



California Society of Certified Public Accountants Bylaws

Updated March 2026

ARTICLE I—Name, Purpose and Fiscal Year.

- (1) **Name.** The name of this organization is California Society of Certified Public Accountants, a California nonprofit mutual benefit corporation, hereinafter called “CalCPA.”
- (2) **Purposes.** The specific purposes for which CalCPA was formed are: to advance the science of accountancy; to encourage the maintenance of high professional standards for the certified public accountant; to cultivate cordial relationships among practicing accountants; to promote a better lay understanding of the services rendered by certified public accountants; and to act in a representative capacity for the profession.
- (3) **Fiscal Year.** The fiscal year of CalCPA shall begin on May 1 and shall end April 30 of the succeeding calendar year.

ARTICLE II—Membership

(1) **Classes of Members.**

- (a) Membership in CalCPA shall consist of five classes, namely, voting members, student members, candidate members, honorary members and associate members.
- (b) Only voting members, as described in Article II, Section (2), shall be “members” as defined or described in applicable law, including Section 7310 through 7354 of the Corporations Code of the State of California (the “Code”), and only voting members shall be entitled to vote as described in Article IV hereof. Except where these bylaws contemplate a person holding an office or position on account of holding another office or position (i.e., ex officio): (i) only voting members in good standing may hold an officer position, serve on the Nominations Committee or serve as the chair of any state committee, and (ii) all board members of the CalCPA Council and CalCPA Board must be members in good standing. Except as restricted by clause (i) of the forgoing sentence, student members, candidate members, honorary members and associate members shall enjoy all privileges of CalCPA membership.
- (c) An applicant shall be admitted to the appropriate class of membership upon: (i) receipt of a completed membership application, (ii) receipt of payment of applicable dues as established by the CalCPA Council, and (iii) verification that the candidate satisfactorily met all qualifications for membership in the class of membership sought by the applicant.
- (d) Despite (c) above or anything else herein, a member who has been terminated pursuant to Article II, Section (10) below, or resigns from membership while subject to suspension or termination under Article II, Section (9) or (10) below, or resigns while under investigation for such suspension or termination, shall not be eligible for membership without (i) the approval of the CalCPA Council, or (ii) the absence or favorable resolution of the circumstance, condition or investigation that was the basis for suspension or termination.

(2) **Voting Members.**

- (a) Any person meeting one of the following criteria is eligible to be a voting member:
 - (1) holds a license from the State of California as a Certified Public Accountant,



- (2) is a resident of California and holds a license or similar certification as a Certified Public Accountant of another state or political subdivision of the United States,
 - (3) is a resident of California and at any time in the past held a CPA license from the State of California or any other state or political subdivision of the United States, provided, however, no such license was suspended, surrendered or revoked in connection with, or as the result of, a disciplinary action by a licensing body, or
 - (4) meets the requirements for licensure as a Certified Public Accountant, in accordance with the Uniform Accountancy Act as it existed as of the date of the person's application for membership, but who has not obtained a license as a Certified Public Accountant, is not a candidate for licensure as a Certified Public Accountant, and has not had a Certified Public Accountant license terminated for disciplinary reasons.
- (3) **Student Members and Candidate Members.** Any student, or person seeking to take the CPA exam or awaiting the results thereof or awaiting licensure following passing results thereof, may be admitted to membership in CalCPA as student members or candidate members, respectively.
- (4) **Honorary Members.** Any person who, in the opinion of the CalCPA Council, is distinguished in the profession of accountancy, but who is not a member, may, upon unanimous vote of the members of the CalCPA Council, be elected as an honorary member. Honorary members shall not be required to pay initiation fees or other dues.
- (5) **Associate Members.** The CalCPA Council may, by resolution, create and establish criteria for a class of persons associated with CalCPA who do not qualify as voting members, student members, candidate members or honorary members. Such class of members shall be known as "associate members." of CalCPA.
- (6) **Life Members.** The CalCPA Council may, by resolution, create and establish criteria for voting member and/or associate member to be designated as life members. Life membership is not a separate class of membership, but rather a designation within the aforementioned classes of membership.
- (7) **Nonpayment of Dues; Reinstatement.** If a member who is required to pay dues in accordance with the policies established by CalCPA Council neglects to pay such dues, or neglects to pay any other assessments or indebtedness to CalCPA, notification of such delinquency shall be given to such member. If such member does not pay the delinquent dues 90 days after said dues shall be payable, the person's membership shall be suspended, and if such member does not pay the delinquent dues by the last day of the fiscal year in which dues were payable, the person's membership shall be terminated. Any person whose membership has been suspended or terminated for such nonpayment of dues, assessments or other indebtedness, may be reinstated upon payment of said dues, assessments or other indebtedness and compliance with any other requirements designated by the CalCPA Council or the CalCPA Board of Directors.
- (8) **Resignation.** The resignation of a member shall be in writing or electronic communication to an office, position or person whose responsibilities include accepting member resignations, or by such means or form as prescribed by the CalCPA Council. A member who has resigned shall not be entitled to any refund of membership dues. A member who has resigned may be reinstated upon satisfaction of all requirements of membership, except that the payment of dues shall not be required if the dues paid by the resigned member would not have been exhausted before the time of reinstatement. A member who is deceased is deemed to have resigned for all purposes hereof.
- (9) **Disciplinary Suspension of Membership.** Membership shall be suspended in the event:



- (a) A member's certificate, license or permit allowing such member to practice is suspended for cause by the applicable state board of accountancy, or its equivalent.
 - (b) The CalCPA Council or CalCPA Board of Directors determines that the member's present association with the organization would be detrimental to perceptions of the profession.
 - (c) A member's willful and continuing failure to file any income tax return which the member, as an individual taxpayer, is required by law to file.
 - (d) A member violates the CalCPA Code of Professional Conduct and such violation is continuing.
 - (e) A member has violated the CalCPA Code of Professional Conduct, or assisted another in doing so, and the CalCPA Council or CalCPA Board of Directors determines such violation warrants suspension.
- (10) **Disciplinary Termination of Membership.** Membership shall be terminated in the event:
- (a) A member's certificate, license or permit allowing such member to practice is terminated or revoked for cause by the applicable state board of accountancy, or its equivalent.
 - (b) The CalCPA Council or CalCPA Board of Directors determines that the member's continuing association with the organization would be detrimental to perceptions of the profession.
 - (c) A member is convicted of a felony (or its equivalent) involving moral turpitude under any applicable law;
 - (d) A member's filing of a false or fraudulent income tax return on the member's or a client's behalf;
 - (e) A member's willful preparation or presentation of a false or fraudulent income tax return of a client, or aiding the same;
 - (f) A member's willful preparation or presentation of materially false or fraudulent financial statements.
 - (g) A member violates the CalCPA Code of Professional Conduct, or assists another in doing so, and the CalCPA Council or CalCPA Board of Directors determines such violation warrants termination.
- (11) **Certificate of Membership.** The CalCPA Council shall cause a certificate of membership, in such form as it may prescribe, to be issued as a matter of course to each person admitted to membership. Membership certificates issued by CalCPA shall state on the certificate that CalCPA is a nonprofit mutual benefit corporation, which may not make distributions to its members except upon dissolution. Upon suspension or termination of any member the certificate of membership shall be returned to CalCPA. If any certificate shall become lost, stolen, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.
- (12) **Transfer of Membership.** Membership in CalCPA and any rights arising therefrom are not transferable or assignable and any attempted transfer or assignment thereof shall be void *ab initio*.

