement is approved by a majority of the members of the Board of the Society other than those involved, or by a majority of the members of a committee of five or more members of the Society who are not Officers or Directors so involved, appointed by the Chair, subject to the approval of the Board. The right of indemnification under this article shall not exclude any other right to which Officers or Directors may be entitled or restrict the Society's right to indemnify or reimburse or not to indemnify or reimburse Officers or Directors in a proper case even though not specifically provided for herein.

## **ARTICLE III – MEMBERSHIP**

**3.1 CLASSES OF MEMBERSHIP.** The Society shall have the following classes of members: Regular, Student, Affiliate, and Honorary Life. The Board may also adopt sub-categories of these types of membership for its members and adopt policies governing the various types of memberships and their sub-categories, if any are adopted. As provided in Article II, Section 2.1 of these Bylaws, the Board may include no more than two non-CPA Directors, exclusive of the President & CEO if he or she is not a CPA, which non-CPA Directors are not members and do not fall within any of the types of membership.

**3.2 REGULAR MEMBERSHIP.** Any person holding a license or certificate from any State or Territorial possession of the United States as a Certified Public Accountant may apply to the Society for Regular Membership. The Board may adopt policies governing the rights, duties, and responsibilities associated with Regular Members.

**3.3 STUDENT MEMBERSHIP.** Any person who is eligible to sit for, or is actively pursuing, their CPA license or certificate may apply for Student Membership, and may continue as a Student Member until receipt of the CPA certificate or license. The Board may adopt policies governing duties and responsibilities associated with Student Membership.

**3.4 AFFILIATE MEMBERSHIP.** Affiliate Members may include a person who does not hold a CPA license or certificate and falls into one of the classes of persons associated with, or related to the practice of, accounting as set forth in policies adopted by the Board. In addition to establishing these classes of persons eligible for Affiliate Membership, the Board may also adopt policies governing duties and responsibilities associated with Affiliate Membership.

**3.5 HONORARY LIFE MEMBERSHIP.** An individual who has gained distinction by rendering valuable service to the profession or to the Society, or who for any reason may be deemed worthy, may be considered for Honorary Life Membership. The name of any

proposed Honorary Life Member shall be submitted by the Executive Committee to the Board for action at any of its meetings, and such action shall be final. The Board may adopt policies governing selection criteria and the rights, duties, and responsibilities associated with Honorary Life Membership. An Honorary Life Member shall have all the rights, duties, and privileges of a Regular Member.

**3.6 APPLICATION PROCEDURE.** Application for membership shall be submitted in a form prescribed by the Board or its designee and accompanied by dues for one year or prorated. Upon receipt of the application and dues, the individual shall become bound by these Bylaws, the Code of Professional Conduct of the AICPA, and all other rules and regulations of the Society, and is eligible for member benefits and privileges for his or her membership category. Investigation of the applicant shall be made by the President & CEO or his or her staff.

Applications for admission shall be recorded in the administrative offices of the Society and notice distributed to the Board and published electronically to the membership. The applicant shall upon receipt of the application become a member with full benefits and privileges for his or her membership category. Any written objection shall be reviewed by the Board and if the applicant is rejected by the Board, the dues submitted shall be promptly refunded.

An Affiliate Member, having fulfilled the necessary requirements of Article III, Section 3.2, shall automatically become a Regular Member without any increase in dues until the subsequent fiscal year because of having advanced to Regular Membership.

**3.7 CERTIFICATES.** A certificate of membership shall be in such form as the Board determines shall be issued to each member. The certificate shall be revoked or terminated if the membership is resigned, dropped for non-payment of dues, suspended, or terminated other than by death. Any members who have had their memberships revoked or terminated shall not display their certificates and shall not represent or otherwise hold themselves out to be members of the Society following the membership revocation or termination.

**3.8 TERMINATION.** If a member fails to pay any dues, assessments, or other indebtedness to the Society, notification of such delinquency shall be given to the member at his or her last known address, and collection of such delinquency and potential suspension or termination of membership shall be conducted in such manner as directed by the Board or its designee, except as provided in Article XI, Section 11.5.

