



Bylaws

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ARTICLE I

COMMERCIAL NAME

Section 1. The National Society of Public Accountants is also known as the National Society of Accountants.

ARTICLE II

CLASSES OF MEMBERSHIP

Section 1. Membership in the National Society of Public Accountants shall consist of nine classes: Active Members, Associate Members, International Associate Members, Student Associate Members, Educator Associate Members, Firm Associate Members, Commercial Associate Members, Life Members, and Retired Members.

Section 2. All applicants for membership must be of good moral character; shall pledge in writing to conform to the NSPA Rules of Professional Conduct; and, except for International Associate Members, shall be residents of the United States or its Territories or have a place of business in the United States or its Territories. All applicants must be classified at the highest membership level for which they qualify.

Section 3. Persons in public practice who meet the requirements of any one of the following subsections shall be eligible for Active Membership in the National Society:

- (a) Possess a valid permit/license as a Public Accountant, Certified Public Accountant, Attorney or such other title as may be granted under state law for the practice of accountancy or taxation for the public.
- (b) Be accredited by the Accreditation Council for Accountancy and Taxation.
- (c) Be enrolled to practice before the Internal Revenue Service.
- (d) Be recognized as a registered tax return preparer by the Internal Revenue Service.
- (e) Possess either an associate degree or a baccalaureate degree with a minimum of 24 semester hours in accounting.
- (f) Individuals in public practice who have a minimum of three (3) years of public accounting or taxation experience as their primary source of income; provided that such experience must have been satisfied within five (5) years of making application for active membership. Within the five (5) year period immediately following membership attainment, the member must obtain at least one of the qualification requirements for Active Membership contained in paragraphs (a)-(e) of this section. The member otherwise will become an Associate Member until such time that the requirements for Active Membership are achieved.

Section 4. Persons who meet the requirements of either one of the following subsections shall be eligible for Associate Membership in the National Society.

- (a) Individuals or employees of accounting firms and tax practitioner firms who work in

excess of 750 hours per year and do not meet the eligibility requirement for Active Membership under Article II, Section 3.

- (b) Individuals in government, financial institutions, private sector businesses, or non-profit entities, whose primary duties are in the field of accountancy.

Section 5. International Associate Members shall include accountants of foreign countries. The qualifications for International Associate Membership shall be determined by the Board of Governors.

Section 6. Student Associate Members shall include persons pursuing a course of study in accounting, business administration, or related subjects in a college, university or business school on a full-time basis. Membership procedures for Student Associate Members shall be determined by the Board of Governors.

Section 7. Educator Associate Members shall include educators who are employed as instructors in accounting at an accredited university, college or community college. Membership procedures for Educator Associate Members shall be determined by the Board of Governors.

Section 8. Life Members shall include all Past Presidents of the National Society, all Founders of the National Society and the two (2) living former Vice Presidents East. Life Members shall have all the privileges of Active Members but shall not be required to pay dues.

Section 9. Retired Members shall include persons who have been members of the National Society for ten continuous years, who have attained the age of 65 or over, and who have retired from public practice. Retired status may be granted upon application to the Executive Office of the National Society. Such application shall be subject to review and approval by the President of the Society. Membership procedures for Retired Members shall be determined by the Board of Governors.

Section 10. Firm Associate Membership

- (a) Those affiliated with a firm, one of whose principals, shareholders or partners holds Active Membership in the National Society under Section 3 of this Article, and are employed for less than 751 hours per year shall be eligible for Firm Associate Membership.
- (b) Support staff of an Active Member will qualify for Firm Associate Membership even though they work in excess of 750 hours per year provided they do not qualify for membership under Article II, Sections 3 and 4.
- (c) Firm Associate Members must be sponsored by an NSA Active or Associate Member.

Section 11. A commercial entity, whose products or services assist or enhance the practice of members of the Society, shall be eligible for Commercial Associate Membership in the National Society. The Board of Governors shall issue guidelines to determine the types of products or services that qualify an applicant for Commercial Associate Membership. The Board of Governors also shall approve a general membership benefits package for Commercial Associate Members.

Section 12. Only Active Members and Life Members shall be eligible to vote or hold office. Associate, International Associate, Student Associate, Educator Associate and Retired Members shall have all the privileges of Active Members except those of voting and holding office and except as otherwise expressly limited to Active or Life Members by these Bylaws. The Board of Governors shall determine the benefits extended to Firm Associate Members.

Section 13. An Active Member of the National Society of Public Accountants shall meet mandatory continuing professional education requirements to complete a minimum of 72 credit hours in each three year reporting cycle, with a minimum of 16 credit hours in any one year. The Board of Governors may adopt rules regarding subject matter, carryover of credit hours and approval of continuing education sponsors.

ARTICLE III

DIVISIONS OF MEMBERSHIP

Section 1. The NSA Board of Governors shall, in its discretion, provide for membership divisions that it may, from time to time, deem necessary or desirable. Examples of these divisions are public accounting, tax preparation, bookkeeping and payroll services, financial and estate planning, technology, governmental accounting, private industry accounting and commercial accounting.

