

Read Our Bylaws to find out about our procedures. All references to AREA refer to the National AREA.

**ARTICLE I FISCAL YEAR:** The fiscal year of the Association shall be the calendar year beginning on January 1. Local Chapters may establish their own fiscal year.

## **ARTICLE II AREA AND LOCAL CHAPTER DUES**

**Section 1:** Annual Plan AREA dues shall be \$17.00.

**Section 2:** Upon payment of dues the member will be entitled to all considerations and benefits of the Association for a period of 12 months. All dues are nonrefundable. Local Chapters may establish their own dues structure, to include the establishment of the dues amount.

**Section 3:** All Association dues shall be payable upon the expiration of the member's dues. If dues remain in arrears for 60 days, the member's status will be changed to inactive, and the member will no longer receive communications from AREA.

**Section 4:** A member who is deleted from the rolls for nonpayment of dues may be reinstated upon payment of dues in accordance with Article II, Sections 1 or 2 above.

**Section 5:** Members moving to another geographical area may have their Local Chapter membership transferred to another chapter. Any dues adjustment will be settled between respective Local Chapter presidents. Any unresolved dues issue will be referred to the Executive Board for a decision.

## **ARTICLE III LOCAL CHAPTERS**

**Section 1:** A request to activate a Local Chapter must be submitted to the National AREA President by at least five persons eligible for AREA membership (in accordance with the Constitution) at least one of whom must be a member of AREA at the National level.

**Section 2:** A Charter is required to officially activate a Local Chapter. A Charter may be approved by the Executive Board upon receipt of the request required in Section 1 above and the execution of procedures directed by the Executive Board.

**Section 3:** Only Local Chapter members, who are AREA members, or their spouses, may hold the office of President or Vice-President in the Local Chapter. The length of their terms of office is not restricted.

**Section 4:** Local Chapters will ensure a copy of the charter and bylaws are maintained by a member of the Chapter Executive Board. Copies of both must be provided to National AREA and any updates to Bylaws must be provided once approved by the Board of the Local Chapter.

**Section 5:** Each Local Chapter will provide the name, address, and email address to the National AREA President for a primary contact person in the Chapter, preferred to be the Local Chapter President. Should the data change or the primary contact change, the information must be provided within 30 days of the change.

**Section 6:** All Local Chapter Bylaws will include a provision for dissolution of the Local Chapter to include a change to an Informal Chapter, if desired.

**Section 7: Dissolution.** If a local chapter decides to dissolve, the Chapter President must reach out to the National President for guidance prior to any announcement of dissolution. Local Chapters are governed by state law and, as such, the process may vary. Specific guidance from the National AREA Legal Advisor will be provided to the Chapter President regarding the process. The following information must be provided:

- Expected date of dissolution.
- A copy of the Charter and By-Laws
- Information regarding any funds the Chapter maintains, amount and location, along with the latest financial statement.

**Section 8: Informal Chapters** consist of Exchange retirees without a formal AREA Charter, elected officers, and do not require Chapter dues. Informal Chapter members primarily meet for social purposes and to share AREA/Exchange information. There is no set meeting schedule. The group typically names a “contact” person for the group.

## ARTICLE IV EXECUTIVE OFFICERS AND EXECUTIVE BOARD

**Section 1: Executive Officers of the Association include:** President, Vice President, Treasurer, and Secretary. These board voting positions are filled by vote of the membership every four years and have a fiduciary responsibility to AREA.

### a. PRESIDENT

- Leads the Board of Directors in performing its duties and responsibilities.
- Responsible for Executive management of AREA to include day-to-day operations and website development/maintenance.
- Presides at Board meetings.
- Has signatory authorization for all AREA matters as they arise.
- Chair, Community Service Program.
- May delegate specific duties to Board Members.

### b. VICE PRESIDENT

- Assists President as needed.
- Fulfills duties of President in the absence of the President.
- If President is unable to continue term, automatically becomes Interim President for remaining length of President’s term.
- Ensures historical documents are maintained electronically in a logical manner.
- Works with Chapters to provide assistance and, in conjunction with the President, identifies items that National AREA can implement.

