Capitalism Is Evolving

DE&I Update  CBA Q&A  Protecting Clients Privileges
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Investment managers are increasingly being pushed to meet client concerns surrounding the environment, social issues and corporate governance. CalCPA’s Personal Financial Planning Committee experts examine this growing trend.

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RICH SIMITIAN, CPA

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GEORGE PAULSEN, CPA

HARSH JADHAV, CPA

The voluntary disclosure of financially material ESG data has increased, along with the market demand.
Vaccination policies are a hot topic, especially as businesses continue to reopen during the COVID-19 pandemic. The right resources can help enhance your consultations and answer questions from your clients about safety — for their employees and customers.

- **Checklist**: If you’re going to implement a vaccination policy, this resource can help get you started — [payx.me/ca-vaccine-checklist](https://payx.me/ca-vaccine-checklist)
- **Podcast**: With an infectious disease epidemiologist discussing vaccinations, intervention strategies, creating a safer work environment and more — [payx.me/ca-vaccine-podcast](https://payx.me/ca-vaccine-podcast)
- **Guide**: Managing COVID-19 vaccinations and the return to work — [payx.me/ca-vaccine-guide](https://payx.me/ca-vaccine-guide)

For more information: CalCPA@paychex.com

**Don’t forget:** Next CalSavers registration deadline is June 30, 2021

Clients can also satisfy the state mandate by establishing a similar retirement plan. [payx.me/ca-retirement](https://payx.me/ca-retirement)

- A Pooled Employer Plan (PEP) or a traditional 401(k) are more flexible than a state-sponsored IRA.
  - Participants can save up to $19,500 a year compared to $6,000.
Advocacy’s Advantage
Helping Small Businesses & the Profession

CalCPA’s members for supporting their clients along the way. While we didn’t get everything we advocated for, CalCPA’s steady hand throughout the development of this legislation most certainly led to a better outcome for California’s small businesses.

CalCPA also supports Main Street’s recovery by educating legislators about the implications of proposed legislation on small businesses. A current example of CalCPA’s advocacy in this area has been our strong support of SB 104. This bill would provide relief for California taxpayers by providing criteria for bypassing current federal limits on individual state and local tax deductions. The proposed legislation aims to provide tax relief for California’s business owners, many of whom are striving to recover from the economic impact of the pandemic.

Enhancing Accounting Education
Speaking of advocacy on behalf of the profession, CalCPA also is working to ensure that California colleges and universities adopt a future-focused accounting curriculum that reflects the needs of our dramatically changing profession. As you know, the new Uniform CPA Examination is set to debut in 2024. This means current and prospective students in undergraduate accounting programs must receive an updated curriculum and resources designed to help candidates successfully prepare for the exam and professional practice.

CalCPA has an opportunity to provide a leading role in assisting educators at the college and university level by ensuring that course composition and areas of emphasis reflect the changing direction of the profession.

Curriculum changes are essential to the realization of the CPA Evolution initiative. A recent AICPA report indicates that gaps exist among accounting programs concerning how they are incorporating new technology and emerging competencies, such as cybersecurity, into the curriculum.

Due to the demands of the profession and the exam requirements, faculty at schools of all sizes need to adapt their curricula to include new skills and competencies, as well as commit to continuous evolution so they can more effectively deliver the education students need.

CalCPA is committed to partnering with academic accounting departments, the CBA and the business community to review current education guidelines and align them with new accreditation standards that reflect the changing needs of the profession. With that mission in mind, CalCPA is encouraging faculty and educators throughout California’s diverse accountancy programs to participate in the AICPA’s and NASBA’s upcoming release of the CPA Evolution Model Accounting Curriculum on June 15-16. This is a free, online launch (aaahq.org/Meetings/2021/CPA-Evolution-Model-Curriculum-Launch) where attendees will get a detailed overview of the curriculum and hear presentations from the task force members who developed the curriculum.

Whether it’s in the state Capitol or on a college campus, you can count on CalCPA to advocate on behalf of the profession. As the most trusted advisers in the business world, CPAs will continue to play a defining role in serving the current and future needs of our clients and future colleagues.

As always, thank you for your membership.
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*"The digitization of the world, from smart devices to location data tracked by smart phone apps to web cookies, has led to a greater accumulation of data than ever before. That data provides new opportunities to gain valuable insights for their clients and organizations, but CPAs and financial professionals need the right skills to be able to take advantage of this wealth of information."*

—Amy Eubanks, CPA, CGMA, AICPA
vice president of professional development

**the numbers**

<table>
<thead>
<tr>
<th>25%</th>
<th>The number of accounting and finance professionals who expect a significant or moderate budget increase this year for corporate reporting solutions, such as cloud-based tech.</th>
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<td>300+</td>
<td>The number of special purpose acquisition company (SPAC) IPOs as of May 2021, up from 59 in all of 2019.</td>
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<td>75%</td>
<td>The number of small-business owners who are confident their businesses will be better prepared to handle a crisis like COVID-19 if it were to happen in the future.</td>
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<td>$80M</td>
<td>The amount, over the next 10 years, earmarked in the American Rescue Plan for the IRS to fund various projects, including overhauling tech and improving enforcement efforts.</td>
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According to a survey, executives reported the following top benefits of **robotic process automation**: | 73%  | Increased productivity |
| 60%  | Cost reduction |
| 44%  | Improved accuracy |
| 39%  | Improved customer experience |
| 25%  | Improved analytics |