ARTICLE III—Fees, Dues & Assessments

- (1) **Dues - Annual.** Annual dues shall be paid to CalCPA. The CalCPA Council shall determine, by at least an affirmative majority vote of those present at the CalCPA Council meeting in which annual



dues are determined and at which a quorum is present, the annual dues which shall be paid by each member in accordance with such classifications as the CalCPA Council determines appropriate, and may require dues of a different amount for each class so created. Membership dues are payable May 1.

- (2) **Dues - Payments in Advance.** Any member who shall have attained the age of 55, and has paid to CalCPA an amount equal to 10 years' dues in advance, shall be relieved of further payment of dues. Any member who shall have attained the age of 60, and has paid to CalCPA an amount equal to five years' dues in advance, shall be relieved of further payment of dues. Such dues to be paid in advance pursuant to this paragraph shall be computed at the highest rate of annual dues in effect at the time of payment for the applicable class of membership set forth in Article II hereof.
- (3) **Initiation Fees, Administrative Fees or Other Fees.** The CalCPA Council shall prescribe the amount of initiation fee, administrative fee or other fee, if any, which applicants for membership shall pay.
- (4) **Dues - Member Resigning.** If any member shall have submitted such member's resignation, and if said resignation shall not have been accepted by CalCPA prior to the beginning of the fiscal period next succeeding the date of submission of such resignation, such member shall not be liable for any dues beginning with such succeeding fiscal period unless, after the commencement of such fiscal period, the resignation shall have been withdrawn, in which instance, the dues shall become due and payable in the same manner as if the resignation had not been requested. This provision shall not be a waiver of any dues that may have become due and payable in accordance with these bylaws.
- (5) **Dues - Disciplinary Suspension.** Any member holding a license as a Certified Public Accountant, suspended under Article II, Section (9) shall not be liable for the payment of dues accruing during the period of such suspension.
- (6) **Assessments.** The CalCPA Council shall have the right to propose assessments, provided such action shall not be taken unless notice thereof shall have been incorporated in the notice for the meeting at which the assessment is proposed. If such proposal is approved by the majority of the voting members present, the CalCPA Council shall conduct a written ballot of the entire voting membership, under rules established by the CalCPA Council. The approval of a majority of votes collected by ballot shall constitute approval of the assessment, which shall thereupon be levied and collected by CalCPA. Honorary members and voting members who have been relieved of further payment of dues pursuant to Section (2) of this Article shall be exempt from the payment of any such assessment.
- (7) **Refunds.** Any member who shall have resigned shall not be entitled to a refund of any dues paid except dues which may have been paid for a fiscal period succeeding the period in which such resignation shall have been submitted.
- (8) **Cancellations.** In meritorious individual cases, as determined in the sole discretion of the CalCPA Council, any dues, assessments or other indebtedness of a member may be cancelled.

ARTICLE IV—Meetings of the Members of CalCPA

- (1) **Annual Meeting.** There shall be an annual meeting of CalCPA held within 120 days after fiscal year end or 15 months after its last annual meeting (whichever is earlier), on such day and at such time and place(s) designated by the CalCPA Council.
- (2) **Special Meetings.** Special meetings may be called at any time by the chair of the CalCPA Council,



or by a majority of the CalCPA Council. In addition, special meetings may be called by the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, upon the written request of at least 250 members of CalCPA entitled to vote, as demonstrated by written evidence reasonably satisfactory to the secretary/treasurer, to be held at such day, time and place, or places, as the CalCPA Council shall designate; provided, however, any request by the members for a special meeting to consider a proposal to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct may only be initiated, signed and presented to the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, by 750 or more of the voting members of CalCPA. Any such special meeting shall be held at a time fixed by the CalCPA Council not less than 35 days nor more than 90 days after receipt of the request for the meeting. At such special meeting, no business shall be transacted except such as shall be specified in the written notice thereof.

(3) **Quorum; Action of Members; Electronic Participation.**

- (a) **Quorum.** At any meeting of the members of CalCPA, the presence of at least 50 voting members in person or by proxy constitutes a quorum.
 - (b) **Action of Members.** Any act approved by a majority of the voting members represented at the meeting at which a quorum is present, entitled to vote, and voting on any matter is the act of the members, unless the Code, the Articles of Incorporation of CalCPA, or these bylaws require a greater number. A meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum (other than adjournment) is approved by at least a majority of the members who constitute the required quorum for the meeting, or such greater number as required by the Code, the Articles of Incorporation of CalCPA or these bylaws.
 - (c) **Electronic Participation.** Unless otherwise restricted by these bylaws, a meeting of the members may be conducted, in whole or in part, by electronic transmission by and to CalCPA or by electronic video screen communication. The member shall be deemed present in person or by proxy at the meeting if (i) CalCPA implements reasonable measures to provide members in person or by proxy a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (ii) if any member votes or other action taken at the meeting by means of electronic transmission to CalCPA or electronic video screen communication, a record of that vote or action is maintained by CalCPA. Any request by CalCPA to a member pursuant to Section 20(b) of the California Corporations Code for consent to conduct a meeting of members by electronic transmission by and to CalCPA, shall include a notice that absent consent of the member pursuant to Section 20(b) of the California Corporations Code, the meeting shall be held at a physical location in accordance with these bylaws and the Code.
- (4) **Adjournment.** If no quorum shall be present within 30 minutes after the time appointed for a meeting, such meeting shall be considered adjourned. Furthermore, by the vote of at least a majority of the voting members present at any annual or special meeting of the membership, such meeting may be adjourned to a later specified day, time and place, or places, and the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, shall send to all members of CalCPA notice of such adjournment and said new meeting day, time and place or places. No meeting may be adjourned for more than 45 days.
- (5) **Notice of Meetings.** Written notice of all meetings of the members of CalCPA shall be given by first-class mail, personally, by electronic transmission by a corporation, or by other means of written communication, addressed to each member at such member's registered address appearing on CalCPA's books (or, in the case of any email address, the email address provided for that purpose) not less than 30 or more than 90 days prior to the date of the meeting. The notice shall state (a)



the matters to be voted upon at the meeting, (b) the place, date and time of the meeting, (c) the means of electronic transmission by and to CalCPA or electronic video screen communication, if any, by which members may participate in the meeting, (d) in the case of a special meeting, and (e) such other content as may be required under Section 7511(a) of the Code. Each member is responsible to promptly notify CalCPA of any change in such member's address.