### c. TREASURER

- Leads and oversees the financial affairs of AREA.
- Responsible for all AREA finances ensuring all financial issues are handled in a timely manner and accounting practices conform with Generally Accepted Accounting Principles (GAAP).
- Oversees budgeting, financial reports, and functions performed by the accountant such as preparation of tax returns and issuing Form 1099 (record of income).
- Acts as Primary Administrator of AREA’s mechanized accounting system.

- Reviews all monthly, quarterly, and annual financial statements and tax returns (IRS Form 990).
- Presents financial statements to the Board including comments regarding current financial status and changes in financial conditions.
- Monitors all investments and provides updates to the Board along with any recommendations for fiscal responsibility.
- Has signatory authority over AREA banking and investment activities.
- Establishes and maintains financial management practices, AKA internal controls, to prevent misuse and misappropriation of assets that could occur through theft or embezzlement.

**d. SECRETARY**

- Ensures minutes for formal Board meetings are transcribed and properly stored.
- Custodian of AREA records and may assist in maintaining AREA records electronically.
- Coordinates information/action agenda items for Board meetings.
- Works with all Board members, as needed, to update AREA information resulting from Board actions.
- Certifies any board resolutions.
- Provides administrative support to the chairperson of the Scholarship Committee.

**Section 3:** The **Executive Board of the Association** consists of **nine** voting members of the Board. They consist of the four officers of the Association set forth in Section 1 above; the Social Networking/News Director; Membership Director; and three members-at-large.

**Section 4:** Removal of a board member maybe commenced upon a written petition of a board member or members in good standing. The petition must set out the reason or reasons for removal accompanied by a preponderance of evidence supporting the allegation or allegations. The aggrieved board member may have up to 30 days to answer the petition. The petition, evidence and aggrieved board member's reply shall be reviewed and voted on by all remaining board members within 15 days following the aggrieved member's reply if any. The removal shall become effective upon approval by three fourths of the remaining voting board members. The action is final and not subject to further review.

**Section 5:** The **Social Networking/News Director and Membership Director** positions are filled by nomination from the President and approved by voting board members. If there is more than one candidate for the position, the individual with the most votes is appointed to the position for an indefinite term. Following are job descriptions for the Social Networking/News Director and Membership Director positions:

**a. SOCIAL NETWORKING/NEWS DIRECTOR (voting member) One person who:**

- Prepares, edits, and distributes the monthly e-Newsletter to dues-paying members.
- Develops, executes, and coordinates other AREA publications and other information about AREA and its chapters.
- Maintains historical records of the Association's publications and other informational material.
- Develops and coordinates publicity on the AREA website with the community, AREA Facebook page, the Exchange Post, and other sources.
- Assists the Membership Director with various tasks such as maintaining and troubleshooting the AREA Membership database to include reports and mass mailings.

**b. MEMBERSHIP DIRECTOR (voting member) -- One person who:**

- Develops and supervises the membership database system with our outsourced systems team. Ensures membership data is accurate and troubleshoots problems. Develops new features to improve the member's experience with the association: Goal is to eventually allow Exchange Retirees to join the association on-line (and update existing information), pay dues online, allow a member access periodically to a Membership Directory, and so on.
- Develop programs, initiatives, and policies designed to increase membership, creating, updating, and distributing information to current members as well as prospective members.
- Provide input to strategic decisions that affect the membership and the Association, provide input to the board to develop the budget, resolve issues arising from chapter operations and other duties assigned by the President.

**c. SCHOLARSHIP DIRECTOR (committee chair) -- One person who:**

- Receives and responds to inquiries regarding the scholarship program and reviews applications to determine qualifications to apply are met.
- Develops a database with all qualified applications and provides access to the scholarship committee for scoring.
- Tabulates all scores and provides ranking to the Board for approval of scholarship awards.
- Writes article for the Exchange Post highlighting the achievements of each scholarship winner.
- Writes declined letters to non-winners and provides them to the President for signature and mailing. Notifies applicants via email.
- Writes congratulations letters to scholarship winners requesting school information and student ID for submission of checks.
- Writes school letters and provides them to the President for signature and to the Treasurer for creation of checks.
  - The Treasurer will provide the checks and envelopes to the President for mailing.
  - The President will mail the letters and checks to the schools and copy the students on the same day.
- Submits revisions of all forms and instructions to the Board for the upcoming year.
- Provides input to strategic decisions that affect the scholarship program, to the Board to develop the budget, and other duties assigned by the President.

