

**BY-LAWS**  
**Of the**  
**PENNSYLVANIA SOCIETY OF PUBLIC ACCOUNTANTS**

**ARTICLE I**

The name of the corporation, organized under the provisions of the Pennsylvania Non-profit Corporation Law, is the **PENNSYLVANIA SOCIETY OF PUBLIC ACCOUNTANTS**. The corporation may operate under the fictitious name Pennsylvania Society of Tax and Accounting Professionals.

**ARTICLE II**

The object of this Society is to elevate and maintain among its members a high standard of proficiency and integrity; to promote and protect the interests of public accountants within the Commonwealth of Pennsylvania; to cultivate a spirit of professional cooperation among its members; to promote local associations of tax and accounting professionals and establish goodwill and understanding between the general public and the tax and accounting profession throughout the Commonwealth of Pennsylvania.

**ARTICLE III**

**Definitions**

**Public Accountant-**

- a. Must be a licensee of the Pennsylvania State Board of Accountancy.
  
- b. Is any person who holds him/herself out to the public as one who is skilled in the knowledge and science of accountancy and is qualified and ready to render service as a public accountant or one who offers to prospective clients to perform for compensation or who does perform in behalf of clients for compensation of professional services that involve or require an audit of certificates of financial transactions and accounting records or who prepares or certifies for compensation reports of audits, balance sheets, business transactions and other financial accounting and related schedules, exhibits, statements or reports which are to be used for publication or for credit purposes or are to be filed in courts of laws or with other governmental bureaus or agencies or are to be exhibited to or circulated to any person other than his/her employer for any purpose.

**Accountant-**

Is a person, partnership or corporation other than as defined in the Pennsylvania State Accountancy Law, offering and rendering only bookkeeping and similar technical service or engaged in the preparation of tax returns. Such person, partnerships, or corporations may use the title or designation of "Accountant" or "Accountants."

**ARTICLE IV**

**Membership**

**Section 1.** The membership of this Society shall consist of Active, Associate, Student, Life, Retired and Honorary Members.

**Section 2. Active Membership** in this Society shall include persons who meet the requirements of any one of the following subsections:

- (a) Possess a valid license as a Public Accountant or Certified Public Accountant as defined in the Pennsylvania State Accountancy Law or the law of their resident state.
- (b) Be accredited in accountancy or taxation by the Accreditation Council for Accountancy and Taxation.
- (c) Be enrolled to practice before the Internal Revenue Service.
- (d) Possess a B.S. degree in accounting or business administration with at least 12 semester hours in accounting.
- (e) Possess an associate degree with a major in accounting.
- (f) An individual with five years experience as an equity owner in an accounting or tax preparation firm or an employee holding a responsible accounting position in an accounting or tax preparation firm.
- (g) Persons who are active members of the Pennsylvania Society of Public Accountants prior to July 1, 1987 shall be deemed to have met the eligibility requirements enumerated in Section 2 of this article. Thereafter, all applicants for Active Membership in this Society shall comply with the requirements of Section 2.

**Section 3. Associate Membership** in this Society shall include persons who do not qualify under Section 2 and who meet the requirements of any of the following subsections:

- (a) Employees of accounting firms or tax practitioner firms who do not have any of the qualifications in Section 2.
- (b) Individuals in government, financial institutions, private sector business, non-profit entities or educational institutions whose primary duties are in the field of accounting or taxation, and who do not have any of the qualifications in Section 2.
- (c) Individuals with other professional or occupational credentials related to accountancy or taxation.

**Section 4. Student Membership** in this Society shall include persons who are full time students, pursuing a course of study in accounting, business administration, or related subjects in a college, university, or business school. A full time student is a person who is enrolled for the number of hours or courses the school considers full time attendance. A person is not a full time student if attending school only at night. (Full time student is defined by IRC Reg. Section 1.151-3(b)).

**Section 5. Life Membership** shall include all Past Presidents of the Pennsylvania Society of Public Accountants and those members granted such status at the discretion of the Board of Directors for long and dedicated service to the Pennsylvania Society of Public Accountants, as an Active member. Life memberships shall have all the privileges of Active members.

**Section 6. Honorary Membership** in the Society may be granted at the discretion of the Board of Directors to those persons who have distinguished themselves by their contributions to the advancement of the public accounting profession or the Society.

