



INDEPENDENT ACCOUNTANTS ASSOCIATION OF MICHIGAN

AMENDED AND RESTATED BY LAWS

*Adopted on September 22, 2008
and Amended on June 28, 2010*

PREFATORY CLAUSE

These Amended and Restated Bylaws fully supersede and replace the Bylaws of the Corporation that were last amended on September 24, 2007. Effective as of the date of adoption of these Amended and Restated Bylaws, the Constitution of the Corporation shall be deemed terminated and revoked in its entirety and that Constitution shall be of no further force or affect whatsoever.

ARTICLE I NAME, PURPOSE AND ORGANIZATION

Section 1 – Name. This corporation shall be known as the Independent Accountants Association of Michigan (“Corporation” or “Association”).

Section 2 – Organization.

(a) The Corporation is organized under the Michigan Nonprofit Corporation Act (1982 PA 162; codified as MCL 450.2101 *et seq*) with no capital stock on a Membership basis. The Corporation is organized and shall be exclusively operated as a business league within the meaning of §501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any subsequent federal tax law.

(b) Notwithstanding any other provision of these Bylaws, the Corporation shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the tax-exempt purposes of the Corporation.

(c) The Corporation, by action of its Board of Directors, may grant a charter to any group of Members in good standing, numbering at least ten, or another number determined by the Board of Directors, who wish to form a local chapter of this Association within a certain geographical district of the State of Michigan. Each chapter so formed shall operate within and subject to such policies and guidelines as shall be adopted by the Board of Directors from time to time with respect to the existence and operation of such chapters.

ARTICLE II SPECIFIC PURPOSES

Section 1 – The objects of the Corporation shall be to associate men and women engaged in accounting, taxation, and financial management-based activities; to foster their interests and education; to promote cooperation in all matters of professional ethics; to promote the correction of abuses and to protect the

public from undesirable practices as they relate to the scope of the Association and the Members it serves; and to do all those things that are properly within the scope of such an Association for the welfare of its Members and supporters.

Section 2 – The Association shall have the right to purchase, lease, hold, sell, mortgage, or otherwise acquire or dispose of real or personal property; to enter into, make, perform or carry out contracts of every kind with any person, firm, corporation, or association; and, generally, to do such things and to perform such acts to accomplish its purposes as the Board of Directors may determine to be appropriate and as are not forbidden by § 501(c)(6) of the Internal Revenue Code of 1986, as amended, with all the power conferred on nonprofit corporations under the laws of the State of Michigan.

ARTICLE III LIMITATIONS

Section 1 – Property. The property, assets, profits and net income of the Corporation are dedicated irrevocably to the purposes set forth in Articles I and II of these Bylaws. No part of the profits or net earnings of the Corporation shall ever inure to the benefit of any of its Directors or Officers, or to the benefit of any private individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Articles I and II of these Bylaws.

ARTICLE IV PRINCIPAL OFFICE

The Principal Office of the Corporation shall be located at Bath, Michigan, or at such other place or places as the Board of Directors may from time to time designate.

ARTICLE V RESIDENT AGENT

The Board of Directors shall appoint a Resident Agent. Any Resident Agent may resign by filing a written notice of resignation with the President or Vice-President. The Board of Directors shall promptly appoint a successor Resident Agent. The appointment of the resigning Resident Agent terminates upon the appointment of a successor Resident Agent or upon the expiration of 30 days after the receipt of the notice by the Director of commerce or the head of any other agency or department authorized by law to administer the Michigan Nonprofit Corporation Act.

ARTICLE VI MEMBERSHIP

Section 1 – Membership. The Corporation is organized on a Membership basis. The Board of Directors from time to time shall establish forms and procedures for application for Membership in the Corporation. All applications for Active Membership received by the Corporation shall be announced at the next Regular or Special Meeting of the Board of Directors who shall vote upon election of applicants to Membership immediately thereafter by a majority vote. Prior to the vote, any Active Member may question an applicant's fitness for Membership by presenting a written statement to any Member of the Board of Directors. Until such vote, applicants for Active Membership shall enjoy all benefits of that Membership, except for the right to vote. Membership in this Association shall consist of the following classes: (1) Active Members; (2) Associate Members; (3) Life Members; and (5) Honorary Members.

(a) **Active Members.** To be eligible to become Active Members, persons must be individuals in public practice who are able to meet any of the following requirements: 1) are enrolled to practice before the Internal Revenue Service; 2) possess an Associate, Baccalaureate or higher degree with a minimum of

twenty-four (24) semester hours in accounting and/or finance-related coursework at an educational institution located in the United States; 3) are Accredited in Accountancy and/or Taxation by the Accreditation Council for Accountancy and Taxation; 4) are a Certified Financial Planner, 5) are a Certified Public Accountant, or 6) have owned and operated an accounting and/or tax practice for a minimum of three (3) years. Active Members may participate in all available programs and any services offered by the Association, have access to "Members only" services on the association website, register for Association-sponsored education programs at the Member rate, and have the opportunity to serve on any state committee or seek election to the state Board of Directors.

