

**BYLAWS
OF
CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.**

**ARTICLE 1
NAME, PRINCIPAL OFFICE, ORGANIZATION AND OBJECTIVES**

- 1.01 Name.** The name of this organization shall be California Society of Tax Consultants, Inc., hereinafter referred to as CSTC and/or Society.
- 1.02 Principal Office.** The principal office of the Society is located in the State of California at a location determined by the Society Board of Directors.
- 1.03 Organization.** The Society is a California non-profit mutual benefit corporation consisting of Chapters authorized by the Society Board of Directors. The Society is organized under the tax-exempt rules of IRC 501(c)(6). Chapters may be grouped geographically into Districts if the objectives of the Society are better served. All Chapter property, including bank accounts, is property of the Society.
- 1.04 Mission Statement.** To promote professionalism by providing quality educational events for tax professionals, creating and encouraging networking opportunities for members, & advocating professional standards and positions within the tax industry.
- 1.05 Objectives.** The objectives of the Society shall be:
- a) To cultivate a spirit of professional cooperation.
 - b) To promote the highest level of knowledge, competence and integrity in the tax profession.
 - c) To inform the members of developments in tax laws, regulations and court decisions.
 - d) To develop and distribute educational material to the membership.
 - e) To assist the tax consultant with management methods to improve practice and efficiency.
 - f) To promote the status of the tax consulting profession.
 - g) To protect the interests of tax consultants.
 - h) To monitor regulations of the tax professional in the interest of the profession and the general public.
 - i) To encourage members in the pursuit of other professional designations and distinctions.
 - j) To encourage others to seek a career in tax practice and become members of our society.

ARTICLE 2 MEMBERSHIP

2.01 Eligibility for Membership. There shall be six (6) classes of membership:

- a) **Active.** Individuals actively engaged in the field of tax preparation and consultation, or accounting as defined:
 - in Treasury Circular 230, or
 - by State Regulatory authority, or
 - by California Tax Education Council, or
 - by the Accreditation Council for Accounting & Taxation, or
 - by possessing an associate or baccalaureate degree with a minimum of 24 semester hours in accounting, or
 - by having a minimum of 5 years bookkeeping experience in public practice.
- b) **Student.** Individuals enrolled in a tax or accounting class/program but not actively engaged in the profession of tax preparation or accounting. Student members shall have all the privileges and responsibilities of membership except that of voting and holding office.
- c) **Inactive.** Individuals who are no longer active in the field of tax preparation or accounting, for compensation during the membership year. Inactive members shall have all the privileges and responsibilities of membership except voting and holding office.
- d) **Honorary.** Non-members who have performed outstanding service to the organization. These include, but are not limited to individuals who are educators, government employees, officers and employed accountants of banks and financial institutions. Honorary members shall have all the privileges and responsibilities of membership except that of voting, holding office and paying dues.
- e) **Associate.** Any Individuals not eligible for one of the other classes of membership who wish to gain knowledge of tax and accounting matters. Associate members shall have all the privileges and responsibilities of membership except that of voting and holding office.
- f) **Member Emeritus.** Members who have performed outstanding service to the organization. Members Emeritus shall have all the privileges and responsibilities of membership except that of paying dues.

2.02 Requirements of Membership. Each member of the Society will be bound by these Bylaws, by the lawful actions of the Board or the voting members of the Society, by the Society Code of Ethics and:

- a) Members who qualify under Treasury Circular 230, or who are licensed by a state regulatory authority, or who are registered with the California Tax Education Council shall fulfill all requirements applicable to the member, including their requirements for education. Members not subject to the provisions of a State

Regulatory authority or to the rules of Treasury Circular 230 shall complete an annual minimum of 20 hours of approved tax or accounting education.

- b) Each member shall pay dues as set forth by the Society Board of Directors.

2.03 Disciplinary Action. Members are subject to discipline, which may include warning, suspension or termination of membership.

- a) Actions, which may result in disciplinary action, include but are not limited to, the following:
 - 1) Member violation of any provision of the Society Bylaws, Code of Ethics, Treasury Circular 230 or educational requirements and statutes regulating tax preparers and non-profit corporations.
 - 2) Member conviction of a felony or misdemeanor involving moral turpitude.
 - 3) Members presentation of the official position of the Society without prior approval of the Society Board of Directors.
 - 4) Determination by the Board of Directors or Trial Board that a member is guilty of any act to discredit the tax profession.
- b) Actions against a member under this section shall be processed in accordance with the Policies and Procedures adopted by the Society Board of Directors.

2.04 Termination of Membership. A membership shall terminate whenever any of the following events have occurred:

- a) Resignation of member.
- b) Expiration of the period of membership unless the membership is renewed on terms fixed by the Board.
- c) A member failed to satisfy the requirements of membership.
- d) The Society Board of Directors decides that disciplinary action should be termination of membership.