**Section 7.** To be eligible for **Retired Membership** in this Society, a person must request Retired membership status in writing, and must have been an Active or Associate member for a period of at least ten (10) years immediately preceding the request of Retired status. The person must not hold an active, valid license as a Public Accountant or Certified Public Accountant; the person must not hold active enrollment to practice before the Internal Revenue Service; the

person must not longer engage in the practice of public accounting as defined by the CPA Law, Act 140.

**Section 8.** Active and Life members in good standing shall be eligible to hold office in this Society and affiliated chapters, and shall be entitled to one vote at the meeting of the Society.

**Section 9.** Associate, Student, Honorary, and Retired members may attend meetings and participate in all education programs sponsored by the society, but shall not be entitled to vote or be eligible to hold office in the Society.

**Section 10.** All applications for Active, Associate and Student memberships shall be in writing on a form prescribed by the Board of Directors and signed by the applicant.

**Section 11.** A certificate denoting membership in the Pennsylvania Society of Public Accountants shall be issued to each Active member. The form of such certificate must be approved by the Board of Directors, and all certificates issued shall be signed by the President and Secretary.

**Section 12.** A membership card shall be issued to each Active, Associate, Student and Retired member of the Society upon payment of his/her annual dues.

**Section 13.** Required Continuing Education:

Continuing professional education requirements, reporting format and time of reporting shall be determined by the Board of Directors from time to time and listed in the Code of Professional Conduct.

**Section 14.** All members shall be expelled upon conviction of a crime involving moral turpitude and for any other cause duly found under Article X, Section 9. In the event a member is expelled upon a criminal conviction as herein provided and the conviction is reversed by a higher court, such member may be reinstated upon the action of a majority of the members of his/her local chapter and the Board of Directors.

**Section 15.** A member is obligated to promptly advise the office of the Executive Director of the suspension or revocation of his or her license to practice accounting. A member's membership in the Pennsylvania Society of Public Accountants shall automatically be terminated during any period of time that the license of such member is suspended or revoked. In the event the member does not promptly advise the Office of the Executive Director of a suspension, the full period of the suspension of membership shall commence running as of the date of receipt of the notice by the Office of the Executive Director.

## **Article V**

### **Dues and Assessments**

**Section 1.** The Board of Directors may change the annual dues for any class of member.

**Section 2.** Special assessments may be levied as determined by the Board of Directors, provided however, that in any fiscal year the total of any such assessments shall not exceed one hundred percent (100%) of the annual dues.

**Section 3.** Life and Honorary members shall not be subject to the payment of any dues or assessments.

**Section 4.** To be eligible for **Semi-Retired Membership** in this society, a person must request (SR) status in writing by March 1 of each year. The member must have been an Active member for a period of at least ten (10) years immediately preceding the request of Semi-Retired Status and must be 80 years of age or older at the time the request is made. Annual dues for Semi-Retired members is one-half the current Active membership dues rate. All requirements of Active membership must be met.

**Section 5.** The dues for the Society will be due May 15th for the coming fiscal year. All members not paid in full by June 30th shall be suspended from membership, upon notice duly given, provided, however, that any members so suspended may be eligible for reinstatement upon compliance with the other provisions of these By-laws, it being expressly understood this privilege may be used not more than one time by any such member.

**Section 6.** The fiscal year of the Society for budget purposes shall be July 1st of one year to June 30th of the succeeding year.

## **Article VI**

### **Member Meetings**

**Section 1.** The members of the Society shall meet at least once each year. This Annual Meeting shall be held between the months of May and September at the place and on a date to be designated by the Board of Directors. It shall be the duty of the Executive Director to communicate such Annual Meeting to all members in good standing in the Society at least thirty (30) days prior to the official opening of said meeting along with the day and time that the election of officers shall take place.

**Section 2.** Special meetings of the members of the Society may be held upon the written application of ten percent (10%) of the membership of the society; provided however, that of the total membership represented by that ten percent (10%) not more than fifty percent (50%) shall be from any one local chapter.

**Section 3.** Twenty-five (25) members in good standing shall constitute a quorum at all regular or special meetings of the members of the Society. A majority vote of those certified as eligible to vote by the Credentials Committee shall rule and the meetings shall be conducted in accordance with Robert's Rules of Order.

