

BYLAWS

APPROVED BY:
TXCPA Membership

EFFECTIVE DATE
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
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ARTICLE I - PURPOSE

The Texas Society of Certified Public Accountants ("TXCPA") dedicates itself to preserving and elevating the public's trust and respect for the CPA license and accounting profession and the high ethical and moral standards it represents. TXCPA commits leadership and resources to enable its members to provide valued services to the public, employers and clients in a changing and complex world.

TXCPA is a Texas nonprofit corporation and has all the powers, duties, authorizations and responsibilities as provided by the Texas Business Organizations Code ("TBOC"); provided that TXCPA shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a Corporation that is exempt from federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code.

ARTICLE II - MEMBERSHIP

- (1) TXCPA shall be comprised of the following classes of membership: CERTIFIED PUBLIC ACCOUNTANTS; AFFILIATES; AND STUDENTS/CANDIDATES. The requirements for admission to membership shall be prescribed by the Board of Directors and set forth in the *Volunteer Policies and Procedures Manual ("Manual")*.
- (2) A certified public accountant holding a valid and unrevoked license issued by the Texas State Board of Public Accountancy ("State Board"), any state or territory of the United States, the District of Columbia or its equivalent (as determined by the State Board) issued by a foreign country, shall be eligible for membership in TXCPA.
- (3) Voting privileges shall extend only to members who are certified public accountants holding a valid and unrevoked license issued by the State Board, any state or territory of the United States, or the District of Columbia.
- (4) All privileges and benefits of membership in TXCPA shall extend to members other than those specifically excepted by these *Bylaws* or the *Manual*.
- (5) Member recognition categories.
 - a) Distinguished Fellows. A CPA member who has performed outstanding service to TXCPA. A member may be nominated to become a distinguished fellow by the Awards Committee and is subject to the approval by vote of the members present at the next meeting of the Leadership Council. Distinguished fellows must continue to meet the requirements of a CPA member unless they have honorably surrendered their license. Distinguished fellows shall not be required to pay dues or other assessments. Distinguished fellows holding a valid and unrevoked license per Article

- II(3) shall be eligible to hold offices and to vote at meetings.
- b) Honorary members. A person who is not a CPA and who has performed outstanding service to TXCPA or the profession may be nominated by the Awards Committee for honorary membership and is subject to the approval by vote of the members present at the next meeting of the Leadership Council. Honorary members shall not be required to pay dues or other assessments, nor shall they be eligible to hold office, chair a committee or vote at meetings.
 - c) Lifetime members. A CPA member who has obtained 40 consecutive years of membership prior to June 1, 2015, and whose license has not been suspended or revoked shall be considered a lifetime member. Lifetime members must continue to meet the requirements of a CPA member unless they have honorably surrendered their license. Lifetime members shall not be required to pay dues or other assessments. Lifetime members holding a valid and unrevoked license per Article II(3) shall be eligible to hold office and to vote.
 - d) Legacy members. A CPA member who obtains 40 years of consecutive membership after June 1, 2015, shall be deemed a legacy member.
- (6) The Board of Directors shall, from time to time, determine categories of and adopt rules governing affiliates. Affiliates shall be required to pay dues and to abide by TXCPA's *Bylaws*. Affiliates shall not be eligible to hold office, chair a committee or vote. Affiliates are otherwise eligible to receive applicable member benefits and participate in activities, including committee service. The Board of Directors, in its sole discretion, may terminate the membership of an affiliate for cause.

ARTICLE III - DISCIPLINARY ACTIONS AND TERMINATION OF MEMBERSHIP

- (1) Member resignations may be offered in writing at any time and shall be effective on the date of receipt, except that any tendered resignation of a member under charges under this Article III shall not be effective until such charges have been fully determined under the procedures set forth herein. A member may be permitted to resign or accept suspension or expulsion if an agreement has been reached between the member and the Professional Ethics Committee, provided that such an agreement is approved by the Joint Trial Board ("Trial Board") or its equivalent, in accordance with the existing agreement between TXCPA and the American Institute of Certified Public Accountants ("AICPA") relating to joint ethics and enforcement.
- (2) Any member who shall neglect to pay dues, assessments or other obligations to TXCPA for a period of 60 days after they become due and notice has been given shall forfeit TXCPA membership unless excused by the Board of Directors. A final delinquency notice will be mailed 30 days prior to the date of forfeiture. This paragraph shall not apply to a member under disciplinary investigation or sanctions under this Article III.
- (3) Former members may apply for reinstatement as prescribed by the Board of Directors and reinstatement shall be at the discretion of the Board of Directors.
- (4A) A member may be suspended by the Board of Directors without a hearing if it finds:
 - (1) the member's license as a certified public accountant or license to practice accountancy has been suspended by the authority of the State Board or its equivalent of any state,

territory, District of Columbia or foreign country except for suspensions which are the result of the voluntary lapse of a license to practice accountancy in more than one jurisdiction, and the voluntary lapse was not for the purpose of avoiding suspension for ethical or technical violations; or

- (2) a court or jury of competent jurisdiction renders a finding of guilt of a felony or other crime or misdemeanor involving moral turpitude.

(4B) A member may be expelled by the Board of Directors without a hearing if:

- (1) the member's license as a certified public accountant or license to practice accountancy has been revoked by the authority of the State Board or its equivalent in any state, territory, District of Columbia or foreign country, except for revocations that are the result of the voluntary lapse of a license to practice accountancy in more than one jurisdiction, and the voluntary lapse was not for the purpose of avoiding revocation for ethical or technical violations; or

- (2) (a) the member (i) is convicted of a felony or is convicted of any other crime or offense involving moral turpitude, and (ii) the conviction becomes final and nonappealable; or

(b) in connection with the criminal prosecution of a member for a felony or for any other crime or offense involving moral turpitude, a court of competent jurisdiction defers adjudication of guilt of such member after a finding of guilt by the court or jury or after the court receives a plea of guilty or *nolo contendere* from such member; or

- (3) the member is not in compliance with Article XVIII of these *Bylaws*.