Section 2. The Board of Governors shall, from time to time, prescribe the fees for the membership divisions and a limitation on the number of divisions available to an individual member. The Board of Governors also shall approve the member services to be provided by each division.

Section 3. Enrollment in membership divisions shall be voluntary. If an Active Member, Associate Member, or Life Member is not enrolled in a membership division but wishes to participate in the activities or programs of that membership division, such Member may do so at costs to be determined by the Board of Governors.

ARTICLE IV

ADMISSION TO MEMBERSHIP

Section 1. Application for membership in the Society shall be on a form approved by the Board of Governors and forwarded to the Executive Office. The Board of Governors shall establish procedures for the processing of applications and the evaluation of a candidate's character and qualifications; provided, such procedures are consistent with the Bylaws of the Society. The Board shall have the right of final acceptance or rejection of all applications and shall consider all communications received concerning any candidate.

Section 2. Application fees for Active and Associate Membership may be prescribed by the Board of Governors.

Section 3. The Board of Governors shall have the power to prescribe rules and regulations pertaining to membership, including the receipt and collection of dues, the issuing of certificates and all other matters necessary to the proper administration of the membership not inconsistent with the Bylaws of the Society.

Section 4. All appeals resulting from rejection of membership applications shall be filed in writing with the Board of Governors. The actions of the Board of Governors in such matters shall be final.

Section 5. A member not in default in payment of dues, and against whom no complaints or charges are pending, may at any time file his resignation in writing with the Executive Vice President of the National Society, and it shall become effective as of the date it was filed.

ARTICLE V

DUES

Section 1. The annual dues of the members shall be set by the Board of Governors and shall be payable on or before the anniversary date of each member. All members existing prior to September 1, 1997 shall have an anniversary date of September 1.

Section 2. The Board of Governors may levy such additional assessments as are necessary to carry out the activities of the Society, upon ratification by two-thirds (2/3) majority of the members of the Society actually voting by referendum.

Section 3. If any member shall fail to pay any dues within 60 days after the same are due and payable, such member shall be subject to immediate suspension.

Section 4. If any member shall have been suspended for nonpayment of dues and his record discloses no complaints or charges, he may be eligible for reinstatement by forwarding a written request to the Executive Office and paying one year's dues in full.

Section 5. Any member who becomes totally disabled may apply in writing for a waiver of dues for the duration of total disability. Such application shall be made to the Executive Office of the Society. Such application shall be subject to review and approval by the President of the Society.

ARTICLE VI

SUSPENSION OR EXPULSION OF MEMBER OR TERMINATION OF MEMBERSHIP

Section 1. A member renders himself liable to suspension, expulsion or termination of membership if:

- (a) he refuses or neglects to give effect to any decision of the Society or of the Board of Governors, or
- (b) he violates any of these Bylaws or any of the Rules of Professional Conduct as approved by the Board of Governors, or
- (c) he has been declared by a court of competent jurisdiction to be insane, or to be otherwise incompetent, or
- (d) he is found by the Trial Board to be guilty of any act that reflects discredit upon the accounting profession.

Section 2. Any complaint or charge initiated against a member because of violation of a subparagraph under Section 1 of this Article shall be filed in writing with the Executive Vice President who shall forward the same to the Chair of the Governance Committee. The procedures enumerated in Article VII of these Bylaws regarding charges, Trial Board and penalties shall apply to complaints or charges initiated under Section 1 of this Article.

Section 3. Automatic Suspension, Expulsion or Termination.

- (a) A member renders himself liable to automatic suspension, expulsion or termination of membership without a hearing before a Trial Board as provided in Article VII if there is filed with the Executive Vice President a final judgment of conviction, or an order of a State or Federal court, showing that the member has been convicted of any one of the following offenses:
 - 1. A State or Federal crime punishable by imprisonment for more than one year;
 - 2. Willful failure to file any income tax return required by law of him as an individual to file;
 - 3. Filing a false or fraudulent income tax return on a client's behalf;
 - 4. Willfully aiding in the preparation and presentation of a false and fraudulent income tax return of a client; or
 - 5. Any criminal offense under the revenue laws of the United States, or any criminal offense under Federal or State law involving dishonesty, fraud, or

breach of trust.

(b) A member renders himself liable to automatic suspension, expulsion or termination of membership without a hearing before a Trial Board as provided in Article VII if there is filed with the Executive Vice President an order of a competent State or Federal administrative body showing that:

1. The member's license to practice public accountancy has been withdrawn or revoked by any State or Territory of the United States or by the District of Columbia and that such withdrawal or revocation is currently in effect; or
2. The member has been suspended or disbarred by the Director of Practice of the U.S. Department of Treasury.