—Deloitte

2021 CalCPA Annual Members’ Business Meeting Notice

The 2021 CalCPA Annual Members’ Business Meeting is scheduled to take place July 29. The meeting location, as well as whether it will be in-person or virtual, is currently TBD and will be communicated via email as soon as it’s known. The Annual Members’ Business Meeting will include a membership vote on CalCPA bylaw changes (see Page 24), 2020 meeting minutes and the election of officers and directors should there be a contested seat. If there’s a contested seat, an electronic notice with a list of candidates and voting information will be provided to members.

To RSVP for the Annual Members’ Business Meeting, contact Cheryl Smith at Cheryl.Smith@calcpa.org by July 9.
Women to Watch Award Winners

Congratulations to this year’s Women to Watch award winners, who were recognized for their leadership, community and public service, advocacy, mentoring of other CPAs, and overall contributions to the profession.

**Emerging Leader Award**

Valeria Ramirez,
Senior Associate
RSM, San Francisco

Delaney Noll,
Senior Associate
RSM, San Francisco

**Experienced Leader Award**

Kathryn Johnson,
Partner
RSM, San Francisco

Julia Kniesche,
Assurance Strategic Talent Consultant
Ernst & Young, San Francisco

Narina Bchtikian,
Senior Stakeholder Liaison
IRS, Los Angeles

**Trailblazer Award**

Shannon Nash,
CFO
Reputation, Redwood City

Andrea Drew,
Owner
Drew Consulting, South Lake Tahoe

Loreal Jiles,
Director of Research
Institute of Management Accountants, Beaumont

**Announcements**

The CBA has appointed former CalCPA Chair Jennifer Ziegler, Douglas Aguilera, David Kral, Jose Palma and Shaon Selleck to various committees.

**Members In The News**

An April 12 Investment News article about GameStop’s trading frenzy quoted Mitch Freedman and Larry Pon ... An April 13 article in Politico about taxes going uncollected quoted Chuck Rettig, who also was quoted in an April 13 CNN article about child tax credits ... An April 16 U.S. News article on how to file a tax extension quoted Bret Scholl ... An April 19 Forbes article on diversity and equity quoted Okorie Ramsey ... AP quoted John Schultz in an April 19 article on California lawmakers reviving COVID related tax breaks for businesses ... Financial Adviser quoted Mary Kay Foss and Susan Carlisle in an April 26 article on helping wealthy clients avoid “The Widow’s Tax” ... The Sacramento Business Journal quoted John Schultz in an April 27 article on how California will tax proceeds from PPP loans ... YahooFinance interviewed Rob Seltzer May 4 about the implications of how Biden’s potential capital gains tax changes could impact taxpayers ... WDRB quoted Scott Hoppe in an article about taxes and small businesses ... A May 10 Accounting Today article on mental health quoted Amber Setter.

adindex

For more information about products and services catered to the CPA community, visit calcpa.org/members-exclusive/benefits.

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Investment managers in the U.S. and around the globe have been shifting their attention from investing purely for profits. Professionally managed dollars are increasingly invested to support client-driven concerns around the environment, social issues and corporate governance—commonly referred to as ESG investing (Figure 1).

According to the U.S. Sustainable Investment Forum’s 2020 Trend Report (ussif.org/trends), at the end of 2020, 33 percent of the $51 trillion in professionally managed investments in the U.S. were managed with ESG issues in mind. In Europe, the percentage was even higher at 50 percent. Even more notable is the rapidly accelerating rate of adoption: a 43 percent increase in values driven investing since 2018.

You and your clients are likely impacted by this accelerating trend through mutual or exchange-traded fund investments, even those without specific ESG objectives, as more professional managers incorporate ESG data into their overall due diligence.

**ESG Defined**

How are these various issues defined by investment managers? Major environmental considerations include efficiencies in the production of goods and use of natural resources, pollution reduction and legal risk reduction. Climate change issues around carbon emissions and sustainable natural resources captured more than $6 trillion in 2020. Social considerations center more on labor and human rights issues, and governance issues focus on appropriate behavior by corporate executives and board members around independence, diversity and compensation.

There are several investment approaches included in this trend. The most common is ESG, which emphasizes values without impacting profits. Sustainable Investing was defined in 1987 by the United Nations in Our Common Future as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Socially Responsible Investing (SRI) and Impact Investing are also popular and tend to prioritize social outcomes over investment returns.

