

## NCACPA Bylaws

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### Charter

The charter granted by the State of North Carolina on December 8, 1919, provides for the unlimited existence of the North Carolina Association of Certified Public Accountants ("Association") as a non-stock professional corporation with principal offices located in Morrisville, North Carolina.

### Article I

#### Name, Purpose, Incorporation of Board Policies

1. The name of this organization shall be the "North Carolina Association of Certified Public Accountants Incorporated."
2. The Association is organized to promote, develop, and maintain the advancement of the accounting profession.
3. The Association's vision is ~~to be a highly valued accounting profession advancing the success of individuals and organizations and its mission is to enhance the accounting profession and the community it serves through advocacy, connections, education, and resources. the essential resource for the North Carolina CPA and its mission is to promote the competence, integrity, civic responsibility, and success of North Carolina CPAs.~~
4. The corporate seal of the Association shall be circular in form, having displayed in its center the seal of the state of North Carolina, and in the outer circle, the following words and abbreviations: "N.C. Association of Certified Public Accountants, Inc. 1919."
5. The Association is not intended to, and may not, play any role in the competitive decisions of its members or their employees, or in any way restrict competition in any aspect of the accounting profession. The Board of Directors through this statement of policy makes clear its unequivocal support for the policy of competition served by antitrust laws and its uncompromising intent to comply strictly in all respects with those laws. It is the individual responsibility of every member of the Association to be guided by antitrust laws. It shall be the special responsibility of all committee chairs, Association officers, and directors to assure that this policy is known and adhered to in the course of activities pursued under their leadership.
6. The North Carolina Association of Certified Public Accountants Board Policies (the "Board Policies"), as adopted by the Board of Directors and amended from time to time, shall be deemed incorporated into these bylaws to the extent permitted by applicable laws and regulations. In the event of a conflict between the terms of the Board Policies and these bylaws, the provisions of these bylaws shall prevail.

### Article II

## Membership

1. The Board of Directors shall establish and modify in any way seen fit the membership classifications, criteria and membership dues determinations for the North Carolina Association of Certified Public Accountants (NCACPA). The membership classifications, criteria and membership dues determinations are part of the Board Policies, which are reviewed as the Board of Directors deems necessary.
  2. Only licensed CPA members shall vote at the Annual Business Meeting.
  3.
    - a) Membership in the Association may be suspended without a hearing upon a filing with the Secretary of the Association a judgment of conviction imposed upon any member for:
      - i. A crime defined as a felony (or its equivalent) under the law of the convicting jurisdiction;
      - ii. The willful failure to file any income tax return, which he or she, as an individual taxpayer, is required by law to file;
      - iii. The filing of a false or fraudulent income tax return on his or her, or a client's behalf; or
      - iv. The willful aiding in the preparation and presentation of a false or fraudulent income tax return.
    - b) Membership shall be terminated in like manner upon filing of a final judgment of conviction.
    - c) Membership in the Association may be suspended without a hearing should a member's certificate as a Certified Public Accountant, or the license or permit to practice public accounting is suspended as a disciplinary measure by authority of any state or territory of the United States or the District of Columbia.
    - d) Membership in the Association may be terminated (without hearing) should certificate, license, or permit be revoked as a disciplinary measure by authority of any state or territory of the United States or other jurisdiction.
    - e) Prior to either suspension or termination, the member may request a hearing before the Board of Directors of the Association. The Board of Directors may delegate such hearing to the Executive Committee.
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## Article III

### Election to Membership

1. Applications for admission are provided by the Association. Applications shall be subject to payment of application fees set by the Board of Directors.
  2. Application forms shall contain an agreement binding the applicant to obey the bylaws, Code of Professional Conduct, and all other rules and regulations of the Association, if elected.
  3. Applications for membership shall be recorded in the administrative offices of the Association.
  4. Upon election, each CPA member shall be entitled to a certificate of membership setting forth that he or she is a member of the Association, but no certificate shall be issued until receipt of dues apportioned to the end of the current fiscal year.
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## Article IV

### Governance

1. The Board of Directors shall have general charge and control of the affairs, funds, and property of the Association and shall carry out the objectives of the Association in accordance with these bylaws. The chief elected volunteer shall be Chair of the Board. A majority of directors present shall constitute a quorum for the transaction of business.
2. The Board of Directors may employ persons to assist the officers in the discharge of their duties, and fix the duties and compensation of such persons within budgetary limits. The chief staff officer shall be called Chief Executive Officer (CEO).

