

Bylaws of the Illinois CPA Society

(As used herein, "he", "him" and "his" refers to all genders.)

(As used herein, "mail" refers to postal and electronic methods of sending.) (*Illinois Compiled Statutes Chapter 805. Business Organizations Associations Act 305. Professional Association Act.*)

ARTICLE I: NAME AND PURPOSE

1.1 Name.

The name of this organization shall be the Illinois CPA Society (the "Society").

1.2 Purpose.

The purposes of the Illinois CPA Society are association purposes, including but not limited to, supporting and enhancing the value of the profession of Certified Public Accountants.

ARTICLE II: MEMBERSHIP

2.1 Classes.

Membership shall consist of the following classes: regular, honorary, distinguished, unemployed/retired and affiliates. An executed application for membership shall be submitted to the Society. Admission to membership shall be by action of the Society's staff under the policy direction of the Society's Board of Directors (the "Board of Directors"). The Board of Directors may, from time to time, establish additional categories of membership and dues rates as it deems appropriate.

2.2 Regular membership.

A person is eligible to apply for regular membership if he has passed the certified public accountant exam in any U.S. jurisdiction.

2.3 Honorary membership.

A regular member of the Society or individuals designated by Board action are eligible for admission for honorary membership if they have rendered distinguished service in advancing the interests of the accounting profession. Election to honorary membership shall be by resolution of the Board of Directors.

2.4 Distinguished membership.

A regular member is eligible for distinguished membership status if such regular member met at least one of the following conditions as of March 14, 2001: (a) 25 years of continuous membership and at least 65 years of age, (b) 30 years of continuous membership and at least 62 years of age or (c) 40 years of continuous membership.

2.5 Unemployed/Retired membership.

A regular member is eligible for unemployed/retired membership status if such regular member is either fully retired from the workforce or temporarily unemployed or voluntarily out of the workforce. Incidental income may be earned without jeopardizing this status, unless performing a professional service that requires a peer review.

2.6 Non-CPA Affiliate membership.

The Board of Directors shall, from time to time, determine classes of, and adopt rules governing,

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affiliate members and indications thereof. Non-CPA Affiliate members shall be required to pay dues and to abide by the Society's bylaws. Non-CPA Affiliate members shall not be eligible to hold office or vote unless elected to serve as one of the designated non-CPA Affiliate members of the Board of Directors. Non-CPA Affiliate members are otherwise eligible to receive applicable member benefits and participate in activities including committee service.

2.7 Termination.

If any member is indebted to the Society for dues or other items for more than three months, the Board of Directors may terminate the membership if the member has not paid such indebtedness in full within one month after notice of impending termination to the member at the address shown on the Society's records. Members may also be terminated for other causes through disciplinary proceedings as provided in Articles VII, VIII and IX. Members may also be terminated, without a formal professional ethics investigation, as a result of actions or omissions by that member that are determined by the Board of Directors to diminish the good name of the Society or the profession.

2.8 Resignation.

A member who wishes to resign from the Society shall submit a resignation. The resignation shall be effective only when accepted by the Society's staff. No action shall be taken on the resignation of a member with respect to whom charges are under investigation by the ethics committee or against whom a complaint is pending before the trial board, unless the ethics committee or the trial board, as the case may be, recommends that such resignation be accepted.

2.9 Reinstatement.

2.9.1 A former member, who was not terminated as a result of a disciplinary action pursuant to Articles VIII or IX, may apply for reinstatement. Reinstatement shall not become effective unless the former member pays his current fiscal year's dues or other indebtedness to the Society.

2.9.2 A former member whose membership has been automatically terminated under Article IX, or who has been expelled by or had their resignation accepted by a panel of the trial board may, at any time after three years from the effective date of such termination, expulsion or acceptance of resignation, request reinstatement of their membership. Such request for reinstatement must be in writing. The Board of Directors shall not reinstate such person without the consent of the ethics committee or trial board having jurisdiction over such matter.