A helpful framework for thinking about these varied approaches is seen in Figure 2 from Vert Asset Management (vertasset.com), a mutual fund manager focused on investing globally in sustainable real estate.
**The Triple Bottom Line**
The common thread in the shift toward ESG, SRI, Sustainable and Impact investing is an attempt to set goals for and hold corporations accountable to a triple bottom line (TBL), a concept introduced by John Elkington in the 1990s that examines both the negative and positive social and environmental impacts of corporations along with profits.

According to *The Economist*, the TBL “aims to measure the financial, social and environmental performance of the corporation over a period of time. Only a company that produces a TBL is taking account of the full cost involved in doing business.”

Since its introduction in the 1990s the concept has been applied by corporations to produce TBL reports but, in Elkington’s June 2018 article in the *Harvard Business Review*, he states that the “success or failure on sustainability goals cannot be measured only in terms of profit and loss. It must also be measured in terms of the wellbeing of billions of people and the health of our planet, and the sustainability sector’s record in moving the needle on those goals has been decidedly mixed. While there have been successes, our climate, water resources, oceans, forests, soils and biodiversity are all increasingly threatened. It is time to either step up—or to get out of the way.”

Given the accelerating shift in how investment dollars are managed today, it seems many investors and professional investment managers may agree. The question is: Are corporations paying attention, in Elkington’s words, to their “people and planet targets”?

The short answer is yes!

**Measuring ESG**
With all the attention ESG is receiving in the investment community it’s natural to wonder whether the financial reporting around these impacts is accurate and reliable.

The voluntary disclosure of financially material ESG data has increased, along with the market demand for this information in recent years. While standardization of ESG measures and benchmarks around the globe is still not a reality, there has been significant progress. The five major ESG reporting organizations (CDP, CDSB, GRI, IIRC and SASB) issued a Statement of Intent to Work Together Towards Comprehensive Corporate Reporting in November 2020.

An emerging leader and participant in the alliance guiding disclosure and benchmarking is the Sustainability Accounting Standards Board (SASB, sasb.org). The world’s largest public accounting firms are involved in the SASB effort, which has market support for SASB standards as a core component of corporate disclosures.

The SASB is a nonprofit that published 77 global, industry-specific standards identifying financially material sustainability topics and their associated metrics for the typical company in an industry in 2018.

According to the SASB, “In today’s economy, sustainability issues are global business issues that impact the financial condition, operating performance, and enterprise value of companies. Data security—a social issue—is important to companies in the software industry. Water management—an environmental issue—is essential to a beverage producer. Managing conflicts of interest—a governance issue—is critical for an investment bank.

Effectively managing these issues over the long-term is likely to improve business performance in the form of reduced operating costs, enhanced reputation, greater resilience to risks, the potential for competitive advantage, and drive long-term enterprise value.”

**Motivations**
While performance is always on the minds of investors, there are numerous reasons to engage in sustainable investing beyond just the annual return.

Individuals may have a desire to incorporate their personal values and goals in the investment decision. Doing so fosters essential, societal and environmental benefits in the public sector that are not as easily achieved by government policy decisions alone. Examples might include support for companies that are positive stewards of the environment, employ good labor practices, or foster diversity and social balance in corporate governance. For institutions, sustainable investing may be an outgrowth of their mission or a requirement for their fiduciary duty.

Investors often believe that sustainable investing comes at a cost, either in reduced returns, increased risk or both. While investors can undoubtedly choose investment vehicles that focus on specific causes at the expense of risk and return, there are plenty of opportunities to achieve close parity with conventional investments. Recently, data has supported similar, if not higher, historical outperformance of ESG portfolios over their non-ESG counterparts.

To illustrate, the S&P 500 ESG index was designed to promote an ESG mandate for U.S. large cap stocks while providing a risk and return profile similar to the S&P 500 Index. For the 10 years through March 31, 2021, the ESG index delivered an annualized total return of 14.2 percent against 13.9 percent for the non-ESG counterpart.

Further, the S&P 500 ESG index outperformed the S&P 500 Index in March 31, 2021, the ESG index delivered an annualized total return of 14.2 percent against 13.9 percent for the non-ESG counterpart. For the 10 years through March 31, 2021, the ESG index delivered an annualized total return of 14.2 percent against 13.9 percent for the non-ESG counterpart.

**“While there have been successes, our climate, water resources, oceans, forests, soils and biodiversity are all increasingly threatened. It is time to either step up—or to get out of the way.”**

**FIGURE 2**
Defining Sustainable Investing

<table>
<thead>
<tr>
<th>Financial first</th>
<th>VALUES DRIVEN</th>
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<td>Conventional</td>
<td>ESG</td>
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<td>Maximize Financial Return</td>
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<td>Social Outcomes with Financial Return</td>
<td>Financial Return with Social Outcomes</td>
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<tr>
<td>Impact</td>
<td>Philanthropy</td>
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<tr>
<td>Focus on Social Outcomes with Financial Return</td>
<td>Balance Financial Return with Social Outcomes</td>
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<th>Impact first</th>
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<tr>
<td>SRI</td>
<td>Impact</td>
</tr>
<tr>
<td>ESG is Environmental, Social, and Governance</td>
<td></td>
</tr>
<tr>
<td>SRI is Socially Responsible Investing</td>
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Source: Vert Asset Management
While these data are of limited duration and cannot be construed as forward-looking, many investment professionals believe that ESG investing may provide higher future returns as consumers and government policy-makers increasingly favor companies employing these practices.