**Section 4.** No member shall be eligible to vote at the Annual Meeting until he/she has been certified as an Active member of the Society in good standing by the Credentials Committee, appointed by the President after the Annual Meeting has convened. The Secretary shall be an ex-officio member and shall serve as Chairman of the Credentials Committee.

**ARTICLE VII**  
**Board of Directors**

**Section 1A.** The Board of Directors shall consist of the following members of the Society: President, all Past Presidents, President-Elect, First Vice President, Second Vice President, Treasurer, Secretary, NSA State Director provided he/she is a PSPA member is good standing, each Chapter President, and one Director elected annually by his/her local Chapter. It is further provided that, where a Chapter President is entitled to membership on the Board of Directors by virtue of holding state office or as a past state president, the local Chapter shall be entitled to elect a member to replace said member.

**Section 1B.** Each Chapter shall elect annually from its membership three (3) alternate members to the Board of Directors of the Society. One or two of them, as is appropriate, may vote at Meetings of the Board of Directors if either or both of the Chapter President and/or the elected Director are not present and voting in person.

**Section 1C.** Any Past President who is absent from eight consecutive meetings of the Board of Directors shall become Past President Emeritus, and shall lose board voting privileges. Any such Past President may petition the Board of Directors for reinstatement; and a simple majority vote shall determine.

**Section 2.** The Board of Directors shall be the governing body of the Society and shall be charged with the responsibility of carrying out the policies adopted by the members at the Annual Meeting. Between the Annual Meetings, the Board of Directors shall have full power to do all things necessary and proper to carry out the provisions of the Articles of Incorporation, the Society's by-laws and protect the rights and interests of the society and promote the common welfare of its members.

**Section 3.** The Board of Directors shall, subject to the provisions pertaining to any particular gift, device or bequest, have full right, power and authority to invest and reinvest all funds in their hands in such investments as shall constitute legal investments for trust funds under the laws of the Commonwealth of Pennsylvania.

**Section 4.** The Board of Directors shall meet at least three (3) times each year. These meetings shall be held on the following designated days: (1) during the months of September through December designated by the President; (2) during the months of April or May designated by the President.

**Section 5.** Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board.

**Section 6.** Notices of any regular or special meetings of the Board of Directors shall be communicated to all members of the Board at least fifteen (15) days prior to any meeting.

**Section 7.** One third (1/3) of the members of the Board of Directors shall constitute a quorum of the Board of Directors at all regular or special meetings. A majority of those present shall rule and meetings shall be conducted in accordance with Roberts Rules of Order, Newly Revised.

**Section 8.** Vacancies in chapter directors shall be filled immediately by the respective chapters. Vacancies in officer directors shall be filled as hereinafter provided in Article VIII.

**Section 9.** The President shall be authorized to conduct (with approval of the Executive Committee) a vote of the Board of Directors on any matter requiring immediate action which cannot be postponed until the next regularly scheduled Board of Directors meeting. This section shall not be invoked for use in routine matters, but only emergency situations. Vote of the Executive Committee or the Board of Directors may be made by the Executive Director with simple majority constituting approval.

**Section 10.** The Board of Directors shall have the power to employ, retain, discharge, set forth the authority and duties of and establish the salary, compensation or fees to be paid to, any employee or independent contractor of the society, including the Executive Director. The Board of Directors also shall have the power to establish the salary, compensation or fees to be paid to any officer, member or any other person for the performance of any duties for or on behalf of the Society.

**Section 11.** A director shall not be personally liable as a director for monetary damages, for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his office under Section 5713 of Title 15 (Non-Profit Corporation Code of the Pennsylvania Consolidated Statutes), as amended, and the breach or failure to perform such duties constitutes self-dealing, willful misconduct or recklessness. This section shall not apply to the responsibility or liability of a director pursuant to any criminal statute, State or Federal law, nor shall this section apply to any actions filed prior to the date of the amendment adding this section to the by-laws, nor to any breach or performance duty or any failure of performance of duty by a director prior to such date. No amendment to or repeal of this section shall apply to or have any effect on the liability or alleged liability of any director for, or with respect to, any acts or omissions of such director occurring prior to such amendment or repeal.