Section 4. A member who has been convicted by State or Federal court of any criminal offenses enumerated in Section 3(a) of this Article, or whose license to practice has been withdrawn or revoked (for other than nonpayment of dues or fees) by competent State or Territorial authority or by the District of Columbia or who has been disbarred by proceedings of the Director of Practice, as provided in Section 3(b) of this Article, shall be automatically terminated from membership by notice of termination as provided in Section 6 of this Article.

Section 5. A member whose license to practice has been suspended by competent State or Territorial authority, or by the District of Columbia, or who has been suspended by proceedings of the Director of Practice, shall be automatically suspended from membership in the National Society as provided in Section 6 of this Article for the same period of time as his license has been suspended or his privilege to practice before the Internal Revenue Service has been suspended.

Section 6. The notice of automatic termination or suspension provided for in Sections 3, 4, and 5 of this Article shall be signed by the Executive Vice President and mailed to the member by certified mail at his last known address according to the records of the National Society. Such notice shall be mailed as provided within a reasonable time after information regarding the member's offense has been received by the Executive Vice President.

Section 7. A member automatically terminated or suspended from membership as provided in Sections 3, 4, 5 and 6 of this Article may petition within 30 days after receipt of the notice of termination or suspension from the Executive Vice President, for review of the termination or suspension action. The member's petition for review shall be addressed to the Chair of the Governance Committee and shall state briefly the facts and reasons relied upon to show that the action of termination or suspension is unjustifiable. The Chair of the Governance Committee shall assign the matter to the Ethics and Grievance area of responsibility whose participants, numbering five Governance Committee members, shall be identified by the President upon taking office. These five Governance Committee members shall consider the violation and consider the merits of the petition for review. They shall further render a decision within 60 days of receipt of the petition for review and the Executive Vice President shall notify the member of the decision upon the petition for review. The automatic termination or suspension from membership shall be held in abeyance while the petition for review is under consideration. The

decision upon the petition for review is final and the member shall have no further right of appeal to a Trial Board or to the Board of Governors.

Section 8. For the purposes of Sections 3, 4 and 5 of this Article, a plea of nolo contendere shall be treated as a plea of guilty.

ARTICLE VII

CHARGES, TRIALS AND PENALTIES

Section 1. If a complaint or charge against a member alleging a violation of Section 1 of Article VI is brought in writing to the attention of the Chair of the Governance Committee, the Chair shall assign the matter to the Ethics and Grievance area of responsibility whose participants, numbering five Governance Committee members, shall have been identified pursuant to Section 7 of Article VI. These five Governance Committee members shall consider the merits of the complaint or charge.

Section 2. If, after considering the complaint or charge, the same five Governance Committee members, by majority vote do not find that a violation of Section 1, Article VI has been committed, they shall dismiss the complaint by notice in writing to the complainant. If they do not dismiss the complaint, or shall fail to act thereon within 90 days after such complaint is received by them, the member filing the complaint may present the complaint in writing to the Board of Governors for investigation and decision. The Board of Governors may dismiss the complaint or request the Executive Vice President to summon the accused member to appear before a Trial Board as provided in Section 4 of this Article.

Section 3. If, upon consideration of the charges in the complaint, the same five Governance Committee members find probable cause for the filing of the complaint, then the Executive Vice President shall notify the accused in writing and summon the accused to appear before a Trial Board at a fixed time and place to respond to the charges.

Section 4. A Trial Board under this Article shall consist of not less than three members residing in the State in which the accused resides. The Trial Board shall be appointed by the President of the National Society. It shall convene for hearing of a case or cases not less than thirty, nor more than ninety, days after notification of its appointment by the President. The number of members appointed by the President to the Trial Board, if more than three, shall be an odd number.

Section 5. Notice of the time and place of the hearing of the Trial Board shall be sent by certified mail by the Executive Vice President to the parties concerned at least thirty days prior to the proposed meeting of the Trial Board. The Chair of the Governance Committee, or a member or representative thereof, shall present any evidence of the alleged violation or violations and shall have the burden of proof in matters before the Trial Board. After hearing the evidence presented by the Chair of the Governance Committee, or a member or representative thereof, and by the defense, the Trial Board, by a majority vote of the members present and voting, shall enter its written order and recommend acquittal, censure, suspension for a period of time not to exceed

one year, or expulsion of the member against whom the complaint has been filed. The Trial Board shall submit a statement of the case and its order to the Board of Governors.

Section 6. The member against whom an order of the Trial Board is entered shall have the right to appeal to the Board of Governors within ninety days from the submission of the Trial Board's statement of the case and its order for review of the record of the case before the Trial Board. The Board of Governors shall review the record on appeal and enter its decision, either sustaining the action of the Trial Board or remanding the case to the Trial Board for further action not inconsistent with the decision of the Board of Governors. There shall be no appeal from the decision of the Board of Governors.

Section 7. If no appeal to the Board of Governors is taken by the defendant member within the time herein provided, the Executive Vice President shall notify the Board of Governors of such fact and the action recommended by the Trial Board shall be carried out immediately.