One aspect of ESG investing is the ability to control certain types of risk. A portfolio focused on ESG metrics may have better resilience to future challenges that could impact non-ESG investments.

For example, there may be regulatory changes that negatively impact companies’ earnings more reliant on fossil fuels or excessive use of natural resources compared to those that make better use of renewable energy.

Sustainable investing also provides a framework to measure risks not normally captured in traditional GAAP measures.

For example, a shoe manufacturer that consumes twice as much water as its competitors may have higher utility costs, which may be a minor factor in overall performance and EPS data. However, ESG will additionally consider the risks associated with rising water costs or the potential impact of a water shortage. These factors may highlight avoidable risks by focusing on sustainability.

Strategies & Tactics
ESG can be embraced at various levels of commitment. For many investors, starting small for example by allocating only a portion of their investments to index mutual funds with an ESG objective is the best way to test the waters. Many mutual fund companies including Vanguard, Dimensional Funds and Blackrock offer well-diversified low-cost funds that evaluate holdings for ESG criteria or otherwise utilize ESG in formulating investment decisions. If an investor wants to increase commitment to ESG there are many opportunities.

Before making an investment decision, thought should be given to specific ESG goals, interests and passions. As noted earlier in the article, climate change, diversity and social justice, or avoidance of specific issues or industries are common impact investing objectives. Each one of these or a combination can be incorporated into an investment strategy implemented through mutual or exchange-traded funds.

Investors with high enthusiasm and commitment to ESG can choose more targeted funds that meet many specific criteria such as a Global Clean Energy Fund or a Women Leadership Fund. Fully committed ESG investors may be interested in selecting individual companies based on industry metrics available through one of the ESG reporting organizations mentioned above, such as the SASB or Morningstar, the investment research firm, which provides sustainability ratings for many companies in their database.

Ownership of individual company stock gives an investor access to proxy voting and shareholder activism—two powerful tactics available to express ESG concerns. In addition, several mutual fund companies are taking a more proactive stance on proxy voting and shareholder activism at the request of the investors in their ESG funds.

ESG is not just for investing in equities. The same ESG criteria can be applied to fixed income. The universe of ESG bond funds has been expanding quickly. In addition, it is possible to invest in what are called Green Bonds. The proceeds from these debt issuances are used specifically to combat the challenges of climate change such as improving or building necessary infrastructure.

And finally, some of your clients may be interested in very targeted impact investing through direct micro-lending. A couple examples include the non-profits Root Capital and the UNICEF USA Bridge Fund or Lending Club.

Final Thoughts
Values-based investing in support of environmental, social issues and corporate governance has greatly evolved over the last five years. We now have standards, metrics, data and analytics that were not available just a few short years ago. Perceptions about cost versus potential return that might have been accurate in the past need to be evaluated and updated. Similar to the introduction of index funds, exchange-traded funds, asset-based fees rather than commissions and other investment industry trends, ESG, which was previously considered the fringe, has likely reached the tipping point into the mainstream of investing.

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Useful Resources
The Forum for Sustainable and Responsible Investment ussif.org
Social Funds socialfunds.com
Vanguard ESG, SRI, Impact Investing: A Primer for Decision Making personal.vanguard.com/pdf/1SGESS.pdf
Morningstar ESG Investing morningstar.com/company/esg-investing
Green Money Journal greenmoney.com
Micro-lending kiva.org
Congratulations on being re-elected as president of the California Board of Accountancy (CBA) for 2021. Your first year as president has been anything but ordinary. How would you characterize your first year leading the CBA?

NC: Thank you very much for the acknowledgement. I’m pleased to have another year at the helm of the CBA and to continue to grow the CBA’s fulfillment of its mission of consumer protection. My first year certainly didn’t turn out the way I anticipated it would, but that doesn’t mean it was a lost year. The pandemic actually spurred growth and adaptation in many areas. It forced many CPAs and accounting firms to redefine “business as usual,” which led to fresh ideas and new solutions.

As far as the CBA is concerned, 2020 made it clear how important it is to continue pursuing our Business Modernization Project, which uses technology to offer more online options to support our applicants and licensees. We are looking forward to rolling out these improvements in the future.

Outreach has always been a big emphasis of mine, and that didn’t stop in 2020. The events themselves were produced much differently at the end of the year than at the beginning, of course. As a matter of fact, moving outreach events to a virtual setting allowed the CBA to reach more students than we would have in a traditional seminar setting. Being able to speak to students from across the state in one setting is an unexpected benefit. I’m excited to continue developing more outreach events of this fashion in 2021.

The CBA has made a number of modifications to processes to adjust to COVID-19 disruptions and continue to serve consumers, licensees and candidates. Can you outline some of these?