- (6) **Record Date.** The CalCPA Council shall determine the record date for the purpose of determining the members entitled to notice of, and to vote at, a meeting of the members in accordance with Section 7611 of the Code.
- (7) **Proxies.** All voting members of CalCPA shall be entitled to vote by proxy at any meeting of the members. A member may vote by proxy by appointing only those individuals specified in Section (7)(a) and (b) below to act as such member's proxy (such person being referred to as "Proxyholder"). All proxies must be in writing and must contain a statement which sets forth the name of the Proxyholder. No member may act as a Proxyholder for more than 10 proxies, except as specified in Section (7)(a)(1) of this Article IV.
 - (a) **Directed Proxy.** A voting member may direct exactly how such member's vote shall be cast and shall specify in the proxy exactly how such member's vote shall be cast by the Proxyholder designated in accordance with Section (7)(a)(1) or (a)(2) below, as applicable.
 - (1) A voting member may give such voting member's proxy to the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, as Proxyholder therefor, to cast such member's vote as so specified in the proxy. The proxy form must be received by CalCPA at such location, date, and time as stated on the proxy form. There shall be no limit to the number of directed proxies the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, may cast as a Proxyholder.
 - (2) A voting member may give such voting member's proxy to another member of CalCPA, as Proxyholder therefor, to cast such member's vote as so specified in the proxy, subject to the 10 proxy limit referred to above in this Section (7).
 - (b) **Undirected Proxy.** A voting member may give such voting member's proxy to another voting member of CalCPA, as Proxyholder therefor, granting the Proxyholder full power and authority to exercise all voting rights in the sole and absolute discretion of the Proxyholder.
- (8) **Suspended Members.** Notwithstanding anything in these bylaws to the contrary, any voting member who has been suspended for any reason shall not be entitled to vote on any matter regarding CalCPA.
- (9) **Inspectors of Election.** The presiding officer at the annual meeting or at any other meeting at which one or more members of the CalCPA Council is to be chosen or one or more offices is to be elected shall appoint three inspectors, none of whom shall be an officer of CalCPA or member of the CalCPA Council or nominee as officer or member of the CalCPA Council. The inspectors of election shall (a) determine the number of voting members as of the record date for such meeting, the number of such voting members as of the record date for such meeting represented at such meeting in person or by proxy, the existence of a quorum, and the authenticity, validity and effect of proxies, (b) receive votes, ballots or consents, (c) hear and determine all challenges and questions in any way arising in connection with the right to vote, (d) count and tabulate all votes or consents validly received, (e) determine when the polls shall close, (f) determine the final result of such vote, and (g) do such acts as may be proper to conduct the election or vote with fairness to all members. The determination of at least a majority of the inspectors of elections regarding each item described in this Section (10) shall be final and binding on all members. The candidate for each open officer position, and the candidates for membership on the CalCPA Council, in each



case, receiving the highest number of votes for the respective offices, as specified in Article VIII and for the respective memberships on the CalCPA Council, as specified in Section (1) of Article VII shall thereupon be declared elected by the presiding officer.

- (10) **Action Without a Meeting by Ballot.** The CalCPA Council or the CalCPA Board of Directors may direct that a motion or resolution be submitted by written ballot in lieu of taking a vote at a member meeting, which shall be delivered by first class mail, personally, by electronic transmission by a corporation, or by other means of written communication, addressed to each member who is entitled to vote thereon at such member's registered address appearing on CalCPA's books (or, in the case of any email address, the email address provided for that purpose). Approval by written ballot pursuant to this Section (10) shall be valid only when the number of votes cast by ballot with respect to such matter or proposal within 30 days of CalCPA's distribution of such ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of votes cast in favor of such matter or proposal equals or exceeds the number of votes that would have been required to approve such matter or proposal at an annual or special meeting duly called in accordance with the provisions of this Article IV and at which the total number of votes cast in favor of such matter or proposal was the same as the number of votes cast by ballot.

ARTICLE V—Regions

- (1) The state shall be divided into geographic Regions, not to exceed six, in accordance with procedures determined by the CalCPA Council and defined in the Policy and Procedure Manual. Each member of CalCPA shall belong to the Region in which they primarily provide professional services or the Region in which they reside, at the option of such member.

ARTICLE VI—Community Advisory Council

- (1) A Community Advisory Council (CAC) shall serve as the statewide bridge between CalCPA's grassroots member engagement communities and its strategic leadership. The purpose of the CAC is to align strategy with local opportunities, surfacing insights from the field, and helping local forums and groups activate engagement across the state. The composition and function of the CAC shall be determined by the CalCPA Council and defined in the Policy and Procedure Manual.

ARTICLE VII—CalCPA Council

- (1) **Representation on CalCPA Council.** Subject to the provisions of the Code and any limitations in these bylaws relating to action required to be approved by voting members, the business and affairs of CalCPA shall be managed and all corporate powers shall be exercised by or under the direction of the CalCPA Council. For purposes of the Code and other applicable law, the CalCPA Council shall be deemed to be, and shall have all of the authority, power, rights and obligations of, a "Board" (as defined in Section 5038 of the Code), and the members of the CalCPA Council shall have all of the rights and obligations of members of such Board. The members of the CalCPA Council shall be elected at the annual meeting of the members as follows:
 - (a) Two representatives per region, serving staggered two-year terms, designated in accordance with procedures determined by the CalCPA Council and defined in the Policy and Procedure Manual.
 - (b) Six CalCPA Council members elected at large for staggered two-year terms by the voting members of CalCPA at each meeting of the members at which CalCPA Council members are to be elected with considerations for achieving diversity.
 - (c) The following officers of CalCPA Council shall automatically serve on the CalCPA Council so long as they serve in such position: chair of the CalCPA Council, first vice-chair, the four vice-chairs and the secretary/treasurer.