ARTICLE VIII

OFFICERS OF THE SOCIETY

Section 1. The Officers of the Society shall be a President, a First Vice President, a Second Vice President, and a Secretary-Treasurer. The Officers shall be elected by a majority vote of the accredited delegates present and voting at each annual convention of the National Society. Such Officers shall serve for one year or until their successors are duly elected and qualified, except that the Secretary-Treasurer shall serve for a two-year term.

Section 2. The President shall be the Chief Executive Officer of the National Society. He shall preside at all meetings of the Board of Governors, at the Annual Convention, and at such sectional meetings of the membership as may be set by the Board of Governors. He shall sign or have his signature printed on all certificates of membership. He shall be an ex-officio member of all committees. He may appoint any committee he may deem advisable to promote the welfare of the Society. He may suspend and temporarily remove any committeeman appointed by him for neglect of duty, gross inefficiency, or violation of the Bylaws. He shall make an annual report to the National Council of Delegates on the progress of the National Society. He shall do any and all things that, with the approval of the Board of Governors, he may deem necessary to protect the rights and interests of the National Society, and to promote the common welfare of the members.

Section 3. The First Vice President shall have such powers and shall perform such duties as are or shall be prescribed by the Bylaws, the Board of Governors, or the President. In case of the disability of the President to perform his duties, or his absence from any meeting where his presence would be required, the First Vice President shall perform the duties of the President during the continuance of such disability or absence. If the office of the President shall become vacant, the First Vice President shall thereupon become President of the Society for the unexpired term. Such service shall not affect the First Vice President's being nominated for the office of President of the Society at the next Annual Convention.

It shall also be his duty as the First Vice President to prepare his program for his probable term as President. The First Vice President shall appoint immediately following his election, a Budget Committee comprised of the First Vice President, Second Vice President, Secretary Treasurer, Executive Vice President, one District Governor, and other persons as may be designated by the First Vice President to prepare the budget for the next fiscal year. It shall be the responsibility of this Committee to submit a tentative budget at the spring meeting of the Board of Governors. The final balanced budget for the next fiscal year will be submitted to and approved by the Board of Governors at their meeting immediately prior to the annual convention.

Section 4. The Second Vice President shall have such powers and shall perform such duties as are or shall be prescribed by the Bylaws, the Board of Governors, or the President. In case of the disability of the First Vice President to perform his duties, or his absence from any meeting where his presence would be required, the Second Vice President shall perform the duties of the First Vice President during the continuance of such disability or absence. If the office of the First Vice President shall become vacant, the Second Vice President shall thereupon become First Vice President of the Society for the unexpired term. Such service shall not affect the Second Vice President's being nominated for the office of First Vice President of the Society at the next Annual Convention.

Section 5. The Secretary-Treasurer of the Society shall have the following authority, duties and responsibilities:

- (a) The Secretary-Treasurer shall be responsible for the proper recording of the proceedings of all meetings of the Board of Governors and the National Council of Delegates, and shall insure that the proceedings of such meetings show the time and place of holding the meeting, whether the meeting was regular or special and, if special, how the meeting was authorized, the notice given for all meetings, and the names of the Governors present at Board meetings. The Secretary-Treasurer shall also be responsible for the proper recording of the proceedings of meetings of the Executive Committee.
- (b) The Secretary-Treasurer shall approve the appointment of such banks and financial institutions as are necessary to retain custody of the Society's moneys and the Society's general, special, restricted, and trust funds. He shall cause to be kept an adequate, correct and proper record of the Society's financial transactions, including an accounting of the Society's assets, liabilities, receipts and disbursements. He shall have responsibility for all funds disbursed, and shall ascertain that funds are disbursed only upon vouchers properly approved by the Executive Vice President. He shall further ascertain that disbursements are within the budget appropriation adopted by the Board of Governors. Prior to any disbursement from a special, restricted, or trust fund, he shall first ascertain to his satisfaction that such disbursement is authorized by the Bylaws or administrative policy for that particular fund.
- (c) The Secretary-Treasurer shall make a monthly report to the Board of Governors showing the receipts and disbursements for the month and the balance of moneys on hand at the end of the month. He shall also make an annual report to the National

Council of Delegates at the Annual Convention.