**3.9 READMISSION.** A person whose membership has been terminated for non-payment of dues, assessments, or other indebtedness, or a person who resigns with dues or other indebtedness in arrears, may be reinstated by the Board, upon request of such person accompanied by tender of the amount of non-payment and/or a reinstatement fee as determined by the Board or its designee and compliance with the application provisions of Article III, Section 3.6.

## **ARTICLE IV – DUES, REINSTATEMENT FEES, AND ASSESSMENTS**

**4.1 MEMBERS.** The annual membership dues period shall be the Society's fiscal year and dues shall be paid for the succeeding year. Dues, reinstatement fees, and assessments shall be



established by the Board for all classes of memberships. The Board may, at its discretion, set different dues rates for different classes of membership or sub-categories of membership.

**4.2 HONORARY LIFE MEMBERS.** Honorary Life Members shall be exempt from any dues, reinstatement fees, or assessments.

**4.3 NEW MEMBERS.** Member dues of persons becoming members after June 1 shall be prorated as determined by Board policy. A new member shall not be liable for any assessment levied, pursuant to Section 4.6 of this Article IV, prior to the date of the new member's admission into membership.

**4.4 ADJUSTMENTS TO DUES FOR RESIGNATION, SUSPENSION, AND TERMINATION.** If any member submits a written resignation, and if the said resignation shall not have been accepted by the Board prior to the beginning of the next succeeding fiscal year, such member shall not be liable for any dues or assessments of the Society beginning with such succeeding fiscal year. If, however, after the commencement of such fiscal year the resignation is withdrawn, the dues and assessments shall become due and payable in the same manner as if the resignation had not been presented. This provision shall not be a waiver of any dues or assessments which have become due and payable in accordance with these Bylaws.

Any member resigning shall not be entitled to a refund of any dues paid except dues which may have been paid for a fiscal year succeeding the fiscal year period in which such resignation was presented.

**4.5 WAIVERS.** The Board or its designee may, within its discretion, order the waiver of any dues, reinstatement fees, assessments, or other indebtedness of any member owed to the Society for good cause shown.

**4.6 ASSESSMENTS.** The Society, by majority vote of the members present, may at any regular or special meeting of members assess each member of the Society, provided that in no one fiscal year shall the total assessments against a member exceed the amount of the member's annual dues. A new member shall not be liable for any assessment levied prior to the date of admission into membership.

If any member presents a written resignation prior to the time when an assessment has been levied, and if such resignation has not been acted upon by the Board, such member shall not be liable for the payment of such assessment. If any member has been suspended, such member shall not be liable for the payment of any assessment levied during the period of suspension.

## **ARTICLE V – MEETINGS OF MEMBERS**

**5.1 NUMBER, TIME, AND PLACE OF MEETINGS.** The Annual Meeting of the members shall be held each year within either thirty days before or within thirty days after the end of the Society's fiscal year, on such day, hour, and place as shall be determined by the Board. The Board Chair, at his or her discretion, may call a special meeting of the members for any purpose. A special meeting may also be called upon written request to the Secretary by no less than one percent (1%) of the Regular Members. The Chair shall designate the time and place for the holding of a special meeting.

The Chair shall have the discretion to allow members to participate in a regular Annual Meeting or a special meeting by phone or video conference, and such participation shall constitute presence for purposes of determining a quorum.

**5.2 AGENDA.** The business at the Annual Meeting of the members shall include the installation of Officers and Directors. If a majority of the Directors or one percent (1%) of the Regular Members petition for the inclusion of a matter on the agenda of a meeting, the matter shall be included on the agenda of the first meeting held after the date the petition is received.

**5.3 NOTICE OF MEETING.** Notice of all meetings of the Regular Members of the Society shall be communicated as prescribed by the Board to each member at least ten days prior to the date of such meeting. The Board's communication of such notice may include notice through the Society's periodic publication, its website, or other electronic transmission. The notice shall state the date, time, and place of the meeting and the business to be transacted.