- (d) The immediate past chair of the CalCPA Council shall automatically serve on the CalCPA Council so long as such person serves in such position.
 - (e) State committee and section chairs shall automatically serve on the CalCPA Council so long as they serve in such position, subject to a six consecutive years term limit as any state committee or section chair.
 - (f) The five past chairs of the CalCPA Council who served most recently shall automatically serve on the CalCPA Council.
 - (g) Two representatives, who must be voting members of CalCPA, appointed by the chair of the CalCPA Council for staggered two-year terms.
 - (h) The chair of the CAC and five additional members of the CAC to be selected in accordance with procedures determined by the CalCPA Council and defined in the Policy and Procedure Manual.
 - (i) The chair, or designee, of the Learning Innovation Advisory Council (LIAC).
 - (j) The Chief Executive Officer (CEO) of CalCPA shall serve as a non-voting member of the CalCPA Council.
 - (k) The individual currently serving on the CalCPA Council in connection with their service as president of the California Certified Public Accountants Education Foundation shall continue on the CalCPA Council through July 30, 2026. This provision shall automatically terminate as of July 30, 2026.
- (2) **Non-voting Invited Guests.** Non-voting invited guests at each regular CalCPA Council meeting shall be past chairs of the CalCPA Council who do not serve on the CalCPA Council, members of AICPA Council, speakers, active task force chairs, presenters and others who shall be invited to attend CalCPA Council meetings from time to time. Such invited guests shall not be eligible to vote but may be permitted to speak and participate in the CalCPA Council meetings they attend. Notwithstanding any of the foregoing, the CalCPA Council may, with the approval of a majority of a quorum of the CalCPA Council, adjourn a meeting of the CalCPA Council and reconvene in closed session attended by only members of the CalCPA Council to discuss and vote on personnel matters, litigation in which CalCPA is or may become involved, and/or orders of business of a similar or otherwise sensitive nature.
- (3) **Service.** No CalCPA Council members except for officers, past chairs of the CalCPA Council and state committee or section chairs may serve more than six consecutive years without at least a 365 consecutive day break in service. Service for more than 6 months in a term shall constitute a full year.
- (4) **Vacancy.** If a vacancy occurs due to death, resignation or removal of a CalCPA Council member, or on account of the termination or suspension of their membership in CalCPA, or for any other reason, the CalCPA Council shall appoint a voting member of CalCPA to fill the vacancy for the unexpired term; provided, however, that if the CalCPA Council position vacated is that of a voting member who holds office pursuant to Section (1)(a) of this Article VII, then the voting member appointed to fill the vacancy shall be from the same Region with respect to which such vacancy exists.
- (5) **Removal from Office.** Any CalCPA Council member who holds office pursuant to Section (1)(a) of this Article VII and who has missed two consecutive CalCPA Council meetings may be removed



from office by the Region that designated such CalCPA Council member in accordance with procedures determined by the CalCPA Council. Any CalCPA Council member who holds office pursuant to Section (1)(b) of this Article VII and who has missed two consecutive CalCPA Council meetings may be removed from office at any duly held CalCPA Council meeting, provided that the action is documented in the notice of the meeting. Removal of a CalCPA Council member who holds office pursuant to Section 1(b) of this Article VII requires an affirmative majority vote of the voting members of the CalCPA Council present at a duly held meeting (not counting for this purpose the member who is the subject of the removal vote).

(6) **Responsibilities of Council.** The responsibilities of the CalCPA Council shall focus on strategic planning and policy making on behalf of the CalCPA members. Specifically, the CalCPA Council:

- (a) shall have the authority to establish policies and procedures of CalCPA and to enact resolutions binding upon the CalCPA Board of Directors, officers, state committees, sections and staff;
- (b) shall determine the desired outcomes for the success of CalCPA, including strategic planning, annual budgeting and promoting CalCPA to the public;
- (c) shall carry out CalCPA's mission in accordance with these bylaws;
- (d) may delegate any of its responsibilities to the CalCPA Board of Directors except the appointment of a voting member to fill a vacancy on the CalCPA Council and except as may otherwise be provided by applicable law (including, but not limited to, Section 7212(a) of the Code);
- (e) shall establish and, from time to time, revise the primary duties of the CEO and officers; and
- (f) shall not alter, amend or rescind any resolution or motion duly adopted at any properly assembled meeting of the CalCPA members in accordance with these bylaws.

(7) **Conduct of Meetings.**

- (a) The CalCPA Council shall adopt rules and procedures for the conduct and transaction of its business at its meetings. A record shall be kept of all of the proceedings of each CalCPA Council meeting, in the form of minutes. The record of each meeting shall be available for inspection by any member of CalCPA at all reasonable times after it is compiled. The record of each CalCPA Council meeting shall also be posted to a CalCPA web site, which is available to all classes of members of CalCPA. The secretary/treasurer of CalCPA, or such secretary/treasurer's designee, shall timely distribute copies of the minutes of each CalCPA Council meeting to the members of the CalCPA Council.
- (b) A majority of the members of the CalCPA Council shall constitute a quorum for the transaction of the business of the CalCPA Council.
- (c) A meeting of the CalCPA Council may be adjourned and rescheduled to another time or place by vote of a majority of the CalCPA Council members present whether or not a quorum is present. If the postponement is for more than 24 hours, then notice of the new time or place shall be given to all members of the CalCPA Council, including those not present at the time of adjournment.
- (d) Members of the CalCPA Council do not need to be physically present to participate in a meeting. The CalCPA Council shall establish rules for holding a duly noticed CalCPA Council meeting from site(s) remote from the main location. Members of the CalCPA Council participating from a remote site in accordance with such rules shall constitute presence.



However, the remote meeting site must minimally provide that all participants are able to hear one another. Since there are limitations inherent in tallying and verifying votes at a remote site, unless otherwise determined by the CalCPA Council, each remote site shall be staffed by a member of CalCPA Council or staff.

- (e) The CalCPA Council shall hold at least two regular meetings each year.
- (8) **Call for Meetings.** The chair of the CalCPA Council or at least 15 members of the CalCPA Council acting as one may call a meeting of the CalCPA Council. The time and place of the meeting shall be specified in a written notice of such meeting, which time shall be seven days or more after the notice is given. Notice shall be given to all members of the CalCPA Council using a method established by the CalCPA Council. The CalCPA Council may fix the time and place of regular meetings, and such meetings may be held at the time and place so fixed without further notice or call.
- (9) **Canvass Poll of Members.** The CalCPA Council, at any meeting of the CalCPA Council, may request that CalCPA take a non-binding canvass poll of the voting members of CalCPA, or any portion of such voting members, to ascertain such voting members' respective opinions on an issue, policy or action. Upon such request, the secretary/treasurer of CalCPA, or designee, shall have CalCPA staff prepare the canvass to be sent out to members using procedures for delivery and return of the canvass that have been established by the CalCPA Council. The results of the canvas shall not be binding on CalCPA.
- (10) **Removal.** The CalCPA Council shall have the authority to remove any officer or member of the CalCPA Board of Directors by a two-thirds vote of the Council. Such removal may occur at a duly held meeting of the CalCPA Council.
- (11) **Action Without a Meeting.** Any action required or permitted to be taken by the CalCPA Council may be taken without a meeting if all members of the CalCPA Council shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the CalCPA Council. Such action by written consent shall have the same force and effect as a unanimous vote of such members of the CalCPA Council.