3. The Executive Committee:
    - a) Shall have the authority to act for the Board of Directors in between meetings of the Board of Directors or otherwise when the Board of Directors is not available to act, and to otherwise carry out the policies of the Board of Directors.
    - b) Shall have the authority to consider and make final decisions, in place of the Board of Directors, about the terms and conditions of employment for the Corporation's chief staff officer or CEO, including without limitation, matters relating to compensation, evaluations, direction over performance of duties, benefits, and related matters; provided that only the Board of Directors may hire or terminate the employment of the CEO. This authority shall also include; (i) serving in an advisory and supervisory capacity to the CEO; (ii) facilitating the handling of urgent current problems and preliminary investigations of major or long-range issues; and (iii) charging the CEO with developing, monitoring and reporting on the status of strategies, as well as collaborating with committees and task forces to identify opportunities and/or threats that may impact the Association's current and future plans.
    - c) Shall present the annual budget to the Board of Directors for approval.
    - d) Shall report generally to the Board of Directors about any action taken, generally at its next meeting.
    - e) Shall maintain regular minutes of the proceedings of the Executive Committee. A majority of the voting members of the Executive Committee shall constitute a quorum. The Executive Committee shall not exercise any authority prohibited by applicable law.
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#### Article V Meetings

1. The Annual Business Meeting of the Association may be held at any time during the fiscal year. The time and place of the Annual Business Meeting shall be decided by the Executive Committee, who are hereby empowered to set such time and place for up to 10 years in advance. Notice of the meeting shall be published to the membership at least 60 days prior to the Annual Business Meeting.
  2. Special meetings of the Association may be called by the Chair, or a majority of the Executive Committee, at any time, and shall be called upon the written request of one percent of the CPA members of the Association. No business other than that for which the special meeting was called shall be transacted. Notice will be posted on the Association's website and/or released via email, stating the purpose of the meeting at least 14 days prior to a special meeting.
  3. At any annual business or special meeting of the Association, 50 CPA members present shall constitute a quorum for the transaction of business.
  4. Meetings of the Board of Directors shall be called by the Chair or upon written notice by at least five Board members submitted to the Chair of the Association.
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#### Article VI Order of Business

1. The development of an agenda for the Annual Business Meeting is required and it must be published or distributed 60 days in advance of the meeting, subject to changes by consent of a majority of CPA members present.
  2. On all questions of parliamentary procedure, Roberts Rules of Order shall govern.
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#### Article VII Officers and Directors

1. The officers of the Association shall be the Chair, Chair-Elect, Treasurer, and Immediate Past Chair. Each position may only be held by CPA members.

2. The Chair-Elect and Treasurer shall be elected at the Annual Business Meeting, or at any adjourned meeting of the same, by a vote of the majority of the CPA members present. The Chair, Chair-Elect, and Treasurer shall hold their respective offices until their successors are elected.
  3. Directors shall be elected at the Annual Business Meeting, or adjourned meeting of the same, from among the CPA and non-CPA members, as well as Associate members, by a vote of the majority of the voting CPA members present. The directors shall hold office until their successors are elected.
  4. The Board of Directors shall consist of the Chair, Chair-Elect, Treasurer, Immediate Past Chair and additional directors, but at no point should the Board of Directors exceed 16 members. The Nominating Committee will determine the appropriate number based on the strategic needs of the Association, subject to confirmation by the board. At no time shall non-CPA members comprise more than one-third of the Board of Directors.
  5. At the Annual Meeting, those selected by the Nominating Committee shall be eligible for election as directors by the vote of a majority of the CPA members in attendance at such Annual Meeting for terms ranging in length of one to three years based on the Association's needs for subject matter or leadership expertise, as determined by the current Board of Directors.
  6. The Executive Committee shall consist of the Chair, Chair-Elect, Treasurer, and Immediate Past Chair together with two directors—who shall be affirmed by the Board of Directors at a duly called meeting and by a majority vote of those attending. The Secretary to the corporation shall attend meetings of the Executive Committee, except for meetings or discussions of personnel matters relating to the CEO.
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#### Article VIII