2.10 Non-transfer.

Membership is not transferable or assignable.

2.11 Rights of members to describe themselves as such.

A regular member shall be entitled to use the designation "Member of the Illinois CPA Society." A firm licensed to practice public accounting a majority of whose owners are regular members shall be entitled to use the designation "Members of the Illinois CPA Society." Affiliate members may only use the designation in conjunction with specifying their affiliate membership classification.

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ARTICLE III: ACTION BY MEMBERS

3.1 Special meetings.

The chairperson shall call special meetings of the regular members when so requested by the Board of Directors, or upon the written request of at least ten-percent of the total regular membership of the Society in good standing determined as of the first day of the month in which the Society receives the request setting forth a reasonable description of the business proposed to be conducted at such special meeting. Special meetings shall be held at places designated by the Board of Directors. No business shall be transacted at a special meeting other than that for which the meeting shall have been convened.

3.2 Notice of meeting.

Written notice of the meeting shall be delivered to each regular member not less than ten days or more than sixty days prior to the date of any special meeting.

3.3 Quorum.

Two hundred and fifty regular members shall constitute a quorum for the transaction of any business at any special meeting of the members as defined above. A two-thirds affirmative vote of the quorum is required to forward any action to the Board of Directors.

ARTICLE IV: BOARD OF DIRECTORS AND OFFICERS

4.1 Powers.

The Board of Directors may exercise all powers requisite for the purposes of the Society, not inconsistent with these bylaws or with duly enacted resolutions of the membership, including but not limited to the authority to prescribe the policies and procedures of the Society and to enact resolutions binding upon the officers, committees, boards or other groups and staff of the Society.

4.2 Directors' tenure.

The Board of Directors shall consist of the officers, the immediate past chairperson and not less than twelve and no more than fourteen directors elected as provided in Article V. CPA directors will be elected to serve for a staggered 3-year term. A non-CPA Affiliate member or representative of the public may be elected as a director for a one-year term renewable annually up to a maximum of 3 years through the annual nomination process. However, of the total membership of the Board of Directors, only two non-CPAs may serve on the Board of Directors at any given time. An elected director shall serve from the beginning of the fiscal year following his election until the end of the fiscal year in which his term expires or until the election of his successor. If a director has two unexcused absences, it is assumed they are resigning from the Board. An unexcused absence is determined by the Board chairperson. A director may be removed as permitted by applicable law.

4.3 Officers' tenure.

The officers shall be a chairperson, a vice chairperson, a secretary and a treasurer, each of whom shall be elected as provided in Article V. An officer shall hold office from the beginning of the fiscal year following his election until the end of the fiscal year in which his term expires. Only a regular member in good standing who has previously served on the Board may be an officer. An officer may be removed by a two-thirds affirmative vote of all directors and officers entitled to vote for considering such removal.

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4.4 Qualifications of directors.

No person shall be a director unless that person is then a regular member in good standing of the Society, or a nominee to fill the two seats available for non-CPAs. Directors shall have made significant contributions to the profession and/or held a position or demonstrated skills or knowledge relevant to the strategic issues being faced by both the Society and the profession.

4.5 Board meetings.

The annual meeting of the Board of Directors shall be the first meeting of the Board of Directors after the commencement of the fiscal year and shall be held at the office of the Society or at such other place designated by the chairperson. The chairperson shall designate the time, place and agenda of each special meeting of the Board of Directors, except that a special meeting shall be held within 15 days after the receipt by the chairperson of a petition for a special meeting signed by at least one-third of the directors. Notice of each meeting shall be sent by the secretary to each director at his address as shown by the Society's records at least five days before the date set for the meeting. A majority of the members of the Board of Directors shall constitute a quorum. The act of a majority of the director's present at a meeting at which a quorum exists shall be the act of the Board of Directors except where otherwise provided by law or these bylaws. Directors may participate in and act at any meeting of the Board of Directors by any means permitted by applicable law. Participation in such manner shall constitute attendance and presence in person at the meeting.