Article VIII—CalCPA Board of Directors

- (1) **Role and Responsibilities of the CalCPA Board of Directors.** CalCPA shall have a Board of Directors, but for the purposes of the Code and other applicable law, the CalCPA Board of Directors shall be deemed to be an executive committee of the CalCPA Council (rather than a "Board" within the meaning of Section 5038 of the Code). The CalCPA Board of Directors shall work at an operational level to carry out the strategies and policies set by the CalCPA Council and the CalCPA voting members. Specifically, and except for those matters that are exclusively reserved to the CalCPA Council as a "Board" within the meaning of Section 5038 of the Code, the CalCPA Board of Directors:
 - (a) shall direct the general operational activities of CalCPA;
 - (b) shall act as the Executive Committee of the CalCPA Council and shall take whatever action it deems desirable, including the establishment of procedures to implement the policies set by the CalCPA Council relating to the conduct of the affairs of CalCPA, consistent with the provisions of these bylaws, motions and resolutions of the membership, or actions of the CalCPA Council;
 - (c) shall supervise the financial management of CalCPA and ensure accountability, including the responsibility for the hiring, firing, compensation and review of the CEO of CalCPA;



- (d) shall ensure appropriate communication, notice, and working relationships with the CalCPA Council;
 - (e) shall assist with the work of the CalCPA Council and its work groups (i.e., committees and task forces);
 - (f) shall report the actions of the CalCPA Board of Directors to the CalCPA Council at the regular meetings of the CalCPA Council; and
 - (g) shall have the authority to delegate decision making to the chair of the CalCPA Council, first vice chair of CalCPA Council, immediate past chair of the CalCPA Council, the secretary/treasurer and the CEO, in the event of situations that may arise from time to time and require immediate attention or action on decisions between regularly scheduled meetings of the CalCPA Board of Directors. Such decisions and actions shall be reported to the CalCPA Board of Directors for ratification at its next scheduled meeting.
- (2) **Conduct of Meetings.** The CalCPA Board of Directors shall meet at least three times per year.
- (a) The CalCPA Board of Directors may fix the time and place of regular meetings, which may be held at the time and place so fixed without further notice or call. The CalCPA Board of Directors may call a special meeting as required from time to time. Notice of regular or special meetings of the CalCPA Board of Directors shall be given at least four days' notice by mail, or 48 hours delivered personally, by telephone, fax or email.
 - (b) Meetings shall be held in person or through other means established by the CalCPA Board of Directors as long as proper notice has been given. The CalCPA Board of Directors shall establish rules for holding a duly noticed CalCPA Board of Directors meeting. Unless otherwise restricted by these bylaws, members of the CalCPA Board of Directors may participate in any regular or special meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.
- (3) **Quorum.** At any meeting of the CalCPA Board of Directors, the presence of the majority of members of the CalCPA Board of Directors shall constitute a quorum.
- (4) **Composition of the CalCPA Board of Directors.** The CalCPA Board of Directors shall have not less than 8 and no more than 15 members. The exact authorized number of directors shall be fixed from time to time, within the limits specified in this section or in the CalCPA Articles of Incorporation, by the CalCPA Board of Directors, or by a bylaw or amendment thereof duly adopted by the voting members of this corporation. Subject to the foregoing provisions for changing the authorized number of directors, the authorized number of directors of this corporation shall be fifteen.
- (a) Members of the CalCPA Board of Directors shall be:
 - (1) Chair of the CalCPA Council;
 - (2) First vice chair of the CalCPA Council;
 - (3) Four vice chairs of the CalCPA Council who serve for staggered two-year terms;
 - (4) Secretary/Treasurer;



- (5) Immediate past chair of the CalCPA Council;
 - (6) Four representatives from the CalCPA Council who shall be nominated and elected by the CalCPA Council to the CalCPA Board of Directors for staggered two-year terms in accordance with procedures established by the CalCPA Council;
 - (7) The two individuals appointed under Article VII, Section (1)(h);
 - (8) One optional and as needed non-voting, non-director, Strategic Advisor.
- (b) The CEO shall serve as a non-voting member of the CalCPA Board of Directors.
- (c) Designated officers serving on the board of trustees of the California Certified Public Accountants Education Foundation as of the dissolution of the Foundation shall serve as an additional member of the CalCPA Board of Directors. Such service on the CalCPA Board of Directors shall continue for the remainder of such individual's unexpired presumed officer track term on the Foundation board as of the date of dissolution. This provision shall automatically terminate as of the date of the last expiration of any such term.
- (5) **Removal of a Member of the CalCPA Board of Directors from Office.** The CalCPA Board of Directors shall have the authority to remove any director who holds such positions pursuant to Section (4)(a)(8) of this Article VIII for any reason or no reason. Such removal of a director requires an affirmative majority vote of the directors present and voting at a duly held meeting (not counting for this purpose the director who is the subject of the removal vote).
- (6) **Action Without a Meeting.** Any action required or permitted to be taken by the CalCPA Board of Directors may be taken without a meeting if all members of the CalCPA Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the CalCPA Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such members of the CalCPA Board of Directors.
- (7) **Conflicting Actions or Direction.** To the extent these bylaws permit the CalCPA Board of Directors to take any action or make any decision that is also permitted herein to be taken or made by the CalCPA Council, and the CalCPA Board of Directors and the CalCPA Council both act, and in so acting they take conflicting action or make inconsistent decisions, the decision of the CalCPA Council shall control.

