



ACCREDITATION COUNCIL FOR
ACCOUNTANCY AND TAXATION

BYLAWS

REVISED 2008

1010 N. Fairfax Street
Alexandria, VA 22314-1574
703.549.2228 x1343 or 888.289.7763 x1343
Fax 703.549.2512
Email: info@acatcredentials.org
Website: acatcredentials.org

ARTICLE I Office

- Sec. 1** The principal office of the corporation shall be in the Commonwealth of Virginia at 1010 North Fairfax Street, Alexandria, Virginia.
- Sec. 2** The resident agent is the Executive Vice President of the National Society of Accountants, 1010 North Fairfax Street, Alexandria, VA 22314-1574.
- Sec. 3** The National Society of Accountants referenced in these bylaws is also known as National Society of Public Accountants.

ARTICLE II Members

- Sec. 1** The Corporation shall have no members.

ARTICLE III Nonprofit Corporation

- Sec. 1** The Corporation shall be a nonprofit corporation. The Corporation shall not have any capital stock and shall not be conducted for profit. No officer shall receive at any time nor in any form, any of the income of the corporation nor compensation for services rendered except for reimbursement for travel and other incidental expenses in connection with Board meetings, as provided under Article IV, Sec. 9 of these Bylaws; nor shall any officer or member of the Board be entitled to share in the distribution of the corporation's assets upon dissolution of the corporation or upon the winding up of the corporation's affairs. Any funds or property remaining at the time of dissolution of the corporation shall be distributed, transferred, conveyed, delivered and paid over to the National Society of Accountants Scholarship Foundation, a not-for-profit corporation existing under the laws of the District of Columbia and recognized as qualifying as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954. In the event the National Society of Accountants Scholarship Foundation does not exist upon the termination or winding up of the corporation's affairs, then and in that event, all funds and property shall be distributed, transferred, conveyed and paid over to a business school, college or university qualifying as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954 as a majority of the Board of Directors may direct.
- Sec. 2** The mission of the Corporation is to accredit professionals who have demonstrated knowledge of the principles, practices, and ethical standards of accounting, taxation and related services in order to maintain the highest level of service to the public; to promote the value, recognition and use of the ACAT credentials; to protect the ability to use the earned credential.

ARTICLE IV Board of Directors

- Sec. 1** **General Powers.** The Board of Directors according to the provisions of this article shall manage the affairs of the Corporation including, but not limited to, the power to:
- (a) Make contractual agreements as needed to further the business interests of the Corporation.
 - (b) Set rules and standards for its credentialed professionals.
 - (c) Remove from the credentialed roster any individuals who do not adhere to (b).
 - (d) Operate in a fiscally responsible manner including setting an annual budget, maintaining reserves, establishing rules for cash management.
 - (e) Maintain a corporate office to handle the day-to-day affairs of the Corporation.
 - (f) Maintain minutes and corporate documents in a safe and secure manner.
- Sec. 2** **Number.** The Board of Directors shall consist of nine members, which includes the First Vice President of the National Society of Accountants who shall serve as a voting ex-officio member of the Board of Directors. In the absence of the First Vice President of NSA, the NSA President shall designate a substitute representative with the same voting privileges, rights and duties.
- Sec. 3** **Method of Selection, Qualifications, Terms of Office and Vacancies.** The Board of Governors of the National Society of Accountants shall solicit and review applications and recommend possible members to the ACAT Board. Individuals recommended must be citizens and residents of the United States of America who are at least 21 years old. The ACAT Board, can, without restrictions, accept or reject the proposed members.
- The Board shall consist of nine (9) members whose qualifications shall be as follows: One (1) member will be the First Vice President of NSA, who shall be the only member who may serve on both the ACAT and NSA Boards simultaneously; Five (5) members shall be Active or Life members of the National Society of Accountants and hold active ACAT credentials; Two (2) members shall be administrators/educators of accounting and/or taxation at accredited institutions of higher learning and hold active ACAT credentials; and One (1) member shall be a public member. This member shall not have worked in the field of accounting or taxation, been a member of NSA or held any ACAT credentials. It is recommended that this Board member be experienced in public advocacy.
- If a vacancy shall occur in the membership of the Board of Directors during the course of the term of office of any such member, due to death or resignation of a member or otherwise, such vacancy shall be filled for the unexpired term by a successor selected in the same manner as herein provided for membership to the Board of Directors.
- All Directors except the First Vice President of NSA shall serve for a term of two (2) years, which shall commence September 1 of the year in which they are appointed and shall terminate on August 31, two (2) years from the date of appointment. Directors shall be eligible for one (1) additional consecutive two-year terms of office, for a maximum of four (4) consecutive years on the board. However, a member who is completing a previous appointee's unexpired term as described above is eligible for appointment to two (2) two-year terms.
- Sec. 4** **Organization.** The Board of Directors shall organize itself by electing a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board shall deem appropriate for the transaction of its business. These officers shall be the officers of the Corporation and shall have the powers and duties as set in Article V.
- Sec. 5** **Meetings.** The Board shall meet at least once per year at such place and at such time as may be acceptable to a majority of the Directors. The Board meeting held immediately prior to the

conclusion of the fiscal year, August 31, shall be designated as the annual meeting of the Corporation. Items of business to be accomplished at the Corporation's Annual Meeting shall include but will not be limited to, the election of officers (as prescribed in Article V, Sec. 3) and the adoption of the Corporation's budget for the succeeding fiscal year.