(b) **Associate Member.** To be eligible to become Associate Members, persons must be individuals employed by an Active Member in good standing in this Association who is willing to sponsor them for Membership. Application for this status must be signed by the Active Member employer. Associate Members are granted all the benefits of Active Membership except that they are not entitled to vote on any matter that may be brought before any meeting of the Membership nor can they serve in any elected position.

(c) **Life Member.** Life Members shall be those Members who have been Active Members for at least 10 (ten) years, and have completely retired from public practice. Application for this status must be in writing by the retiring Member, and is subject to approval by the Board of Directors. Any state past President who applies for and is granted Life Membership shall not be required to pay annual dues for that Membership status. Life Members are granted all the benefits of Active Membership except that they are not entitled to vote on any matter that may be brought before any meeting of the Membership nor can they serve in any elected position.

(d) **Honorary Member.** Honorary Members shall be those individuals elected to such category by a majority vote of the Board of Directors upon formal request made by at least two Active Members in good standing in the Association. These individuals may not participate in any programs or services offered by the Association, neither are they entitled to vote on any matter that may be brought before any meeting of the Membership nor are they able to serve in any elected position.

Section 2 – Dues and Fees.

(a) The Board of Directors shall be responsible for setting the dollar amount of annual dues to be paid by Members of each of the various classes of Membership in the Association.

(b) Dues shall be payable annually in advance of October 1, and shall cover Membership for a one year period from October 1 to September 30 of the following year. Applications for Membership must include full payment for the Membership category the person has applied for before the application is considered. On April 1, 2009 following the adoption of these Bylaws, Members shall pay a pro-rated Membership covering the period from April 1 to September 30, 2009. In all other cases, annual dues shall not be prorated for persons becoming Members following October 1 of any year.

(c) The Board of Directors, by a majority vote of Directors present at a duly called meeting, may levy assessments on Members in the various classes of Membership in the Association.

Section 3 – Other Membership Provisions. Members enrolled in the affiliate Membership class as of the date of adoption of these Bylaws may remain in that classification through the end of their current Membership year as well as for the short Membership year from April 1, 2009 to Sept 30, 2009. Beginning October 1, 2009, the Affiliate class is suppressed.

Beginning October 1, 2010, the Education class is suppressed. Members enrolled in the Education Membership class before October 1, 2010 may remain in that classification until the end of their current Membership year.

Section 4 – Expulsion or Reprimand of Member.

(a) Any Member will be automatically expelled from Membership, without any further action by the Board of Directors, if convicted of a felony by a court of competent jurisdiction.

(b) Any Member may be expelled from Membership or censured for any of the following reasons: 1) misrepresentation of information on a Membership application, or nomination for elective Office, or related matter; 2) violation of any of the Association's Rules for Professional Conduct or Code of Ethics, or 3) conduct deemed malicious or slanderous to a fellow Member or supporter of the Association; 4) failure to pay annual dues by January 1 of the current fiscal year; 5) failure to pay any properly levied assessments approved by the Board of Directors.

(c) If the Corporation elects to take action upon the occurrence of any of the events listed as subsections (1) through (3) of Section 4(b), immediately above, written notice shall be mailed to the Member in question by the Executive Director at least twenty-one (21) days prior to a meeting to consider expulsion or reprimand. A two-thirds (2/3) vote of Active Members present at the Board of Directors meeting is required to authorize an expulsion or reprimand.

(d) A Member automatically expelled under Section 4(a) above may apply for re-admission to Membership after any court imposed penalty has been satisfied. A three-fourths (3/4) vote of the entire Board of Directors is required for re-admission of an expelled Member.

(e) A Member expelled for non-payment of dues or assessments may be re-admitted to Membership following the payment of dues in arrearage.

ARTICLE VII MEMBERSHIP MEETINGS AND VOTING

Section 1 – Annual Meeting.

(a) The Annual Meeting of Members for the election of Directors and for such other business as may come before the meeting shall be held between May 1 and September 30 of each year. The exact date shall be determined by the Board of Directors. Failure to hold the Annual Meeting at the designated time, or to elect a sufficient number of Directors at the meeting or any adjournment of the meeting, does not affect otherwise valid corporate acts. If the Annual Meeting is not held on the date designated, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. If the Annual Meeting is not held for 90 days after the designated date, then upon application of a Member, the circuit court for the county in which the registered Office is located shall summarily order the meeting or the election or both.

(b) Once the Board of Directors has determined the date of the Annual Meeting, the Executive Director shall provide notice of the time, place, and purposes of the meeting. Such notice shall be given personally, by mail, or by electronic transmission not less than 10 (ten) nor more than 60 (sixty) days before the date of the meeting to each Active Member of record entitled to vote at the meeting.

(c) Attendance of a person at a meeting of the Members constitutes a waiver of objection to lack of notice or defective notice of the meeting unless the Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting.

Section 2 – Special Meetings. Special Meetings of the Members may be called by the Board of Directors, an Officer of the Corporation, or by written application of at least ten percent (10%) of the Active Members entitled to vote at the meeting. No business other than that for which the Special Meeting is called may be transacted. Notice of the Special Meeting shall be sent to each Active Member not less than 10 (ten) nor more than 60 (sixty) days before the date of the meeting.