**Section 12.** The Board of Directors may indemnify or advance expenses for any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative, or investigative proceeding by reason of the fact that he or she is or was a representative of the Society. Indemnification or advancement of expenses under this Section shall be pursuant to the procedures and requirements of the Non-Profit Corporation Code, Title 15 Pennsylvania Consolidate Statutes, Sections 5741 to 5750, as amended.

**Section 13.** A Chapter Development Fund shall be established. Annually the Board of Directors shall allocate an amount to this fund. The purpose of this fund is to allow the Board of Directors to provide resources to assist a Chapter or Chapters which may need help from the State Society in membership development or who may have a sudden and temporary fiscal crisis. The annual funding to this restricted fund will be at the discretion of the Board but may be as little as 0.

## **ARTICLE VIII**

### **Elections and Successions**

**Section 1.** The officers of the Society shall consist of President, President-Elect, First Vice President, Second Vice President, Secretary, and Treasurer. To be eligible for nomination and election as an officer a person must previously have served at least one (1) full year term as either a Chapter President or as a member of the Board of Directors of the state P.S.P.A.

**Section 2.** Nominations for officers, except for the President, shall be submitted to the Annual Meeting by the members of the Nominating Committee the day prior to the annual elections. Nominations may also be made from the floor by any Active member in good standing immediately after the names selected by the Nominating Committee have been submitted to the meeting.

**Section 3.** After the nominations have been closed, the members shall elect officers, except the President, by a majority vote for one (1) year or until their successors have been elected and qualified. The election of officers and delegates shall be by secret ballot unless there is only one candidate nominated for that position.

**Section 4.** No elected officer shall hold the same office for more than one (1) consecutive term except the Secretary and the Treasurer, who may serve no more than five (5) complete one (1) year terms.

**Section 5.** Vacancies in offices occurring between Annual Meetings shall be filled as follows: The President-Elect shall succeed the President. The First Vice President shall succeed the President-Elect. The Second Vice President shall succeed the First Vice President. Vacancies in the offices of President-Elect, First and Second Vice President, after succession, as well as vacancies in the office of Secretary or Treasurer, shall be filled by the Executive Committee for the remainder of their term.

## **ARTICLE IX**

### **Officers and Staff**

**Section 1.** The President shall be the chief executive officer of the Society. He/She shall sign all certificates of membership, warrants, leases, contracts and checks. He/She shall be an ex-officio member of all committees. Except where the by-laws provide otherwise, he/she shall appoint members of all standing committees and may appoint any special committee he/she may deem advisable to promote the welfare of the Society. He/She may suspend and temporarily remove any officer of the Society for inefficiency, bad conduct or disloyalty to the society, subject to the approval of the Board of Directors at their next meeting. He/She shall make a report to the Board of Directors on the progress of the Society. He/She shall do any and all things that, with approval of the Board of Directors, he/she may deem necessary and proper to carry out the provisions of the Articles of Incorporation, the Society's by-laws and to protect the rights and interests of the Society and to promote the common welfare of its members.

**Section 2.** It shall be the duty of the President-Elect to perform the duties of the President in his/her absence. He/She shall be in charge of the By-laws and Governance, Membership, Public Relations, Executive Director's Oversight, Legislative, Monitoring of State Board of Accountancy, and Long Range Planning Committees; and these committees shall report directly to him/her in case of illness of the President and/or the Treasurer, and in case of the inability of either of these officers to sign checks, he/she shall be authorized to sign checks. Also, the President-Elect shall attend all Executive Committee, Board of Directors, Special and Annual Meetings. He/She must report activities at the regularly scheduled Board of Directors meetings and Annual Meeting in writing.

**Section 3.** It shall be the duty of the First Vice President to perform the duties of the President in the President's and President Elect's absence and to perform such other duties as the President

may assign him/her. He/She shall be in charge of the Finance and Budget, Professional Conduct & Grievances, Co-operation with IRS, Co-operation with PA. Dept. of Revenue, and Scholarship Committees; and these committees shall report directly to him/her. He/she must report activities at the regularly scheduled Board of Directors meetings and the Annual Meeting in writing.

**Section 4.** It shall be the duty of the Second Vice President to perform the duties of the President in his/her absence, and in the absence of the President-Elect and First Vice President, and to perform such other duties as the President may assign to him/her. He/She shall be in charge of the Education, Editorial Advisory, Auditing, Technology and Annual Meeting Committees; and these committees shall report directly to him/her. He/she must report activities at the regularly scheduled Board of Directors meetings and the Annual Meeting in writing.