NC: The CBA made a number of adjustments to aid our stakeholders with the difficulties they were facing from COVID-19. The CBA began accepting transcripts electronically from third-party services, since most universities were unable to supply their students with a hard copy of their transcripts. This was welcome news to many students whose applications were simply at a standstill without having access to their transcripts.

Internally, the CBA shifted the majority of its staff to telework last spring, and even now we only allow a limited number of staff in the office at any given time. This initially caused processing times to increase, but I applaud the efforts of CBA staff who put in many extra hours to bring the times back to our goal of under 30 days.

The CBA also implemented another major change, as we began accepting initial license applications and payments online. This should speed up processing times with applicants no longer needing to physically mail their materials.

The CBA held virtual meetings for the first time in history. On one end, the lack of personal interaction makes some discussions a bit more challenging, but it has also allowed for more public engagement. How has this process been and how do you see this impacting board meetings going forward?

NC: Conducting our meetings virtually definitely took some getting used to. Now that we’ve held six meetings this way, I think members are growing accustomed to the rhythms. Raising a virtual hand when they want to speak is different, but starting to feel more normal. It’s a challenge to maintain the collaborative dynamic with members not in the same room, however. I can’t speak for all members, but I imagine most are looking forward to being able to come together for meetings again in the future.

You have been kind enough to continue to engage with accounting students, including participation in CalCPA “virtual campus” events. How has your message to students changed post-COVID-19?

NC: Engaging with students is a vital part of what the CBA does and is a passion of mine. I would like to thank CalCPA for producing so many great outreach events throughout the year. COVID-19 hasn’t actually changed the messaging, other than the fact the pandemic proved how valuable the accounting profession is and will continue to be. The goal is to make sure the students know that graduates who obtain their CPA license are in demand. We want to encourage as many of them as possible to embark on the rewarding journey of becoming a CPA by highlighting its value and how it will benefit their career. Also, changes coming to the Uniform CPA Examination and licensure model will ensure future CPAs are equipped to utilize the many...
innovations technology is bringing to the profession. It's an exciting time to be entering the field.

Looking ahead, one of the things that the pandemic put a spotlight on was the need for technology solutions to help organizations move to a remote work environment. This is an area the CBA has invested in and expects to build upon as a way to more efficiently process license applications and renewals. Can you outline what licensees can expect to see in the near future?

NC: The pandemic brought many challenges to the CBA, but it also created some important opportunities. One example of these opportunities is the acceleration in the implementation of online services, such as online payments.

What the CBA has already done:

• To meet the needs of our customers, the CBA has transitioned from hardcopy to accepting transcripts electronically from specific transcript providers. In addition, we also accept experience forms via email with electronic signatures.
• The CBA launched an online license application submission, online licensing application payment and a dashboard for licensing applicants to check document receipt by the CBA.

Over the next few years, the CBA will continue to deploy its Business Modernization Project to improve the efficiency and effectiveness of licensing and enforcement activities by transitioning from paper-intensive, multi-software processes and systems to a digital, single platform for monitoring and managing these processes.

The goal is an integrated and streamlined online system that would serve as an interface between applicants/licensees and the CBA. Examples include dashboards for applicants to check receipt and review of documentation and automated and targeted email reminders to assist our applicants and licensees with meeting various requirements. These efficiencies obtained with the new system we anticipate will reduce processing timeframes.

The result of all these initiatives will make it easier for consumers, licensees, applicants and other stakeholders to do business with the CBA and enable the CBA to fulfill its consumer protection mandate more efficiently and effectively.

Speaking of technology, the skills necessary to understand and apply new technologies that are integral to the CPA profession continue to grow. You work closely with the Cal Poly Pomona Accounting Department. Can you talk about how they have adjusted their curriculum to better prepare graduates entering into the CPA profession?

NC: Working closely with educational institutions provides a great opportunity to create a link between the accounting profession and academia. I have been part of the Advisory Council for the Accounting Department at Cal Poly Pomona for many years and observed how their accounting curriculum expanded over the years to meet the changes in the CPA profession.

The department added two new data analytics in accounting courses in its undergraduate program, as well as its master of science in accountancy program. In these courses, students learn various data analytics techniques used with big data in practice and how to visualize and interpret their results using data visualization software. The department also developed a long list of accounting elective courses that better prepare their graduates for the CPA profession, like Accounting Ethics, Advanced Financial Accounting, Advanced Auditing and Advanced Taxation, to name a few. Its faculty is actively engaged with the AICPA in learning about requirements and information on the CPA Exam changes and how these changes will impact their accounting curriculum.

The CBA is also sponsoring legislation (AB 298) that provides applicants for licensure more flexibility in scheduling and sitting for the CPA Exam. Can you tell us about how this will assist future CPAs?

NC: Many students have found that there’s often a significant time delay between when they complete their final coursework and when the school confers their degree. In addition, once the CBA has received the application, transcripts/evaluation and fees, it requires time for processing, which can take up to 30 days. Altogether, it can lead to missed opportunities for future CPAs.