(4C) A member may be placed on probation by the Board of Directors without a hearing if the member has been placed on probation by the authority of the State Board or its equivalent in any state, territory, District of Columbia or foreign country ("boards"). The probation by the Board of Directors shall follow the same terms and conditions as those imposed by the State Board or boards.

(4D) Notwithstanding Article III or any provision of these *Bylaws*, the Board of Directors shall have the authority to suspend, expel, place on probation, reprimand, or otherwise address membership status when a U.S. or state regulatory authority has taken an action relating to the member's license to practice accountancy or placed a limitation on practice and the facts of the member's case may harm or damage the public's confidence in the profession or TXCPA.

(4E) Application of the provisions of this Section (4) shall not limit or otherwise modify any other provision of these *Bylaws* addressing suspension or expulsion of members.

(4F) Members who are subject to membership suspension, expulsion or probation shall be notified in writing. A member may request a hearing within 30 days of being notified. The Board of Directors or a committee appointed by the Chair shall conduct a hearing if requested by the member and afford the member due process and an opportunity to be heard. All matters relating to hearings, including notice, timelines and hearing procedures, shall be set forth in the *Manual*.

- (5) Whenever a member of the Society, whether or not the person is a member of the AICPA, is charged with violating these *Bylaws*, the charge shall be submitted to the Board of Directors, except that whenever a member is charged with violating the Society's *Code of Professional Ethics* or is declared by a court of competent jurisdiction to have committed any fraud, the charge shall be submitted to the Professional Ethics Committee. If it appears to this committee that the matter should be investigated, investigation shall proceed in accordance with the terms of any existing agreements between TXCPA and the AICPA relating to ethics enforcement. In the absence of any such agreement, investigation shall proceed in accordance with policies adopted by the Board of Directors.
- (6) All committees, boards and other bodies of TXCPA are empowered to carry the provisions of Section (5) into effect by acting jointly and in cooperation with the appropriate bodies of the AICPA under agreements, rules and procedures in effect between TXCPA and the AICPA at the time of such action.
- (7) If the Professional Ethics Committee shall dismiss any complaint or shall fail to act thereon within 90 days after such complaint is presented to it in writing, the person referring the complaint may present the complaint in writing to the Trial Board under the agreement in effect between TXCPA and the AICPA at the time of such presentation. On receipt of such complaint, the said Trial Board shall make investigation of the matter as provided for in the existing agreement between TXCPA and the AICPA relating to joint ethics and enforcement.
- (8) A member becomes liable to expulsion or suspension under Section (5) of this Article if the member:
- (a) infringes upon any of these *Bylaws* or *Code of Professional Ethics* of TXCPA;
 - (b) is guilty of an act discreditable to the profession;
 - (c) is declared by a court of competent jurisdiction to have committed any fraud; or
 - (d) except for good cause, fails to cooperate with the Professional Ethics Committee in any disciplinary investigation of the member or the member's partner or employee by not making a substantive response to interrogatories or a request for documents from the Professional Ethics Committee, or by not complying with the educational and remedial or corrective action determined to be necessary by the Professional Ethics Committee within 30 days of notice issued by registered or certified mail, postage prepaid, to the member at the member's last known address shown in TXCPA's records.
- (9) During the period of suspension under this Article, a member who has been suspended remains a member of TXCPA. The suspended member shall not, however, at TXCPA or chapter level:
- (a) vote;
 - (b) identify as a member;
 - (c) hold an office, committee position or other position, or privilege described in these *Bylaws*; or

- (d) be eligible for an additional benefit of membership or increase an existing benefit of membership.

However, eligibility to participate in a TXCPA-sponsored insurance program shall not terminate if the member was a participant in the program prior to the date of suspension, complies with the provisions of the program, and continues to pay all dues, fees and assessments in accordance with these *Bylaws*.

- (10) Notice of final disciplinary action approved by the Trial Board, and the basis thereof, shall be published in electronic or print medium and shall disclose the name of the member involved. No publication shall be made until the decision has become effective.
- (11) Notice of probation, suspension or expulsion under Section (4) shall be published in print or electronic medium. The notice shall disclose the name of the member involved. Prior to any notice of probation, suspension or expulsion under Section (4) being published, the member involved shall be notified of the action by mailing written notice to the member's last known address according to TXCPA's records.

ARTICLE IV - LOCAL CHAPTERS

- (1) The state of Texas shall be divided into chapters determined by the Board of Directors. The Board of Directors shall set minimum standards for the existence of a chapter provided, however, no more than one chapter may be organized within one county. A chapter, once created, shall remain until changed by the Board of Directors.
- (2) A member shall be a member of the chapter in which the member maintains their principal office unless the member specifies the chapter of their principal residence. A member may become a member of an additional chapter if accepted to membership by action of that chapter. A member whose residence or principal office is out-of-state or out-of-country and honorary members may maintain membership in TXCPA and shall not be required to be a member of a chapter.
- (3) A properly organized local chapter of TXCPA may exercise customary functions of TXCPA that are not reserved by these *Bylaws* to the officers, Board of Directors, Leadership Council or TXCPA as a whole, but is without the power by its own actions to bind or obligate TXCPA in any manner.
- (4) Bylaws of the local chapter shall not conflict with those of TXCPA and any changes therein shall take effect upon approval of the Board of Directors of TXCPA. The bylaws of each local chapter shall provide for:
 - (a) a fiscal year coinciding with that of TXCPA;
 - (b) election of officers prior to February 1 each year, but tenure of office to coincide with that of the officers of TXCPA;
 - (c) membership limited to members of TXCPA in good standing; and
 - (d) a provision that, if any part of the chapter bylaws is or becomes in conflict with TXCPA *Bylaws*, that part shall be void and TXCPA *Bylaws* shall govern.