**5.4 QUORUM.** A quorum shall be thirty (30) Regular Members for the transaction of business at any meeting of the members of the Society. Votes on motions or resolutions shall pass by a majority of the votes cast unless otherwise provided in these Bylaws, the Articles of Incorporation or Washington law.

**5.5 VOTING.** All Regular Members and Honorary Life Members of the Society shall be entitled to equal voting privileges. The Board may designate other membership classes as voting classes as a matter of Board policy. The Board may adopt policies establishing the voting classes and procedures.

## **ARTICLE VI – NOMINATIONS AND ELECTIONS**

**6.1 NOMINATIONS, CANDIDATES, AND PUBLICATION OF SLATE OF CANDIDATES.** The Governance Committee shall nominate and submit a slate of candidates for Director positions to the Secretary no later than the end of January. The Board shall approve the slate of candidates for Director positions that are nominated by the Governance Committee. The Board's Executive Committee shall nominate, for Board approval, the slate of candidates for all Officer positions except the Chair, President & CEO, and Immediate Past Chair positions.

The Secretary shall publish such nominations in the next issue of the Society's periodic publication, its website, or by other electronic transmission following receipt of the slate of Director candidates from the Governance Committee and approval by the Board, and receipt of the slate of candidates for Officer positions from the Board's Executive Committee and approval by the Board. The slate of candidates shall then be submitted to the members at the Annual Membership Meeting for a vote. The nominees for Board and Officer positions, except the Chair, President & CEO, and Immediate Past Chair positions, shall be voted upon by the Regular Members and Honorary Life Members of the Society at the Annual Meeting.

**6.2 OTHER NOMINATIONS.** At least one percent (1%) of Regular Members may nominate a candidate for an Officer or a Director position. Such nominations must be filed with the Secretary not later than the first day of April. Any other nominations shall not be recognized or added to the slate of candidates.

**6.3 WITHDRAWAL OF CANDIDATE.** If a candidate withdraws his or her name from the slate of candidates after the slate has been submitted by the Governance Committee to the Secretary, but prior to the election, the Governance Committee may immediately fill the vacancy on the slate and publish notice of the withdrawal and name of the new candidate on the Society's website or otherwise by electronic transmission.

**6.4 ELECTION.** The approved slate of candidates will be elected by acclamation at the Annual Meeting. If a contest for one or more positions develops as a result of submission of independent nominations, or a failure to achieve an acclamation of the slate of candidates, the Secretary shall prepare a ballot setting forth the positions and names of such nominees, and an election to such positions shall be held at the Annual Meeting. If, at the Annual Meeting, no nominee for a position receives a majority of the total votes cast, a ballot shall then be required for the contested position. The ballots may be distributed to voting members by mail or through electronic transmission. Members may return ballots to the Society by depositing their ballots in the U.S. Mail or returning the ballots by facsimile or other electronic transmission. However, ballots returned by facsimile or other electronic transmission must be signed by the member and that signature must be readily visible on the electronically returned ballot. Members voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentage of total voting power present.

If any Officer or Director candidate is not elected by acclamation, and a ballot is necessary, that Officer or Director receiving a majority of the total votes shall be declared elected by the Secretary and shall immediately take office following the Secretary's declaration. In the absence of any other nominations, the Secretary will declare all nominees elected at the Annual Meeting and such Officers and Directors shall immediately take office.

## **ARTICLE VII – COMMITTEES**

**7.1 COMMITTEES.** The Society shall have standing committees as established in this Article VII of these Bylaws, non-standing committees established by the Chair, and other committees established by the President & CEO.

**7.2 STANDING COMMITTEES.** The following shall be standing committees of the Society: Executive Committee, Governance Committee, Compensation Committee, and Audit and Finance Committee

**7.3 STANDING COMMITTEE - EXECUTIVE COMMITTEE.** The Executive Committee shall be a standing committee of the Board comprised of the Chair, Vice Chair, Immediate Past Chair, President & CEO, Secretary, and Treasurer. The Chair shall be the chair of the Executive Committee. The Executive Committee shall meet whenever such a meeting is called by the Chair. The Executive Committee shall have authority to act on behalf of the Board and commit the Society on any time-sensitive matter requiring Board action prior to the time of the next regularly-scheduled Board meeting, subject to Section 7.9 of these Bylaws. Any matter upon which the Executive Committee has so acted shall be reported to the Board at the next regularly-scheduled Board meeting.