ARTICLE IX—Officers

- (1) **Officers.** The officers of CalCPA shall be the chair of the CalCPA Council, the first vice-chair of the CalCPA Council, four vice-chairs of the CalCPA Council and a secretary/treasurer, all of whom shall be voting members of CalCPA. No person shall hold more than one office at a time.
- (2) **Election.** The officers, with the exception of the continuing vice-chairs, shall be elected at the annual meeting of the members of CalCPA except as provided for in Article XV, Section (4), in each year concurrently with the election of the at-large members of the CalCPA Council and shall hold office until the next annual meeting of the members of CalCPA, or until the election and qualification of their respective successors. The vice-chairs shall hold office for two years and shall have staggered terms, with two vice-chairs being nominated and elected each year at the annual meeting of the members.
- (3) **Vacancy.** If any vacancy shall occur in an office by reason of death, resignation, removal or for any other reason, the chair of CalCPA shall appoint a replacement, subject to approval by the CalCPA



Board, to fill the vacancy until the next annual meeting of the members.

- (4) **Duties of the Chair of the CalCPA Council.** In addition to the duties and prerogatives prescribed elsewhere in these bylaws and by the CalCPA Council, the chair of the CalCPA Council:
- (a) shall preside at all meetings of the members of CalCPA, the CalCPA Council, and the CalCPA Board of Directors;
 - (b) shall enforce the bylaws of CalCPA;
 - (c) shall be a member "ex officio" of every committee except the Audit Committee and the Nominations Committee;
 - (d) may conduct such correspondence as the chair of the CalCPA Council considered to be in the best interests of CalCPA; and
 - (e) shall perform all executive and other duties ordinarily appertaining to the office of chair of the CalCPA Council.
- (5) **Absence of Chair of the CalCPA Council.** In the event of the absence, disability or refusal of the chair of the CalCPA Council to act, the first vice-chair of the CalCPA Council shall act in the chair of the CalCPA Council's stead. In the further event of the absence, disability or refusal of the chair of the CalCPA Council and the first vice-chair of the CalCPA Council to act, the CalCPA Council shall designate one of the other vice-chairs to act. In the further event of the absence, disability or refusal of the chair of the CalCPA Council, the first vice-chair of the CalCPA Council and all of the vice-chairs of the CalCPA Council to preside at any meeting, the members of the CalCPA Council (by majority vote) shall select one of its voting members to preside.
- (6) **Duties of First Vice-Chair.** Pursuant to Section (5) of this Article IX, the first vice-chair shall take the chair's place and perform the chair's duties, in the event the chair is unable to serve. The first vice-chair shall also spend the term as first vice-chair learning the role and function of the chair and shall perform other duties as assigned by the chair or the CalCPA Council.
- (7) **Duties of Secretary/Treasurer.** The secretary/treasurer shall be responsible for:
- (a) giving required notice of all meetings of CalCPA members and of the CalCPA Council and the CalCPA Board of Directors;
 - (b) keeping a record of the proceedings to all such meetings to be made and of all matters of which a record shall be ordered;
 - (c) keeping custody of the corporate seal and affixing the seal to papers and documents when required;
 - (d) keeping a register of the name, residence and business addresses of each person admitted to membership;
 - (e) the notification of members elect;
 - (f) recording the number of voting members at each annual or special meeting of members:
 - (1) who are present at such meeting, and
 - (2) who are represented by proxy, or



- (3) who have submitted ballots, as reported by the election inspectors.
 - (g) the oversight of the financial activities and transactions of CalCPA;
 - (h) chairing of the Finance Committee;
 - (1) reporting to the CalCPA Council and the CalCPA Board of Directors at each of their regular meetings (such report shall contain such information as may be specified by the CalCPA Council or the CalCPA Board of Directors); and
 - (2) furnishing the auditors copies of the secretary/treasurer's annual report.
 - (i) Performing all other duties delegated to them by the CalCPA Board of Directors.
 - (j) The Secretary/Treasurer may delegate any or all of their duties outlined in items (a) – (f) above to the CEO of CalCPA.
- (8) **Annual Reports.** The chair of the CalCPA Council and the Secretary/Treasurer shall render an annual report at each annual meeting of the members.

ARTICLE X—Seal

- (1) **Form.** The seal shall consist of a circular die, with two concentric circles, between which shall be the words "California Society of Certified Public Accountants," and in the center of the die, the words "Incorporated September 27, 1909."

ARTICLE XI—Budget

- (1) **Annual Budget.** The CalCPA Board of Directors, with the assistance of the CEO, no later than the first day of each fiscal year, shall prepare for the approval of and adoption by the CalCPA Council an annual budget showing all amounts to be appropriated for the purposes of CalCPA and estimating all revenues for the current fiscal year. The CalCPA Board of Directors may amend the budget from time to time during the year, subject to approval and adoption by the CalCPA Council. Unexpended appropriations shall lapse at the end of each fiscal year and shall not be carried forward.

ARTICLE XII—Amendments

- (1) **Proposals for Amendments by Voting Members.** Every proposal by voting members to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct shall be in writing and shall set forth the nature of the proposal. Such proposals shall be initiated, signed and presented to the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, by 3% or more voting members or by the CalCPA Council and may be voted upon at the next succeeding annual meeting of the members, a special meeting of the members or by ballot, as determined by the CalCPA Council.
- (2) **Voting on Amendments at Annual Meeting or Special Meeting.** Unless the CalCPA Council orders a written ballot or by other means as established by rules set by the CalCPA Council, the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, shall include in the written notice of the annual meeting or a special meeting of members all properly presented proposals by CalCPA voting members to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct. A majority affirmative vote of the members voting at such annual meeting or special meeting is required to adopt, amend or rescind these bylaws or the CalCPA Code of



Professional Conduct.

- (3) **Voting on Amendments by Ballot.** When the CalCPA Council orders a written ballot or a ballot by other means as established by rules set by the CalCPA Council, the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, shall forthwith submit the proposal to CalCPA members in such manner. Approval by ballot shall be valid only when the number of votes cast by ballot within the time specified by the CalCPA Council, which shall not be less than 30 days after the date the ballot is submitted to members, equals or exceeds that required to constitute a quorum at a meeting of the members, and the number of approvals constitutes a majority of the votes cast by ballot.
- (4) **Amendment by CalCPA Council.** Except to the extent voting member approval is required pursuant to Section 7150 of the Code, these bylaws and the CalCPA Code of Professional Conduct may be adopted, amended, or repealed by the CalCPA Council without member approval.