- (5) At its first meeting and annually thereafter, each chapter shall elect from among its members such officers and directors as may be deemed necessary. The chapter shall keep a record of proceedings subject to inspection by TXCPA.
- (6) Local chapters may be separately incorporated provided that the proposed articles of incorporation of such chapters and any proposed amendments thereto receive the approval of the Board of Directors of TXCPA prior to their being filed with the Secretary of State. Further, such articles of incorporation must provide for full and complete compliance by the chapter with the *Bylaws* of TXCPA as they relate to the local chapters.

ARTICLE V - BOARD OF DIRECTORS

- (1) The Board of Directors shall have general charge and control of the affairs, funds and property of TXCPA, and shall carry out the purposes of TXCPA in accordance with these *Bylaws* and duly enacted resolutions of the membership. The Board of Directors shall not delegate the authority to: reverse a previous vote of the Board of Directors, remove or fill the vacant term of a director, vote on a proposal to amend the *Bylaws* or withdraw or modify a proposal, or designate the auditor or auditors.
- (2) Members shall elect the Board of Directors by a majority vote through a secure electronic ballot approved by the Board of Directors. The Board of Directors shall consist of not less than fifteen (15) and not more than twenty (20) directors, including the officers of TXCPA. The number of directors shall be set from time to time by the Board of Directors in a manner not inconsistent with TXCPA's Articles of Incorporation, these *Bylaws* and the General Laws of Texas, or any successor statute thereto. Directors shall serve a term of three (3) years, with a limit of two consecutive terms. Upon completion of two consecutive terms of three (3) years, one full year must elapse before a board member shall be eligible for reelection.
- (3) The resignation of any director shall be effective on the date of receipt. A member of the Board of Directors may be removed for cause by a vote of at least two-thirds of the members of the Board of Directors present at a meeting at which a quorum is present.
- (4) Vacancies, however created, among the directors may be filled by the Board of Directors with input from the Nominations and Board Development Committee for the remainder of the unexpired term.
- (5) The chair shall designate the time, place and agenda for any meeting of the Board of Directors. Written notice stating the purpose of the meeting shall be furnished to all directors at least five days in advance of every meeting.
- (6) A majority of the directors shall constitute a quorum, and a majority vote of the directors present and voting shall constitute a vote of the Board of Directors. The Board of Directors shall keep a record of its proceedings which shall be available for inspection by any member of TXCPA at all reasonable times.

ARTICLE VI - OFFICERS

- (1) Officers shall be elected by a majority vote of the members through a secure electronic

ballot approved by the Board of Directors. The elected officers of TXCPA shall be members of TXCPA and shall be a chair, a chair-elect, a treasurer, a treasurer-elect, and a secretary. The elected officers shall perform all duties prescribed in these *Bylaws* and all duties ordinarily pertaining to their office or delegated to them by the Board of Directors.

- (2) Officers shall serve a term of one (1) year or until their successor is duly elected or until they resign, die or are removed from office by the Board of Directors. The chair shall serve as immediate past chair on the Board of Directors for a term of one (1) year following their term as chair.
- (3) The Board of Directors shall appoint a president who shall be a full-time employee of TXCPA and who may have the additional title of chief executive officer. The president and chief executive officer takes direction from the Board of Directors and shall hold office at the pleasure of the Board of Directors. The president with the Board of Director's approval may designate other officers as considered necessary to perform duties for TXCPA. These other officers may be appointed by and will report to and take direction from the president. Appointed officers need not be members of TXCPA.
- (4) An elected officer may be removed for cause by a vote of at least two-thirds of the members of the Board of Directors.
- (5) If any vacancy shall occur among the officers, the Nominations and Board Development Committee, with the approval of the Board of Directors, shall appoint a member to fill the vacancy.
- (6) The chair shall serve as chair of the Board of Directors, Executive Committee (as defined in Article VII Section I) and Leadership Council and shall preside at all meetings of the membership, the Board of Directors, the Executive Committee and the Leadership Council. In the event the chair is temporarily unable or unwilling to act, the chair-elect shall act in the chair's stead. In the further event that the chair and chair-elect are both temporarily unable or unwilling to act, the Board of Directors shall select a member of the Executive Committee to act.
- (7) The treasurer and designated financial staff shall have charge of the funds, accounts and fiscal affairs of TXCPA, subject to direction or review by the Board of Directors and Finance Committee. The treasurer and designated financial staff shall furnish reports and statements as directed by the Finance Committee or the Board of Directors. In the event the treasurer is temporarily unable or unwilling to act, the treasurer-elect shall furnish reports and statements as directed by the Finance Committee or Board of Directors.
- (8) The secretary shall approve and sign the minutes of all meetings of the membership, the Board of Directors and the Executive Committee, and ensure that the minutes are disseminated to members of the Board of Directors.
- (9) The president shall cause notice of all meetings to be given of all meetings requiring notice and cause a record of the proceedings at all meetings to be made and of all matters of which a record shall be ordered.

- (1) The Executive Committee shall consist of the chair, chair-elect, treasurer and secretary.
- (2) The Executive Committee shall function for the Board of Directors during the period between Board of Directors meetings and shall have all of the powers of the Board of Directors except for those powers specifically reserved by the Board of Directors.
- (3) The chair shall designate the time, place and agenda for any meeting of the Executive Committee. A majority of the members shall constitute a quorum, and a majority vote of the members present and voting shall constitute a vote of the Executive Committee. The Executive Committee shall keep a record of its proceedings which shall be available for inspection by any member of the TXCPA Board of Directors at all reasonable times.

ARTICLE VIII – LEADERSHIP COUNCIL

- (1) The Leadership Council (the “Council”) will provide strategic insight and feedback to support the viability, value and relevance of TXCPA.
- (2) The Council shall consist of the following members:
 - (a) chair of the Board of Directors who shall serve as chair of the Council;
 - (b) all past TXCPA volunteer presidents and chairs may serve at their own election and shall hold a valid, unrevoked and unexpired license with the State Board;
 - (c) the members of the Board of Directors;
 - (d) the president of each chapter;
 - (e) 45 members-at-large;
 - (f) one extra member elected by each chapter for each complete unit of 200 CPA members of TXCPA with a minimum of one per chapter;
 - (g) chair of TXCPA’s Strategic Planning Committee; and
 - (h) chair of the Accounting Education Foundation.

