



TSCPA Bylaws Task Force Overview of Current Proposed Changes

There are a number of proposed changes to the Bylaws that are rephrasing, cleaning up, making gender neutral and/or putting in plain English. In addition, the task force is suggesting some substantive changes in several areas and they are highlighted below:

Article II – Membership

The key change in this section is changing the term “Fellow” to “Member” and “Honorary Fellow” to “Distinguished Member”. This proposed change was presented to the TSCPA Membership Committee at their August 2016 meeting and met with their approval.

Moved life member information from Article XII – Fiscal Matters to this article and removed sentence stating that the dues for lifetime members shall be established by the BOD since Article XI notes that the BOD determines the dues for all members and affiliates.

Eliminated the last paragraph (6) in this Article dealing with Peer Review as it is repeated verbatim in the Article XVIII - Peer Review.

Article III – Disciplinary Actions and Termination of Membership

Key change here is to identify other federal agencies whose action could be used as a means for suspending or expelling a member. Current bylaws only reference the SEC. Now we also have the PCAOB. This issue was raised by the Professional Ethics Committee and they have reviewed and signed off on this proposed language.

Article V – Board of Directors

Changed paragraph (6) to state that a quorum of the Board of Directors is 100 members instead of the current 50 members.

Article VI – Officers

The key change here is to eliminate the use of the term “assistant secretary” and change to President. Distinguish between “elected officers” – Chairman, Chairman-Elect, Treasurer, Treasurer-elect and Secretary and “non-elected staff officers”. Outlines that the president with the Executive Board’s approval may designate other staff officers as considered necessary to perform duties for the Society. The term President is then used in other sections of the bylaws where Executive Director or Assistant Secretary is currently used.

Article VII – Executive Board

Eliminated wording in paragraph (1) that says appointees to the Executive Board by the Chairman-Elect shall be approved by the BOD “at its first meeting following the annual meeting each year.” Language is not really needed and is a carry-over from when elections were held at the Annual Meeting on day one and the new Board of Directors met the following day. Now elections are held in December and those elected take office on June 1.

Article VIII - Trial Board and Committees

Proposed changing nomenclature to call Committee on Nominations the Nominations Committee and the Committee on Professional Ethics the Professional Ethics Committee.

Added some additional language to better describe the responsibility of the Professional Ethics Committee.

Added a new section detailing the Peer Review Committee and explaining its purpose.

Made changes to the make-up of the Nominations Committee. That committee recently recommended adding two additional past Chairmen to the committee, in addition to the immediate past Chairman who chairs the committee and does not vote unless there is a tie. This will provide for some continuity on the committee as otherwise there is complete turnover on this committee each year. This would increase the size of the committee from 11 members to 13 members. In addition to the three past Chairmen that would serve on the committee, 10 other members are elected to the committee each year from nominees put forth by the chapters and members. That process would stay as currently described in the bylaws.

Article X – Meetings

The key change here is to make it clear that when a member is voting a proxy ballot they can only use it to vote on matters that were set forth on the agenda for the meeting that was sent out in advance.

Article XII – Fiscal Matters

Proposed changes to detail that the Executive Board shall recommend a budget to the Board of Directors which shall approve the budget for the fiscal year at its first meeting of the fiscal year. Also proposed change clarifies that no expenditures shall be made in a fiscal year in excess of the total limitations of the budget for that year unless they are approved in accordance with the budgetary controls adopted in the Volunteer Policies and Procedures Manual of TSCPA.

Article XVIII – Peer Review

Added the word “owners” to paragraph (1) to cover other types of firm ownership like LLCs.

Added additional language in paragraphs (3) and (4) to detail the various reasons that a firm could be *dropped* from enrollment in the peer review program and additional reasons for *terminating* a firm’s enrollment in the program. This is language from AICPA Resolutions related to the operations of the Peer Review program and TSCPA Peer Review Committee will be adopting similar resolutions as well. All of these proposed changes are being recommended by the TSCPA Peer Review Committee which recently met and signed off on them.