Any action required to, or which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is executed by all the directors.

4.6 Vacancies.

If a vacancy occurs in the membership, in the Board of Directors, or in any offices of the Society elected by the Board of Directors, the nominating committee may recommend replacements for election by the Board of Directors. Persons elected to fill vacancies in the Board of Directors or in any of the offices of the Society elected by the Board of Directors, shall serve only for the remainder of the unexpired term of the previous incumbent or until a successor is elected.

4.7 Chairperson.

The chairperson shall preside at all meetings of the members of the Society and Board of Directors. The chairperson shall perform all duties ordinarily pertaining to the office of chairperson or delegated to him by the Board of Directors. If the chairperson is temporarily unable or unwilling to act, the vice chairperson shall act in his stead. If the chairperson or vice chairperson is not available to preside at a meeting, any member selected by a majority vote of those present may act as presiding officer pro tempore.

4.8 Vice chairperson.

The vice chairperson shall act for the chairperson in the chairperson's absence or inability to serve and shall discharge such other duties as the chairperson or the Board of Directors may from time to time assign to the vice chairperson.

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4.9 Secretary.

The secretary shall attend all meetings of the members of the Society and Board of Directors provided for in these bylaws and shall record the proceedings of such meetings. The secretary shall give notice of all meetings requiring notice. The secretary shall perform all other duties ordinarily pertaining to the office of the secretary or delegated to the secretary by the Board of Directors or chairperson. If the secretary is temporarily unable or unwilling to act at any meeting of the members or of the Board of Directors, a secretary pro tempore for the meeting shall be selected by a majority vote of those present.

4.10 Treasurer.

The treasurer shall have responsibility for the funds, accounts and fiscal affairs of the Society, subject to direction or review by the Board of Directors. In the event the treasurer is temporarily unable or unwilling to act, the Board of Directors may designate an acting treasurer.

4.11 President and chief executive officer.

The Board of Directors shall appoint a president and chief executive officer whose duties and compensation shall be determined by the Executive Committee.

ARTICLE V: NOMINATIONS AND ELECTIONS

5.1 Nominating committee.

A nominating committee consisting of at least five and no more than seven members who have served on the Board of Directors and who currently meet the qualifications for directors set forth in these bylaws shall be appointed annually by the chairperson of the board, subject to approval by the Executive Committee, to serve until the end of the fiscal year for which they are appointed. With the exception of the immediate past chairperson of the Board of Directors, who normally will serve as the chair of the nominating committee, no committee member may also serve concurrently as a member of the Board of Directors. Committee members are appointed annually but they may not be appointed for more than 3 successive years. If a vacancy occurs, the Board of Directors shall fill the vacancy by appointment. The committee may not nominate any of its members as an officer or director.

5.2 Manner of nomination and election.

The officers and directors shall be nominated and elected as provided in this article except that the Board of Directors may postpone any prescribed dates so long as the period of time provided between dates for any act of the members is not shortened.

5.3 Nominations by nominating committee.

No later than 90 days prior to the end of each fiscal year, the nominating committee shall file with the secretary a report of its nominations for officers and directors for the following fiscal year, with a statement that the nominees have consented to serve if elected. Action by a majority of the total members of the nominating committee is required to submit a report. The report shall set forth information regarding: (a) the date of the nominee's Society membership, (b) the name of his firm or other business affiliation and his position therein and (c) a description of the nominee's qualifications.

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5.4 Nominations by Petition.

Nominations for any director may also be made by petition filed with the secretary at least four months prior to elections. The petition shall be signed by at least five percent of the total regular membership of the Society in good standing determined as the first day of the month in which the Society receives the petition (other than the nominee) and shall be accompanied by the nominee's written consent to nomination and to serve if elected. The petition shall set forth the same information concerning each nominee by petition that the report of the nominating committee is required to set forth as provided in the preceding section. The secretary shall promptly notify each nominee of the nominating committee whether any nomination has been made by petition. If a nomination is made by petition, the secretary shall promptly send a copy of the petition, including the names of the petitioners, to each nominee of the nominating committee and to each member of the Board of Directors.