Section 3 – Quorum. The quorum for any Annual or Special Meeting of the Membership shall be constituted by a majority of the Active Members present and entitled to cast a majority of the votes at such meeting. Matters requiring a vote shall be divided into two classes based on whether the action results in an amendment or revision of these Bylaws. All non-amendment or non-revision matters before the

Membership shall be decided by simple majority vote of the Active Members present and voting. Bylaw amendment or revision related matters shall require a two-thirds (2/3rds) majority vote of the Active Members present for passage. The Active Members present in person at such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the Active Members present. Non-voting Members may attend the annual Membership meeting and have the right to voice their opinion on any matter appearing on the meeting agenda.

Section 4 – Voting.

(a) Only Active Members in good standing are eligible to vote. Voting by proxy is not permitted.

(b) It shall be the duty of the President to appoint three (3) Members who are not Officers or candidates for elective Office to serve as election tellers. It shall be the duty of the tellers to record the names of Members present who are entitled to vote; to determine the number of Members present; the number required for a quorum; and to count ballots or a rising vote if necessary. If needed for a ballot vote, the tellers alone shall distribute one ballot to each Member; collect all completed ballots, and adjourn into a separate room to tally the results. The tellers shall report their findings to the chair upon completion of their tally, and the chair shall announce the results to the Membership. The tellers shall destroy all ballots after the chair has announced the results.

(c) Upon the completion of the elections, the NSA District Governor, the NSA State Director or Association President shall administer the oath of Office to all newly-elected Directors.

Section 5 – Order of Business. The order of business at the annual Membership meeting shall be:

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| 1. Certification of Quorum | 8. NSA State Director's Report |
| 2. Approval of Minutes | 9. Consideration of Proposed Amendments |
| 3. Receipt of Auditor's Report | 10. Correspondence |
| 4. Standing Committee Reports, if any | 11. Old Business |
| 5. State Special Committee Reports | 12. New Business |
| 6. President's Report | 13. Election of Officers and Directors |
| 7. Executive Director's Report | 14. Adjournment |

All reports referenced in this section shall be in writing, in triplicate, with one copy filed with the President, one with the Executive Director, and one with the Secretary prior to reading at any meeting.

**ARTICLE VIII
BOARD OF DIRECTORS**

Section 1 – Composition. The power and authority of the Corporation shall be vested in its Board which shall be composed of not more than 12 (twelve) and not fewer than 8 (eight) Active Members in good standing. Within the foregoing limits, the precise number of Directors shall be determined from time to time by the Members at the Annual Meeting of the Corporation, or if the Members do not act to do so, then by resolution of the Board of Directors. The chairperson of each of the Standing Committees provided for in Article XII of these Bylaws and any Executive Director appointed by the Association shall serve as non-voting Members of the Board of Directors. The Board of Directors shall conduct the affairs of the Association and carry out the policies of the Membership. It shall have charge of all property of the Association and shall authorize all expenditures. The Board of Directors shall keep a written record of its meetings, and shall provide a written report of its activities at the annual Membership meeting.

Section 2 – Nominations.

(a) The Executive Director shall include in the notice for the annual Membership meeting, or in a separate notice, the number of Board positions that are open for nominations at the Annual Meeting.

(b) Except for nominations from the floor, all nominations for Director must be received by the Executive Director not less than fifteen days before the date of the Annual Meeting. Nominations may be made by a nominating committee, if one is appointed by the Board of Directors; from the floor; by ballot; by mail or by petition. Active Members may nominate themselves by sending a letter of intent indicating their willingness to serve on the Board of Directors. Any Member not nominated from the floor, must certify in writing that he or she is willing to accept the nomination and the Office if elected. Such certification shall be presented to the Executive Director on or before the date of the election. Self-nomination shall constitute the required certification.

Section 3 – Election and Term of Directors.

(a) The election of Directors shall take place at the annual Membership meeting. Each Active Member at the Annual Meeting shall be entitled to one vote for each position to which a Director is to be elected by a simple majority vote. There shall be no cumulative voting.

(b) Directors shall be so elected such that one-half (1/2) of the Directors (rounded up or down, if necessary, at the discretion of the Board of Directors) will be elected by the Members each year to serve a two-year term. Directors whose terms have expired shall be eligible to succeed themselves.

(c) Except for resignations, removals, or death, each Director duly nominated and elected shall hold Office until that Director's successor is elected or appointed and qualified by attending a meeting and by being duly recognized and placed on the official records of the Corporation by the Secretary or Executive Director.

Section 4 – Resignations and Removals.

(a) **Resignations.** Any Director may resign from the Board of Directors at any time by giving written notice to the President or the Secretary of the Corporation. The resignation is effective upon its receipt by the Corporation or a subsequent time as may be set forth in the notice of resignation. Acceptance of the resignation by the Board of Directors shall not be necessary to make the resignation effective.

(b) **Removals.** Any Director who ceases to be an Active Member of the Corporation for any reason shall automatically be deemed removed as a Director from and after that date. Otherwise, any Director may be removed from Office at any time by a simple majority vote of the Active Members present at an Annual or Special Meeting only if:

- (1) There has been written notice of such meeting, and of such intention to vote on removal of a Director, and
- (2) The notice has been given to each Member at his or her address, as it appears on the books of the Corporation, at least ten (10) days before such meeting.