With this legislative session, the CBA is sponsoring AB 298 by Assemblywoman Jacqui Irwin, which, if signed into law, would enable applicants to sit for the CPA Exam prior to completion of their educational requirements. Specifically, the bill would provide that applicants enrolled in a degree-granting university, college or other institution, and who are within a specified timeframe of completing their education, may submit an application and take the CPA Exam before the educational requirements are completed. The goal is to grant greater flexibility to students seeking to take their CPA Exam in a timely manner, creating a quicker path to becoming a licensed CPA.

When it’s safe to travel again, where is the first place you will go?

NC: I have family and friends in the Midwest and southern states that I have missed seeing since prior to and during the pandemic. Before I commence international travel that was postponed, I plan to make family and friends my priority.

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The fundamental duty of the CPA tax practitioner should be similar to that of the Hippocratic Oath of the medical profession: “First, do no harm.” In the course of tax practice, the CPA is in a position to do great harm to the client when it comes to protecting not just confidential client data, but also the confidentiality of client communications about tax matters.

Generally, this desire for privilege is to prevent a tax authority—for example, the IRS—from discovery of legal advice pertaining to tax matter and related communications that occur between the taxpayer and the adviser. This includes information provided by the taxpayer to the adviser and any communication in reply from the adviser.

A lack of knowledge on the part of the CPA of the nature of a client’s “privileges” with regard to communications with a tax adviser, or a lack of thoughtfulness with regard to communications between the CPA and tax client that otherwise should be off-limits and outside the scope of the CPA-client privilege, may result in significant harm to the client should the CPA be compelled to reveal communications to the tax authority.

This problem is exacerbated by the fact that most clients believe their communication is subject to privilege similar to communications with an attorney. Consequently, as a matter of course, the CPA should advise the tax client of limitations that apply to what the client would otherwise believe is “privileged.”

While the attorney-client privilege does not extend to the CPA, it’s necessary to understand that privilege to apply any related type of privilege that may apply to client-CPA communications and related limitations.

Elements of the Attorney-client Privilege

The privilege belongs to the client, but the protection from disclosure protects both the client and the lawyer from a compelled disclosure. The communication protection is generally limited to legal advice provided by an attorney in their capacity as such; also, the protection understandably includes related documentation (work-product). Privilege protection often extends indefinitely, beyond the client engagement and even death.

However, privilege protection is easily considered “waived”: for example, when the communication or work-product is shared with or is affirmatively revealed to a non-privileged person (some protection exists for inadvertently shared waiver). There are three significant stumbling blocks to privilege protection in the tax arena.

- First, the protection does not apply to “business” advice, and the IRS and Department of Justice have successfully litigated this issue.
- Second, there is a “crime-fraud” exception for privilege claims; that is, the attorney is found to participate in or enable a client’s fraud (or to cover it up). The IRS has recently indicated an intention to more aggressively pursue this line of attack on privilege claims.
- Third, and most importantly, there’s a long history of successful litigation in federal courts that conclude that privilege protection does not extend to communications pertaining to income tax preparation. The CPA should carefully note this exception. If the privilege exception does not extend to attorneys preparing returns, it certainly will not extend to a CPA tax return preparer.

It should be noted, too, that once privilege is “waived”—even if only to an aspect of a matter in contention—the government can argue that privilege is waived for the entire matter, i.e., “subject matter waiver.”

Kovel Privilege

This is a privilege that derives from the attorney-client privilege. Basically, it extends any applicable attorney-client privilege to any party who retained an attorney to enable her to provide legal advice to her client. Thus, the attorney can retain a CPA to assist in providing tax advice to a client and her communication protection extends to the CPA; this may include assistance in determining a tax liability.

However, Kovel privilege does not protect from disclosure of any CPA client (taxpayer) communications and work product that existed before the Kovel arrangement, so it’s often difficult if not impossible for Kovel protection to extend to a CPA who has historically been the client’s tax adviser or preparer; it becomes an issue of, “When did you know it?” before or after retention under Kovel.
If the CPA prepares tax returns as part of the engagement—for example, amended returns for foreign disclosure items or previously unreported income—communication protection related to the returns is waived.

The Statutory Privilege
IRC Sec. 7525 provides a statutory privilege for taxpayer communication with a Federally Authorized Tax Practitioner (FATP, which includes a licensed CPA). However, the statute provides that the protection is no greater or lesser than the attorney-client privilege: consequently, it clearly does not extend to communications related to return preparation and filing obligations, nor to tax shelter matters.

Moreover, among some other limitations, critically, it does not apply to a criminal matter. And, it’s retroactively removed when the IRS launches a subsequent criminal investigation. This privilege can be a danger for the unaware practitioner who allows a client to bare his soul about delicate tax matters believing that privilege applies, only to find the CPA serving as a witness for the prosecution sometime later.