**Section 6: MEMBERS-AT-LARGE:** Three 'Member-at-Large' voting positions are filled by the President as necessary and are not subject to a vote by the Executive Board. These members represent the general membership, and their tenure is indefinite. These members will be asked to Chair committees (indefinite period), or otherwise take on OPR responsibilities for certain short-term tasks necessary.

**ARTICLE V COMMITTEES AND ADVISORS**

**Section 1: The Association administers the following committees for the benefit of Exchange associates, retirees, and their families:**

- a. SCHOLARSHIP COMMITTEE (voting or non-voting members) –** The committee consists of a Chair and at least five, but not more than eight, members representative of the general membership. After review by committee members, the Chair will annually

recommend to the Executive Board changes to the program, the total dollar amount to be distributed in scholarship awards, and the number and value of each. After the Executive Board's action, the Scholarship Committee members, minus the Chair, will score the applications to select the students to receive the awards. There are no term limits for the Chair or representative members.

- b. COMMUNITY SERVICE COMMITTEE (voting or non-voting members)** - With a Chair and at least two members, terms indefinite, this committee will promote community service by members, Local Chapters and Exchange Associates, and recommend to the Executive Board changes to the program and persons and Local Chapters to be recognized for Community Service Awards. Typically award nominations are considered in the Spring and Fall of each year, however, awards can be approved more often based on nominations.
- c. EMERGENCY RELIEF FUND PROGRAM COORDINATOR (voting or non-voting member)** – One person, term indefinite, who shall oversee the establishment and execution of relief funds.

**Section 2: The President shall appoint the following advisors (and such others as may from time to time be deemed necessary by the Executive Board):**

- a. LEGAL ADVISOR** (non-voting member) - One person, term indefinite, who shall advise the Executive Board on all legal issues and related policy matters. The board Executive Officers nominate an AREA representative to serve as the Legal Advisor.
- b. AREA Voluntary Employee Benefit's Association (VEBA) TRUSTEE** (non-voting member) - One person, term indefinite, to serve as AREA's appointed trustee for the Exchange Post-retirement Medical, Dental, and Life (PRM) Plan's Trust. The board Executive Officers nominate an AREA representative to serve as the Trustee.

## **ARTICLE VI OUTSOURCING**

**Section 1:** The Executive Board may outsource work to independent contractors, as deemed necessary. This work may include accounting, auditing (if necessary), and information technology services like website development. The Treasurer will approve payments for contracted amounts made to board-approved parties and inform the President and Vice President when payments have been made.

**Section 2 - Accounting:** The Board will hire a non-employee accountant for an indefinite term. The accountant will ensure the accuracy of AREA financial records and that they are prepared consistent with GAAP, relevant laws, and IRS regulations. Financial reports will be provided to the Board, as requested.

**Section 3 - Audit:**

- a. Government Requirements.** AREA will follow all federal and state audit requirements for nonprofits. Federal law does not require an independent financial audit unless the AREA receives federal funds and spends more than \$750,000 annually. Texas state laws have no nonprofit audit requirement. However, Tex. Bus. & Org. Code § 22.352 only requires a charitable organization to maintain current and accurate financial records in compliance with GAAP and prepare financial reports that conform to AICPA standards.

- b. Audit Definition and Costs.** An independent audit is an examination of financial records, accounts, business transactions, accounting practices, and internal controls by an independent auditor such as a CPA. The purpose of an external audit would determine if AREA adhered to GAAP. It may also inspire and maintain donor trust and boost confidence in the accuracy of financial records. However, an independent audit rarely detects fraud and does not serve to uncover fraudulent activities. It is not unusual for an independent audit of a small nonprofit to cost \$10,000. As of 2022, this expense would be cost-prohibitive.
- c. AREA Audit Requirements.** A financial statement **review** or **compilation** will be conducted when a Board Executive (President, Vice President, or Treasurer) leaves the position, or the Accountant or Treasurer identifies a significant discrepancy in the financial records. In a financial **review** or **compilation**, the CPA doesn't perform in-depth 'testing' as they do in an audit. They review for material issues and obvious deviations from GAAP. The results of the review or compilation will be given to the executive Board for further action.
- d. Audit Resources.** For a review or a compilation, the AREA board will contact the local chapter of the Texas Society of CPAs for assistance in identifying a CPA. If fraudulent activities are suspected, the AREA board will contact the Dallas Area Chapter of the Association of Certified Fraud Examiners for assistance in identifying a Certified Fraud Examiner.

