

Bylaws
Texas Society of Certified Public Accountants CPE Foundation, Inc.

APPROVED BY:
TSCPA Board of Directors

EFFECTIVE DATE:
June 27, 2009

ARTICLE I - NAME AND PURPOSE

- (1) The name of this corporation is Texas Society of Certified Public Accountants CPE Foundation, Inc. (CPE Foundation).
- (2) The corporation is organized for exclusively charitable, scientific and educational purposes, to wit: for the advancement and encouragement of education and research in accounting through receiving gifts, donations and grants and administering these on a charitable basis to promote education and research in accounting; through cooperation with professional nonprofit organizations in their educational and research efforts; through sponsoring seminars, lectures, courses and similar activities on accounting and related subjects for members of the Texas Society of Certified Public Accountants ("Society") and other interested parties; and through other activities performed for the sole purpose of advancing and encouraging education and research in accounting at all levels. Included in the purposes of the corporation shall be the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 where the making of such contributions is consistent with the other purposes of this corporation. No donation made to this corporation, fees received and money or property arising there from shall be diverted from the purposes herein stated.

ARTICLE II - MEMBERS

- (1) The voting members of this corporation shall be the current directors of the Texas Society of Certified Public Accountants (Society).
- (2) Honorary members shall be those who are approved as honorary members by the trustees of this corporation.

ARTICLE III - TERMINATION OF MEMBERSHIP

Membership in this corporation shall terminate by reason of death, resignation or ceasing to meet the qualifications for membership in the corporation.

ARTICLE IV - DIRECTORS AND MEETINGS

- (1) The direction and management of the affairs of this corporation and control and disposition of its property and funds shall be vested in the Board of Directors of the Society.
- (2) Members of the Board of Directors shall serve the full term for which elected as described in the Society Bylaws.
- (3) A director by writing may waive notice of any meeting of directors, and attendance at any meeting shall constitute a waiver of notice of such a meeting.
- (4) The Board shall meet concurrent with the Annual Meeting of Members of the Society. It shall also meet at such other times and places as may be specified by the Society chairman, by a majority of the Executive Board of the Society or by the secretary at the written request of at least 5% of the members entitled to cast votes at such meeting. Notice stating the time, place, and purpose of the meeting shall be disseminated by or at the direction of the Society chairman, the secretary, or the officers or persons calling the meeting to all members entitled to vote not less than 10 or more than 60 days before the meeting date.

- (5) One hundred members when present in person shall constitute a quorum at any meeting of the CPE Foundation for the transaction of business. The act of a majority of the directors present at any time at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or the charter of this corporation or by these *Bylaws*.

ARTICLE V - BOARD OF TRUSTEES

- (1) The Board of Trustees shall consist of the current members of the Executive Board of the Society. Members of the Board of Trustees shall serve until their successors are elected and qualified.
- (2) The resignation of a member of the Board of Trustees shall be tendered to the Board of Directors and shall be effective upon receipt. Absence from three consecutive meetings of the Board of Trustees or failure to perform duties as provided herein may be cause for removal of a Trustee by the Board of Directors. If a vacancy occurs in the Board of Trustees, the Committee on Nominations, with the approval of the Board of Trustees, shall appoint a current or past member of the Board of Directors to fill the vacancy.
- (3) The Board of Trustees shall function for the Board of Directors during the period between Board of Directors meetings and shall have all the power of the Board of Directors except for those powers specifically reserved by the Board of Directors. Except as provided hereinabove, the Board of Directors shall not delegate the authority to: reverse the previous vote of the Board of Directors; remove or fill the vacant term of a director, an officer or a member of the Board of Trustees; vote on a proposal to amend the *Bylaws* or withdraw or modify a proposal; or designate the auditor or auditors.
- (4) The Society chairman shall designate the time, place and agenda for any meeting of the Board of Trustees. A majority of the Board of Trustees shall constitute a quorum.

