

BYLAWS OF  
PERMIAN BASIN CHAPTER  
OF THE  
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

In effect as of November 5, 2020

ARTICLE I – NAME AND PURPOSE

- (1) The name of this organization shall be the Permian Basin Chapter of the Texas Society of Certified Public Accountants.
- (2) The purpose of the organization is to promote the interests of Certified Public Accountants and to advance the standards of the profession and the individual members of the profession.

ARTICLE II – MEMBERSHIP

- (1) Membership in this Chapter shall conform to the Bylaws of the Texas Society of Certified Public Accountants as specified in ARTICLE II – MEMBERSHIP, ARTICLE III – DISCIPLINARY ACTIONS AND TERMINATION OF MEMBERSHIP, and ARTICLE IV – LOCAL CHAPTERS.
- (2) Any member of the Chapter who is dropped from membership in the Texas Society of Certified Public Accountants for nonpayment of dues or assessments, or expelled or suspended from membership for cause, shall automatically and without notice cease to be a member of the Chapter.
- (3) A Certified Public Accountant otherwise eligible for membership in this Chapter but who does not reside or maintain his/her principal office in this Chapter district may become a member of this Chapter if his/her application for secondary membership is approved and payment of dues is made.
- (4) Any TXCPA member who holds a secondary membership in the chapter and does not pay chapter dues, assessments or other obligations to the Chapter for a period of sixty days after such have become due and notice thereof shall have been given by the Treasurer, President or Executive Director of the Chapter may have forfeited his/her membership in the Chapter unless payment is made within 30 days after final delinquency notice. Such action does not affect membership in the Texas Society of CPAs and the assigned primary chapter.

ARTICLE III – FEES AND DUES

- (1) Annual dues for members shall be set by the Board of Directors. The membership year shall correspond to that of the Texas Society of Certified Public Accountants. Dues shall be payable in advance.

(2) Honorary members of the Texas Society, Past Presidents of the Texas Society, and any other member upon recommendation of the Board of Directors shall be exempt from paying Chapter annual dues.

#### ARTICLE IV – BOARD OF DIRECTORS

(1) The Chapter operations shall be conducted by a Board of Directors, who shall be eligible voting members of the Chapter in good standing. The Board comprises the four officers, the immediate past president, six directors (two residing in Odessa, Texas at the time of their election, two residing in Midland, Texas at the time of their election, and two from any area within the Chapter boundaries), and the members the chapter elected to serve on the Texas Society of Certified Public Accountants Board of Directors (the number of which shall be according to the formula stipulated in *TXCPA Bylaws*).

In the event of a vacancy created by the resignation, death, inability or failure of any one of its members to serve out his/her term, the Board of Directors shall fill said vacancy for the unexpired term thereof at any regular meeting of the Board without referring same to the membership as a whole.

(2) Each director shall serve for a term of one year, unless otherwise specified at the time of election.

(3) A majority of the members of the Board of Directors shall constitute a quorum. Absence from three consecutive meetings of the Board may constitute a tender of the member's resignation unless a satisfactory explanation is offered.

(4) The Board of Directors shall have power to fill an interim vacancy of any officer or director; exercise control over the Chapter's monies and properties; appoint a committee at least ten days before each annual meeting to audit the accounts of the Chapter for the previous fiscal year and make a report to the Chapter at such meeting; prepare and approve a budget at its first meeting after its term of office commences; carry out the purpose of the Chapter; and, except where such duties are specifically designated to others, keep a complete record of its actions and submit a condensed report thereof at the annual meeting, together with any recommendations for the welfare of the Chapter.

(5) The fiscal year of this Chapter shall correspond to that of the Texas Society of Certified Public Accountants. Tenure of office of officers and directors shall coincide with those of the Texas Society of Certified Public Accountants.

(6) The Board of Directors shall hold at least three meetings a year. Such meetings shall be at the call of the Chapter President or whenever convened by call of at least two of its members, and may be held at such places and at such time convenient to the members of the Board of Directors. Notice shall be given to all board members at least 10 business days prior to each regular meeting. Special meetings may be held, provided that notice of such shall be given to all board members at least two business days in advance.