The Work-product Doctrine
A fourth privilege, the judicially created work-product doctrine, protects materials, legal analysis and related communications—including those of the lawyer and any expert—created in anticipation of litigation from discovery. It does not protect any information or communication retroactively. Also, there’s ample case law that requires more than a mere possibility of litigation; while litigation does not need to have commenced, there should be a realistic possibility.

The doctrine has been the subject of significant litigation over tax opinions provided to independent auditors for purposes of their evaluation of uncertain tax positions in financial statement audits.

The government argues that providing the lawyer’s confidential analysis and tax opinion to an auditor for financial statement purposes constituted waiver or, in the alternative, the tax opinion was not prepared in anticipation of litigation, but instead was prepared for business purposes to satisfy financial statement auditors.

The taxpayer-corporations have prevailed in some cases. But, overwhelmingly, in the CPA profession—aside from large taxpayers that self-prepare returns—protecting financial statement tax provision advice is moot because the auditor is the CPA that prepares the entity’s tax returns (and often provides the tax advice) and the tax return communication is not protected.

The New IRS Enforcement Environment
Recently, the IRS increased focus on tax enforcement and has taken initiatives intended to accomplish the aforementioned objective.

For example, the appointment of a former Criminal Investigation senior executive as the current commissioner of the IRS Small Business and Self-employed Division. And it has created special enforcement initiatives targeting high-income nonfilers—those with more than $100,000 of identified income (from 1099 Forms or other indicated sources)—and increased audits of high-income filers, particularly those...
with multiple business entities and related private foundations. The IRS has added Small Business Self-employed examiners to the enforcement mix that previously was concentrated in the Large Business & International/Global High Wealth arena.

New & Existing Clients
CPAs surely will be confronted with a prospective client who has significant “gross income” and has not filed returns for one, some or many years, and will want to file returns before the IRS “catches up with me.” That nonfiling issue may arise for any number of reasons.

But one thing is certain, the client is “new” and the CPA does not know those reasons. Nor should the CPA listen to the client at this point; instead, the client should be immediately advised to engage the services of a tax attorney familiar with criminal and civil fraud tax matters.

The CPA’s duty is absolute in these situations: Protect the client’s privilege. The CPA simply does not know what the client may reveal and once the possibility of a willful intention to evade a tax obligation is revealed, the CPA is in the uncomfortable position of becoming a witness for the prosecution; recall our discussion of applicable privileges: none apply.

What’s likely to occur is that the potential client consults with an attorney who sends her back to the CPA for preparation of the necessary filing—most likely after a Kovel engagement is in place. In this regard, when the CPA advises the prospective client to seek legal advice, the CPA can certainly make recommendations. Where the client does not want to retain legal counsel, often because “that’s too expensive,” the CPA should understand that type of client is likely to attempt to point the finger at the CPA in the future for any adverse outcomes that engagement might produce in terms of IRS enforcement.

With regard to an existing client that’s subjected to an IRS examination, the CPA should monitor and evaluate the information and activity of the IRS examination and listen carefully to the client when communicating with the client. Again, at the first sign—from either the IRS or from the client—that something may be awry, the CPA should consider suspending services and refer the client to a tax attorney for advice and guidance to protect the client’s privileges. This action is also consistent with Statement on Standards for Tax Services No.6, Knowledge of Error: Return Preparation and Administrative Proceedings.

Parting Thoughts
Protecting a client’s privilege is fundamental and paramount to the practice of the CPA tax professional. The privileges that are available to a client-taxpayer communicating with a CPA and the scope of application of those privileges are limited at best and non-existent in many situations. Consequently, in the course of tax practice, the CPA should be ever vigilant in recognizing when to refuse to or stop listening and refer to the client to tax counsel: to prevent harm.

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Retroactive ERISA Plans

To your clients need a deduction of $200,000, $300,000 or even $1 million for the 2020 tax year? Clients usually ask us after a good year, “Are there any deductions I can take?” The answer has always been dependent on whether there was a 401(k) profit sharing plan in place.

If there was a plan in place before the end of the year, the deduction will be based on how the plan is set up. Many 401(k) professionals lean toward cookie-cutter plans and don’t customize them to fit corporate culture. Most times, plans are set up to reflect company objectives end up with larger deductions.

What happens if there was no plan in place? Not much can be done … until this year! For the first time in history, your business owner clients can adopt an ERISA plan retroactively for the prior year.

While your client won’t be able to fund the first layer of the retirement plan cake (401k) for the prior year, the second layer (profit sharing) can yield good tax deductions. But the magic happens in the third layer: A cash balance plan is where your client can take outsized deductions, often with surprising results.

These plans can help you build stronger relationships with your clients. Moreover, the potential tax savings opportunity shifts clients’ mindsets. Something that clients once procrastinated is now looked at as “important” and “urgent.” They can take action provided they have a proper conversation about how the plan benefits their business and family.

What are some of the benefits of a retirement plan for you or your client?