Members-at-large of the Council shall be elected by TXCPA members for a term of three (3) years, except as necessary to maintain a general pattern of one-third of the at-large Council member terms expiring each year. Members-at-large should not serve more than three (3) consecutive terms of three (3) years. Upon completion of three (3) consecutive terms, one (1) full year must elapse before a member shall be eligible for reelection as a member-at-large.

Members elected by chapters shall have a term not to exceed three (3) years and may not serve more than nine (9) consecutive years as a chapter elected member. Upon completion of nine (9) consecutive years as a chapter elected member, one (1) full year must elapse before a member shall be eligible for reelection as a chapter elected member.

- (3) The resignation of any Council member shall be effective on the date of receipt. Absence from three consecutive meetings of the Council by any Council member shall terminate their Council membership unless reasonable explanations are submitted by the Council member and are accepted by the Board of Directors. A member of the Council may be removed for cause by a vote of at least two-thirds of the members of the Board of Directors present at a meeting at which a quorum is present.
- (4) Vacancies, however created, among the Council members-at-large may be filled by the

Board of Directors with input from the Nominations Council for the remainder of the unexpired term. A vacancy among the members elected by the chapters shall be promptly filled for the unexpired term by action of the respective chapter.

- (5) The chair shall designate the time, place and agenda for any meeting of the Council. Written notice stating the purpose of the meeting shall be furnished to all Council members at least five days in advance of every meeting. A majority of the Council members shall constitute a quorum, and a majority vote of the Council members present, and voting shall constitute a vote of the Council. The Council shall keep a record of its proceedings which shall be available for inspection by any member of TXCPA at all reasonable times.
- (6) There shall be a Nominations Council responsible for selecting nominees for the members-at-large of the Council and the Nominations Council. The Nominations Council shall include:
 - (a) The immediate past chair of the Board of Directors who shall serve as chair;
 - (b) Nominations and Board Development Committee members; and
 - (c) 8 members-at-large.

Members-at-large of the Nominations Council shall be elected by TXCPA members for a term of one (1) year. Nominees shall be selected by the Nominations Council from candidates submitted by chapters and the general membership.

At least five (5) of the members of the Nominations Council shall come from chapters other than Houston, Dallas, Fort Worth, Austin and San Antonio.

ARTICLE IX - TRIAL BOARD AND COMMITTEES

- (1) There shall be a nationwide Trial Board to adjudicate disciplinary charges against members of TXCPA pursuant to Article III, Section (5). The Trial Board is empowered to adopt rules consistent with actions of the AICPA Council, governing procedure in cases heard by any hearing panel, and in connection with any application for review of a decision of a hearing panel. Decisions of any hearing panel shall be subject to review only by the Trial Board. A member of the Trial Board shall not serve simultaneously as a member of the Professional Ethics Committee, a member of the AICPA Professional Ethics Division or a member of the State Board.
- (2) There shall be a Professional Ethics Committee which shall be charged with investigating professional ethics cases and the disposition decisions involving members. The Professional Ethics Committee shall report to the Board of Directors. No member of the Professional Ethics Committee shall serve simultaneously as a member of the State Board.
- (3) There shall be a Peer Review Committee which shall be responsible for administering the TXCPA and AICPA Peer Review program in accordance with the requirements for the State Board and the AICPA. No member of the Peer Review Committee shall serve simultaneously as a member of the State Board.
- (4) There shall be a Nominations and Board Development Committee responsible for nominating candidates for the Board of Directors, officers and at-large members of the Nominations and Board Development Committee. The Nominations and Board Development Committee shall

include:

- (a) the immediate past chair of the Board of Directors who shall serve as chair of the committee;
- (b) the chair-elect of the Board of Directors;
- (c) 2 additional members of the Board of Directors; and
- (d) 3 at-large members.

The two (2) Board of Director positions shall be appointed by the Board of Directors.

Members-at-large shall be elected by TXCPA members. Nominees for the at-large positions shall be selected by the Nominations and Board Development Committee from candidates submitted by chapters and the general membership.

Board of Director and at-large members of the Nominations and Board Development Committee may serve up to three (3) consecutive terms of one (1) year. If any vacancy shall occur on the Nominations and Board Development Committee, the Board of Directors shall appoint a member to fill the vacancy.

Nominations and Board Development Committee members shall meet all qualifications, requirements and guidelines established in the *Manual*.

- (5) A Finance Committee shall be established as a standing committee of TXCPA and will:
 - (a) review and recommend approval of TXCPA's annual operating and capital budgets to the Board of Directors;
 - (b) monitor the financial performance of TXCPA;
 - (c) ensure that the insurance policies where TXCPA is the insured are reviewed annually; and
 - (d) review and analyze the adequacy and effectiveness of internal controls and advise the president of potential enhancements.
- (6) The Board of Directors may designate and charge other committees.
- (7) Except as otherwise provided in these *Bylaws*, committee chairs and members shall be appointed or removed by the individual who will be or is chair during the service year in which the appointment or removal is to take effect.

ARTICLE X - NOMINATIONS AND ELECTIONS

- (1) The Nominations and Board Development Committee shall certify by a report filed with the president not later than October 10, its nominations for officers, directors and members-at-large of the Nominations and Board Development Committee, as well as nominees selected by the Nominations Council for the at-large members on the Council pursuant to Article VII Section 6. The report shall verify that the nominees have consented to serve if elected. Notice shall be disseminated to the membership within 10 days after filing of the report. Members of the Nominations Council and Nominations and Board Development Committee are ineligible for nomination for any position they are responsible for selecting.
- (2) In addition to the nominations of the Nominations and Board Development Committee, independent nominations for officers, directors and at-large members of the Nominations and

Board Development Committee may be presented by any 50 members in good standing at the date such nominations are filed, provided that such nominations are filed with the president not later than November 10. Nominations shall be at-large.