5.5 Election.

If a nomination or nominations are made by petition, the secretary shall deliver ballots to the regular members for a vote on the opposing nominees. The ballot shall list the opposing nominees in alphabetical order and indicate whether each nominee was nominated by the nominating committee or by petition and include relevant background information of nominees. With the ballots and with any additional material that may be provided for by the Board of Directors, the secretary shall deliver the information concerning each nominee that is required by the preceding sections to be set forth in the nominating committee's report and the nominating petition. The names of the petitioners shall be furnished upon reasonable request to any Society member. Each ballot shall be executed by the regular member voting it. All ballots received by the secretary at the Society's office by the date specified shall be counted and tallied by three members of the Society appointed by the chairperson who are not nominees, officers or directors. The secretary shall certify the results for delivery to the regular membership. Newly elected members shall be notified promptly and advised to attend the initial Board of Director's meeting.

5.6 Canvass.

At a meeting of the Board of Directors the secretary shall present a report of the nominations and, if there were nominees by petition, of the count of the ballots together with the ballots. In the absence of a petition the Board of Directors should declare the unopposed nominees elected. The Board of Directors shall review the report and make whatever investigation it may deem necessary. The Board of Directors shall declare the opposed nominees receiving the greatest number of votes to be duly elected. Questions regarding the validity of returned ballots and tie votes shall be resolved by a majority of the Board of Directors present at that meeting.

ARTICLE VI: COMMITTEES

(As used herein, "committee" refers to committees, task forces and special interest groups.)

6.1 Standing Committees of the Board of Directors.

6.1.1 Executive

The committee will be comprised of the chairperson, vice chairperson, immediate past chairperson, treasurer and secretary. Responsibilities of the committee to include: 1) Act on matters requiring immediate action during interim periods between regular meetings

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of the Board of Directors; 2) Present a report on the general nature of such actions to the Board of Directors at its next regular meeting following any such actions taken; 3) Establish duties, responsibilities and performance goals for the President & CEO with the participation of the President & CEO of the Society; 4) Perform periodic (no less than annual) performance reviews of the President & CEO of the Society; and 5) Establish the compensation of the President & CEO of the Society.

6.1.2 Audit

To ensure that an annual audit is conducted and to review and report to the Board on the results of each audit.

6.1.3 Finance

To monitor financial management and viability of the Society on behalf of the Board of Directors and report to the Board as needed.

6.1.4 Strategic Planning

To shepherd the Society's strategic planning process.

6.2 Appointed Committees.

The Board of Directors shall have power to create such other committees, task forces, or other groups of the Society (collectively referred to as committees in these bylaws); to define, limit or enlarge their functions; to fix the size of their membership; and to abolish any such group.

6.3 Appointments, term of office and Board of Directors' powers.

The chairperson of the Board of Directors shall appoint the chair and members of each committee or other appointed group or position of the Society, except as provided for in Article 5.1. A committee member shall serve until the close of the fiscal year for which he is appointed unless a committee shall be abolished, his membership with the Society shall be suspended or terminated or he is removed from such committee by the chairperson of the Board of Directors. The Board of Directors may at any time control or limit the power of the chairperson with respect to, and may itself at any time exercise, the power of appointment and removal of members, the chairperson and vice chairperson of any committee.

6.4 Qualifications.

No person shall be a committee chair unless that person is a member in good standing of the Society or at another professional CPA association. Committee members should be members in good standing or hold a position in a relevant industry/professional organization or government body.

6.5 Chairperson, duty to report.

Each committee chair shall be responsible for the submission of a report of the activities of the committee as requested to the Society according to the established deadlines. No committee report shall be published or circulated without the consent of the Board of Directors or its designate.