**Section 5.** The Secretary shall keep a record of the proceedings of the Society and of the Board of Directors and Executive Committee and furnish the Executive Office with a copy of the minutes of the meetings within thirty days for distribution to the Board of Directors and Executive Committee within 45 days. He/she must report activities at the regularly scheduled Board of Directors meetings and the Annual Meeting in writing.

**Section 6.** The Treasurer shall have oversight of and be responsible for all funds, moneys, securities, and other financial instruments of the Society. The Treasurer shall keep or cause to be kept full and accurate accounts of the receipts and disbursements of the Society. Recording of all transactions will be done using the accounting system or software provided by the Society. The Treasurer shall cause all moneys and credits to be deposited in the name and to the credit of the Society in such accounts and depositories as may be designated by the Board of Directors. The Treasurer shall disburse or permit the disbursement of funds of the Society in accordance with the authority granted by the Board of Directors. The Treasurer shall render written financial reports at each board meeting, deliver a year-to-date statement at the annual meeting at the close of each fiscal year, and shall perform all other duties properly required of the Treasurer by the Board of Directors. At the discretion of the Board, the Treasurer shall be bonded by the Society in such amount as the Board may determine from time to time. The Treasurer shall not be permitted to sit on the Society's Audit Committee.

**Section 7.** All disbursements of the Society, including but not limited to checks, drafts, wire transfers, or manual or automated debits, over an amount stated by the Board of Directors from time to time, shall be signed and/or authorized by any two (2) of the following: President, Treasurer, or President-Elect.

**Section 8.** The Executive Director shall be the chief administrative manager of the Society, shall have such authority and duties, including those set forth for any officer, as may be delegated to such person by the Board, and shall devote such time and perform such functions as set forth by the board. The Executive Director may, but not need, be a member or employee of the Society.

## **ARTICLE X**

### **Committees**

**Section 1.** The Executive Committee shall consist of the six (6) officers of the Society identified in Article VIII, Section 1 (The President, President-Elect, First Vice President, Second Vice President, Treasurer and Secretary) and no less than five (5) members who shall include three (3) Past Presidents selected by the current President. They shall conduct the affairs of the Society between meetings of the Board of Directors, subject to ratification by the Board of Directors.



**Section 2.** Except as otherwise herein provided, the President may appoint the following standing committees:

1. By-Laws and Governance
2. Membership/Public Relations
3. Executive Director's Oversight
4. Legislative
5. Monitoring State Board of Accountancy
6. Long Range Planning
7. Finance and Budget
8. Professional Conduct and Grievances
9. Co-operation with IRS
10. Co-operation with PA Department of Revenue
11. Education
12. Editorial Advisory
13. Audit
14. Annual Meeting
15. Scholarship
16. Practice Continuation
17. Technology
18. Nominating
19. Human Resources Committee

From the committee members thus selected, the President shall designate a Chairman from the Board of Directors or Committee.

**Section 3.** The By-Laws and Governance Committee shall make periodic reviews of the by-laws of the Society for the purpose of recommending to the members any desirable amendments. Any five members or any local chapter may submit proposed amendments to the By-Laws and Governance Committee, provided, however, that such proposed amendments should be submitted in writing no later than the Spring Board of Directors meeting in order that the committee shall have an opportunity to review them and submit them to the Annual Meeting, together with the Committee's recommendation.

**Section 4.** The Education Committee shall observe and consider the developments and practical workings of new methods and techniques in the accounting and tax fields and shall endeavor to bring them to the attention of the members of the Society by means of reports, lectures and educational institutes conducted in connection with the Annual Meeting and the meetings of local chapters and through articles published in the official publication of the Society.

**Section 5.** The Editorial Advisory Committee shall assist in determining the content, distribution and cost of a periodical bulletin under the guidance of the Executive Director. The bulletin shall be deemed to be the official publication of the Society.