Section 5 – Vacancies. The remaining Board Members may fill any vacancy occurring on the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in Office.

Section 6 – Compensation. Directors shall serve without compensation except that Directors may, in their discretion and by a majority vote of their number, reimburse any or all Directors for expenses actually incurred in attending meetings or otherwise carrying out their duties to the Corporation. Nothing in these Bylaws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for such service.

ARTICLE IX DIRECTOR LIABILITY

Section 1 – Volunteers. By the adoption of these Bylaws, the President of the Corporation is fully authorized to prepare, sign and file an Amendment to the Articles of Incorporation of the Corporation, pursuant to Section 209 of the Michigan Nonprofit Corporation Act, as amended, or any successor provision thereof. As provided in Section 209, the Amendment shall state that no Volunteer Director shall be personally liable to the Corporation or its Members for monetary damages for a breach of the Volunteer Director's fiduciary duty. This liability exclusion shall not apply to any act or omission occurring before the date this provision is filed with the Michigan Department of Labor and Economic Growth nor shall it limit or eliminate the liability of a Director who is found by a court of competent jurisdiction or determined by the Board of Directors of the Corporation in any manner prescribed by the Bylaws to have committed any of the following:

- (a) A breach of the Director's duty of loyalty to the Corporation or its Members;
- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- (c) A violation of § 551(1) of the Michigan Nonprofit Corporation Act, as amended, or any successor provision thereof;
- (d) A transaction from which the Director derived an improper personal benefit; or
- (e) An act or omission that is grossly negligent.

Section 2 – The Corporation hereby assumes all liability to any person other than the Corporation, or its Members, for all acts or omissions, other than as set forth below, of any Volunteer Director occurring before the date this provision is filed with the Michigan Department of Commerce. The Corporation shall not, however, assume any liability of a Volunteer Director who is found by a court of competent jurisdiction or determined by the Board of Directors of the Corporation in any manner prescribed by the Bylaws to have committed any of the following:

- (a) Acts or omissions that constitute a criminal offense; or
- (b) Acts or omissions that constitute intentional fraud or an intentional violation of law.

The term "Volunteer Director," for the purposes of this Article, means a Director who does not receive anything of value from the Corporation for serving as a Director other than reasonable per diem compensation and reimbursement for actual, reasonable and necessary expenses incurred by a Director in his or her capacity as a Director.

ARTICLE X INDEMNIFICATION, INSURANCE AND EXPENSES

Section 1 – Indemnification, Third Party Claims. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that the person is or was a Director, Officer, employee or agent of the corporation, or is or was serving at the request of the Corporation as a Director, Officer, partner, trustee employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture trust or other enterprise, whether for profit or not for profit, against expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement, actually and reasonably incurred by the person in connection with the action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders or Members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that conduct was unlawful. The termination

of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which the person believed to be in or not opposed to the best interests of the Corporation or its shareholders or Members and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2 – Indemnification – Corporate or Derivative Claims. The Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorney fees and amounts paid in settlement, incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders or Members. However, indemnification shall not be made for a claim, issue or matter in which the person has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined, upon application, that despite the adjudication of liability, but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 3 – Mandatory Indemnification. To the extent that a Director, Officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of an action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of a claim, issue or matter in the action, suit or proceeding, the successful party shall be indemnified against expenses, including actual and reasonable attorney fees incurred in connection with the action, suit or proceeding and in any action, suit or proceeding brought to enforce the mandatory indemnification provided in this Section.

Section 4 – Determination of Permissive Indemnification. An indemnification under Section 1 or 2 of this Article, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, Officer, employee or agent is proper under the circumstances because the person has met the applicable standard of conduct as set forth in Section 1 or 2 of this Article. This determination shall be made in any of the following ways:

(a) by a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit or proceeding; or

(b) If the quorum described in subsection (a) is not obtainable, then by a majority vote of a committee of Directors who are not parties to action, suit or proceeding. The committee shall consist of not less than two disinterested Directors.

Section 5 – Partial Indemnification. If a person is entitled to indemnification under Section 1 or 2 of this Article for a portion of expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement, but not for the total amount thereof, the Corporation may indemnify the person for the portion of the expenses, judgments, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

Section 6 – Liability Insurance. Notwithstanding the foregoing, the right to indemnification provided to any person described in Sections 1, 2 and 3 of this Article shall exist only to the extent it exceeds the amount of any valid and collectible insurance proceeds or other source of indemnification available for the benefit of such person, including any benefit available under any self-insurance plan of the Corporation, or any insurance, primary or secondary, available pursuant to the plan of any other organization. No rights of subrogation are intended to be created by this Section. Notwithstanding any limit on indemnification under Michigan law, the Corporation may purchase and maintain insurance on behalf of any person described above against liability asserted against him or her, incurred by him or her in any such capacity, arising out

of his or her status as such, whether or not the Corporation would otherwise have the power to indemnify under the circumstances.

Section 7 – Expense Advancement. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 1 or 2 of this Article shall be paid by the Corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director, Officer, employee or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured unless otherwise specifically prescribed by a majority vote of the Board of Directors in the manner described in Section 4 of this Article.