6.6 Manner of acting.

The act of a majority of the members present at a meeting of the committee shall be the act of the committee. Committee members may participate in and act at any meeting of the committee

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through remote communication. Participation in such manner shall constitute attendance and presence in person at the meeting. Any action required to, or which may be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is executed by all of the committee members.

ARTICLE VII: CODE OF PROFESSIONAL CONDUCT AND JOINT ENFORCEMENT OF ETHICAL STANDARDS WITH AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

7.1 Code of Professional Conduct.

The rules of professional ethics of the Society shall consist of the Code of Professional Conduct of the American Institute of Certified Public Accountants as now constituted and as may from time to time be amended hereafter, plus such additional rules, if any, as may from time to time be adopted by the Society by an amendment to these bylaws.

7.2 Charges.

Whenever it is determined that a member of the Society, whether or not such member is also a member of the AICPA, shall be charged with violating the Code of Professional Conduct of the Society, the charges shall be investigated in accordance with the terms of any then existing agreement between the Society and the AICPA relating to the enforcement of ethical standards or, in the absence of such an agreement, in such manner as the Board of Directors of the Society may determine.

7.3 Hearing.

In the event that a hearing is required in regard to any charge against a member of the Society pursuant to Article 7.2, the hearing shall be conducted in accordance with the terms of the aforesaid agreement between the Society and the AICPA, the then operative rules of the Joint Trial Board Division of the AICPA and the then operative Joint Ethics Enforcement procedures in effect by virtue of said agreement. In absence of such agreement such hearing shall be conducted in such manner as the Board of Directors of the Society may determine.

7.4 Joint Agreement with the American Institute of Certified Public Accountants.

The Board of Directors of the Society is hereby authorized to cause the chairperson to execute for and on behalf of the Society an agreement between the Society and the AICPA encompassing the matters referred to in this Article VII and to cause the chairperson to execute such amendments thereto as the Board of Directors may from time to time deem appropriate.

7.5 Responsibility.

All committees, boards and other bodies of the Society are hereby empowered to carry the provisions of Articles 7.2 and 7.3 into effect by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules and procedures in effect between the Society and the AICPA.

ARTICLE VIII: DISCIPLINING OF MEMBER BY JOINT TRIAL BOARD

Under such conditions and by such procedure as the AICPA Council may prescribe, a hearing panel of the Joint Trial Board, by a two-thirds vote of its regular members present and voting, may expel a member (except as otherwise provided in Article 8.3) or by a majority vote of its regular members present and

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voting, may suspend a member for a period not to exceed two years not counting any suspension imposed under Articles 9.3 and 9.4 or may impose such lesser sanctions as the Council may prescribe on any member if the member:

- 8.1 Infringes any of these bylaws or any rule of the Code of Professional Conduct;
- 8.2 Is declared by a court of competent jurisdiction to have committed any fraud;
- 8.3 Is held by a hearing panel of the Joint Trial Board to have been guilty of an act discreditable to the profession or to have been convicted of a criminal offense which tends to discredit the profession.
- 8.4 Is declared by any competent court to be insane or otherwise incompetent;
- 8.5 Fails to cooperate with the ethics committee in any disciplinary investigation of the member, a partner, shareholder or employee of the member's firm by not making a substantive response to interrogatories or a request for documents from the ethics committee or by not complying with the educational and remedial or corrective action determined to be necessary by the ethics committee, within thirty days after the posting of notice of such interrogatories, or a request for documents, or directive to take CPE or corrective action by registered or certified mail, postage prepaid, to the member at his last known address shown on the records of the Society.

