

CODE OF ETHICS

1. No member shall engage in business dealings which take unfair advantage of clients because of the member's knowledge of client information.
2. No member shall charge contingent fees except where allowed by law and then these fees will be within the prescribed limits.
3. No member shall violate client confidentiality except where required by law.
4. No member shall repress, omit or cover up material facts or make false, incomplete, or misleading reports to members, clients or government agencies.
5. No member shall advertise in a manner not sanctioned by Circular 230.
6. No member shall solicit business from the clientele of another Society member.
7. No member shall solicit employees from another member without discussing it with that member.
8. No member shall use a business name which indicates services or associations which do not exist.

MISSION STATEMENT

CSTC advances professionalism within the tax industry by:

- Providing quality education
- Creating networking opportunities
- Advocating professional standards

"Improving the tax industry, one professional at a time."

BYLAWS
of
CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

ARTICLE 1
NAME, PRINCIPAL OFFICE, ORGANIZATION AND FISCAL YEAR

- 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 organized under the tax-exempt rules of IRC 501(c)(6).
- 1.04 Fiscal Year. The fiscal year of the Society shall be January 1 through December 31.

ARTICLE 2
MEMBERSHIP

- 2.01 Eligibility for Membership. There shall be six (6) classes of membership:
- a) Active. Individuals actively engaged in the tax and accounting profession as defined:
 - in Treasury Circular 230, or
 - by State Regulatory authority, or
 - by the 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) Associate. Any individual not eligible for one of the other classes of membership who wishes to gain knowledge of the tax and accounting profession. Associate members shall have all the privileges and responsibilities of membership except voting and holding office.
 - c) Student. Individuals enrolled in a tax or accounting class or program but not qualified for Active membership. Student members shall have all the privileges and responsibilities of membership except voting and holding office.
 - d) Retired. Individuals who are no longer active in the tax and accounting profession for compensation during the membership year may choose to change their membership class to Retired. Retired members shall have all the privileges and responsibilities of membership except voting and holding office.
 - e) Honorary. Non-members who have performed outstanding service to the organization. Honorary members shall have all the privileges and responsibilities of membership except

voting, holding office and paying dues.

f) Member Emeritus. Members who have performed outstanding service to the organization. Members Emeritus shall have all the privileges and responsibilities of membership except paying dues.

2.02 Membership.

a) Each member of the Society will be bound by these Bylaws, by the lawful actions of the Board of Directors and by the Society Code of Ethics.

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

2.03 Disciplinary Action.

a) Members are subject to discipline, which may include warning, suspension or termination of membership.

b) Actions against a member under this section shall be processed in accordance with the Policies and Procedures adopted by the 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) Death of a member

c) Expiration of membership unless the membership is renewed

d) Failure by a member to satisfy membership requirements

e) A decision by the Board of Directors 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 Board of Directors.

3.02 Payment of Dues. Membership dues are due and payable on the anniversary date of the member's enrollment each year.

ARTICLE 4 OFFICERS

4.01 Officers. 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 two (2) years prior to their election and must remain in good standing for the entire term. These officers shall perform the duties prescribed by the Society Governance Policy Manual.

4.02 Term of Office. All officers shall be elected for a one-year term. Officers may serve no more than

two (2) consecutive terms in the office to which they are elected, unless those offices cannot be filled by election or appointment. A term of office shall begin on January 1 of the year following the election.

ARTICLE 5 BOARD OF DIRECTORS

5.01 Board of Directors.

- a) Composition. The voting members of the Board of Directors shall be the elected officers, Past President, and the Regional Directors. Non-voting advisory members may be added by the Board. No one person shall be able to serve simultaneously in more than one Board position.
- b) Duties and Responsibilities. The Board of Directors shall be the governing body of the Society and shall define, delegate, and monitor the organization's work. The Board of Directors shall establish a Policy Manual to implement these Bylaws.

5.02 Executive Board.

- a) Composition. The Executive Board shall consist of the following: President, First Vice President, Second Vice President, Secretary, Treasurer, Past President. The Executive Director shall be an ex-officio member.
- b) Duties and Responsibilities: The Executive Board is authorized to act in place of the Board of Directors when necessary. Such action shall be ratified by the Board of Directors no later than the next regularly scheduled Board meeting.

5.03 Regional Directors:

- a) Regional Directors must have been Active members in good standing for two (2) years prior to their election and must remain in good standing for the entire term. These officers shall perform the duties prescribed by the Society Governance Policy Manual.
- b) Two (2) Regional Directors shall be elected by the members of each Region. In the event that two (2) Regional Directors are not elected, or a Regional Director resigns prior to fulfilling his/her term, the President has the power to appoint a Regional Director.

ARTICLE 6 MEETINGS

6.01 Annual Meeting. The Society Annual Meeting shall be held once a year. 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 General Membership Meetings. The date, time and place of special general membership meetings may be called by the President or by written request of two (2) members of the Society. The purpose of the special general membership meeting shall be stated in the call and no other business shall be transacted. The special general membership meeting may be held in person, by conference call, or by other electronic means. A quorum for this meeting is two percent (2%) of the membership.

6.03 Board Meetings.

- a) Executive Board. Meetings of the Executive Board shall be held at the discretion of the President. Special meetings of the Executive Board 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 50% of the Officers and 25% of the Regional Directors.
 - 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 50% of the Officers and 25% of the Regional Directors.

6.04 Meeting Notices.

- a). Regular Board meetings. Notification of the regular Board meetings shall contain an agenda and shall be mailed or electronically transmitted to the Board members, Chapter Leaders, and Committee Chairs at least thirty (30) days prior to the meeting.
- b). Special Board meetings. Notification of 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 shall be electronically transmitted to all Board members at least two (2) business days prior to the meeting. 50% of the Officers and 25% of the Regional Directors must acknowledge that they will be able to attend in order for the meeting to be calendared.
- c). Annual meeting. Notification of the Annual meeting shall contain an agenda and shall be mailed or electronically transmitted to the membership at least sixty (60) days prior to the meeting.
- d). Special General Membership meetings. Notification of special general membership meetings shall be mailed or electronically transmitted to the members at least ten (10) business days before the meeting.

ARTICLE 7 NOMINATIONS AND ELECTIONS

7.01 Nominations.

- a) The Nominating Committee shall consist of at least three members appointed by the President.
- b) Nominations may be made by the nominating committee or by any member. A

nominee's permission must be obtained before placing their name on the ballot.

7.02 Elections.

- a) Voting shall be by electronic ballot. If unable to comply, member must contact the Executive Director. 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) Proxy Votes. Proxy votes will not be permitted.

**ARTICLE 8
COMMITTEES**

8.01 Committees. Committees may be appointed by the President as necessary. The President shall be an ex officio member of all committees except the Nominating Committee.

**ARTICLE 9
PRIVACY POLICY**

9.01 Privacy Policy. Society 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 Governance Policy Manual.

**ARTICLE 10
PARLIAMENTARY AUTHORITY**

10.01 Parliamentary Authority. The rules contained in the current edition of "Rosenberg's Rules of Order", 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.

**ARTICLE 11
AMENDMENT OF SOCIETY BYLAWS**

11.01 Amendment of Society Bylaws. Amendments to the bylaws, if any, shall be included on the electronic ballot. Bylaw amendments shall be submitted to the membership at least sixty (60) days prior to the date ballots must be received by the Society office. Approval requires a two-thirds (2/3) vote of the members voting. If approved, the amendments will become effective on January 1st following the vote.

**ARTICLE 12
DISSOLUTION**

12.01 Dissolution. Dissolution of the organization 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.