**7.4 STANDING COMMITTEE – GOVERNANCE COMMITTEE.** The Governance Committee shall be a standing committee of the Board comprised of the Immediate Past Chair,

President & CEO, and no less than three Directors selected by the Chair. The Governance Committee shall be responsible for recommending a slate of candidates for open Director positions for approval of the Board of Directors each year. Additionally, the Governance Committee shall be responsible for other governance issues as determined by the Board. The Immediate Past Chair shall be the chairperson of the Governance Committee. The Governance Committee shall nominate one person for each open Board Director position, except for the positions of Chair, Immediate Past Chair, and President & CEO, for the Board's approval. In selecting nominees, the Governance Committee shall be guided by policies issued by the Board. All members in good standing are eligible to be nominated for a position, with the sole exception of the Governance Committee members.

The slate of candidates shall be recommended by a majority vote of the members of the Governance Committee before being recommended to the Board for approval. The Governance Committee shall submit the slate of candidates to the Board for approval no later than the end of January.

**7.5 STANDING COMMITTEE – COMPENSATION COMMITTEE.** The Compensation Committee shall be a standing committee of the Board comprised of the Chair, Vice Chair, and Immediate Past Chair. The Chair shall be the chair of the Compensation Committee. The Compensation Committee shall be responsible for recruiting the President & CEO and may appoint a “search” committee to assist in this task. The contract for the President & CEO shall be negotiated by the Compensation Committee and shall set out the President & CEO's duties, responsibilities, and compensation. The President & CEO shall be paid such compensation, including bonuses, as the Compensation Committee may decide as part of its negotiation of the President & CEO's contract. The Chair shall execute the contract negotiated by the Compensation Committee with the President & CEO, effective at the same time as the Board appoints the President & CEO. The Compensation Committee shall also make determinations associated with compensation, including bonuses, contracting, performance appraisal and review, and other duties and responsibilities related to the President & CEO.

**7.6 STANDING COMMITTEE – AUDIT AND FINANCE COMMITTEE.** The Audit and Finance Committee shall be a standing committee of the Board comprised of Board members. The Audit and Finance Committee shall be chaired by the Treasurer and have its members appointed by the Chair. The Audit and Finance Committee shall engage a CPA or firm of CPAs to perform an independent examination of the financial statements of the Society each fiscal year, and to render their opinion thereon. Copies of the financial statements and auditors' opinion shall be provided to the Board and published on the Society's website. The Audit and Finance Committee shall be responsible for review of the results of the audit with the auditor. The Audit and Finance Committee shall also perform oversight of the accounting functions of the Society, including whether the assets are properly safeguarded and that adequate internal controls are in place. The Committee shall also review the annual operating and capital budgets and make a recommendation concerning the budgets to the full Board, whose responsibility it is to approve the annual operating budget.

**7.7 NON-STANDING COMMITTEES.** The Board's Chair may, in his or her discretion, establish and designate non-standing committees, each of which shall consist of two or more Directors. The Board Chair shall each year appoint the chair of each non-standing committee, determine the number of Directors and others to serve on each non-standing

committee, appoint the Directors and the members who will serve on each committee, and identify the objectives of the Society to be addressed by the committee.

**7.8 OTHER COMMITTEES.** The President & CEO may, in his or her discretion, establish and designate other committees. The President & CEO shall each year appoint the chair of each such other committee, determine the number of committee members, appoint the committee members who will serve, and identify the committee's objectives to be addressed.