ARTICLE IX: DISCIPLINARY SUSPENSION OR TERMINATION OF MEMBERSHIP WITHOUT HEARING

- 9.1 **Scope.**

This Article shall apply to disciplinary matters not encompassed by Article VIII.
- 9.2 **Suspension or termination of membership.**

Membership in the Society shall be suspended or terminated without a hearing for disciplinary purposes as provided in Article 9.3, or a member may be subjected to other disciplinary actions as set out in Article 9.4, under such conditions and by such procedures as shall be prescribed by the Board of Directors from time to time.
- 9.3 **Criminal conviction of member.**

Membership in the Society shall be suspended without a hearing should there be filed with the secretary of the Society a judgment of conviction imposed upon any member for:

 - 9.3.1 a crime punishable by imprisonment for more than one year under the law of the convicting jurisdiction;
 - 9.3.2 the willful failure to file any income tax return which he, as an individual taxpayer, is required by law to file;
 - 9.3.3 the filing of a false or fraudulent income tax return on his or a client's behalf; or
 - 9.3.4 the willful aiding in the preparation and presentation of a false and fraudulent income tax return of a client.

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Membership in the Society of such member shall be terminated upon the final judgment of conviction.

9.4 Other Disciplinary Action.

9.4.1 Membership in the Society shall be suspended without a hearing if a member's certificate as a certified public accountant or license or permit to practice as such or to practice public accounting is suspended as a disciplinary measure by any governmental authority. Such suspension of membership shall terminate upon reinstatement of the certificate, license or permit. Membership in the Society shall be terminated without hearing should such certificate, license or permit be revoked, withdrawn, surrendered, indefinitely suspended or canceled as a disciplinary measure or in connection therewith by any governmental authority.

9.4.2 If a governmental agency or organization which has been approved by the AICPA Professional Ethics Executive Committee and the AICPA Board of Directors under Section 7.3 of the AICPA bylaws temporarily suspends, prohibits or restricts a member from practicing before it or another governmental agency, or from serving as a director, officer or trustee of any entity, the member's membership in the society shall be suspended by the Board of Directors without a hearing; however, such suspension of membership shall terminate upon such agency's or organization's termination of the suspension, prohibition or restriction. If such approved governmental agency or organization bars or permanently or indefinitely suspends, prohibits or restricts a member from practicing before it or another governmental agency, or from serving as a director, officer or trustee of any entity, the member's membership in the society shall be terminated by the Board of Directors without a hearing.

9.4.3 A member who has been subjected to any sanction as a disciplinary measure other than or in addition to those sanctions addressed above, by an authority covered in Article 9.4.2, may also be subjected to discipline by the Society without a hearing pursuant to guidelines established by the Society's ethics committee and approved by the Board of Directors.

9.5 Right of petition.

The Board of Directors shall provide for the consideration and disposition, with or without a hearing, of a timely written petition by the ethics committee or a member that he should not be disciplined pursuant to the provisions of Articles 9.3 or 9.4. Such written petition shall be considered timely if filed with the secretary of the Society within 60 days after notice has been given to the member of his suspension or expulsion.

9.6 Joint Trial board disciplining not precluded.

Application of the provisions of Articles 9.3 and 9.4 shall not preclude the summoning of the member concerned to appear before a hearing panel of Joint Trial Board pursuant to Article VIII.

ARTICLE X: PUBLICATION OF DISCIPLINARY ACTION

10.1 Notice of disciplinary action taken under Articles VIII or IX together with a statement of the reasons, therefore, shall be published in a manner prescribed by the Board of Directors. The ethics committee shall maintain a record of such information and disclose that information upon request.

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In the case of a suspension or termination pursuant to Article IX, such notice shall disclose the name of the regular member concerned. In any action pursuant to Article VIII in which the member is found guilty or has entered into a settlement agreement with the ethics committee that involves suspension or termination of membership, the trial board or panel hearing the case shall decide on the form of the notice of the case and the decision to be published, which notice shall disclose the name of the member involved and the terms and conditions of any settlement agreement. The statement and decision, as released by the Chairperson of the Joint Trial Board or hearing panel shall be published in a manner prescribed by the Board of Directors. No publication shall be made until such decision has become effective.