Section 8 – Non-exclusivity. The indemnification or advancement of expenses provided under Sections 1 through 7 of this Article are not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under any separate contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 9 – Heirs, Executors, and Administrators. The rights provided in subsections 1 through 8 of this Article shall continue as to a person who ceases to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of the person.

ARTICLE XI MEETINGS OF THE BOARD OF DIRECTORS

Section 1 – Time and Place of Annual and Regular Meetings. The Board of Directors shall hold not less than one (1) meeting per year at a designated time and place as determined by the Board of Directors at its first meeting following the Annual Meeting.

(a) **Annual Meetings.** The Board of Directors shall hold one Annual Meeting of the Board of Directors to be scheduled concurrently with the Annual Meeting of the Membership unless the Board of Directors designates an alternate date. The Annual Meeting shall be deemed to be one of the Regular Meetings of the Board of Directors.

(b) **Special Meetings.** Special Meetings of the Board of Directors may be held at the call of the President or, in his or her absence, the Vice President or at the call of any two (2) Directors. Notice of the Special Meeting shall be mailed to each Director, at his or her address as found in the records of the Corporation, at least seven (7) days before such meeting. Further, notice of a Special Meeting must include the purpose or purposes for which the meeting is called. Only business contained in the notice may be transacted at a Special Meeting.

(c) **Regular Meetings.** Regular meetings of the Board of Directors may be held from time to time at the discretion of the Board of Directors with ten (10) days notice to each Director delivered by first class mail, by telephone, or by electronic transmission.

Section 2 – Quorum, Procedure, Voting and Manner of Action

(a) **Quorum.** A simple majority of the Board of Directors shall constitute a quorum for the transaction of business.

(b) **Procedure.** At all meetings of the Board of Directors, the President, or in his absence, the Vice President, or in their absence, a presiding Officer chosen at the meeting, shall preside over the transaction of business. The Executive Director of the Corporation, or his or her designee, shall act as Secretary and such Secretary or his or her designee shall prepare records of all meetings of the Board of Directors and maintain the same in the Corporation's principal Office.

(c) **Voting.** Each Director is entitled to one (1) vote on any matter before the Board of Directors. Voting by proxy is not permitted. A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting, or unless he or she files a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof. Such right to dissent shall not apply to a Director who voted in favor of such action.

(d) **Manner of Action.** Unless otherwise required by law, the Articles of Incorporation, or these Bylaws, the act of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors. Any action or actions required or permitted to be taken by the Board of Directors under any provision of law, the Articles of Incorporation, or these Bylaws may be taken without a meeting if, before or after the action, all Members of the Board of Directors then in office consent to the action in writing or by electronic transmission. The written consents shall be filed with the minutes of the proceedings of the Board of Directors. The consent has the same effect as a vote of the Board of Directors for all purposes.

Section 3 – Telephonic Meetings. The Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; if all of the participants are advised of the communication equipment; and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

ARTICLE XII COMMITTEES OF THE BOARD OF DIRECTORS

Section 1 – Standing Committees. There shall be three (3) Standing Committees of the Board of Directors. Each Standing Committee shall be subject to the call of its respective chairperson and shall meet to perform the duties for which it was appointed. Each Standing Committee shall act upon such duties for which it has been appointed or those matters referred to it by the Board of Directors or the President.

(a) **Accounting Standards Committee.** The Accounting Standards Committee shall provide guidance and direction to association Active Members on the issuance of financial statements to insure Members are in compliance with industry standards and government regulations. The committee shall also provide Members with necessary educational opportunities to maintain compliance with the statements on standards for accounting and review services adopted by the Association.

(b) **Audit Committee.** The duties of the Audit Committee shall include:

- (1) Overseeing the integrity of the Corporation's financial accounting process and systems of internal controls regarding finance, accounting and use of assets;
- (2) Overseeing the independence and performance of any independent auditors and staff with finance responsibilities;
- (3) Overseeing the operation of the policies on conflicts of interest and the Corporation's Board-staff communications;
- (4) Providing an avenue of communication among the Corporation's independent auditors, staff and the Board of Directors; and
- (5) Maintaining and overseeing the Association's Whistleblower Policy as well as the Document Destruction and Retention Policy required by the Sarbanes-Oxley Act.

The Board shall establish policies and guidelines for the Audit Committee and shall review them annually. The Board shall appoint the committee that shall be made up of three Board Members and two at-large Members.

(c) **Finance Committee.** The Finance Committee shall prepare the annual budget and oversee the fiscal policies of the Association. They shall review the budget and expenditures as needed and report to the Board as deemed necessary.

Section 2 – Special or Select Committees. The Board of Directors may authorize such special or select committees as it deems necessary or appropriate to carry on the affairs of the Corporation. The resolution of creation must designate the authority of the Board that the committee may exercise, if any, as well as any limitations thereon, and the functions that the committee shall discharge. Members of such special or select committees as may be authorized shall be appointed by the President of the Board and approved by a majority of all the Directors in Office. Only Directors of the Corporation may serve as the chairperson of any special or select committee. Any special or select committee shall serve at the pleasure of the Board.