#### **Section 4 – Membership Database Management:**

- a. The Executive Board has hired an external management information systems firm to manage membership data for an indefinite period. The Association owns the data. The externally hired firm is required to protect membership data with high-level encryption algorithms.
- b. Only Executive Board members will be granted access to the database. The AREA board plans to provide self-service to members and eliminate paper-driven processes. New members will complete their enrollment form online. Existing members will update their profiles and pay their dues online.
- c. The Board also wants to provide a safe site for members to make on-line donations to the Scholarship Program and the Emergency Relief Fund as described on the AREA website and approved by the IRS for tax-deductible donations.
- d. An annual Membership Directory will be explored to provide to all dues-paying members who have completed an enrollment form/update form since January 1, 2020. AREA will not share membership information with any external agency or person, including the Exchange, unless specifically approved by the membership.

#### **ARTICLE VII CODE OF CONDUCT**

**Section 1:** Promote and sustain a culture where ethical conduct is revered, valued, and exemplified at all AREA and chapter leadership levels.

**Section 2:** Obey applicable laws and regulations governing AREA's activities.

**Section 3:** Maintain honesty, fairness, and trustworthiness in all activities and relationships.



**Section 4:** Avoid conflicts of interest between AREA and personal affairs.

#### **ARTICLE VIII FILES RETENTION POLICY**

All official AREA documents will be maintained electronically and accessible by Executive Officers and/or other Board members designated by the President.

**Section 1:** Computerized data and chapter reports: Destroy at 2 years.

**Section 2:** Accounting records are permanently maintained with a QuickBooks subscription.

**Section 3:** Audit Reports, Minutes; Charters; Correspondence related to the Emergency Relief Fund, and with the Exchange and congressional offices; Constitution; Bylaws, IRS exemption letters: Retain indefinitely. Secretary to maintain.

#### **ARTICLE IX NOTICE OF GENERAL MEMBERSHIP AND BUSINESS MEETINGS:**

Notices for Association meetings shall be sent at least 30 days in advance.

#### **ARTICLE X PARLIAMENTARY PROCEDURES**

**Section 1:** Robert's Rules of Order, Revised Edition, shall be followed by the Association in all cases involving parliamentary procedures when it does not conflict with the constitution of the Association.

**Section 2:** The rules may be suspended by a two-thirds vote of members present at a given session.

**ARTICLE XI AMENDMENT OF BYLAWS:** The Bylaws of the Association shall be enacted, and may be amended, by a two-thirds vote of the Executive Board at a meeting called for such purpose.

#### **ARTICLE XII EXECUTIVE BOARD MEETINGS**

**Section 1:** Meetings of the Executive Board shall be held at the call of the President at a time and location of the President's choosing.

**Section 2:** If any Board Member occupies more than one voting position, the member will only have one (1) vote for any matter being considered.

**Section 3:** A quorum of the Executive Board shall consist of five (5) voting members. Declaration of the number of voting members present for a quorum may be adjusted by the President if a voting member occupies more than one voting member position.

#### **Section 4: Transportation Expenses for Board Members traveling 50 miles or more on**

**AREA business (for example, Spring/Fall AREA business meetings):** AREA will allow reimbursement of Transportation Expenses resulting from Board Members conducting AREA business. Transportation expenses include travel, not meals or any other expenses. IRS rules will apply. Air fare or other mass transportation will be covered at the lowest possible actual cost (i.e., coach versus first class). For travel by personal vehicle, AREA will reimburse members for mileage per IRS rules.

## ARTICLE XIII STATUS OF ASSOCIATION AND CONTINGENCY PLANNING

**Section 1:** Although the Association consists of individuals formerly associated with the Exchange and may, from time to time, participate with the Exchange in mutually beneficial activities, no action, statement, position, or policy by this Association shall, in any manner or for any purpose, be considered to be that of the Exchange, and no action, statement, position, or policy of this Association shall in any manner bind, obligate, or reflect in any manner upon the Exchange, its agents, officers, and /or directors.

**Section 2:** While the goal of the Association is to remain a viable organization indefinitely, the Association will develop a contingency plan that will outline the steps to take if membership drops below the level necessary to sustain the organization; and/or we no longer have sufficient volunteers to run the organization.