- (3) If any nominee of the Nominations and Board Development Committee or Nominations Council becomes unavailable before the elections are held, then the Nominations and Board Development Committee or Nominations Council respectively shall, as early as practicable but before the elections are held and without reference to the provisions set out in Section (1) above, report a substitute nominee.
- (4) Nominations other than those made as provided above shall not be in order.
- (5) Election of officers, directors and members-at-large of the Nominations and Board Development Committee and Council shall be conducted through a secure TXCPA designated electronic ballot approved by the Board of Directors prior to March 1 of each year and those elected shall take office June 1. The electronic ballot shall be open to all eligible members to vote for a period of at least 30 days. A majority vote of the members voting via the electronic ballot shall elect except that candidates nominated under Section (2) shall be elected by a plurality.
- (6) The chair-elect and treasurer-elect shall become chair and treasurer, respectively, on June 1 one year after becoming chair-elect and treasurer-elect, respectively.

ARTICLE XI – MEETINGS OF MEMBERS

- (1) An annual meeting of members of TXCPA shall be held at such time and place as may be designated by the chair. Notice of the time and place of the meeting shall be disseminated by or at the direction of the chair, president or their designee not less than 30 days before the meeting date.
- (2) Special meetings of TXCPA member meetings may be called at any time by the chair, a majority of the Board of Directors, or by the secretary at the written request of at least 5% of the members entitled to cast votes at such meeting. Notice stating the time, place and purpose of any special meeting shall be disseminated by or at the direction of the chair, the secretary, or the officers or persons calling the meeting to all members entitled to vote not less than 10 or more than 60 days before the meeting date. No business may be transacted at any special meeting other than that specified in the notice. All special meetings shall be held within the state of Texas at a place designated by the chair or held virtually.
- (3) One hundred (100) members when present either in person or virtually shall constitute a quorum at any TXCPA member meeting.
- (4) With the exception of elections which are required by the *Bylaws* to be conducted electronically, a majority of the members voting in person, virtually, or by proxy at the annual meeting or a special meeting shall constitute a vote of the membership. At the Board of Directors' discretion, a mail ballot or secure TXCPA designated electronic ballot as permitted by state law shall be had on any matter if a motion for such a ballot is voted at the meeting or, if at or before the meeting, the secretary receives a petition for a ballot on the matter signed by at least 5% of the members entitled to vote on such ballot as of the date such

ballots would be required to be returned.

All members of TXCPA entitled to vote shall be entitled to vote by proxy at any meeting of the members, but no member may vote more than five such proxies. All proxies must state the name of the member to whom the proxy is given and may not contain a power substitution. A member may vote by proxy at any meeting of the members only with respect to matters set forth on the agenda included in the notice of the meeting.

ARTICLE XII - DUES AND ASSESSMENTS

- (1) Dues for CPA members will be recommended by the Board of Directors and approved by the Council. Dues for all other member categories shall be determined by the Board of Directors.
- (2) Two-thirds of the members voting in person or by proxy at any membership meeting may levy a per capita assessment for any specific purpose not to exceed \$50 for any one year.
- (3) TXCPA members may be excused from the payment of dues and per capita assessments for reasonable cause by the Board of Directors. Members who have previously been approved for dues waiver because of permanent disability will automatically receive same upon request.

ARTICLE XIII - FISCAL MATTERS

- (1) The TXCPA fiscal year shall begin on June 1 and end on May 31 of the following year.
- (2) The Finance Committee shall recommend an annual budget to the Board of Directors for approval. No expenditures shall be made in a fiscal year in excess of the total limitations of the budget for that year unless they are approved in accordance with the budgetary controls adopted in the *Manual*.
- (3) The Board of Directors shall designate an auditor or firm of auditors to annually examine the financial statements of TXCPA and related entities (excluding chapters). The auditor or partner of the firm of auditors shall be a member of TXCPA.

ARTICLE XIV - NOTICE

Notice, when required, may be mailed or otherwise disseminated in whatever manner and form the Board of Directors designates as being reasonably effective to convey notice, including by electronic means or by inclusion in other TXCPA publications. Notice provided under these *Bylaws* shall constitute proper notice of any in person or virtual meeting.

- (1) Personal Liability.
 - (a) The directors, officers and employees of TXCPA shall not, as such, be personally liable for the acts, debts, liabilities or obligations of TXCPA.
 - (b) A director or officer shall not be personally liable to TXCPA or for any action taken or

omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer performed the duties of his or her position (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of TXCPA.

- (c) A director or officer of TXCPA, in the performance of his or her duties, shall not have any fiduciary duty to any creditor of TXCPA arising only from such creditor's status as a creditor of TXCPA.
 - (d) No director or officer shall be personally liable for any injury to a person or property arising out of a tort committed by an employee, unless such director or officer was personally involved in the situation giving rise to the litigation or unless such director or officer committed a criminal offense in connection with such situation.
- (2) Mandatory Indemnification. TXCPA shall indemnify an individual who was wholly successful, on the merits, in the defense of any action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the individual was a party because the individual is or was a director or officer of TXCPA, or, while a director or officer, is or was serving at TXCPA's request as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another domestic or foreign entity or of an employee benefit plan, against reasonable expenses (including attorneys' fees) incurred by the individual in connection with such action, suit or proceeding. An individual entitled to indemnification under this Article XV (2) is hereafter called "an individual covered by Article XV (2) hereof."
- (3) Optional Indemnification. Except as provided in Article XV (4), TXCPA may (but shall not be obligated to) indemnify an individual made a party to any action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, because the individual is or was a director, officer, employee, fiduciary, or agent of TXCPA, or an individual who, while a director of a nonprofit corporation, is or was serving at the nonprofit corporation's request as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another domestic or foreign entity or of an employee benefit plan, against liability incurred in such action, suit or proceeding, if (i) the individual's conduct was in good faith; (ii) the individual reasonably believed, in the case of conduct in an official capacity, that the conduct was in TXCPA's best interests, and in all other cases, that the conduct was at least not opposed to TXCPA's best interests; and (iii) in the case of any criminal proceeding, the individual had no reasonable cause to believe the conduct was unlawful. Indemnification permitted under this Article XV (3) in connection with an action, suit or proceeding by or in the right of TXCPA is limited to reasonable expenses (including attorneys' fees) incurred in connection with such action, suit or proceeding.
- (4) Exceptions. No indemnification under Article XV (3) shall be provided to an individual (a) in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, by or in the right of TXCPA in which the individual was adjudged liable to TXCPA; or (b) in connection with any other threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, alleging that the individual derived an improper personal benefit, whether or not involving action in an official capacity, as defined in Texas Business Organizations Code ("TBOC") § 8.001(6) (as amended from time to time), in which such action, suit, or proceeding such individual was adjudged liable on the basis that such individual derived an improper personal benefit. The Board of Directors is hereby authorized, at any time, to add to the above list of exceptions from the right of indemnification under Article XV (3), but any such additional exceptions shall not apply with respect to any event,