- (d) Whenever the cash balances in the Society's General Fund are in temporary excess of the current actual needs, the Secretary-Treasurer shall invest such excess funds in conservative investments to produce income and to insure the safety of the principal. Such investments shall be short-term maturities placed with federally insured financial institutions and/or in U.S. Government obligations. Any individual investment with a specific financial institution shall not exceed the amount insured by the federal government.
- (e) If and when the cash balance in the Society's General Fund account is insufficient to meet the operating needs of the Society, and it is necessary that sums be temporarily withdrawn from invested surplus in order to meet expenses, the Secretary-Treasurer shall take appropriate action to effect the withdrawal of surplus funds. However, he shall make no withdrawal from the Society's Investment Fund without the approval of the Board of Governors.
- (f) The Secretary-Treasurer shall approve reimbursement to the officers, Board of Governors, committee chairmen, committee members, and State Directors for all reasonable and necessary expenses incident to the performance of their duties and responsibilities within the amounts adopted in the budget.
- (g) The Secretary-Treasurer shall give a bond, in such amount as the Board of Governors shall determine, for the faithful performance of his duties.
- (h) The Secretary-Treasurer shall also perform such other duties as directed by the Board of Governors, the Bylaws, or the President.
- (i) In case of the disability of the Secretary-Treasurer to perform his duties as determined by the Board of Governors based upon recommendations of the President, or if for any reason the office shall become vacant, the President shall appoint, with the approval of the Board of Governors, an eligible member to serve in the capacity of Secretary-Treasurer. The appointment shall not be effective beyond the first Annual Convention subsequent to the appointment. If the Secretary-Treasurer is unable to resume his office at that time, the office shall be open to prospective candidates as if the two-year term had expired. The appointee shall be eligible to be a nominee and, if elected, the term shall be in accordance with Sections 1 and 8 of this Article.

Section 6. The President, Executive Vice President, and all Officers of the National Society shall not incur total expenditures other than as provided in the budget in excess of \$1,000 for any individual item without first obtaining the approval of two-thirds (2/3) majority of the Board of Governors.

Section 7. The President or Secretary-Treasurer shall sign all contracts binding the National Society, unless provided otherwise by the Board of Governors.

Section 8. The President, First Vice President, and Second Vice President shall be elected for a term of one year but may be eligible for re-election for one additional term or until their successors are duly elected and qualified.

Section 9. The Secretary-Treasurer shall be elected for a term of two years but may be eligible for re-election for one additional term or until his successor is duly elected and qualified.

ARTICLE IX

EXECUTIVE VICE PRESIDENT

Section 1. The Executive Vice President shall be the Administrative Officer of the Society. He shall conduct and direct the affairs of the Society under the supervision of the President and the direction of the Board of Governors. He shall be an ex-officio member, without vote, of all committees. He shall receive all moneys and funds, general, special, and trust, of the Society and shall deposit same in the name of the National Society of Public Accountants in an insured depository designated by the Board of Governors. He shall give bond for the faithful performance of his duties as determined by the Board of Governors. He shall make a written monthly report of all his activities to the President and to the Board of Governors.

Section 2. No present or past member of the National Society of Public Accountants, regardless of classification of membership, shall be eligible to apply for or be employed as the Executive Vice President, nor shall any present or past member of the Society be appointed as a temporary or pro-tem Executive Vice President to temporarily fill a vacancy in that office.

Section 3. When a vacancy occurs in the position of Executive Vice President, the President of the Society shall appoint a search committee of not less than three or more than five active or life members in good standing of the Society, to make a recommendation for filling the vacancy.

ARTICLE X

DISTRICTS

For the efficient administration of the Society's affairs, it shall be divided into districts as follows:

- District 1 Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.
- District 2 New York, Pennsylvania, New Jersey, Delaware, Puerto Rico, and the Virgin Islands.
- District 3 Maryland, West Virginia, Virginia, and the District of Columbia.
- District 4 North Carolina, South Carolina, Georgia, and Florida.
- District 5 Ohio, Indiana, Illinois, Wisconsin, and Michigan.
- District 6 Kentucky, Tennessee, Alabama, and Mississippi.

- District 7 Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.
- District 8 New Mexico, Oklahoma, Texas, Louisiana, and Arkansas.
- District 9 Oregon, Washington, Idaho, Montana, Wyoming, Colorado, and Alaska.
- District 10 Arizona, California, Nevada, and Utah.
- District 11 Hawaii, Guam, Saipan, American Samoa, Pacific Territories of the United States of America and International Associate Members.

ARTICLE XI

THE BOARD OF GOVERNORS

Section 1. The Board of Governors shall be the governing body of the Society and shall be composed of the President, the First Vice President, the Second Vice President, the Secretary-Treasurer, two immediate Past Presidents, and the District Governors. If for any reason a Past President's membership on the Board of Governors becomes temporarily or permanently vacant, the President shall appoint the next most immediate Past President who is capable of performing the duties of an acting member of the Board. In case a question of capability of performance of duties arises, the Board shall make that determination. The President shall make such appointment within 30 days after said vacancy. The Board shall determine when said temporary incapacitation ends.

Section 2. The Board of Governors shall be charged with the responsibility of carrying out the policies adopted by the delegates at the Annual Convention. The Board shall have full power to select and appoint an Executive Vice President, define his duties, fix his compensation, and to do all things necessary and proper to carry out the provisions of the Bylaws in order to protect the rights and interests of the Society and to promote the common welfare of its members. The Board shall have the power to invest, appropriate, and expend the moneys thereof.