**7.9 COMMITTEE AUTHORITY.**

No committee shall have the authority of the Board unless specifically granted by the Board and such committee has at least two Directors serving as members of such committee. No committee shall have authority to amend, alter, or repeal the Bylaws; elect, appoint, or remove any member of any such committee or any Director or Officer; amend the Articles of Incorporation; adopt a plan of merger or adopt a plan of consolidation with another corporation; authorize the sale, lease, or exchange of all or substantially all of the property and assets of the Society not in the ordinary course of business; authorize the voluntary dissolution of the corporation or revoke proceedings therefore; adopt a plan for the distribution of the assets of the corporation; or amend, alter, or repeal any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. All standing committees and non-standing committees shall have a committee charter approved by the Board that sets out the responsibilities of each committee. All other committees shall have a committee charter approved by the President & CEO that sets out the responsibilities of each such committee.

**7.10 TERM OF COMMITTEES.** Standing committees shall be discontinued and/or discharged only by amendment to these Bylaws. All non-standing committees shall continue to function until discharged by the Chair or otherwise discontinued or succeeded. All other committees shall continue to function until discharged by the President & CEO or otherwise discontinued or succeeded.

**7.11 COMMITTEE COMMUNICATIONS.** No standing committee, non-standing committee, or other committee shall directly communicate with any federal or state governmental body, bureau, commission, or unit or any national or state professional or trade society unless prior approval has been granted by the Board, President & CEO, or designee of the Board.

**ARTICLE VIII – SOCIETY CHAPTERS**

**8.1 ORGANIZATION AND FORMATION.** Society chapters may be formed for the purpose of supporting the mission and strategic plan of the Society and to encourage cordial relations among their members and the exchange of ideas relative to the practice and art of accountancy.

The Board may authorize the organization of chapters in various geographic areas of the State of Washington. The Board may also authorize the organization of chapters based on interest rather than geographic area. The Board shall define the chapters' geographic and interest areas and designate the manner in which the affairs of the chapters shall be conducted.

**8.2 MEMBERSHIP.** A member of the Society having his or her residence or a place of business in an area within a geographic chapter area may become a member of that chapter. Members of the Society, regardless of the geographic location of their residence or place of business, may become a member of a chapter based on interest. A member may, however, only be a member of one geographic chapter. If a member qualifies for membership in more than one geographic chapter and does not select one of those chapters for his or her membership, the President & CEO will designate the geographic chapter to which the member will be assigned. In addition to membership in a geographic chapter, a member may become a member of one or more interest-based chapters.

**8.3 APPLICATION.** Application for the formation of a new chapter shall be forwarded to the President & CEO. After reviewing the application, the President & CEO shall make a recommendation to the Board for approval or disapproval of the proposed new chapter. The President & CEO shall make such recommendation to the Board not more than ninety days after receipt of the application. The Board shall approve or disapprove all applications for the formation of new chapters.

**8.4 CHARTERS.** The chapters shall have charters which shall be uniform and shall be prescribed and approved by the Board. Chapter charters shall not be in conflict with the Bylaws or Articles of Incorporation of the Society. The chapters, or organizers of proposed new chapters, may request authorization for modifications of the Society's prescribed chapter charters in order to fit local conditions or interest areas. The Board may approve or disapprove any such requested modifications to the Society's prescribed chapter charters.

**8.5 SUSPENSION OR DISSOLUTION.** The Board shall have the authority to revoke a chapter's charter if the President & CEO, with the concurrence of the Board, determines that the chapter is not fulfilling its principal purpose or supporting the mission and the purpose of the Society. The chapter shall receive written notice of any proposed revocation, with sufficient explanatory information to permit the chapter to respond. The chapter shall have three months after receipt of such notice in which to work with the President & CEO to address and or resolve the matters addressed in the notice. If the matters included in the notice are not addressed or resolved to the President & CEO's satisfaction within this three-month notice period, the chapter may, at the discretion of the Board, be suspended or revoked. A suspended or revoked chapter may, however, be reinstated by the Board, at its discretion, upon further demonstration to the President & CEO that the deficiencies have been addressed or resolved. The President & CEO shall make a recommendation to the Board for reinstatement if the chapter has satisfactorily addressed or resolved the matters contained in the original notice of revocation.