act or omission which has occurred prior to the date that the Board of Directors in fact adopts such exceptions. Any such additional exception may, at any time after its adoption, be amended, supplemented, waived or terminated by further resolution of the Board of Directors.

- (5) Advancement of Expenses. Expenses incurred in connection with an action, suit or proceeding described in Article XV (3) hereof may be paid by TXCPA in advance of a final disposition of such action, suit or proceeding if (a) the individual who has been made party to such action, suit or proceeding furnishes to TXCPA a written affirmation of such individual's good faith belief that they have met the standard of conduct described in Article XV (3); (b) the individual furnishes to TXCPA a written undertaking, executed personally or on such individual's behalf, to repay the advance if it is ultimately determined that such individual did not meet the standard of conduct; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under the TBOC or Article XV (4).
- (6) Continuation of Rights. The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article shall continue as to an individual who has ceased to be a director or officer of TXCPA, and shall inure to the benefit of heirs, executors and administrators of such individual.
- (7) General Provisions.
 - (a) TXCPA shall not indemnify any individual under Article XV (3) unless such indemnification is authorized in the specific case after determination has been made that indemnification of the individual is permissible in the circumstances because the individual has met the standard of conduct described in Article XV (3). TXCPA shall not advance expenses to an individual under Article XV (5) unless authorized in the specific case after the written affirmation and undertaking required in Article XV (5) are received and the determination required by Article XV (5) has been made. The determinations required by Article XV (3), Article XV (5) and this Article XV (7)(A) shall be made (i) by a majority vote of those present at a meeting of the Board of Directors at which quorum is present, in which only those directors not parties to the action, suit or proceeding are counted to satisfy quorum; or (ii) if a quorum cannot be obtained in accordance with clause (i), by a majority vote of a committee of the Board of Directors designated by the Board of Directors, which committee shall consist of two or more directors not parties to the action, suit or proceeding. In the event quorum cannot be obtained, and a committee cannot be established, as contemplated in the previous sentence, or, even if a quorum is obtained or a committee is designated, if a majority of the directors constituting such quorum or such committee so directs, the determination required to be made shall be made by independent legal counsel selected by a vote of the Board of Directors or the committee in the manner specified above in this Article XV (7)(A) or, if a quorum of the Board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority of the Board. If the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of expenses shall be made by the body that selected such counsel.
 - (b) The right of an individual covered by Article XV (2) hereof to be indemnified (i) may also be enforced as a contract right pursuant to which the individual entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between TXCPA and such individual; and (ii) shall continue to exist after the rescission or restrictive modification (as determined by such individual) of this Article XV with respect to events, acts or omissions occurring before such rescission or restrictive modification is

adopted.

- (c) If a request for indemnification under Article XV (2) or for the advancement or reimbursement of expenses validly authorized pursuant to Article XV (5) is not paid in full by TXCPA within thirty (30) days after a written claim has been received by TXCPA together with all supporting information reasonably requested by TXCPA, the claimant may at any time thereafter bring suit against TXCPA to recover the unpaid amount of the claim (plus interest at the prime rate announced from time to time by TXCPA's primary banker) and, if successful in whole or in part, the claimant also shall be entitled to be paid the expenses (including, but not limited to, attorneys' fees and costs) of prosecuting such claim. Neither the failure of TXCPA (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or the advancement or reimbursement of expenses to the claimant is proper in the circumstances, nor an actual determination by TXCPA (including its Board of Directors' independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the TBOC or create a presumption that the claimant is not so entitled.
- (d) The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article XV shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement or reimbursement of expenses may be entitled under any bylaw, agreement, vote of the directors or otherwise, both as to action in such director's or officer's official capacity and as to action in another capacity while holding that office.
- (e) Nothing contained in this Article XV shall be construed to limit the rights and powers TXCPA possesses under the TBOC, or otherwise, including, but not limited to, the powers to purchase and maintain insurance, create funds to secure or insure its indemnification obligations, and any other rights or powers TXCPA may otherwise have under applicable law.
- (f) TXCPA shall have the right to appoint the attorney for an individual covered by Article XV (2) hereof or for an individual covered by Article XV (3) hereof, provided such appointment is not unreasonable under the circumstances.

- (8) Insurance for Corporate Agents. Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of an individual who is or was a director, officer, employee, fiduciary or agent of TXCPA, or who, while a director, officer, employee, fiduciary, or agent of TXCPA, is or was serving at the request of TXCPA as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of any domestic or foreign entity or of any employee benefit plan, against liability asserted against or incurred by the individual in such capacity or arising out of the individual's status as such, whether or not TXCPA would have the power to indemnify the individual against such liability under the Certificate of Formation, these *Bylaws* or provisions of law.