(7) The Board shall not delegate the authority to: reverse a previous vote of the Board; fill the vacant term of an officer or a director; vote on a proposal to amend the bylaws or

withdraw or modify a proposal; or act upon appointment or removal of the executive director.

(8) Electronic Meetings: Any meeting of the Board of Directors or any committee designated by the Board may be held by telephone conference call or other electronic means in which all or certain of the directors or committee members are not physically present at the place of the meeting but can participate in the conduct thereof by telephone or electronic equipment.

(9) Voting: Voting rights for Board of Directors matters shall not be delegated to another or exercised by proxy.

(10) Voting by Mail or Electronic Mail: Action taken by a mail or electronic mail ballot of the members of the Board of Directors, in which at least a majority of voting Directors in writing indicate themselves in agreement, shall constitute a valid action of the Board, if ratified at the next meeting of the Board.

#### ARTICLE V – OFFICERS

(1) There shall be four officers of the Chapter, consisting of a President, a President-elect, a Vice President, and a Secretary/Treasurer, all of whom shall be eligible voting members of the Chapter in good standing and elected according to Article VIII, Nominations and Elections. All such officers shall serve for one year or until their successors are elected and qualified. In the event of a vacancy created by the resignation, death, or inability of the officer to serve out his/her term, the Board of Directors shall meet and fill said vacancy for the unexpired term thereof without referring same to the membership as a whole.

(2) The President shall preside at all meetings of the Chapter and of the Board of Directors, and shall appoint, subject to the approval of the Board of Directors, all standing or special committees. The President shall coordinate all the activities of the Chapter.

(3) The President-elect shall perform all executive and other duties ordinarily pertaining to his/her office or delegated to him/her by the President or the Board of Directors. The President-elect shall become the President of the Chapter following the end of the President's term. In the President's absence, the President-elect shall act in his/her stead.

(4) The Vice President shall perform all duties ordinarily pertaining to his/her office or delegated to him/her by the President or the Board of Directors.

(5) The Secretary/Treasurer shall ensure that notices of all meetings of the Chapter and Board of Directors, are issued timely, oversee the recordkeeping of all proceedings of the Board of Directors, conduct all correspondence, see that newsletters are issued on a regular basis, and make reports to the Texas Society of Certified Public Accountants as may be requested.

The Secretary-Treasurer shall have charge of the funds, accounts and fiscal affairs of the Chapter, subject to direction or review by the Board of Directors. The Secretary-

Treasurer shall see that financial reports are provided to the Board of Directors. All disbursements shall be authorized by the Secretary-Treasurer for necessary expenditures of the Chapter and any other items that may be authorized by the Board of Directors.

The Secretary-Treasurer shall be responsible for ensuring that all federal tax returns and any and all state forms are filed timely.

(6) While it is the responsibility of the officers listed in the foregoing to see that their respective duties are accomplished in a timely and professional manner, those duties may be delegated by the officers to other individuals, organizations or agents such as the Texas Society of CPAs, and/or the Chapter's Executive Director, with Board approval.

#### ARTICLE VI – COMMITTEES

There shall be such standing and special committees as the Board of Directors may designate, provided, however, that the standing committees shall include a Nominating Committee. Members of the standing and special committees designated by the Board of Directors, other than the Nominating Committee, shall be appointed or removed by the individual who is or will be President during the service year in which the appointment or removal is to take effect, with the approval of the Board. Committee members shall serve concurrently with the tenure of the Chapter officers.

#### ARTICLE VII – CHAPTER MEETINGS

(1) Regular meetings of the Chapter shall be held at times and places designated by the Board of Directors. The annual meeting may be held simultaneously with and as a part of a regular meeting. The annual meeting shall be held during January of each year.

(2) Special meetings of the Chapter may be called at any time by the President, a majority of the Board of Directors, or by the Secretary-Treasurer at the written request of at least 25 eligible voting members. Notice stating the time, place, and purpose of any special meeting shall be disseminated to all members, by or at the direction of the President, the Secretary-Treasurer, or the officers or persons calling the meeting. No business may be transacted at any special meeting other than that specified in the notice.

(3) Electronic Meetings: Any meeting of the chapter may be held by telephone conference call or other electronic means in which all or certain of the members are not physically present at the place of the meeting but can participate in the conduct thereof by telephone or electronic equipment.