Section 3 – Executive Committee.

(a) **Designation and Composition.** If authorized by the Board, there may be an Executive Committee composed of the President, Vice President, and at least two other voting Members of the Board to facilitate the immediate oversight and management of day-to-day business in the ordinary course of the Corporation or such other duties as the Board of Directors specifically assigns it. The Executive Director shall serve as a non-voting Member of the Executive Committee, and shall provide guidance and consultation as needed.

(b) **Meetings.** The Executive Committee may meet at stated times or upon written notice to all Members of the Executive Committee.

(c) **Authority.** During intervals between meetings of the Board, and as permitted only by resolution of the Board or by law, the Executive Committee shall have such powers and perform such duties as the Board of Directors may delegate to it from time to time.

(d) **Membership and Vacancies.** The Members of the Executive Committee shall at all times include the President and the Vice President of the Board. The remaining Members of the Executive Committee shall be appointed by the President and Vice President of the Board, and approved by a majority of all the Directors in Office. Vacancies in the Executive Committee may but need not be filled by the Board at any regular meeting or at a Special Meeting called for that purpose. The Membership of the Executive Committee may be changed or the Executive Committee may be dissolved by the Board at any Annual Meeting or by a Special Meeting called for that purpose.

Section 4 – Limit on Committee Authority. No committee of the Board shall have the power to:

- (a) Amend the Articles of Incorporation;
- (b) Adopt an agreement of merger or consolidation;
- (c) Recommend to the Members the sale, lease, or exchange of substantially all of the Corporation's property or assets;
- (d) Recommend to the Members a dissolution of the Corporation
- (e) Amend the Bylaws of the Corporation;
- (f) Fill any vacancies on the Board;
- (g) Fix compensation of the Directors for serving on the Board or on a committee;

- (h) Revoke or terminate any Membership;
- (i) Establish the amount of dues or change the classes of Membership;
- (j) Sell or cause to be sold any investment of the Corporation without the written authorization of the Board; or
- (k) Modify, void or terminate any contract authorized by the Board of Directors.

Section 5 – Committee Membership and Quorums.

(a) Each standing, special or select committee of the Board shall be comprised of Active Members in good standing who volunteer to serve on that committee. Terms of service on a standing committee shall expire each year at the end of the Annual Meeting of the Membership until a successor is appointed by the Board of Directors. In the case of a special or select committee, the terms of service shall be determined by the resolution of creation that established the committee.

(b) A quorum for standing, special or select committees shall be the number of Members who attend the meeting. For reporting purposes, the committee chair shall appoint a Member to record minutes of the meeting. The committee chairperson shall be responsible for compiling all written reports of committee meetings held during the year, and presenting a written summary at the annual Membership meeting.

Section 6 – Advisory Committees. The Board may create advisory committees from time to time. The advisory committees shall be appointed by the President of the Board and approved by a majority of all the Directors in Office at the time. An advisory committee shall include two (2) or more Directors. Advisory committees shall not exercise the authority of the Board and shall serve only in an advisory capacity.

**ARTICLE XIII
OFFICERS OF THE CORPORATION**

Section 1 – Election of Officers and Term of Office.

(a) The Board shall elect by majority vote a President, Vice President, Secretary, State Directors, and Treasurer each for a term of one (1) year, except for the term of the Treasurer which shall be for three (3) years or until their successors have been appointed, each of whom shall take Office after the close of the Annual Meeting of the Board at which he or she is elected as such. The Board may elect such additional Officers and assign to such Officer(s) such duties or responsibilities as the Board may deem necessary or appropriate.

(b) Officers whose terms have expired shall be eligible to succeed themselves.

(c) Officers may delegate and supervise the performance of their duties as necessary or appropriate; provided, however, that the delegation and supervisions of an Officer's duties will not alter the Officer's obligation to discharge his or her duties in good faith, with the care of a reasonably prudent person in a like position under similar circumstances, and in a manner the Officer reasonably believes to be in the best interest of the Corporation.

(d) Two or more Offices, other than the office of President, may be held by the same person, but an Officer shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or the Articles of Incorporation, or these Bylaws to be executed, acknowledged, or verified by two (2) or more Officers.

(e) An Officer elected or appointed by the Directors shall hold Office for the terms for which the Officer is elected or appointed and until a successor is elected or appointed and qualified, or until the resignation or removal of the Officer.

(f) An Officer, as between that Officer, other Officers, and the Corporation, has such authority and shall perform such duties in the management of the Corporation as may be provided in these Bylaws, or as may be determined by resolution of the Board not inconsistent with these Bylaws.

Section 2 – Qualifications for the Office of Treasurer. No person shall be elected to the position of Treasurer unless that person meets one or more of the following qualifications: 1) is accredited in accounting by the Accreditation Council for Accountancy and Taxation or any successor organization; (2) is an enrolled agent; or (3) possesses a baccalaureate or higher degree in accounting or finance from an educational institution located in the United States.

Section 3 – Appointment of Association State Director to the National Society of Accountants. The President shall appoint an Active Member in good standing to serve as the Association's representative (the "State Director") with the National Society of Accountants ("NSA") and, as such representative, to serve as a member of the Board of Directors of the NSA. Candidates for this post shall be solicited as deemed appropriate by the Board of Directors, and a majority vote of the Board of Directors shall be required to confirm the appointment by the President. The appointment to the State Director post shall be for a two (2) year term. There shall be no limit to the number of terms the State Director may serve.