ARTICLE XIII—Committees, Sections and Advisory Councils of CalCPA

- (1) **State Committees, Sections and Advisory Councils.** The voting members of CalCPA, the CalCPA Council or the CalCPA Board of Directors may designate or dissolve such committees, sections or advisory councils as they deem desirable from time to time to create and carry out the purposes of CalCPA. Unless specified by at least a majority of the voting members of CalCPA or the CalCPA Council, for any committee, section or advisory council designated, the CalCPA Board of Directors or their designee/s shall specify the number of members to compose each such group and the duties thereof.
 - (a) Every proposal for the creation of a committee, section or advisory council by the voting members shall be in writing and shall set forth the nature of the proposal. Such proposals shall be initiated, signed and presented to the secretary/treasurer by at least 25 voting members of CalCPA and may be voted upon at the annual meeting of members, a special meeting of voting members or by ballot, as determined by the CalCPA Council.
 - (b) Chair of CalCPA Council has the ability to designate or dissolve an ad-hoc committee.
- (2) **Appointments by Incoming Chair of the CalCPA Council.** The incoming chair of the CalCPA Council shall annually designate the personnel of every committee, except the Audit Committee (see Article XIV), the Nominations Committee (see Article XV, Section (2)), and the CalCPA Board of Directors (see Article VIII, Section (4)), and at the time of appointment of a committee shall designate the chair of the committee. The chair of the CalCPA Council shall be a member "ex-officio" of every committee except the Audit Committee and Nominations Committee.
 - (a) Solely for purposes of Section (2) of this Article XIII, the incoming chair of the CalCPA Council shall be deemed to be the person nominated to serve as chair by the Nominations Committee pursuant to Article XV, Section (1)(b) for the coming fiscal year.

ARTICLE XIV—Audit Committee and Auditors

- (1) **Appointment of Audit Committee.** The CalCPA Council will annually appoint an audit committee (Audit Committee). The appointment of the Audit Committee members shall occur at the first meeting of the council year.
- (2) **Composition.** The Audit Committee may include persons who are not members of the CalCPA Council. The audit committee cannot include staff members, the chair, secretary/treasurer, CEO, or CFO of CalCPA. Members of the Finance Committee may serve on the Audit Committee, but cannot comprise 50 percent or more of the members of the Audit Committee.



- (3) **Auditors.** The Audit Committee, under the supervision of CalCPA Council, is responsible for making recommendations to the CalCPA Council on the hiring and firing of independent certified public accountants (CPAs) to be engaged as external auditors to CalCPA. The Audit Committee has the delegated authority of the CalCPA Council to negotiate the external auditor's compensation. The Audit Committee shall recommend and the CalCPA Council shall appoint the outside auditors. CalCPA's external auditors shall have access to the books and records of the secretary/treasurer, or such secretary/treasurer's designee, at all reasonable times throughout the fiscal year. CalCPA's external auditors shall render an opinion on the CalCPA financial statements included in the annual report of the treasurer and shall furnish one copy each thereof to the officers. Facsimiles of such financial statements and the external auditors' opinion shall be distributed to the CalCPA members annually.
- (4) **The Audit Committee must:**
- (a) confer with the external auditor to satisfy committee members that the financial affairs of CalCPA are in order;
 - (b) resolve any disagreements between management and the external auditors regarding CalCPA's financial reporting and other matters;
 - (c) oversee the external auditor's qualifications and independence;
 - (d) oversee CalCPA's systems of disclosure controls and procedures;
 - (e) oversee CalCPA's internal controls over financial reporting, including, but not limited to, reviewing with the CalCPA Council the adequacy and effectiveness of such internal controls;
 - (f) oversee CalCPA's compliance with ethical standards adopted by the CalCPA Council, if any, to the extent relevant to the financial reporting function;
 - (g) hold timely discussions with the external auditors regarding: (i) all critical accounting policies and practices; (ii) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and (iii) other material written communications between the external auditor and management, including, but not limited to, any management letter or schedule of unadjusted differences;
 - (h) oversee, review, and periodically update CalCPA's code of business conduct and ethics and CalCPA's system to monitor compliance with and enforcement of such codes;
 - (i) review, with CalCPA's counsel, legal compliance and regulatory matters that could have a significant impact on CalCPA's financial statements;
 - (j) discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as CalCPA's major financial risk exposures and the steps management has undertaken to control them;
 - (k) review the audit and decide whether to accept it; and
 - (l) pre-approve non-audit services by the external auditors, and ensure such services conform to standards in the Yellow Book issued by the U.S. Comptroller General.

ARTICLE XV—Nominations Committee



- (1) **Responsibilities of the Nominations Committee.** The responsibilities of the Nominations Committee shall be to:
 - (a) Collect and process the candidate applications for officers of CalCPA and at-large members of the CalCPA Council;
 - (b) Nominate officers and at-large members of the CalCPA Council by either of the following methods, as determined by the Nominations Committee:
 - (1) an affirmative vote of at least a majority of the members of the Nominations Committee at a meeting at which a quorum is present; or
 - (2) an affirmative vote by ballot of at least a majority of the members of the Nominations Committee who vote by ballot, provided that the number of votes cast by ballot within the time specified by the Nominations Committee equals or exceeds three-fourths of the number of members of the Nominations Committee. Three-fourths of the Nominations Committee shall constitute a quorum for purposes of any vote by ballot pursuant to this Section (1)(b)(2).
 - (3) The report of the Nominations Committee shall be filed with the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, not later than the first day of the next to last month of each fiscal year;
- (2) **Composition of Committee.** The Nominations Committee shall be composed of:
 - (a) The past-chair of the CalCPA Council twice removed, who shall serve as chair;
 - (b) The past-chair of the CalCPA Council once removed, who shall serve as vice-chair;
 - (c) One committee member, per region, designated by the CAC chair and directors, who shall serve staggered two-year terms; and
 - (d) Three at-large members of the CalCPA Council who shall be elected by vote of at least a majority of the CalCPA Council at the last meeting of the council year and shall serve staggered two-year terms.
 - (e) Those not eligible to serve on the Nominations Committee are: (i) elected officers, (ii) appointed Board members, (iii) candidates for CalCPA officer or CalCPA Council at large positions.
 - (f) Members of the Nominations Committee, with the exception of those serving in an *ex-officio* capacity as identified in clauses (a) and (b) above, may not serve more than 4 consecutive years, without a 365-day break in service.
 - (g) Should a past-chair of the CalCPA Council designated in clauses (a) or (b) above not be able to serve, then the next preceding past-chair available shall serve in that capacity.
- (3) **Consent.** The consent of nominees proposed by the Nominations Committee or by other voting members, as provided herein, shall be obtained before the forwarding of such nomination to the secretary/treasurer of CalCPA.
- (4) **Notice.** Notice of the Nomination Committee's nominations for officers and at large members to the CalCPA Council shall be provided to members of CalCPA, under rules established by the



CalCPA Council, not later than the fifteenth day of the next to last month of each fiscal year.