ARTICLE 3 DUES

3.01 Annual Dues. Annual dues for all classes of Members shall be set by the Society Board of Directors.

3.02 Payment of Dues. Membership dues are due and payable July 1st of each year.

- 3.03 Dues Split.** A percentage (split) of dues received may be shared with each chapter as set forth by the Society Board of Directors. Dues of Inactive members will not be shared with the chapters.

ARTICLE 4 OFFICERS

4.01 Officers.

- a) **Society.** The officers of the Society shall consist of a President, First Vice President, Second Vice President, Secretary and Treasurer. All officers must have been Active members in good standing for not less than two (2) years prior to their election and must remain in good standing to continue in their office. These officers shall perform the duties prescribed by these Bylaws, by the parliamentary authority adopted by the Society and by Policies and Procedures set forth by the Board of Directors.
- b) **Chapter.** The officers of the chapter shall consist of a President, First Vice President, Secretary and Treasurer, and a second Vice President if the chapter so wishes. All must be members in good standing prior to their election and must remain in good standing to continue in their office. These officers shall perform the duties prescribed in their Chapter Handbook or by the parliamentary authority adopted by the Society.

4.02 Term of Office.

- a) **Society.** The President and Secretary will be elected to serve for a two (2) year term. The Treasurer will be elected to serve for a three (3) year term. The Vice Presidents will be elected to serve for a one (1) year term. A term of office shall begin on January 1 of the following calendar year after the elections. No member shall hold more than one office simultaneously. No officer serving a multiple year term shall serve more than one consecutive term, and officers serving a one year term may serve no more than two consecutive terms in the office to which they are elected, unless those offices cannot be filled by election or appointment.
- b) **Chapter.** Chapters may set their terms of office in their chapter handbook. If this is not done the above definition of terms shall apply to a Chapter.

- 4.03 Society Treasurer.** The Society Treasurer shall serve as the CFO of the Society and shall be responsible for the supervision of all financial activities of the Society and shall be a signer on all bank accounts belonging to chapters and to the Society. The treasurer of the Society may not concurrently be serving as a Chapter Treasurer. This change to become effective with a treasurer elected in 2012 or later.

ARTICLE 5
BOARD OF DIRECTORS

5.01 Executive Board.

- a) **Composition.** The Executive Board shall consist of the following:
 - 1. **Society:** President, First Vice President, Second Vice President, Secretary, Treasurer, Immediate Past President. The Executive Director shall be an ex-officio member.
 - 2. **Chapter:** President, First Vice President, Secretary, Treasurer, Immediate Past President, and a Second Vice President if one is elected.
- b) **Duties and Responsibilities.** The Executive Board may make recommendations to the Board of Directors, and shall perform such other duties as may be specified in these bylaws. The Executive Board shall be subject to the orders of the Society and Chapters, and none of its acts shall conflict with action taken by the Society and Chapters.

5.02 Board of Directors.

- a) **Composition.** The Board of Directors shall consist of the elected officers and Immediate Past President and the Directors.
- b) **Directors:**
 - 1. Society Directors shall be the President or designated representative of each chapter.
 - 2. Chapter Directors shall be the elected members designated as directors. Each Chapter shall have two (2) or more directors.
- c) **Duties and Responsibilities.**
 - 1. **Society.** The Society Board of Directors shall be the governing body of the Society and Chapters and shall have the ultimate responsibility for all activities of the Society and Chapters. They shall establish and promulgate a Code of Ethics and Policy and Procedures to implement these bylaws.
 - 2. **Chapter.** The Chapter Board of Directors shall be the governing body of the Chapter and shall have authority and responsibility for supervision, control and direction of the Chapter in accordance with CSTC Bylaws and Policies and Procedures.

ARTICLE 6 MEETINGS

6.01 Annual Meeting. The Society Annual Meeting shall be held prior to December 15th at a time and place to be determined by the Society Board of Directors. The purpose of the meeting shall be to receive a report of the activities of the current year and to install the incoming officers. The meeting shall be conducted by the current President. A quorum for this meeting is two percent (2%) of the membership.

6.02 Special Meetings. A special meeting of the Society may be called: by the President with the approval of the Board of Directors; by the Board; or by written request of five percent (5%) of the membership. The purpose of the meeting shall be stated in the call. No business shall be transacted except that stated in the call. Quorum for these meetings is ten percent (10%) of the membership.

6.03 Board Meetings.

a) **Executive Board.** At the discretion of the President, meetings of the Executive Board shall be held prior to the Board of Directors Meeting or at any other time so specified by the President. Special meetings of the Executive Board may be called by the President, and shall be called upon written request of three members of the Executive Board.

b). **Board of Directors.**

1. **Regular.** The number, time and place of regular meetings of the Board of Directors shall be set by the President with the approval of the Board. A quorum for these meetings is fifty percent (50%) of the Board members. The outgoing President or designated appointee will appoint a member to install the newly elected Society Officers. This installation must be performed prior to the first Board of Directors meeting of the New Year.

2. **Special.** The date, time and place of special meetings of the Board of Directors may be called by the President or by written request of two (2) members of the Board. The purpose of the special meeting shall be stated in the call and no other business shall be transacted. The special meeting may be held in person, by conference call, or by other electronic means. A quorum for these meetings is sixty (60%) of the Board members.