**Section 6.** The Membership/Public Relations Committee shall be responsible for the influx of new members and the retention of current members into the organization. It shall establish and promote proper relationships between the public and the members of the Society and establish and interpret policies which will improve the relationships; to disseminate articles and news which will interpret to the public the aims, purpose and accomplishments of the Society and the

public accounting profession; to assemble and disseminate to the local chapters information as to the successful or unsuccessful handling of public relations problems in various local chapters, so that the experience of the local chapters may be crystallized and made available to all; to, insofar as possible, correct through publicity erroneous statements reflecting upon the Society, its members or the accounting profession.

**Section 7.** The Finance and Budget Committee: In addition to any duties assigned by the Board, the Finance and Budget Committee shall direct and oversee the Society's financial affairs and shall report regularly to the Board with respect to the Society's budgets, assets, liabilities, loans, and investment and insurance policies. The Finance and Budget Committee shall determine that necessary controls are in place to ensure compliance with the Society's financial policies and shall periodically evaluate the Society's financial control and accounting systems and recommend any changes it deems appropriate. The Finance and Budget Committee shall also receive periodic (not less frequently than quarterly) financial reports from Treasurer and approve any changes in format. The Committee will also oversee the development and preparation of the annual budget, which shall be submitted to the Board of Directors for approval.

**Section 8.** The Audit Committee shall recommend to the Board the level of service and independent accountant for the Society each year, shall meet privately with the independent accountant when financial statements are prepared, and shall receive and review any management letter from the independent accountant. The Audit Committee shall review and present any financial statements to the Board no later than the Fall Board of Directors Meeting each year. See Article IX, Section 6 for limitations as to who may serve.

**Section 9.** The Professional Conduct and Grievances Committee shall consider and investigate any complaint submitted to it in writing against a member, and, within ninety (90) days, submit its report, together with its recommendations, to the Board of Directors.

The Board of Directors may make such further investigation it deems necessary and shall either dismiss the complaint and notify the chapter and member that it has done so, or summon the member to appear and answer at a meeting to be set for that purpose. The Board of Directors shall instruct the Executive Director to give the party and the chapter concerned at least thirty (30) days notice in writing prior to this hearing.

A panel of the Board of Directors, not to exceed (7) members, shall be chosen by the President, shall act as a Trial Board and may, by a majority of its members so sitting, admonish, suspend or expel the member against whom the complaint has been filed. An order of suspension of membership, shall not be for a period longer than two (2) years. At any time after the issuance of an order of suspension or expulsion, the Board of Directors may rescind or modify its order upon petition of the suspended or expelled member turned in by his local chapter. The President of the Society shall serve as chairman of the trial board with vote, and the Secretary shall serve as secretary to the trial without vote.

**Section 10.** The Annual Meeting/Convention Committee shall arrange the details and program of the Annual Meeting/Convention at the time and place designated by the Board of Directors and shall furnish the Executive Director with a copy of the program in time to include it in the notice of the Annual Meeting/Convention. All details and program arrangements shall be in coordination with the Executive Director in accordance with the Procedural Manual. A budget report shall be submitted to the Board of Directors by the Annual Meeting/Convention Committee at the first fall meeting preceding the Annual Meeting/Convention. A final

convention report shall be submitted to the Board of Directors by the Annual Meeting/Convention Committee at the fall meeting preceding the Annual Meeting/Convention.

**Section 11.** The Legislative Committee shall:

1. Carry out the mandate of the membership as determined at the Annual Meeting of the Society or any change therein ordered by the Board of Directors only.
2. Oppose all bills deemed undesirable by the society or the Board of Directors.
3. Examine all other bills introduced into the Pennsylvania Legislature, and study and give its opinion to such legislators as it may select, on all bills of interest to the society or to the profession, but not to express an opinion on questions of purely political policy.

**Section 12.** The Technology Committee shall oversee the State Web Site for content, ongoing development and improvement. In addition, this committee will annually conduct a complete technology review of systems and equipment in use at PSPA's Executive Office and make specific recommendations to the Board of Directors regarding software and hardware (to include computers, printers, copiers, scanners, etc.) equipment, essential to the ongoing advancement of membership and communications.

**Section 13.** The Nominating Committee shall consist of a Chairman appointed by the President, and a representative from each Chapter, preferably the Chapter President. The Nominating Committee will actively recruit candidates for nomination to all elected officer positions. Responsibilities will include interviews of all candidates for office and presentation of a slate of candidates for election to the membership at the Annual Meeting.