- (5) **Nominations by Members.** 250 or more voting members may nominate a candidate for officer or at large member to CalCPA Council. Such nominations must be filed with the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, not later than the first day of the first month of the fiscal year.
- (6) **Close of Nominations.** Notice of nominations for officers and at-large members to the CalCPA Council shall close not later than the first day of the first month of each fiscal year. In accordance with Code Section 7522(d), if after the close of nominations, the number of nominees is not more than the number of positions to be elected, CalCPA may without further action, declare that those nominated and qualified to be elected have been elected.
- (7) **Secretary/Treasurer's Report.** In the event that there are nominees in addition to those nominated by the Nominations Committee, the secretary/treasurer of CalCPA, or such secretary/treasurer's designee, shall send to the voting members a report containing the names of all nominees and other information the Nominations Committee determines to be reasonable and appropriate (e.g., biographical information), whether nominated by the Nominations Committee or otherwise. Such report shall be given not later than the first day of the second month of the fiscal year.

ARTICLE XVI—Appointment and Nomination of AICPA Representatives

- (1) **Representatives.** The bylaws of the AICPA provide for representation of CalCPA and AICPA members residing in California on the AICPA Council. Those bylaws set forth the process for AICPA Council designations and nominations. To the extent that rights are granted by AICPA to CalCPA with respect to this process, this Article XVI shall govern the exercise of such rights.
 - (a) **State Society Representative to AICPA Council.** The AICPA bylaws provide that the executive director of state societies (CEO of CalCPA) will be requested to provide the name of their designated representative to the AICPA Council. That representative will be the chair of CalCPA unless the chair is already serving as an AICPA Council member. If the chair of CalCPA is already serving on the AICPA Council, the chair, after such consultation as the chair deems appropriate, shall provide the name of an eligible CalCPA member to the AICPA as the CalCPA representative.
 - (b) **California AICPA Member Positions on AICPA Council.** The AICPA bylaws provide for the process by which societies of certified public accountants in each state are to provide the names of suggested candidates to fill AICPA Council vacancies that may arise in the coming year. Nominations from CalCPA shall be administered by the CalCPA Nominations Committee utilizing the same process used for nomination of at large members of CalCPA Council. Nominations from the CalCPA Nominations Committee shall be provided to the AICPA without further CalCPA review.
 - (1) **Applicant not a Member of CalCPA.** If an applicant is an AICPA member, but not a CalCPA member, the Nominations Committee shall expand its process to incorporate the applicant, using measures they deem appropriate.

ARTICLE XVII—Miscellaneous

- (1) **Location of Offices.** The offices of CalCPA shall be maintained at such location or locations as the CalCPA Council may designate from time to time.
- (2) **Right of Indemnity.** To the full extent permitted by law, CalCPA shall indemnify its members of the



CalCPA Council, members of the CalCPA Board of Directors, officers, employees, and other persons described in Section 7237(a) of the Code, including persons formerly occupying such positions (collectively, "agents"), against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in Section 7237(a) of the Code by reason of the fact that such person is or was a person described in such subsection. The term "expenses" as used in these bylaws, shall have the same meaning as in Section 7237(a) of the Code.

- (3) **Approval of Indemnity.** Upon written request to the CalCPA Board of Directors by any person seeking indemnity under Section 7237(b) or (c) of the Code, the CalCPA Board of Directors shall promptly determine whether such person has met the applicable standards of conduct set forth in such subsections.
- (4) **Advancement of Expenses.** To the full extent permitted by law, and except as shall otherwise be determined by the CalCPA Board of Directors in the specific instance, expenses incurred by a person seeking indemnity under these bylaws in defending any proceeding covered by these bylaws shall be advanced by CalCPA prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall be determined ultimately that such person is entitled to be indemnified by CalCPA therefore.
- (5) **Non-Exclusivity.** Nothing herein shall be deemed to diminish or otherwise restrict any rights to which any person indemnified under these bylaws may be entitled under CalCPA's Articles of Incorporation, these bylaws, any contract, any vote of voting members or disinterested directors, or under the laws of the state of California.
- (6) **Insurance.** CalCPA shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.
- (7) **Books and Records.** CalCPA shall keep at its principal office correct and complete books and records of the activities and transactions of the Corporation, including the original or a copy of its Articles of Incorporation and these bylaws as amended to date.
- (8) **Limitation of Liability of Volunteer Directors and Volunteer Executive Officers.** Except as provided in Section 7233 or 7236, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any volunteer member of the CalCPA Council or the CalCPA Board of Directors or volunteer executive officer of CalCPA based upon any alleged failure to discharge the person's duties as a director or officer if the duties are performed in a manner that meets all of the following criteria: (a) the duties are performed in good faith; (b) the duties are performed in a manner such director or officer believes to be in the best interests of CalCPA; and (c) the duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. "Volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a member of the CalCPA Council or the CalCPA Board of Directors or to an executive officer does not affect that person's status as a volunteer within the meaning of this Section (8). "Executive officer" means the CEO, president, vice president, secretary/treasurer of CalCPA, or other individual serving in like capacity, who assists in establishing the policy of CalCPA.
- (9) **Corporate Loans, Guarantees and Advances.** Except as provided by applicable law (including Section 7235 of the Code), CalCPA shall not make any loan of money or property to or guarantee the obligation of any member of the CalCPA Council or the CalCPA Board of Directors or any officer of CalCPA or any of its affiliates.



- (10) **Policy and Procedure Manual.** A Policy and Procedure Manual may be adopted by the CalCPA Council to provide for policies and procedures not referenced in the Bylaws and to supplement and further define any provision of the Bylaws. Such policies and procedures must not conflict with any provision of the Bylaws or Articles of Incorporation. The CalCPA Council may delegate authority to the CalCPA Board of Directors to amend the Policy and Procedure Manual between Council meetings.

Amended June 1997 – CalCPA Annual Members Business Meeting Amended July 20, 2001 - CalCPA Annual Members Business Meeting Amended January 10, 2003 - CalCPA Council Meeting
Amended May 1, 2003 – CalCPA Member Petition and Membership Vote Amended January 9, 2004 - CalCPA Council Meeting
Amended July 16, 2004 - CalCPA Annual Members Business Meeting Amended January 22, 2005 – CalCPA Council Meeting
Amended July 22, 2005 – CalCPA Council Meeting Amended January 20, 2006 – CalCPA Council Meeting
Amended January 20, 2007 – CalCPA Council Meeting
Amended January 30, 2017 – CalCPA Council Meeting
Amended June 29, 2017 – CalCPA Annual Members Business Meeting
Amended July 30, 2020 – CalCPA Annual Members Business Meeting
Amended July 29, 2021 – CalCPA Annual Members Business Meeting
Amended March 4, 2026 – CalCPA Membership Electronic Vote