Section 3. The Board of Governors shall have the authority to suspend or temporarily remove by a two-thirds (2/3) majority vote any Officer of the Society for inefficiency, bad conduct, or disloyalty to the Society.

Section 4. The Board of Governors shall have the authority to suspend or temporarily remove by a two-thirds (2/3) majority vote any member of the Board for inefficiency, bad conduct, or disloyalty to the Society.

Section 5. In the event an Officer or Board member is suspended or temporarily removed from office pursuant to Section 3 or 4 above, the Board of Governors shall have the power to appoint an acting Officer or Board member, as the case may be, to perform the duties of such office during the period of suspension or temporary removal.

Section 6. The President of the National Society shall be Chairman of the Board of Governors and shall preside at all meetings, regular or special.

Section 7. No one receiving a salary or fees from the Society shall have the right to sit as a Board Member, either with or without a vote, unless the receipt of salary or fees for educational purposes only has been expressly authorized by a majority vote of the Board of Governors (with the vote of the Board Member who would receive the salary or fee recorded as “abstain”).

Section 8. If for any reason a Governor's membership on the Board of Governors becomes temporarily or permanently vacant, or will become vacant no later than at the electing convention due to a resignation submitted under the provisions of Article XVI, Section 5, the President shall submit to the Board the name of a nominee, from the affected District, to become Governor during such vacancy. Such nomination shall be subject to approval of the Board. In the event the Board does not approve such nominee, the President shall submit to the Board the name of another nominee. The Governor approved by the Board shall serve for the remaining term of the Governor whose resignation, incapacitation or death created the vacancy.

Section 9. District Governors shall be elected for a term of two years and may be eligible for re-election for one additional term or until their successors are duly elected and qualified.

ARTICLE XII

MEETINGS OF THE BOARD OF GOVERNORS

Section 1. The Board of Governors shall meet at least three times each year, and these meetings shall be held at the following times:

- (a) After the Annual Convention and before January 1 of the following year;
- (b) A day designated by the President not later than May 31;
- (c) The day preceding the opening of the next Annual Convention.

Section 2. Members of the Board of Governors are obligated to attend all Board of Governors meetings unless excused for good cause by the President. Fifty percent of the members of the Board of Governors shall constitute a quorum at any regular or special meeting. An affirmative vote of a majority of the members present and voting at an official meeting shall be binding on all other members.

Section 3. Special meetings of the Board of Governors may be called by the President. Special meetings may also be called by three Officers or by five Governors by filing a written petition with the President at least 30 days prior to the stated date of the special meeting. The petition for, and notice of, any special meeting must contain the date and agenda for said meeting.

Section 4. Decisions of the Board of Governors may be arrived at in meetings or, at the discretion of the President, by telephone conference call, facsimile, email ballots or mail ballots. In the case of email, facsimile or mail ballots, an affirmative vote of the majority of those entitled to vote (or a two thirds majority if required by other provisions in these Bylaws) shall be binding. Mail, facsimile or email ballots shall be valid and counted only if received in the

Executive Office by the return date so specified.

Section 5. The Society shall not reimburse any member for expenses to attend Board of Governors meetings unless said member is a voting member of the Board as defined in Article XI, or is requested to be present by the President.

ARTICLE XIII

ANNUAL CONVENTION

The annual meeting of the members, hereinafter referred to as the "Annual Convention," shall be held between June the fifteenth and September the fifteenth of each year. The exact date and place shall be determined by the Board of Governors and it shall be the duty of the Secretary-Treasurer to notify all members at least ninety (90) days prior to the official opening of the Annual Convention. In the event an official bulletin or periodical is issued by the Society, and a copy is provided to each member in accordance with the above time limit, then the notice of the Annual Convention may be published in such bulletin or periodical in lieu of such notice from the Secretary-Treasurer. The notice shall state the exact date and place of the Annual Convention, as well as the tentative agenda. The Board of Governors shall fix the registration fee to the Annual Convention. Parliamentary procedure at the Annual Convention shall be conducted in accordance with Roberts Rules of Order Revised, unless otherwise provided by the rules of the convention.

ARTICLE XIV

ELECTION OF OFFICERS, GOVERNORS AND DIRECTORS

Section 1. The following Officers shall be elected to serve for one term as defined in Article VIII Section 1 or until their successors are duly elected and qualified: President, First Vice President, Second Vice President and Secretary –Treasurer.

Section 2. District Governors shall be elected for the term defined in Article XI, Section 9. The Governors from even numbered districts are to be elected in the even numbered years, and the Governors from the odd numbered districts are to be elected in the odd numbered years.

Section 3. Directors from each State or Territory shall be elected for a term of two (2) years according to the following schedule: the Directors from States or Territories in even numbered districts are to be elected in the odd numbered years, and Directors from States or Territories in odd numbered districts are to be elected in the even numbered years. State Directors may be eligible for only one additional two (2) year term except in situations where no other candidate is available.