ARTICLE XI: CHAPTERS

11.1 Organization.

The Board of Directors shall, from time to time, determine chapters and adopt rules governing chapters and indications thereof. Each chapter shall have a board appointed by the chairperson of the Society's Board of Directors to manage the operations of the chapter. The chapter board may be comprised of a president, senior vice president, vice president, secretary, treasurer and delegate (the immediate past president) who serve as officers of the chapter. No person shall be an officer of a chapter unless that person is a member in good standing of the Society. An officer shall hold office from the beginning of the fiscal year following his appointment until the end of the fiscal year for which he was appointed.

11.2 Affiliation.

A member with residence within the geographical boundaries of a chapter as defined by the Board of Directors shall automatically be affiliated with a chapter as determined by the home mailing address the member provides to the Society.

11.3 Suspension or dissolution.

The Board of Directors may at any time control or limit the power of the chapter president with respect to, and may itself at any time exercise, the power of appointment and removal of members, the president and officers of any chapter. The Board of Directors may suspend or dissolve a chapter in its sole discretion. In the event of suspension or dissolution, all the funds, records and other property of the chapter shall revert to the jurisdiction of the Board of Directors.

11.4 Chapter President, Duty to report.

The chapter president shall be responsible for the submission of financial and other information as required to the Society according to the established deadlines.

ARTICLE XII: DUES

12.1 Members.

The Board of Directors shall determine the annual dues which shall be paid by each member in accordance with such classifications as it deems appropriate and may require dues of a different amount of each class so created. Dues shall be payable in advance for each annual dues period, as determined by the Board of Directors, of the Society or in such other manner as the board shall prescribe. Dues for new members shall be apportioned to the end of the dues period.

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12.2 Resignation, suspension and termination.

Dues paid before resignation or other termination or suspension of membership shall not be refunded or otherwise credited to the member.

12.3 Cancellation.

The chairperson or the chairperson's staff designate may cancel the dues or indebtedness of a member or excuse a member from future dues or indebtedness in any case that, in the judgment of the chairperson, is appropriate.

ARTICLE XIII: INDEMNIFICATION

13.1 Indemnification.

The Society shall indemnify to the full extent authorized by law for the good faith exercise of judgment in the performance of assigned duties any person made or threatened to be made a party to any action, suit, or proceeding, whether criminal, civil, administrative, or investigative, by reason of the fact that he, his testator, or intestate is or was a member of the Board of Directors, or any committee, trustee, or officer, of the Society or any affiliated entity or serves or served any other enterprise as director, trustee, or officer, at the request of the Society.

Without limiting the generality of the foregoing, the Society may contract for insurance against all or a portion of any liabilities and expenses, if any, resulting from the indemnification of any of the foregoing persons pursuant to this section or otherwise as permitted by law, and may also contract for companion insurance directly insuring any or all of such persons against liabilities and expenses.

13.2 Insurance.

The Society may purchase and maintain insurance on behalf of the board members, officers, former board members and former officers and all persons who have served at its request or by its election as a director or officer of another Society, association, foundation, organization or corporation or in a fiduciary capacity with respect to any employee benefit plan of the Society, and certain other volunteers against any liability, or settlement based on asserted liability, incurred by them by reason of being or having been board members or officers of the Society, or directors or officers of such other society, association, foundation, organization or corporation or in a fiduciary capacity with respect to any employee benefit plan of the Society, whether or not the Society would have the power to indemnify them against such liability or settlement under the provisions of this section.

ARTICLE XIV: FISCAL AND MISCELLANEOUS MATTERS

14.1 Fiscal year.

The fiscal year of the Society shall begin on April 1 of each year and end on March 31 of the following year.

14.2 Annual budget.

As early as practicable in each fiscal year the Board of Directors shall adopt a budget for that year, which may be amended from time to time.

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14.3 Annual audit.

The Board of Directors shall engage an independent certified public accountant or firm of certified public accountants to examine and report upon the consolidated financial statements of the Society for each fiscal year.

14.4 Assessments.

An assessment may be levied upon the members only if voted by the Board of Directors and approved by a majority vote of the regular members of the Society voting in a ballot vote.