##### Election and Removal of Officers and Directors

1. Each office, except that of Chair and Secretary, shall be filled by a separate election in the following order: (a) Chair-Elect, (b) Treasurer, and (c) directors as required. The Chair-Elect shall automatically become Chair upon the election of his or her successor. If there is any contest for any office, the procedure outlined in Section 3 of this article shall be followed; otherwise, upon proper motion, the Chair shall declare any such person elected to such office or as a director. The CEO shall serve as Secretary to the corporation, without any additional compensation.
2. In the event of death, disability, or resignation of any elected officer or director of the Association, the Executive Committee is granted the authority to appoint, subject to the ratification by the Board of Directors, another qualified individual to fill such vacancy for the unexpired term. All such interim appointees shall hold office until the next Annual Business Meeting, at which point each such interim appointee shall be eligible for nomination and reelection in accordance with Article VII, Section 3 hereof.
3. In voting for officers and directors, the Chair will determine how to count the votes cast and report results of the election.
4. The Nominating Committee shall be composed of two immediately preceding Past Chairs, the Chair-Elect, two members currently serving on the Board of Directors who shall be selected by the Chair-Elect to serve during his or her term as Chair, and two at large members elected by the Executive Committee from a list consisting of nominees submitted by the CEO. The Immediate Past Chair shall serve as vice chair during his or her first year on the committee and as chair during his or her second year on the committee.
5. The Nominating Committee shall, at least 60 days before the Annual Business Meeting, submit to the membership one eligible candidate for each office or directorship to be filled. Nominees for the office of Chair-Elect shall have past or current service on the Board of Directors. Nominations for officers and directors shall include at least one nominee not in public practice. Members of the Nominating Committee are ineligible for nomination as an officer or director.

6. Additional nominations for directors and officers must be submitted in writing to the Secretary of the Association at least 30 days prior to the election and submitted to the membership. Nominations must be supported by the signatures of not less than 15 members.
7. Annually, each committee of the Association may submit nominees to the Nominating Committee for vacancies on the Board of Directors and for officer positions. Each committee of the Association will be provided information about the Board of Directors, including backgrounds of continuing members, and the criteria for election as an officer or director. Members of the Association may also submit names of eligible candidates for consideration by the Nominating Committee.
8. At the Annual Business Meeting, candidates nominated by the Nominating Committee or the membership at large shall be eligible for election as directors by the vote of a majority of the CPA members in attendance at such Annual Meeting. Director terms range in length of one to three years based on the Association's needs for subject matter or leadership expertise, as determined by the current Board of Directors.
9. Any officer may be removed with or without cause, at any time, by vote of three-quarters (3/4) of the remaining directors if in their judgment the best interest of the Association would be served thereby. Such officer must receive written notice of the proposed removal at least ten (10) days in advance of the proposed action. An officer who has been removed as an officer shall remain a director unless simultaneously removed as a director in accordance with Section 10 of this Article VIII.
10. Any director may be removed with or without cause, at any time, by vote of three-quarters (3/4) of the remaining directors if in their judgment the best interest of the Association would be served thereby. Such director must receive written notice of the proposed removal at least ten (10) days in advance of the proposed action.

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## Article IX

### Duties of Officers

1. It shall be the duty of the Chair to preside at all meetings of the Board of Directors and Executive Committee, and to enforce all bylaws and regulations relating to the administration of the Association. The Chair shall call meetings of the Board of Directors and the Executive Committee. Special meetings of the Association may be called as provided in Article V, Section 2.
2. The Chair-Elect shall ratify the committee chair and members of all committees to serve during his or her term as Chair. Upon becoming Chair, he or she shall appoint additional chairs and members, as necessary, to all committees, except the Nominating Committee, to serve during his or her term in office. In the absence of the Chair, the Chair-Elect shall have all of the powers and prerogatives of the Chair.
3. The Treasurer shall be responsible for overseeing the financial reporting of the Association. He or she shall present reports on the financial condition of the Association at each meeting of the Board of Directors and at the Annual Business Meeting of the Association. He or she shall have responsibility over the Association's funds and investments as may be delegated by the Board of Directors. He or she shall perform all other duties ordinarily pertaining to the office of Treasurer or delegated to him or her by the Board of Directors.
4. The Secretary shall supervise the taking of all minutes and the entering of all resolutions of meetings of the Board of Directors and the Executive Committee, except when such minutes or resolutions involve confidential matters relating to the CEO, in which case the Chair will designate another director to serve in place of the Secretary. Adopted resolutions and the minutes of all such meetings shall be sufficient and conclusive evidence of the facts therein stated. The Secretary shall have the responsibility for all correspondence relating to the Association, shall issue all notices of meetings, shall have charge of the seal and perform all duties pertaining to the office of Secretary. The Secretary shall keep a register of the members of the Association, which shall contain their preferred mailing address. He or she shall also keep full and complete minutes of the Board of Directors and

Executive Committee meetings, except in cases where such minutes or resolutions contain confidential information involving the CEO, in which case, the Chair or his or her designee shall maintain such records. The Secretary shall also perform such other duties as the Board may direct. The Secretary shall function as primary liaison with the NC State Board of CPA Examiners and, along with the Chair of the Board of Directors, with the Association's general counsel.