**8.6 PROPERTY, FUNDS, RECORDS, AND INTERNAL CONTROLS.** All property, funds, and records held by or in the possession or control of a chapter are the property of the Society and shall be returned to the Society upon the suspension or revocation of a chapter. All financial information of a chapter is required to be included in the financial statements and tax reports of the Society as appropriate under applicable standards and regulations. All chapter Officers are required to abide by the Society's policies, follow the Society's internal controls and provide information required by the Society to demonstrate compliance with those internal controls, and prepare timely financial information for the Board of Directors, Officers, and President & CEO.

**8.7 COMMUNICATIONS.** No chapter shall communicate with any federal or state governmental body, bureau, commission, or unit or any national or state professional society unless prior approval has been granted by the President & CEO or a designee of the Board.

**8.8 CHAPTER FUNDING AND REPORTING.** The Society's President & CEO may cause to be paid to the chapters an annual allocation of funds. This annual allocation of funds shall, in aggregate for all chapters, be included in the Society's annual budget approved by the Board. Requests for funds by the chapters shall be in a form prescribed by the President & CEO. Upon request by the President & CEO, the Society's Board, at its discretion, may approve additional payments, supplemental to those included in the annual budget, to a chapter from funds of the Society.

## **ARTICLE IX – FISCAL AND MISCELLANEOUS MATTERS**

**9.1 FISCAL YEAR.** The fiscal year of the Society shall begin on June 1 and shall end on May 31 of the succeeding year, unless changed by majority vote of the Board. The fiscal year shall also be the annual membership period.

**9.2 ANNUAL BUDGET.** The President & CEO shall prepare not later than May 1<sup>st</sup> of each year an annual budget for the next fiscal year for the approval of and adoption by the Board, showing all amounts appropriated for the purpose of the Society and estimating all revenue for the current fiscal year. Unexpended appropriations shall lapse at the end of each fiscal year and shall not be carried forward. The Chair and Treasurer may propose to amend the budget from time to time during the year, which proposal shall be submitted for approval and adoption by the Board.

Except in an emergency, no debts shall be contracted nor money expended, except for the purposes provided in the budget. The Chair and Treasurer may, in an emergency, authorize the contracting of a debt or an expenditure for purposes not provided for in the budget, but the amount of such debt contracted or money expended shall, within a reasonable time thereafter, be incorporated in an amendment to the budget and duly adopted by the Board.

**9.3 AUDITOR.** An independent audit of the financial statements of the Society shall be performed by a CPA or CPA firm each fiscal year. Copies of the financial statements and independent auditors' report shall be provided to the Audit and Finance Committee and, upon final approval by the Committee, shall be provided to the Board and published on the Society's website.

**9.4 SEAL.** The seal of the Society shall be a band or scroll on which shall be inscribed, "The Washington Society of Certified Public Accountants-1904." Within the scroll there shall be displayed the figure of the head of George Washington, similar to that of the seal of the State of Washington.

**9.5 HEADQUARTERS OFFICE.** The principal office of the Society shall be maintained within the State of Washington at such location as the Board may, in its discretion, designate.

**9.6 PARLIAMENTARY PROCEDURE.** Robert's Rules of Order shall prevail at all meetings of the members and Board.

## **ARTICLE X – CODE OF PROFESSIONAL CONDUCT**

**10.1 OVERVIEW.** The reliance of the public and the business community on sound financial reporting and advice on business affairs imposes on the accounting profession an obligation to maintain high standards of technical competence, morality, and integrity. In further recognition of the public interest and their obligation to the profession, members agree to comply with the Code of Professional Conduct of the American Institute of Certified Public Accountants (“AICPA”).

**10.2 RELATIONSHIP TO BYLAWS.** Rules of professional conduct shall be enumerated in the Code of Professional Conduct of the AICPA, which exists independently of these Bylaws but has equal weight and authority as the Bylaws.

## **ARTICLE XI – DISCIPLINARY PROCEEDINGS**

**11.1 AUTHORITY.** The rules of professional conduct of the Society shall consist of the Code of Professional Conduct of the AICPA as now constituted and as may be hereafter amended, except that in case of any conflict between that Code and State law, the more restrictive provision shall prevail.