ARTICLE XVI - VOLUNTEER POLICIES AND PROCEDURES MANUAL

- (1) The Board of Directors shall adopt a *Volunteer Policies and Procedures Manual* (the "Manual") to provide guidelines and procedures by which TXCPA will function and operate.
- (2) The *Manual* is TXCPA's governing document except when it is inconsistent with the Articles of Incorporation or *Bylaws* of TXCPA. The *Manual* may be amended by the vote of two-thirds of the members of the Board of Directors. Unless otherwise stated in the *Manual*, policies and

procedures of programs and services that must meet the requirements of the AICPA, State Board, or other regulatory entities may be amended by the committee that implements the programs and services, provided all amendments are promptly reported in writing to the Board of Directors.

- ARTICLE XVII – STRATEGIC PLAN
- (1) TXCPA shall adopt a written strategic plan (“*Strategic Plan*”) with the primary objective of carrying out the mission of TXCPA. The Board of Directors shall have the responsibility and authority to periodically oversee, evaluate, recommend modification and report on the status of the *Strategic Plan*.
 - (2) The *Strategic Plan* shall be adopted and amended by the vote of two-thirds of the Board of Directors.

ARTICLE XVIII - PEER REVIEW

- (1) All members of TXCPA engaged in the practice of public accounting in Texas shall be associated as proprietors, partners, shareholders, owners or employees of firms enrolled in a TXCPA-approved practice-monitoring program that is consistent with the requirements for membership in AICPA if the services the firm performs are within the scope of AICPA’s practice-monitoring standards and the firm issues reports purporting to be in accordance with AICPA professional standards.
- (2) A firm enrolled in any AICPA-approved practice-monitoring program or the TXCPA Peer Review program shall be deemed to be enrolled in a TXCPA-approved practice-monitoring program. Enrolled firms shall arrange and schedule their reviews in compliance with administrative procedures and policies established by TXCPA and shall cooperate with TXCPA in all matters related to their review. The Peer Review Committee shall develop policies that specify what actions by firms are considered a failure to cooperate and shall recommend such policies to the Board of Directors for adoption and inclusion in the *Manual*.
- (3) The Board of Directors in its discretion may drop a firm’s enrollment in a TXCPA-approved practice-monitoring program prior to the commencement of the firm’s peer review if the Peer Review Committee recommends dropping such firm for failing to cooperate in the administration of the program.
- (4) The Board of Directors in its discretion may terminate a firm’s enrollment in a TXCPA-approved practice-monitoring program, or take such other action as it may elect, if the Peer Review Committee recommends termination of the firm for failing to cooperate in the execution or administration of the firm’s peer review after the review has commenced. The Board of Directors’ termination of enrollment as described in (4) above shall be effective without a hearing for such firm, unless the Board of Directors, in its sole discretion, decides to grant a hearing. A firm’s termination of enrollment in a TXCPA-approved practice-monitoring program will automatically result in termination of membership of all TXCPA members employed by that firm if such members are no longer in compliance with subsection (1) of this Article.

- (5) All terminations of mandatory enrollment in the TXCPA-approved practice-monitoring programs shall be reported to TXCPA membership in one or more periodicals published by TXCPA.
- (6) Any firm headquartered outside Texas that is enrolled in and in full compliance with the AICPA Peer Review Program shall be deemed to be in compliance with the TXCPA-approved practice-monitoring program and, therefore, shall be exempt from the administrative requirements and procedures of Section (2) hereof and exempt from the provisions of Section (3) hereof.

ARTICLE XIX - CONFLICT OF INTEREST

- (1) Conflicts of Interest. The purpose of the conflict of interest policy set forth in this Article XIX (this "Conflict Policy") is to protect TXCPA's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of TXCPA or director or might result in a possible excess benefit transaction (as defined in the Code). This Conflict Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations. The Board of Directors may delegate to any committee the responsibility for enforcement of this Conflict Policy to the extent permitted by federal and state law.
- (2) Definition of Interested Person. Any director, officer, member of a committee with Board delegated powers ("**Covered Individual**"), who (i) has a direct or indirect Financial Interest, or (ii) has an Immediate Family Member or Affiliate who has a direct or indirect Financial Interest in a contemplated or completed transaction is an "**Interested Person.**" 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 Article XIX, an Interested Person may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists. In addition to the other requirements of this Conflict Policy, each director must report to the Finance Committee any material conflict of interest. "**Financial Interest**" exists, with respect to a certain Person, if the Person has, directly or indirectly, through business, investment, or family: (i) an ownership or investment interest in any entity with which TXCPA has a transaction or arrangement; (ii) compensation arrangement with TXCPA or with any Person with which TXCPA has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any Person with which TXCPA is negotiating a transaction or arrangement.
- (3) Addressing Conflicts.
 - (a) 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 Board of Directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.
 - (b) An Interested Person may make a presentation at a Board of Directors or committee meeting, but after the disclosure of the Financial Interest and all material facts, and after any discussion between the Board of Directors or the committee and the Interested

Person, the Interested Person shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors or committee members shall decide if a conflict of interest exists via a vote in accordance with Section 3(C).

- (c) In assisting the Board of Directors or committee in making its decision:
 - (i) The chair or committee chair shall, if appropriate, appoint a disinterested Person or committee to consider alternatives to the proposed transaction or arrangement.
 - (ii) The Board of Directors or committee shall determine whether TXCPA can obtain with reasonable efforts a more advantageous transaction or arrangement from a Person that would not give rise to a conflict of interest.
 - (iii) 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 whether the transaction or arrangement is (a) in TXCPA's best interest; (b) for TXCPA's own benefit, and (c) fair and reasonable. In conformity with the above determination, the Board of Directors or committee shall make its decision as to whether TXCPA may enter into the transaction or arrangement.
- (d) If the Board of Directors or committee has a reasonable basis to believe a Covered Individual has failed to disclose actual or possible conflicts of interest:
 - (i) It shall inform the Covered Individual of the basis for such belief and afford the Covered Individual an opportunity to explain the alleged failure to disclose.
 - (ii) If, after hearing the Covered Individual's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the Covered Individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action as the Board or relevant committee determines in its discretion.
- (4) Statement Affirming Compliance with Policy. Annually, each Covered Individual shall sign a statement which affirms such individual:
 - (a) Has received a copy of this Conflict Policy;
 - (b) Has read and understands this Conflict Policy;
 - (c) Has agreed to comply with this Conflict Policy; and
 - (d) Understands TXCPA is charitable and in order to maintain its federal tax exemption, TXCPA must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- (5) Records of Proceedings. The minutes of the Board and all committees with Board delegated powers, including those standing committees created by Article IX, shall contain: (a) 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 the committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the individuals who were present for discussions and votes relating 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.