Section 4. NSA Active and Life Members eligible to vote pursuant to these Bylaws shall be eligible to vote on all candidates for NSA office.

Section 5. In the event of resignation, death or incapacity in the office of State Director in any State or Territory, it shall be the duty of the President to appoint a member from such State or Territory to serve the unexpired term. Incapacity shall be determined by the Board of Governors.

Section 6. All matters before the delegates at the Annual Convention shall be decided by a majority vote of delegates present and voting except amendments to the Bylaws.

Section 7. Eligibility for Election

- (a) No person shall be eligible for election to hold the Office of Secretary-Treasurer, Second Vice President, First Vice President or President unless that person has been an active member in good standing of the National Society for a period of at least five (5) years.
- (b) No person shall be eligible for election to hold the Office of Governor unless that person has been an active member in good standing of the National Society for a period of at least five (5) years and (i) is domiciled in, or (ii) has a public practice in, the District for which the person is seeking election as Governor.
- (c) No person shall be eligible for election to hold the Office of State Director unless that person has been an active member in good standing of the National Society for a period of at least four (4) years or two (2) years as an active member in good standing of the National Society and two (2) years as a voting member of the governing body of an NSA affiliated state organization, which term of years may be concurrent.

Section 8. No person currently serving in an elected or appointed post may seek the office of Second Vice President, First Vice President, Secretary-Treasurer or President unless the current term of such person will expire at the electing convention, or unless such person resigns his or her elected or appointed post no later than at the election. A candidate who resigns his elected or appointed post to seek another office shall not be eligible for concurrent reappointment to complete his term.

ARTICLE XV

CERTIFICATION OF CANDIDATES FOR OFFICE; TELLERS COMMITTEE

Section 1. It shall be the duty of the Leadership Development Committee to certify the eligibility of declared candidates; provided however, that the Committee shall recommend only the First Vice President for the Office of President and the Second Vice President for the Office of First Vice President.

Section 2. Clerk, Tellers and Ballots

- (a) It shall be the duty of the President to appoint not less than three delegates who are not Officers or nominees for office, to act as Clerk and Tellers of the election. After all nominations for specific Officers have been made and closed, it shall be the duty of the Secretary-Treasurer to ensure that all delegates who are present or represented by proxy have the opportunity to vote, whether by printed, electronic or other means.
- (b) After conclusion of all voting, the Clerk and Tellers of the election shall report the results of the election to the President, who shall immediately announce numeric results of the vote to the National Council of Delegates. If no candidate for any Office receives a majority of the votes cast, an immediate run-off election shall be held between the two (2) candidates receiving the highest number of votes cast on the first ballot. Limited proxy ballots will be cast for the remaining candidates in the same manner as the original election.
- (c) In the event there is only one nominee for a specific Office, a motion shall be in order for the Secretary-Treasurer to cast a unanimous ballot for that nominee.

ARTICLE XVI

HISTORIAN/ARCHIVIST

There shall be a Historian/Archivist, whose term of office shall be three years, appointed by the President and ratified by the Board of Governors.

ARTICLE XVII

COMMITTEES

Section 1. Standing Committees

- (a) It shall be the duty of the President, within thirty days following the close of the Annual Convention to appoint an Administrative chair and no less than two members to the following standing committees unless otherwise provided in the Bylaws:
 - (1) Member Benefits, with the following areas of responsibility: Membership, Insurance, Public Relations, Editorial Review;
 - (2) Right to Practice, with the following areas of responsibility: Federal Taxation, Public Accountants on State Accountancy Boards, State Regulation and Oversight, National Affairs, Accounting Guidelines, Political Action Committee;
 - (3) Professional Development, with the following areas of responsibility: Technology, Education, Quality Assurance Review;

- (4) Leadership Development, with the following areas of responsibility: Affiliated Society Relations, State Directors, Certification of Candidates;
 - (5) Governance, with the following areas of responsibility: Constitution, Bylaws, Administrative Policies, Ethics and Grievance, Rules, Credentials, Awards, Tellers, Sergeant at Arms, Good and Welfare, Memorial; and
 - (6) Long Range Planning.
- (b) No member shall be appointed to, nor serve on, more than two (2) committees set forth in sub-section (a) or as may be created pursuant to any other section of this article, and further, no member shall be appointed as, nor serve as, Administrative chair of more than one committee set forth in sub-section (a) or as may be created pursuant to any other sections of this Article.
- (c) No Governor or State Director shall be appointed to, nor serve on, more than one (1) committee set forth in sub-section (a) or as may be created pursuant to any other sections of this Article.

Section 2. Each Committee member, unless specifically enumerated in this article, shall be appointed for a one-year term and shall serve at the pleasure of the President. Appointments shall expire with the installation of the incoming President. Only Life and Active Members in good standing, as those terms are defined in these Bylaws, are eligible for appointment as a chair. At least one-fourth of the members of each standing committee shall be reappointed to a successive term on that standing committee.