Section 4 – President. The President shall preside over all Annual Meetings of the Membership, the Board of Directors, the Executive Committee, and at any other meetings deemed necessary by those bodies. Upon election and with the approval of the Board of Directors, he shall appoint all chairpersons of all Standing Committees and such chairpersons of Special or Select Committees he deems necessary or appropriate to further the purposes of the Association. The President shall be an ex-officio Member of all of the Association's Committees and shall have the right to suspend or remove from Office any Committee Member for neglect of duty, gross inefficiency, or violation of these Bylaws. He shall make an annual report to the Membership at the Annual Meeting on the progress of the Association. In addition, if the Association has not appointed, hired, or elected a person to be Executive Director of the Corporation under Article XIV of these Bylaws, then during such period, the President that have the powers and duties of the Executive Director in addition to, and not in limitation of, his or her powers and duties as President.

Section 5 – Vice President. The Vice President shall serve in the absence of the President of the Corporation and shall further have such duties and responsibilities as may be assigned him or her by the President and the Board.

Section 6 – Secretary. The Secretary or his designee shall have custody of the business records of the Corporation, including the minutes and organizational documents of the Corporation, and shall maintain the same in accordance with the standards established by the Board. The Secretary may sign with the President, in the name of the Board, all contracts, agreements, and other obligations authorized to be executed by the Board. The Secretary shall keep an accurate list of the Members of the Board and, in general, shall perform all such acts as may be prescribed by the Board and as are usually incident to the Office of Secretary. The Secretary may appoint a recording Secretary whose sole responsibility shall be to take the minutes at meetings of the Board at the request of the Secretary. The Board may elect assistant Secretaries, as the Board deems appropriately necessary to assist the Secretary and to assume the duties of the Secretary in the Secretary's absence.

Section 7 – Treasurer. The Treasurer or his designee shall:

(a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for funds due and payable to the Corporation from any source whatsoever, and deposit all such funds in the name of the Corporation in such depositories as shall be approved by the Board;

(b) maintain appropriate accounting records as required by law;

(c) prepare or cause to be prepared annual financial statements of the Corporation that include a statement of financial position as of the end of the fiscal year and a statement of activities and statement of cash flow for that year;

(d) prepare or cause to be prepared all federal and state required documents by their respective due dates including the Federal Form 990 and Form 990-T if required; and

(e) in general perform all of the duties incident to the Office of Treasurer and such other duties as from time to time may be prescribed by the President or the Board.

Section 8 – State Auditor. With the adoption of these Bylaws, the Office of State Auditor is suppressed. Any Member holding the Office of State Auditor on the date these Bylaws are adopted shall be permitted to complete his term in Office.

Section 9 – Vacancies. Vacant Offices shall be filled by the act of a majority of Directors present at a meeting of the Board of Directors at which a quorum is present.

Section 10 – Removal of Officers. Any Officer or agent elected or appointed by the Board of Directors may be removed by majority vote of the Board of Directors when, in the Board's judgment, the best interest of the Association will be served by such removal.

Section 11 – Bonds. The Board of Directors may, by resolution, require any Officer, agent, or employee of the Corporation to give bond to the Corporation with sufficient sureties, conditioned upon the faithful performance of the duties of his or her respective Office or position and to comply with such other condition as may from time to time be required by the Board of Directors. The Corporation shall pay the premiums for all such bonds.

ARTICLE XIV EXECUTIVE DIRECTOR

The Board of Directors may, at its discretion, by a two-thirds (2/3) majority vote of all Directors entitled to vote, appoint, hire, or elect, a person to be Executive Director of the Corporation. The Executive Director shall serve as the Corporation's Chief Operating Officer and shall be responsible for the day-to-day administrative activities of the Corporation. The Executive Director shall carry out the policies of the Board of Directors in cooperation with the President. The Executive Director shall be responsible for keeping the records of the annual Membership meetings, meetings of the Board of Directors and the executive committee. He shall process all applications for Membership, receive all dues payments and any other charges deemed necessary by the Board, and transmit to the Treasurer all funds received. He shall conduct such correspondence as deemed necessary by the Board or the President. The Executive Director shall serve as an ex-officio, non-voting Member of the Board of Directors and provide guidance and consultation as needed. Whether the Executive Director is hired as an employee or hired as an independent contractor, all duties and responsibilities of the Executive Director shall be outlined in a separate contract to be executed by the President and the Secretary on behalf of the Corporation and the person hired as Executive Director. The Board shall review such employment contract according to the terms set forth in the contract. During any period in which there is no Executive Director, the President shall have the powers and duties assigned to the Executive Directors under these Bylaws, as provided in Section 4 of Article XIII, above.

ARTICLE XV CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1 – Contracts. The Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2 – Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 3 – Checks and Drafts. All checks, drafts, or other orders for payment of money, including Electronic Fund Transfers, issued in the name of the Corporation, shall be signed or ordered by such Officer or Officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by the Board.