(4) Twenty-five members when present in person\_or in a meeting held via telephone or electronic equipment shall constitute a quorum at any meeting of the Chapter. The rules of procedure as set forth in *Robert's Rules of Order* shall apply.

(5) Notice of any regular or special Chapter meeting shall be distributed to each Chapter member not later than the 10th day and not earlier than the 60th day before the date of each meeting. Such notice shall specify the business to be conducted.

#### ARTICLE VIII – NOMINATIONS AND ELECTIONS

(1) The Nominating Committee shall consist of the immediate past president as chairman, the president-elect as a nonvoting member of the committee and four additional members appointed by the Board, no more than two of which can be existing Board members. The Nominating Committee shall nominate one candidate for election for each position vacant and expiring terms, and notify the membership of its choices by November 30.

(2) Any nominations other than those presented by the Nominating Committee must be presented in a petition to the Chapter Secretary-Treasurer by December 15, and the petition must be signed by at least 25 Chapter members in good standing who are eligible to vote according to TXCPA Bylaws Article II. Each such nominee shall be an eligible voting member in good standing. The Chapter Secretary-Treasurer shall ensure that the petition is verified and notify the members of the names of all additional nominees by December 31. If, however, no nominations are made by petition by December 15, the slate as submitted will be considered to be elected by acclamation and balloting will not be conducted. Results shall be announced in the newsletter and/or electronically.

(3) If any member is nominated by verified petition according to section 2 of this Article, the name shall be placed on a ballot. The ballot shall list those nominees recommended by the Nominating Committee and those recommended by verified petition. The Chapter shall conduct an election at the January annual meeting, or by mail, fax or secure electronic ballot. Each member in good standing who is eligible to vote according to TXCPA Bylaws Article II may vote for no more than one nominee per position. Candidates receiving the highest number of votes for each office at the January annual meeting or during a reasonable voting period shall be declared elected. Results of the election shall be announced in the newsletter.

#### ARTICLE IX – FISCAL YEAR

The fiscal year of the Chapter shall correspond to that of the Texas Society of Certified Public Accountants.

#### ARTICLE X – AMENDMENTS

(1) The *Bylaws* may be amended from time to time by the Board of Directors pursuant to the Articles of Incorporation, provided that notice clearly setting forth the proposed amendment shall have been sent to each Board member at least ten business days prior to such meeting.

(2) All amendments of Chapter *Bylaws* will require the approval of the Texas Society of Certified Public Accountants Executive Board prior to enactment.

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

#### ARTICLE XI – CONFORMITY WITH SOCIETY *BYLAWS*

In the event any part of the Chapter *Bylaws* is or becomes in conflict with the Society *Bylaws*, then that part shall be void and the Society *Bylaws* shall govern.

#### ARTICLE XII – INDEMNIFICATION

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

(a) except with respect to matters as to which it is adjudged in any suit, action or proceeding that such person is liable to the Chapter by reason of the fact that such person has been found guilty of the commission of a crime or of gross negligence in the performance of his/her duties: it being understood that termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent (whether or not after trial) shall not, of itself, create a presumption or be deemed an adjudication that such person is liable to the Chapter by reasons of the commission of a crime or gross negligence in the performance of his/her duties; and

(b) provided that such person shall have given the Chapter prompt notice of that threatening or commencement (as appropriate) of any such action, suit or proceeding,

(2) Upon notice from any such indemnified person that there is threatened or has commenced any such action, suit or proceedings, the Chapter:

(a) shall defend such indemnified person through counsel selected by and paid for by the Chapter and reasonably acceptable to such indemnified person, which counsel shall assume control of the defense; and

(b) shall reimburse such indemnified person for expenses encompassed by the foregoing indemnity in advance of the final disposition of any such action, suit or proceeding, provided that the indemnified person shall agree to repay the Chapter all amounts so reimbursed if a court of competent jurisdiction finally determines that such indemnified person is liable to the Chapter by reason of the fact that such indemnified person has been found guilty of the commission of a crime or of gross negligence in the performance of his/her duties. The foregoing provision shall be in

addition to any and all rights which the persons specified above may have at any time to indemnification from and/or reimbursement by the Chapter.

#### ARTICLE XIII – 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 Chapter publications.