6.04 Meeting Notices.

a) **Society.**

1. **Regular Board meetings.** Notification of the regular Board meetings shall contain an agenda and be mailed or electronically (e-mail or fax) transmitted to the officers, immediate past president, directors and each committee chair at least thirty (30) days prior to the meeting.
 2. **Special Board meetings.** Notification of the special Board meetings shall contain the names(s) of the party (ies) calling the meeting, the date, time, place and the purpose of the meeting, and be electronically (e-mail or fax) transmitted to all Board members at least two (2) business days prior to the meeting. Board members must acknowledge receipt of the notice.
 3. **Special General Membership meetings.** Notification of special general membership meetings shall be mailed or electronically (e-mail or fax) transmitted to the members at least ten (10) business days before the meeting.
- b) **Chapter.** Notification of the regular Board meeting should contain an agenda and be mailed or electronically (e-mail or fax) transmitted to the officers, immediate past president, directors and each committee chair at least five (5) days prior to the meeting.

ARTICLE 7 NOMINATIONS AND ELECTIONS

7.01 Nominations.

- a) **Society.** Nominees for officers must be Active members in good standing for the period stated in Bylaw Article 4, 4.01 Officers, A.
- b) **Chapter.** Nominees for officers and directors must be members in good standing for the period stated in Bylaw Article 4, 4.01 Officers, B.
- c) Nominations may be made by members nominating themselves or others to the nominating committee, or by the nominating committee. All nominations must be submitted to the Executive Director by the Nominating committee not less than 60 days prior to the annual meeting. A Nominee's permission must be obtained before placing their name on the ballot.

7.02 Elections.

- a) **Society.** Officers shall be elected prior to the Society Annual Meeting. A plurality of the votes cast will be necessary for a candidate to be elected.
- b) **Chapters.** Officers shall be elected prior to the Society Annual Meeting. A plurality of the votes cast will be necessary for an officer to be elected. Directors receiving majority of votes cast will be elected to available positions.

ARTICLE 8 COMMITTEES

8.01 Standing Committees.

- a) **Society.** The Standing Committees of the Society shall be: Audit, Bylaws, Chapter Assistance and Board Development, Education, Finance, Government Affairs, Membership & Chapter Development, Public Relations, and Website.
- b) **Chapters.** The Standing Committees shall be: Audit, Education, Finance and Membership.
- c) Committee duties are defined in Policies and Procedures.

8.02 Other Committees. Additional committees, standing or special, including but not limited to, Ethics and Grievances, Nominating, Election, shall be appointed by the President with the approval of the Board of Directors. The President shall be an ex officio member of all committees except the Nominating Committee.

ARTICLE 9 PRIVACY POLICY

9.01 The California Society of Tax Consultants Inc shall hold the privacy protection of its members as a primary concern. Policies determining the use and gathering of printed and electronic information shall be outlined in the Society Policy and Procedures. A Privacy Policy statement shall be provided to each member annually upon renewal of dues and to each new member upon acceptance of his/her application for membership.

ARTICLE 10 PARLIAMENTARY AUTHORITY

10.01 The rules contained in the current edition of "Rosenberg's Rules of Order", latest version shall govern the Society in all cases to which they are applicable and in which they are not inconsistent with these bylaws, with any special rules of order the Society may adopt, or with any statutes applicable to this organization.

10.02 Elections & Annual Ballot.

- a) **Society.** Voting shall be by written ballot. All ballots must be received by the Society office not later than 5 business days prior to the Annual Meeting. A plurality of the votes cast will be necessary for a candidate to be elected.
- b) **Chapter.** A plurality of the votes cast will be necessary for an officer to be elected. Directors receiving majority of votes cast will be elected to available positions.

10.03 Proxy Votes. Proxy votes will not be permitted.

ARTICLE 11
AMENDMENT OF SOCIETY BYLAWS

11.01 Amendments to the bylaws, if any, shall be included as a part of the annual ballot. Bylaw amendments may only be submitted for placement on the annual ballot by the Society Board of Directors or by a Chapter. A Society submitted amendment must be approved by a majority of the Society Board of Directors. A Chapter submitted amendment must be approved by either a majority of a Chapter Board of Directors or by a majority of a Chapter membership. Submission of Bylaw amendments shall be provided in writing to the Society office at least sixty (60) days prior to the annual meeting. If approved, the amendments will be come effective at the beginning of the calendar year following the Annual Meeting. Approval requires a two-thirds (2/3) vote of the members voting.

ARTICLE 12
DISSOLUTION

12.01 Dissolution of California Society of Tax Consultants, Inc. shall follow the provisions of the California Corporations Code. Upon dissolution all remaining assets, after payment of all costs and expenses of such dissolution, shall be distributed to organizations determined by the Board of Directors, which have qualified for non-profit exemption under Internal Revenue Code Section 501. None of the assets will be distributed to any member, officer or trustee of the organization.