ARTICLE VI - OFFICERS

- (1) The officers of the Texas Society of CPAs CPE Foundation, Inc. shall consist of the officers of the Society. The officers shall be members of the Board of Trustees.
- (2) The officers of the corporation shall have such powers and duties as usually pertain to their offices, except as modified by the Board of Directors.

ARTICLE VII - COMMITTEES

The Board of Directors or Board of Trustees may create standing and special committees, with power and duties as the Board may determine.

ARTICLE VIII - DISSOLUTION

In the event of the dissolution of this corporation, at any time or for any reason, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation, subject to the charitable and educational purpose of this corporation, to the Accounting Education Foundation of the Texas Society of Certified Public Accountants, Inc., so long as such use qualifies under Internal Revenue Code Section 501(c)(3) and if at that time such organization is: wholly of a public and nonprofit nature; is organized and operated exclusively for religious, charitable, scientific or educational purposes; and qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States internal revenue law). If the foregoing organization is not eligible to receive the funds under the restriction provided in the preceding sentence, all of the assets of the corporation shall instead be given or contributed to any one or more corporations, associations, entities or institutions which: are wholly of public and nonprofit nature; are

organized and operated exclusively for religious, charitable, scientific or educational purposes; and shall, at that time, qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States internal revenue law) . Such contributions shall be made to such corporation, association, entity and/or institution as may be determined by a majority of the Board of Directors. No contributor to this corporation, nor any member of the family of the contributor, nor any corporation controlled by a contributor shall ever derive or receive any financial or pecuniary gain or profit from this corporation on dissolution, liquidation, winding up or otherwise.

ARTICLE IX - INDEMNIFICATION

The corporation shall indemnify any person who is or was a party or is or was threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director or officer of the corporation or a member of any board, committee, subcommittee, trustees or task force of the corporation against expenses, judgments, awards, fines, penalties and amounts paid in settlement actually and reasonably incurred by such person (with the prior consent of the corporation acting through its trustees by a two thirds vote and concurrence of counsel which the corporation shall have retained to defend such person, as hereinafter provided) in connection with such action, suit or proceeding,

- (i) except with respect to matters as to which it is adjudged in any such suit, action or proceeding that such person is liable to the corporation by reason of the fact that such person has been found guilty of the commission of a crime or of gross negligence in the performance of his/her duties, it being understood that termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent (whether or not after trial) shall not, of itself, create a presumption or be deemed an adjudication that such person is liable to the corporation by reason of the commission of a crime or gross negligence in the performance of his/her duties; and
- (ii) provided that such person shall have given the corporation prompt notice of the threatening or commencement (as appropriate) of any such action, suit or proceeding. Upon notice from any such indemnified person that there is threatened or has been commenced any such action, suit or proceeding, the corporation:
 - (a) shall defend such indemnified person through counsel selected by and paid for by the corporation and reasonably acceptable to such indemnified person, which counsel shall assume control of the defense; and
 - (b) shall reimburse such indemnified person for expenses encompassed by the foregoing indemnity in advance of the final disposition of any such action, suit or proceeding, provided that the indemnified person shall agree to repay to the corporation all amounts so reimbursed if a court of competent jurisdiction finally determines that such indemnified person is liable to the corporation by reason of the fact that such indemnified person has been found guilty of the commission of a crime or of gross negligence in the performance of his/her duties.

The foregoing provisions shall be in addition to any and all rights which the persons specified above may otherwise have at any time to indemnification from and/or reimbursement by the corporation.

ARTICLE X - AMENDMENTS

- (1) These *Bylaws*, subject to the qualifications hereinafter provided, may be altered, amended or repealed by a two thirds vote of the membership in attendance at any annual, regular or special meeting of the Board of Directors, provided that notice of the proposed amendment is given in

writing to all of the directors at least 10 days before such meeting and provided further that a quorum be present at such meeting. Anything to the contrary herein notwithstanding, none of the provisions of Article VIII herein may, at any time, be altered, amended or repealed.

- (2) In the event of lack of clarity, the Board of Directors shall interpret these *Bylaws*.