14.5 Information about members and applicants for membership.

The officers, directors and employees of the Society are authorized to obtain information from and provide information voluntarily to the officers, Council and employees of the American Institute of Certified Public Accountants on matters of mutual interest, including information concerning members of the Society and applicants for membership in the Society.

ARTICLE XV: AMENDMENTS

15.1 Method.

Proposals to amend these Bylaws may be made at any time by an affirmative vote of two-thirds of the members of the Board of Directors, and such amendment(s) shall be published through a Society membership publication. If, after sixty (60) days, written objections are not received from at least three percent (3%) of the regular members eligible to vote on the first day of the current fiscal year, the amendment(s) shall be accepted.

15.2 Effective date.

An approved amendment shall take effect five days after the last day on which votes of the regular members may be received unless otherwise specified in the amendment.

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APPENDIX I

Agreement between the AICPA and the Illinois CPA Society with Respect to the Joint Ethics Enforcement Program (JEEP)

The American Institute of Certified Public Accountants and the Illinois CPA Society, on this 26th day of April in the year 1989, agree as follows:

WHEREAS: It is in the public interest to improve the capacity of the accounting profession to enforce ethical standards and,

WHEREAS: The duplication of investigation and enforcement procedures between the Society and the AICPA is neither in the public interest nor in the best interest of the accounting profession and,

WHEREAS: The national nature of the practice of public accounting makes it desirable to encourage as uniform an approach as possible to the enforcement of ethical standards and,

WHEREAS: The parties intend that the ethics enforcement activities of the AICPA and those of the Society be joined in a single coordinated effort which continues for all other purposes the separate existence of the Ethics Committees of the AICPA and the Society and,

WHEREAS: It appears to the parties to be in the public interest that a joint trial board and review board be empowered to take action as to members of the AICPA and the Society in matters of enforcement of applicable codes of professional conduct including letter of required corrective action to and suspension and expulsion of respondents from the Society and the AICPA as such joint trial boards may deem appropriate,

It is therefore agreed between the parties as follows:

1. The Society and the AICPA agree to jointly undertake the procedures set forth in the JEEP manual of procedures,¹ which is incorporated by reference into this agreement and made a part hereof. The said manual is implemented by means of applicable bylaws of the Society and AICPA Council resolutions.
2. The parties agree that from time to time changes may be required in the procedures set forth in the JEEP manual of procedures. All proposed changes shall be exposed for at least 90 days to the Society for the purpose of eliciting comment thereon from those to whom the proposed changes have been exposed.
3. Notwithstanding the provisions of paragraph 2, the AICPA and Society agree that if the Society finds any changes in the plan to be unacceptable to it, negotiations may be undertaken between the parties for special arrangements to apply only to the Society. If the AICPA finds that the special arrangements desired by the Society are unacceptable in view of the overall operation and purposes of the enforcement procedures, the Society may withdraw.

¹ For information about procedures or content of the JEEP manual, contact the AICPA or Illinois CPA Society Ethics Committee.

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4. The AICPA recommends that the Society promulgate the AICPA Code of Professional Conduct as the Code of Professional Conduct for the Society. The AICPA agrees, however, that the Society Code may differ from that of the AICPA and that, insofar as the jurisdiction of the Society is concerned, such Code shall be the Code enforced by the procedures set forth in the JEEP manual of procedures except insofar as this undertaking is modified in paragraph 5 herein below.

5. Nothing in this agreement shall be deemed to require the Society or the AICPA to do any act which may in its judgment constitute a violation of law. The parties are cognizant of the provisions of the decree of the United States District Court for the District of Columbia in the case of the United States of America vs. American Institute of Certified Public Accountants, Docket No. Civil-1091-72. It is agreed that this agreement shall not be interpreted or applied in any manner prohibited by such decree. It is also specifically agreed that the inquiry and enforcement procedures under the plan will not be used to inform any party of the Society's rule against competitive bidding, or to attempt to enforce any limitation on the practice of competitive bidding.