- Sec. 6** **Notice of Meetings.** Notice of any meeting shall be given by the President to the members of the Board of Directors not less than fifteen days preceding such meeting. Notice may be by mail, telephone, e-mail, or facsimile. Mail notice shall be deemed delivered when deposited in a facility under the exclusive control of the United States Postal Service. Attendance of a Director at a meeting, except attendance for the express purpose of protesting the improper notice thereof, shall constitute a waiver of the objection of improper notice.
- Sec. 7** **Quorum.** A majority of the members of the Board of Directors shall constitute a quorum.
- Sec. 8** **Decisions.** Decisions of the Board of Directors may be arrived at in meetings or, at the discretion of the President, by telephone conference call, facsimile, email ballots or mail ballots. In the case of email, facsimile or mail ballots, an affirmative vote of the majority of those entitled to vote (or a two thirds majority if required by other provisions in these Bylaws) shall be binding. Mail, facsimile or email ballots shall be valid and counted only if received by the Director of Accreditation by the return date so specified.
- Sec. 9** **Compensation.** The members of the Board of Directors shall receive no compensation for their services, nor shall any Director serve the corporation in any other capacity and receive compensation for it; Provided, however, Directors may be reimbursed for travel and other incidental expenses in connection with activities approved by the Board.
- Sec. 10** **Increase in Membership.** The number of Directors of the Board of Directors of this corporation may be increased at any time by the joint action of the Board of Governors of the National Society of Accountants and the Board of Directors of the Accreditation Council for Accountancy and Taxation by an affirmative vote of at least two-thirds (2/3) of all Directors present at a duly called meeting.
- Sec. 11** **Removal of Directors.** Any Director may be removed by their appointing body for just cause. The removal shall be effective from the time a written notice is sent by registered mail to all members of the Board of Directors. On such removal, a successor Director shall be appointed as provided in Section 6 3 of this Article, pertaining to vacancies.
- Sec. 12** **Indemnification.** Every Director or Officer shall be indemnified by the Corporation against all expenses and liabilities including counsel fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party, or in which they may become involved, by reason of being, or having been a Director or Officer of the Corporation, or any settlement thereof, whether not the person is a Director or Officer at the time such expenses are incurred, except in relations to matters as to which he/she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which the Director or officer may be entitled.

ARTICLE V

Officers

- Sec. 1** **Number.** The officers of the Corporation shall be the President of the Board of Directors, Vice President, Secretary and Treasurer elected from among members of the Board of Directors by the Board of Directors as provided in Article IV, Section 3. The Board of Directors may elect such additional officers of the Corporation from members of the Board of Directors as it shall deem necessary from time to time to carry forward the purposes of the Corporation.

- Sec. 2** **Election and Term of Office.** The officers of the Corporation shall be elected annually by the Board of Directors. The term of any officer elected shall expire on August 31 of the following year. Each officer shall hold office until his or her successor shall have qualified. No officer may hold the same office for more than two consecutive years.
- Sec. 3** **Removal.** Any officer elected or appointed by the Board of Directors may be removed by the two-thirds vote of the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby. Any Director who is also an officer, who is removed under the provisions of Article IV, Section 11 shall cease to be an officer at the time of his or her effective removal as a Director.
- Sec. 4** **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the ACAT Board of Directors for the unexpired portion of the term pursuant to Article V, Section 3 of these Bylaws.
- Sec. 5** **President.** The President of the Board must be a member in good standing of NSA. The President of the Board shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business affairs of the Corporation subject to these Bylaws and the regulation prescribed under them by the Board of Directors. He or she shall preside at all meetings of the Board of Directors and in general shall perform all duties incident to the office of President of the Board and such other duties as may be prescribed by the Board of Directors.
- Sec. 7** **Vice-Presidents.** In the absence of the President and in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all power of and be subject to all the restrictions upon the President. The Vice President shall perform such duties as from time to time may be assigned to him or her by the President or by the Board of Directors.
- Sec. 8** **Treasurer.** The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for money due and payable to the Corporation from any source whatsoever, and deposit all such money in the name of the Corporation in such banks, trust companies, or other depository as shall be selected in accordance with these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.
- Sec. 9** **Secretary.** The Secretary shall keep the minutes of the meetings of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; and in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.
- Sec. 10** The Secretary and Treasurer office may be held by one person
- Sec. 11** **Director of Accreditation.** NSA shall provide for staffing of ACAT, including a Director of Accreditation and such assistants to the Director of Accreditation as may be deemed necessary to assist the Board in carrying out the purposes of the Corporation. The Director shall be an ex officio member of the ACAT Board without a vote, shall act as Assistant Secretary of the Board and may act as an agent of the Corporation, The ACAT Board shall prescribe the powers, duties and responsibilities of such officer and his or her assistants