**11.2 CHARGES AND CAUSES FOR SUSPENSION, TERMINATION, AND OTHER DISCIPLINE.** Whenever a member of the Society, whether or not a member of the AICPA, shall be charged with violating these Bylaws, or any provisions of the Code of Professional Conduct of the AICPA promulgated hereunder, the charge or charges shall be initiated in accordance with the terms of any then existing agreement between the Society and the AICPA relating to ethics enforcement. In the event that a hearing is required to dispose of such charge or charges of violations, the hearing shall be conducted under the terms of the Society’s and AICPA’s then existing agreement, the then operative rules of the Joint Trial Board Division of the AICPA, and the then operative Joint Ethics Enforcement Procedures in effect by virtue of the agreement between the Society and the AICPA. The AICPA rules shall govern unless a more restrictive provision covering the violation is contained in these Bylaws.

A member’s membership in the Society shall be automatically suspended, without a hearing, if there is filed with the Secretary a judgment of conviction imposed upon any member for:

- i) A crime punishable by imprisonment for one year or more;
- ii) The willful failure to file any income tax return which the member, as an individual taxpayer, is required by law to file;
- iii) The filing of a false or fraudulent income tax return on the member’s or a client’s behalf; or
- iv) The willful aiding in the preparation and presentation of a false and fraudulent income tax return of a client.

Such automatic suspension shall terminate upon the overturning of the conviction. Membership in the Society shall be terminated without a hearing should there be filed with the Secretary a final judgment of conviction for an act described above. A member suspended or terminated



under this provision may petition the Board for reinstatement. The Board may prescribe the conditions for or may deny reinstatement.

Membership in the Society shall also be suspended without a hearing should a member's certificate as a Certified Public Accountant, or license or permit to practice as such or to practice public accounting, be revoked, suspended, withdrawn, cancelled, or otherwise restricted as a disciplinary measure by the Washington State Board of Accountancy, or any state board of accountancy if the member does not have a Washington certificate. Membership in the Society shall be terminated without hearing should such a certificate, license, or permit be revoked, suspended, withdrawn, cancelled, or otherwise restricted as a disciplinary measure by the Washington State Board of Accountancy or other state board of accountancy. A member suspended or terminated under this provision may petition the Board for reinstatement. The Board may prescribe the conditions for or may deny reinstatement.

The Board may review other governmental agencies' and other organizations' disciplinary actions against a member and determine, from that review, whether those agencies' and organizations' disciplinary actions and procedures should be approved as applicable to, and the bases for, Society disciplinary actions.

Disciplinary actions undertaken by such Board-approved governmental agencies and other organizations shall provide the basis for the Society taking disciplinary action on the same set of facts and circumstances against the member without a hearing. A member's membership in the Society shall be terminated if a Board-approved governmental agency or organization permanently revokes, suspends, withdraws, or cancels the member's license, permit, or other authority from practicing before such governmental agency or organization, or from serving as a director, officer, or trustee of any entity. If, however, such Board-approved governmental agency or organization temporarily revokes, suspends, withdraws, cancels, or otherwise restricts a member from practicing before it or another governmental agency, or from serving as a director, officer, or trustee of any entity, the member's membership in the Society shall be suspended without a hearing. The member's suspension of membership in the Society shall terminate upon the other agency's or organization's termination of their revocation, suspension, withdrawal, cancellation, or other restriction on the member's practice.

In all other cases, the member's membership in the Society shall not be revoked, suspended, withdrawn, cancelled, or otherwise restricted without a hearing.

A member whose membership in the Society has been suspended or permanently or temporarily terminated under the provisions in this section may petition the Board for reinstatement. The Board, in its discretion, may deny the petition for reinstatement, grant the petition, or grant the petition with conditions for reinstatement. Application of these reinstatement provisions shall not preclude other disciplinary proceedings under this Article XI.

**11.3 SUSPENSION OF MEMBERSHIP.** For the period of the suspension, a member who has been suspended shall not be allowed to identify himself or herself as a WSCPA member on any letterhead or other written material; be a committee member or hold any office; or vote. Membership in any insurance programs sponsored by the Society which was held prior to the suspension may continue as long as the suspended member continues to pay membership dues and the premiums due for such insurance programs. A suspended member

may not enroll in any new or additional Society-sponsored insurance programs or increase benefits under existing coverage.