Section 3. The President may also appoint subcommittees and special committees if, in his opinion, the affairs of the National Society may thus be handled in a more efficient and satisfactory manner.

Section 4. It shall be the duty of the President to issue specific instruction to the chair of each committee advising him as to the scope and limitations of the activities of his committee.

Section 5. There shall be an Executive Committee consisting of the officers, the immediate Past President, the Executive Vice President, and one District Governor (or an alternate) who shall be nominated by the President and approved by the Board of Governors. The duties of the Executive Committee shall be defined by the Board of Governors. All decisions of the Executive Committee shall be ratified by the Board of Governors at its next regularly scheduled meeting. The Executive Committee shall meet at the call of the President. The Executive Committee shall serve in an advisory capacity to the President and shall consider such matters as he may from time to time designate. The Executive Committee shall keep minutes of its proceedings and shall report fully to the Board of Governors at each meeting thereof.

ARTICLE XVIII

AMENDMENTS TO BYLAWS

Section 1. The National Council of Delegates alone may amend these Bylaws by a two-thirds (2/3) vote of the Delegates present or represented by general proxy and voting at the Annual Convention.

Section 2. No amendment to the Bylaws shall be considered by the National Council of Delegates unless submitted in advance to the Chairman of the Governance Committee or to the Executive Office for transmittal to the Chairman of the Governance Committee. All proposed amendments to the Bylaws shall be signed by at least five members in good standing.

Section 3. A notice of proposed amendments to the Bylaws shall be sent to all members at least thirty (30) days prior to the opening of the Annual Convention by the Chairman of the Governance Committee; provided, however, that in the event an official bulletin or periodical is issued by the Society and a copy is mailed to members only in accordance with the above time limit, then the notice of proposed amendments may be published in such official bulletin or periodical in lieu of notice from the Chairman of the Governance Committee. The publication of proposed Bylaw amendments shall indicate the names of the sponsoring members.

Section 4. Any proposed amendment to the Bylaws that has not been submitted in the manner as required above may be presented for consideration at the Annual Convention by a three-fourths (3/4) vote of the Delegates present or represented by general proxy and voting.

Section 5. The Governance Committee shall review all proposed amendments and shall report its recommendation to the National Council of Delegates assembled at the Annual Convention.

Section 6. Unless otherwise stated, all amendments to the Bylaws shall be effective immediately upon their adoption.

ARTICLE XIX

CODE OF ETHICS / RULES OF PROFESSIONAL CONDUCT

It shall be the duty of the Board of Governors, upon the recommendation of the Committee on Ethics and Grievances, to approve and publish a Code of Ethics and Rules of Professional Conduct.

ARTICLE XX

REPORTS AND PUBLICATIONS

Section 1. An annual report shall be made to the membership as soon as possible following the Annual Convention. It shall contain annual reports of Officers, a summary of the proceedings of the Annual Convention, and such other information as deemed pertinent.

Section 2. The Board of Governors shall authorize the publication of a monthly journal

devoted to the welfare of the public accountant and of the Society. It may also authorize the publication of a monthly or bimonthly bulletin to keep the membership informed on activities of the Society. All such publications and reports shall be supervised by the Executive Vice President.

ARTICLE XXI

STATE ASSOCIATIONS

Section 1. The National Society shall inspire and assist in forming a public accountants' association in every State or Territory and encourage their affiliation with the National Society. When such association has been formed, it shall be the duty of the Board of Governors, upon application of such State or Territorial Organization, to issue a Charter to such State or Territorial organization, denoting affiliation with the National Society, provided, that said State or Territorial Association's Bylaws are in conformity with, and not inconsistent with, the Bylaws of the National Society of Public Accountants. If, in the opinion of the Board of Governors of the National Society, the State or Territorial Association's Constitution and Bylaws do not conform, a Charter shall not be issued. In the event that, at any time, the State or Territorial Association's Bylaws cease to conform to, and be consistent with, the National Society's Bylaws, the Board of Governors shall revoke such Charter. There shall not be more than one affiliated association in any State or Territory.

Section 2. International members in good standing shall be encouraged to form a national organization of eligible members in their country and to seek affiliation with the National Society of Public Accountants. When such organization has been formed, upon application and approval of such organization it shall be the duty of the Board of Governors to issue a Charter to that organization denoting affiliation with the National Society, provided that the organization's Constitution and Bylaws are in conformity with, and not inconsistent with, the Bylaws of the National Society of Public Accountants. Members of an affiliated organization of a foreign country may still continue as international members of the National Society. There shall not be more than one national affiliated organization in any foreign country.

ARTICLE XXII

FISCAL YEAR AND ANNUAL AUDIT

Section 1. The fiscal year of the National Society of Public Accountants shall end on the thirty-first day of August of each year.

Section 2. The Board of Governors shall cause the Society's books and records of account to be audited annually.