ARTICLE VI

Contracts, Checks, Deposits and Funds

- Sec. 1** **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
- Sec. 2** **Checks, Drafts, etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President, Vice President, Treasurer or the Executive Vice President of NSA.
- Sec. 3** **Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.
- Sec. 4** **Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or device for the general purposes or for any special purpose of the Corporation.

ARTICLE VII Books and Records

- Sec. 1** The books and records of the Corporation shall be kept at the principal business office of the Corporation or any other such place or places as the Board of Directors shall from time to time designate.

ARTICLE VIII Fiscal Year

- Sec. 1** The Board of Directors shall elect a fiscal year for the Corporation, which may be changed at their discretion from time to time, as permissible by law.

ARTICLE IX Declaration for Accreditation

- Sec. 1** The Board of Directors shall prescribe the rules and standards that candidates for accreditation are required to meet for any credential offered by ACAT.

ARTICLE X Code of Ethics/Rules of Professional Conduct

- Sec. 1** There shall be a standing Committee of Ethics and Grievances made up of three members of the Board of Directors appointed by the President.
- Sec. 2** It shall be the duty of the Board of Directors, upon the recommendation of the Committee of Ethics and Grievances, to approve and publish a Code of Ethics and Rules of Professional Conduct.

ARTICLE XI

Charges, Trials and Penalties

- Sec. 1** If a complaint or charge against an individual who has been accredited alleging a violation of Section 1 of Article X is brought in writing to the attention of the Board of Directors, that Committee shall consider the merit of the complaint or charge.
- Sec. 2** If, after considering the complaint or charge, the Committee by majority vote does not consider that a violation of Section 1, Article X has been committed, the Committee shall dismiss the complaint by notice in writing to the complainant. If the Committee shall dismiss the complaint, or shall fail to act thereon within ninety (90) days after such complaint is received by it, the member filing the complaint may present the complaint in writing to the Board of Directors for investigation and decision. The Board of Directors may dismiss the complaint or request the Director of Accreditation to summon the accused member to appear before a Trial Board as provided in Section 4 of this Article.
- Sec. 3** If, upon consideration of the charges in the complaint, the Board of Directors believes that probable cause existed for the filing of the complaint, it shall request the Director of Accreditation to notify the accused in writing and summon him to appear before a Trial Board at a fixed time and place to respond to the charges.
- Sec. 4** A Trial Board under this Article shall consist of not less than three individuals who are accredited residing in the State in which the accused resides. The Trial Board shall be appointed by the President of the Corporation. It shall convene for hearing of a case or cases not less than thirty (30), not more than ninety (90), days after notification of its appointment by the President. The number of individuals appointed by the President to the Trial Board, if more than three, shall be an odd number.
- Sec. 5** Notice of the time and place of the hearing of the Trial Board shall be sent by certified mail by the Director of Accreditation to the parties concerned at least thirty (30) days prior to the proposed meeting of the Trial Board. The Board of Directors, or a member or representative thereof, shall present any evidence of the alleged violation or violations and shall have the burden of proof in matters before the Trial Board, by a majority vote of the members present and voting, shall enter its written order and recommend acquittal, censure, suspension for a period of time not to exceed one year, or revocation of accreditation from the member against whom the complaint has been filed. The Trial Board shall submit a statement of the case and its order to the Board of Directors.
- Sec. 6** The individual against whom an order of the Trial Board is entered shall have the right to appeal to the Board of Directors within ninety (90) days from the submission of the Trial Board's statement of the case and its order for review of the record of the case before the Trial Board. The Board of Directors shall review the record on appeal and enter its decision, either sustaining the action of the Trial Board or remanding the case to the Trial Board for further action not inconsistent with the decision of the Board of Directors. There shall be no appeal from the decision of the Board of Directors.
- Sec. 7** If no appeal to the Board of Directors is taken by the individual against whom an order of the Trial Board is entered within the time herein provided, the Director of Accreditation shall notify the Board of Directors of such fact and the action recommended by the Trial Board shall be carried out immediately.