Section 4 – Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board may select.

ARTICLE XVI CONFLICTS OF INTEREST

Section 1 - Purpose. The Corporation hereby adopts this Article as its Conflict of Interest Policy. The purpose of the Policy is to protect the interest of the Corporation as a tax-exempt organization, when, from time to time, it may contemplate entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2 – Definitions.

(a) Interested Person. Any Director, Officer or Member of a Committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) An ownership or investment interest in any entity with which the Corporation has a transaction or investment,
- (2) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under this Section 2, a person that has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

Section 3 - Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and Members of Committees with Board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or Meeting of the Committee while the determination of a conflict of interest is discussed and voted

upon. The remaining Members of the Board of Directors or Committee, if applicable, shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the Board of Directors or Meeting of the Committee, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- (1) The chairperson of the Board of Directors or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (2) After exercising due diligence, the Board of Directors or Committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not rise to a conflict of interest.
- (3) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or Committee shall determine by a majority vote of the disinterested Directors or Committee Members, as the case may be, whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy. If the Board of Directors or Committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the Member of the basis for such belief and afford the Member an opportunity to explain the alleged failure to disclose. If, after hearing the Member's response and after making further investigation warranted by the circumstances, the Board of Directors or Committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(e) Records of Proceedings. The minutes of the Board of Directors and all Committees with Board delegated powers shall contain:

- (1) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or Committee's decision as to whether a conflict of interest in fact existed.
- (2) The names of the persons who were present for discussions and votes in relation to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

(f) Compensation.

- (1) A voting Member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that Member's compensation.
- (2) A voting Member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that Member's compensation.
- (3) No voting Member of the Board of Directors or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

(g) Annual Statements. Each Director, Officer and Member of a Committee with Board delegated powers shall annually sign a statement which affirms such person:

- (1) has received a copy of the conflict of interest policy,
- (2) has read and understands the policy,
- (3) has agreed to comply with the policy, and
- (4) understands that the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

(h) Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- (2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

(i) Use of Outside Experts. When conducting the periodic reviews as provided for in this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their uses shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XVII GENERAL PROVISIONS

Section 1 – Notices. When a notice or communication is required or permitted by the Articles of Incorporation or these Bylaws to be given by mail, it shall be mailed to the person to whom it is directed at the address designated by that person for that purpose or, if none is indicated, at the Member's last known address in the records of the Corporation. The notice or communication is given when deposited, with prepaid postage, at a post office or official depository under the care and custody of the United States Postal Service. The mailing may be registered, certified or other first class mail except where otherwise provided in these Bylaws.

Section 2 – Notice by Electronic Transmission.

(a) In addition to any other form of notice to a Member permitted by the Articles of Incorporation or these Bylaws, any notice to a Member by a form of electronic transmission to which the Member has consented is effective as a written notice or communication. When a notice or communication is permitted by these Bylaws to be given electronically, the notice or communication is given when electronically transmitted to the person entitled to the notice or communication.

(b) "Electronic transmission" or "electronically transmitted" means any form of communication that meets all of the following:

- (1) it does not directly involve the physical transmission of paper;
- (2) it creates a record that may be retained and retrieved by the recipient;
- (3) it may be directly reproduced in paper form by the recipient through an automated process.

Section 3 – Seal. The Corporation shall have a corporate seal.

Section 4 – Fiscal Year. The fiscal year of the Corporation shall end September 30.

Section 5 – Audit. The Board shall employ the services of a certified public accountant or accredited business accountant to (a) audit the books of the Corporation as soon as possible after the close of the fiscal year of the Association preceding each expiration of a Treasurer's term in Office, and at such other time or times and for such period or periods as the Board may deem advisable, and (b) furnish proper reports on such audits. The contracted individual may or may not be a member of the Independent Accountants Association of Michigan.

Section 6 – Prohibition Against Sharing in Corporate Earnings. No Member, Officer, Director or employee of, or Member of a committee of, or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profits from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to the Corporation in effecting any of its purposes as shall be fixed by the Board. No such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

Section 7 – Amendments. These Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the Members at any Annual or Special Meeting of the Membership, if prior written notice has been given to all Members at least ten (10) days but not more than sixty (60) days in advance of the meeting. Any proposed amendments to these Bylaws must be signed by at least five (5) Members in good standing before they may be proposed to the Members for a vote. If a proposed amendment is to be considered at an Annual or Special Meeting of the Members, then a complete copy of the proposed amendment shall be included in the notice of meeting required by these Bylaws.

Section 8 – Gender. Throughout these Bylaws, whenever the context requires or permits, the masculine gender shall be deemed to include the feminine, the neuter gender shall be deemed to include the masculine and feminine, and the singular shall be deemed to include the plural and vice versa.

Section 9 – Interpretation. The Board of Directors shall have the power and authority to interpret the meaning of any section or provision of these Bylaws.

Section 10 – Captions. The captions contained herein are for the convenience of the reader only, shall not be deemed to either limit or expand the meaning of these Bylaws, and shall not be deemed to have any legal effect.

– **Parliamentary Authority.** The rules contained in the current edition of Robert's Rules of Order: Newly Revised shall govern the Association in all cases in which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.