## **ARTICLE XI**

### **Chapters**

**Section 1.** No person may be an active member of this Society without being a member of a local chapter.

**Section 2.** If a member of any local chapter ceases to be a member of this Society, he shall automatically cease to be a member of said local chapter and his name shall be removed from its rolls.

**Section 3.** A member is required to be a member of the local chapter in his locality. If a member resides in a locality where there is no local chapter, he shall be required to become a member of the local chapter nearest him.

**Section 4.** A member may not belong to more than one local chapter at the same time. However, upon changing his residence or business locations, he may transfer from his old chapter to the chapter nearest his new location.

**Section 5.** Local chapters shall be styled and known as "The (name of locality) Chapter of the Pennsylvania Society of Tax and Accounting Professionals."

**Section 6.** By-laws of local chapters shall not be in conflict with those of the Society and such chapter by-laws and any amendments thereto shall not become effective until approved by the Board of Directors.

**Section 7.** Each local chapter shall provide in its by-laws that all officers, including any member to be elected to serve on the Board of Directors as provided in Article VII, Section 1 hereof, shall be elected prior to PSPA's Annual Meeting.

**Section 8.** Each local chapter shall have authority to levy and collect dues assessments to be paid the local chapter Treasurer as such local chapter members may determine.

**Section 9.** All communications from any local chapter with respect to state or federal legislation addressed to any legislative body or member thereof, or to any society or association of Public Accountants, shall be forwarded to the Board of Directors for its information.

**Section 10.** Whenever the membership of any local chapter shall become less than seven (7) and shall continue so for six (6) months, such local chapter shall cease to be a part of the Society and all of its rights and privileges as such shall be forfeited and the members themselves shall automatically become the members of the local chapter nearest them and the chapter funds shall be forfeited to the Society; such funds to be held in escrow for at least twenty-four (24) months before being put into the general fund of the society.

**Section 11.** A local chapter having been deprived of its rights under the provisions of this Article may be reinstated by the Board of Directors upon application when its membership shall again reach a total of seven (7).

**Section 12.** A local chapter shall cooperate with, and provide such information to, the Society to enable the Society to comply with State or Federal laws or regulations.

**Section 13.** Since each chapter is covered by PSPA's federal blanket exemption as a Business League under 501 (c) 6, every Chapter will annually, (no later than November 15<sup>th</sup> of the current year), provide the State Treasurer with a copy of Form 990 or equivalent form (as filed with the federal government) for the fiscal year ended June 30<sup>th</sup> of the same year. The State Treasurer will annually report at the November/December Board of Directors meeting on the status of all reports. If an extension is filed by a chapter, a copy shall be submitted to the State Treasurer on or before November 15<sup>th</sup>, and the final Form 990 or equivalent submitted on or before May 1<sup>st</sup> to the State Treasurer so that the Treasurer may make a final report at the May Board of Directors Meeting. The State Treasurer will be empowered to give an extension for the chapter to submit the form 990 or equivalent on or before May 15<sup>th</sup> upon request of the chapter.

## **ARTICLE XII**

### **National Society of Accountants**

**Section 1.** The Society is a duly chartered affiliate of the National Society of Accountants.

**Section 2.** The Society shall nominate by use of the election process as outlined in Article VIII and in compliance with the NSA by-laws, an individual to serve as the NSA State Director for Pennsylvania and the Society.

## **ARTICLE XIII**

### **Amendments**

**Section 1.** Amendments may be made to these by-laws only at the Annual Meeting or at a special meeting of the members called for that purpose and only by a two-thirds (2/3) vote of the

members present or by a referendum. A copy of any proposed amendments may be submitted to, or by the By-Laws and Governance Committee as provided in Article X, Section 3. Notice of the intention to offer amendments shall be communicated to members at least 30 days prior to the Annual Meeting.

**Section 2.** Amendment to the By-Laws of the Society which shall be approved by the Board of Directors may be submitted to all members of the Society for referendum vote by mail. If such amendment is approved by two-thirds (2/3) of the members so voting within sixty (60) days from the date of mailing to them of the ballot form, the amendment shall be effective. The process of conducting the vote shall assure confidentiality. All ballots shall be returned in an inner envelope that has no identification on it, so that eligibility can be determined by the same criteria set forth in Article VI, Section 4. Once eligibility is determined, all inner envelopes shall be removed, and then all inner envelopes shall be opened.