ARTICLE XII

Suspension or Revocation of Accreditation

- Sec. 1** An individual who has been accredited is subject to suspension or revocation of accredited status if that individual:
- (a) refuses or neglects to give effect to any decision of the Corporation or of the Board of Directors; or
 - (b) violates any of these Bylaws, or Code of Ethics or any of the Rules of Professional Conduct as approved by the Board of Directors; or
 - (c) has been declared by a court of competent jurisdiction to be insane, or to be otherwise incompetent; or
 - (d) is found by the Trial Board to be guilty of any act that reflects discredit upon the accounting or tax profession.
- Sec. 2** Any complaint or charge initiated against such individual because of violation of a subparagraph under Section 1 of this Article shall be filed in writing with the Director of Accreditation who shall forward the same to the Board of Directors. The procedures enumerated in Article XI of these Bylaws regarding Charges, Trials and Penalties shall apply to complaints or charges initiated under Section 1 of this Article.
- Sec. 3**
- (a) An individual who has been accredited is subject to automatic suspension or revocation of accredited status without a hearing before a Trial Board as provided in Article XI if there is filed with the Director of Accreditation a final judgment of conviction, or an order of a State or Federal court, showing that the individual has been convicted of any one of the following offenses:
 1. A State or Federal crime punishable by imprisonment for more than one year;
 2. Willful failure to file their individual income tax return;
 3. Filing a false or fraudulent income tax return on a client's behalf;
 4. Willfully aiding in the preparation and presentation of a false and fraudulent income tax return of a client; or,
 5. Any criminal offense under Federal or State law involving dishonesty, fraud, or breach of trust.
 - (b) An individual who has been accredited is subject to automatic suspension or revocation of accredited status without a hearing before a Trial Board as provided in Article XI if there is filed with the Director of Accreditation an order of a competent State or Federal administrative body showing that:
 1. The individual's license to practice public accountancy has been withdrawn or revoked by any State or Territory of the United States or by the District of Columbia and that such withdrawal or revocation is currently in effect; or,
 2. The individual has been suspended or disbarred by the Director of Practice of the U.S. Department of Treasury.
- Sec. 4** An individual who has been convicted by State or Federal court of any criminal offenses enumerated in Section 3(a) of this Article, or whose license to practice has been withdrawn or revoked (for other than nonpayment of dues or fees) by competent State or Territorial authority or by the District of Columbia or who has been disbarred by proceedings of the Director of Practice, as provided in Section 3(b) of this Article, shall automatically have accreditation withdrawn by notice of termination as provided in Section 6 of this Article.
- Sec. 5** An individual who is accredited and whose license to practice has been suspended by competent State or Territorial authority, or by the District of Columbia, or who has been suspended by proceedings of the Director of Practice, shall automatically have accreditation suspended by the Corporation as provided in Section 6 of this Article for the same period of time as his or her license has been suspended or his or her privilege to practice before the

Internal Revenue Service has been suspended.

- Sec. 6** The notice of automatic termination or suspension provided for in Sections 3, 4 and 5 of this Article shall be signed by the Director of Accreditation and mailed to the member by certified mail at his or her last known address according to the records of the Corporation. Such notice shall be mailed as provided within a reasonable time after information regarding the member's offense has been received by the Director of Accreditation.
- Sec. 7** An individual whose accreditation has automatically been terminated or suspended as provided in Sections 3, 4, 5 and 6 of this Article may petition within thirty (30) days after receipt of the notice of termination or suspension from the Director of Accreditation, for review of the termination or suspension action. The individual's petition for review shall be addressed to the Board of Directors and shall state briefly the facts and the reasons relied upon to show that the action of termination or suspension is unjustifiable. The Board of Directors shall consider the member's violation and consider the merits of the individual's petition for review. The Committee of Ethics and Grievances shall render its decision within sixty (60) days of receipt of the petition for review and the Director of Accreditation shall notify the member of the Committee's action thereon. The automatic termination or suspension of accreditation shall be held in abeyance while the petition for review is under consideration by the Committee. The decision of the Board of Directors upon the petition for review is final and the individual shall have no further right of appeal to neither a Trial Board nor the Board of Directors.
- Sec. 8** For the purposes of Sections 3, 4 and 5 of this Article, a plea of nolo contendere shall be treated as a plea of guilty.

ARTICLE XIII Amendment and Termination

- Sec. 1** The Bylaws of the Corporation may be amended by two-thirds (2/3) vote of the Board of Directors; provided, however, that the Bylaws shall not be amended in any way so as to change the nonprofit character of the Corporation; and provided, further, that any Bylaw change with respect to the (1) selection, (2) qualifications, (3) tenure, (4) powers, (5) duties, (6) compensation, or (7) removal of Directors of the Corporation shall be approved by two-thirds (2/3) vote of the Board of Directors and the concurrence of the Board of Governors of the National Society of Accountants. The existence of the Corporation shall not be terminated except by two-thirds (2/3) vote of the Board of Directors and the concurrence of the Board of Governors of the National Society of Accountants.