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#### Article X Committees

1. Committees are to be formed to carry out their assigned tasks. They shall be an effective means of creating and developing new ideas in their specific areas and to carry on programs of activity falling within their scope of interest and responsibility. Committees shall not have the power to adopt policies or make financial or other commitments without approval of the Board of Directors. The Board of Directors may create such special or ad hoc committees as it may from time to time deem necessary to carry out the business of the Association.
  2. The Chair and/or Chair-elect shall establish policies for composition, formation and operation of committees, which will be included in the Association's Board Policies.
  3. The Chair shall have the power to appoint special committees or task forces and additional members to existing committees, task forces, advisory groups, councils, and cabinets as the need arises.
  4. All committees, boards, and other bodies are hereby empowered to carry the provisions of Article XI, Section 2(a) and (b) into effect by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules, and procedures in effect between the Association and the AICPA at the time of such action.
  5. The provisions of this Article shall not apply to the Executive or Nominating Committees, whose form and functions are specified elsewhere in these bylaws.
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#### Article XI Joint Ethics Enforcement Plan

1. The Board of Directors subscribes to the Code of Professional Conduct of the American Institute of CPAs and the Rules of Professional Ethics and Conduct of the North Carolina State Board of CPA Examiners. In the event of any conflict, the provision of the North Carolina State Board of CPA Examiners shall prevail.
  2.
    - a) Whenever a member of the Association, whether or not he or she is a member of the AICPA, shall be charged with violating these bylaws, the Board Policies, or any Code of Professional Conduct promulgated hereunder, said charge shall be initiated in accordance with the terms of any then subsisting agreement between the Association and the AICPA relating to ethics enforcement.
    - b) In further event that a hearing is required to dispose of such charge or charges, the hearing shall be conducted under the terms of the aforesaid agreement, the then operative rules of the Joint Trial Board and the then operative joint ethics enforcement procedures in effect by virtue of the agreement between the Association and the AICPA.
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#### Article XII Finances

1. The Board of Directors shall establish the fiscal year.
2. The Board of Directors is responsible for adopting a budget for the year ending the following fiscal year. Such budget shall include estimated revenues and expenditures for all funds of the Association.

The Board may amend the budget from time to time. The Association's Board Policies governs the timing of the budget approval.

3. The Board of Directors shall cause the annual financial statements of the Association to be audited by Certified Public Accountants each fiscal year.
  4. The Board of Directors shall require the Treasurer and any employee of the Association acting as assistant to the Treasurer, to furnish a surety bond in form and amount approved by the Board of Directors. Such bonding shall be an Association expense.
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#### Article XIII

##### Fees, Dues, and Assessments

1. The annual Association dues or fees shall be set by the Board of Directors and shall be payable when billed.
  2. Procedures for assessment, billing, collection and waiving of dues is included in the Association Board Policies.
  3. No resignation of membership shall be accepted by the Board if unadjudicated Ethics charges under Article XI are pending against the member.
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#### Article XIV

##### Indemnification

1. To the full extent authorized under the laws of the State of North Carolina, the Association shall indemnify any director or officer of the Association (each of the foregoing directors and officers is referred to in this Article individually as an "indemnitee"), against expenses actually and necessarily incurred by such indemnitee in connection with the defense of any action, suit, or proceeding in which that indemnitee is made a party by reason of being or having been such director or officer of this Association, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board, or otherwise.
  2. Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.
  3. The Association may purchase and maintain insurance on behalf of any person who is or was a director or officer against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power or obligation to indemnify such person against such liability under this Article.
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#### Article XV

##### Amendments to Charter, Bylaws, and Rules

1. These bylaws may be amended, repealed, or altered in whole or in part by a two-thirds majority vote at any duly organized meeting of the Board of Directors of the association. Such changes must be reported to the general membership.
2. These bylaws may be amended, added to, or repealed as follows:
  - a) At the Annual Business Meeting of the Association, by a majority vote of the CPA members present; provided that written notice of such changes shall have been embodied in the call and

provided to each member at least 30 days prior to the meeting, together with the recommendations of the Board of Directors as attested by the Chair.

- b) Amendment or changes to the bylaws of the Association may be submitted by the Board of Directors to all CPA members for referendum, together with recommendations of the Board of Directors as attested by the Chair, in lieu of the procedure in sub-paragraph (a). If such amendment or change is approved by two-thirds of a required 150 or more votes within 30 days following mailing of the ballot, the amendment shall be declared by the Chair to be in effect.
  - c) These bylaws may be amended, repealed, or altered in whole or in part by a two-thirds majority vote at any duly organized meeting of the Board of Directors. However, any bylaw provision that is adopted by the general membership may not thereafter be amended, repealed, or altered by the Board of Directors.
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