A suspended Society member also may not participate in any other Society membership benefits or sponsored programs. A suspended Society member may continue to receive Society publications if the member continues to pay his or her dues during the period of the suspension.

When the period of suspension has been completed, and all of the conditions of the suspension have been met, the member's Society membership automatically reverts to its status prior to the suspension. If the member did not remit dues during the suspension period, then the membership would be terminated at the conclusion of the suspension period as a result of non-payment of membership dues.

**11.4 SOCIETY COMMITTEES EMPOWERED TO INVESTIGATE.** A Professional Conduct Committee, as appointed by the President & CEO, is hereby empowered to put into effect and carry out the provisions of Article XI, Section 11.2, by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules, and procedures in effect between the Society and the AICPA at the time of such action.

**11.5 RESIGNATION REQUESTS DURING INVESTIGATION.** No members shall be permitted to resign or terminate due to nonpayment of dues if charges shall have been lodged against them, until such charges have been dismissed or the proceedings in connection with such charges ended. Neither shall members be permitted to resign under circumstances which afford grounds for their automatic expulsion or suspension.

**11.6 NOTICE OF CENSURE, SUSPENSION, OR EXPULSION.** Notice of the result of final action in disciplinary proceedings is published only in the following cases: (a) where a trial board hearing has been held in accordance with the Joint Ethics Enforcement Procedures, and the decision of the Joint Trial Board is to publish the member's name and action; (b) where membership has been suspended or terminated without a hearing in accordance with Article XI, Section 11.2; (c) where the member has entered into a consent agreement with the Society, or with the AICPA and the Society, and the terms of the consent agreement specify that the action and member's name is to be published.

When the result of final action in disciplinary proceedings is published, it is published in the Society's periodic publication, which may be printed or distributed electronically and is made available to members and to the public. Such publication shall be made after the time has elapsed for the member to appeal the decision and the decision has become effective according to any then governing rules. A copy of the publication shall be sent to the Washington State Board of Accountancy.

## **ARTICLE XII – AMENDMENTS**

**12.1 METHOD.** The Bylaws of the Society may be amended, altered, or repealed only by vote after submission of the proposed amendment, alteration, or repeal to the Regular Membership in accordance with the procedure provided in this Article. However, amendments, alterations, or repeal of the provisions of Article XI shall be proposed by a professional conduct committee appointed by the President & CEO. The Board shall review

such amendments, alterations, or repeal, and after review may alter or amend the proposed changes by a majority vote, prior to submission to the membership.

Proposals to amend the Bylaws may be made by the Board or by a petition of at least one percent (1%) of the voting members in good standing of the Society. Every petition from members to amend the Bylaws shall be submitted to the Board, shall be in writing, and shall set forth the nature of the proposed change or changes. The Board may reject or approve the proposed amendments. If the petition is approved by the Board, the Board shall proceed to draft and/or review the proposed amendment to ensure proper construction, clarity, and conformance with other provisions of the Bylaws.

The Secretary shall give written notice of the intent to amend the Bylaws to all members in good standing at least thirty days prior to distributing the ballots. All proposals to amend the Bylaws, after being duly noticed, shall be presented for vote of the members by ballot. The ballot must be accompanied by the text of the proposed amendments, alterations, or repeal to the Bylaws. The Board may also provide a neutrally drafted explanation of the effect of the amendment(s).

The ballots may be distributed to voting members by mail or through electronic transmission. Members may return ballots to the Society by depositing their ballots in the U.S. Mail or returning the ballots by facsimile or other electronic transmission. However, ballots returned by facsimile or other electronic transmission must be signed by the member and that signature must be readily visible on the electronically returned ballot. Members voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentage of total voting power present. The voting period shall remain open for a period of not less than thirty days from the date of the original ballot distribution by mail, facsimile, or other electronic transmission. The votes received shall be counted at the end of the voting period.

**12.2 EFFECTIVE DATE.** Adopted amendments shall become effective thirty days after the vote count is complete.