- (6) Periodic Reviews. To ensure TXCPA operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Board of Directors or any committee to which the Board of Directors has delegated this authority. The periodic reviews shall, at a minimum, include review of whether (a) compensation arrangements and benefits of officers are reasonable, based on competent survey information, and the result of arm's length bargaining; and (b) partnerships, joint ventures, and arrangements with management organizations conform to TXCPA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further TXCPA's tax-exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction. When conducting the periodic reviews as provided for in this Section 6, TXCPA may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.
- (7) Code of Conduct and Conflict of Interest Designation. In addition to complying with the Conflict Policy, each director must sign the Code of Conduct and any updated versions of the same. Each director shall be responsible for complying with the Code of Conduct in addition to such director's compliance with this Article XIX.

ARTICLE XX - AMENDMENTS AND INTERPRETATIONS

- (1) A proposal to amend these *Bylaws* may be initiated by the Board of Directors, Council or by petition filed with the president and signed by 50 or more members in good standing at the date the petition is filed. If a proposal is put forth by members or the Council, the proposal must be approved by a majority vote of the Board of Directors prior to being presented to the membership for a vote.
- (2) The *Code of Professional Ethics* shall be a part of these *Bylaws* and a proposal to amend the *Code of Professional Ethics* shall be deemed a proposal to amend these *Bylaws*. The Board of Directors by a two-thirds vote of those present may suspend any section(s) of the *Code of Professional Ethics* if deemed in possible conflict with the laws of the State of Texas or of the United States and may issue temporary rules of professional ethics to be effective during the interim period before the *Code of Professional Ethics* is amended.

Proposals to amend these *Bylaws* shall be adopted by a vote of the membership conducted through a secure TXCPA designated electronic ballot approved by the Board of Directors, if approved by two-thirds of the members voting. The electronic ballot shall be open to all eligible members to vote for a period of at least 30 days. Notice of proposals to amend these *Bylaws* shall be given at least 30 days prior to the date the electronic ballot thereon is first open for voting.

- (3) Notice may be given electronically or in such other fashion as the Board of Directors may determine.
- (4) In the event of lack of clarity, the Board of Directors shall interpret these *Bylaws*.
- (5) *Robert's Rules of Order* shall govern in all cases to which they are applicable to the extent they are not inconsistent with these *Bylaws*.

APPROVED BY:
TXCPA Membership

TXCPA Code of Professional Ethics
EFFECTIVE DATE: JUNE
30, 2006

PREAMBLE

The reliance of the public and business community on the professional services of the Texas Society of Certified Public Accountants' ("TXCPA") members imposes on its members certain obligations. These obligations include, but are not limited to, a member's responsibility to: maintain independence of thought and action; strive continuously to improve one's professional skills; observe, where applicable, the pronouncements of various regulatory and professional standards bodies; promote sound and informative financial reporting; hold the client's affairs in confidence; uphold the standards of the profession; and maintain high standards of personal and professional conduct in all matters affecting fitness to render professional services.

In recognition of these responsibilities, the *Code of Professional Ethics* ("Code") set forth herein has been adopted by TXCPA to help regulate the conduct of its members.

TXCPA RULES OF CONDUCT

The TXCPA Code shall consist of both the American Institute of Certified Public Accountants (AICPA) *Code of Professional Conduct* and the State Board *Rules of Professional Conduct*, including definitions, interpretations and rulings, as they may be amended or changed from time to time by the AICPA and TSBPA. Where the wording of the AICPA and TSBPA rules pertain specifically to AICPA members and Texas licensees, the name of TXCPA and designation of TXCPA members should be substituted.

The definitions, rules, interpretations, and rulings of the AICPA and TSBPA shall be construed and applied by TXCPA in disciplinary proceedings conducted under authority of TXCPA's *Bylaws*. Both the AICPA and TSBPA rules will apply to all TXCPA members. When AICPA and TSBPA rules are not identical, TXCPA shall apply the rule(s), which, in its judgment, is (are) the more restrictive, even when apparent contradictions exist in the two sets of rules.

TXCPA reserves the right to promulgate additional rules of conduct if considered necessary. Such additional rules would be promulgated as amendments to the *Bylaws* under Article XV of the TXCPA *Bylaws* and would, therefore, be subject to TXCPA membership vote at an annual meeting or by mail as provided in Article XV.

APPLICABILITY OF RULES

The Code is a part of the *Bylaws* of TXCPA. The *Bylaws* provide that the Joint Trial Board may, after a hearing, impose sanctions on a member who is found guilty of infringing upon any of the provisions of TXCPA's *Code of Professional Ethics*. The *Bylaws* also provide that the Joint Trial Board may approve, without a hearing, sanctions agreed upon between a member and the Professional Ethics Committee.

Sanctions may include a reprimand, suspension, resignation, expulsion, admonishment or the imposition of other sanctions considered appropriate by the Joint Trial Board in the circumstances.

Pronouncements could also be issued from time to time by the Professional Ethics Committee of TXCPA to provide guidelines as to the scope and application of the Code.

The Code was adopted by TXCPA's membership to provide guidance and rules to all members - those in public practice, in industry, in government, and in education - in performance of their professional responsibilities.

A member shall not permit others to carry out on the member's behalf, either with or without compensation, acts that, if carried out by the member, would place the member in violation of the Code.