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**Revised through the 72<sup>nd</sup> Annual Meeting – June 2019**  
**RULES OF PROFESSIONAL CONDUCT**  
**Pennsylvania Society of Tax & Accounting Practitioners**

1. A member shall not violate confidential relationships between himself and his client, or former client.
2. A member shall not allow any person to practice in his name who is not in partnership with him or in his employ.
3. Members of this Society shall not accept a commission from any person or client for whom the member offers or renders concurrently a professional service, where the professional service consists of an audit engagement or a review engagement (including the period of time covered by any historical financial statements involved while performing an audit or review engagement), nor accept a commission where the member performs a compilation of a financial statement when the member expects or reasonably might expect that a third party will use the financial statement and the member's compilation report or transmittal does not disclose a lack of independence.
4. In expressing an opinion on representations in financial statements which he has examined, a member shall:
  - (a) Disclose any material fact known to him which is not disclosed in the financial statements, but disclosure of which is necessary to make the financial statements not misleading; and
  - (b) Report any material misstatement known to him appearing in the financial statement; and
  - (c) Acquire sufficient information to warrant expression of an opinion, and shall not express any opinion unless sufficient information therefore is available, and
  - (d) Direct attention to any material departure from generally accepted accounting principles, and disclose any material omissions of generally accepted auditing procedures applicable in the circumstances.
5. A member shall not sign a report purporting to express his opinion as the result of examination of financial statements unless they have been examined by him, or a member of, or an employee of his firm.

- 6.** Professional service shall not be rendered or offered for a fee which shall be contingent upon the findings or results of such service. This rule does not apply to cases involving federal, state or other taxes, in which the findings are those of the tax authorities and not those of the accountant. Fees to be fixed by courts or other public authorities, which are therefore of an undetermined amount at the time when an engagement is undertaken, are not regarded as contingent fees within the meaning of this rule.
- 7.** A member shall not permit his name to be used in conjunction with an estimate of earnings contingent upon future transactions in a manner which may mislead to the belief that the accountant vouches for the accuracy of the forecast.
- 8.** A member shall not express his opinion on financial statements of any enterprise financed in whole or in part by public distribution of securities, if he owns or is committed to acquire a financial interest in the enterprise which is substantial whether in relation to its capital or to its own personal fortune, or if a member of his immediate family owns or is committed to acquire a substantial interest in the enterprise "unless in his report he disclosed such family interest". A member shall not express his opinion on financial statements which are used as a basis of credit if he owns or is committed to acquire a financial interest in the enterprise which is substantial either in relation to its capital or to his own personal fortune, or if a member of his immediate family owns or is committed to acquire a substantial interest in the enterprise, unless in his report he discloses such a family interest.
- 9.** A member shall not offer his professional services on a basis of competitive bid in any state, territory or the District of Columbia, if such bid would constitute a violation of any rule of the recognized professional societies of public accountants or the official board of accountancy in that state, territory, or district.
- 10.** A member in practice as an individual may not use a firm name or plural term such as "and Company" or "and Associates" or any other designation indicating anything other than individual ownership.
- 11.** A member who is engaged simultaneously in the public accounting and in another occupation must conduct his other occupation in such a manner as not to violate these rules of professional conduct.
- 12.** Current members in good standing may hold themselves out as a member of the Pennsylvania Society of Tax and Accounting Professionals. A member who does not hold a valid license from the Pennsylvania State Board of Accountancy or a CPA license from another state or territory of the United States of America may not hold himself/herself out as a member of the Pennsylvania Society of Public Accountants.
- 13.** All Active members shall be required to obtain a minimum of 24 hours of continuing professional education during the calendar year immediately preceding the June 30 membership renewal, or the minimum number of hours required to maintain licensure/credential status (Certified Public Accountants, Public Accountants, Enrolled Agents, or credentials awarded by the Accreditation Council for Accountancy and Taxation). All Associate members shall be required to obtain a minimum of 15 hours of continuing professional education during the calendar year immediately preceding the June 30 membership renewal. Both Active and Associate members must obtain 2 hours of ethics credits every calendar year or 4 hours of ethics

credits every two consecutive calendar years. Credits must be obtained from a sponsor recognized by the IRS, NASBA or any State Board of Accountancy or in accordance with licensing/credentialing requirements.