• Between husband and wife (age 50 and above), your clients can save up to $52,000 per year under current law.
• Depending on age, your client can save $150,000 up to $250,000 or so per person.
• A third-party administrator can run the numbers for your client to see what the outcomes and opportunities will be.
• For certain clients—such as doctors, attorneys, service-based businesses and CPAs—they may reduce their income below 199A limits.
• You can always discriminate against highly compensated employees. For instance, in a law firm where many partners earn $300,000 per year, you can discriminate against those who make more than the highly compensated threshold of $130,000.
• For those who have clients in the construction sector, you can leverage prevailing wage business for two key purposes: fund a profit-sharing plan with the pension benefit portion and reduce employer wage-based liabilities to help your clients win more business.
• An additional savings could be the elimination of state income tax. Account holders who move out of a high-income tax state to a low-income tax state can permanently eliminate state income taxes.

Corporate Culture
The importance of corporate culture plays in the success of your CPA firm and your clients’ businesses cannot be overemphasized. It’s what makes Apple, Apple, and Tesla, Tesla.

A significant opportunity is being missed to enhance company outcomes because almost all 401(k) providers and their employees differentiate their product offerings on the usual cost compliance matrix. Little time is devoted to the focus of your and your client’s corporate culture. Retirement plans are largely viewed like a necessary “check the box, get it done and over with” plan.

The reality is that these plans can create amazing opportunities to enhance the

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qualitative aspects of your clients’ businesses, like reward key employees or employees who contribute to the success of your business. Retirement plans can create an incentive that rewards the key pillars of what makes your business produce positive outcomes.

What Do the Numbers Look Like?

There are many variables that go into the construct of a retirement plan. Your and your client’s facts and circumstances need to be discussed in the context of a plan that is matched to corporate culture. Many times, low expectation plans tend to work out much better than expected. For instance, Figure 1 could simulate any number of businesses, like a doctor’s office or a business owner who owns multiple businesses like gas stations and sandwich shops.

Figures 2 and 3 show the outcomes of different planning arrangements for the different types of profit-sharing plans. Most cookie-cutter profit sharing plans fall in the lower middle (Figure 2). The plans to the top and bottom left are plans built around company culture. The results of your client will always vary, but it’s better when they vary in ways that supports corporate culture.

Costs

There is always a concern about costs. With the new tax credits and the tax savings made from contributions to the plans, costs are not material. Assume a provider charges $2,500 for a 401(k) profit sharing plan and $3,500 for a cash balance plan. The total cost of the two plans ($6,000) may be offset by a tax credit of $3,000. There’s also a tax deduction, which may further reduce the amount of out-of-pocket to $2,400. Of course, there are different rates and results will vary by individual.

In the above example, assuming all employees are subject to social security and worker’s compensation at a 10 percent rate, this results in $3,548 of social contribution savings. So, the next administrative cost is less than zero. If a plan is already in place and not eligible for tax credits, and assuming a 30 percent tax rate, the net cost is about $1,716, or $143 per month. And, for that, the owners of the business get a $365,000 tax deduction and $52,000 in a Roth 401(k) or deductible.

Conclusion

After 30 plus years of working as a CFO and COO I’ve learned that more often than not, you can recognize opportunities for you and your clients to make significant differences in financial outcomes when retirement plans are tied to your client’s corporate culture.

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Interplay

The Tax Cuts and Jobs Act was enacted in the Trump administration’s second year and created two revenue raisers that affects people with business losses. When COVID-19 closed businesses, Congress deferred these revenue producers until 2021 and provided tax benefits for businesses that lost money to carry the losses back five years to provide tax refunds.

In 2021 those benefits have expired, and the laws enacted in 2017 may surprise taxpayers that have business losses or net operating losses (NOLs) that occurred and are being carried forward.

As tax advisors in the process of preparing 2020 tax returns, we should alert clients with losses about this tightening of allowed deductions, and that even though a taxpayer may have more losses than income they could still owe income tax.

Prior to the COVID-19 relief act last year, if a taxpayer had a large loss, they could write it off against all their other income, calculate the available loss to carry back two years to get additional tax refunds then carry forward any excess to future years. As mentioned above, in 2020 the carryback period was expanded to five years.

IRC Sec. 461(l) limits the amount of business losses that can be offset against non-business income and IRC Sec. 172 limits the use of NOLs being carried into the current year and allows loss carryovers to subsequent years.

The good news is that NOLs that are carried forward do not expire. Also, NOLs from 2017 and earlier are 100 percent deductible in reducing the tax due in the current year to zero.

The bad news going forward is that reducing tax to zero on an individual tax return will be very hard to do. These laws, deferred due to COVID-19, become effective this year and work together to leave some income taxable for people with large losses and or NOL carryforwards.

Starting in 2021 there will be no NOL carrybacks, only carry overs.

Regulation & Examples
IRC Sec. 172 contains the rules for NOL deductions and will allow, this year, a deduction of an aggregation of all NOLs coming forward from before Jan. 1, 2018. For the year 2018 and going forward the taxpayer is allowed the lesser of NOLs after 2017 or 80 percent of the taxpayer’s taxable income computed without the NOL.

This makes NOLs coming forward from before 2018 very valuable. The following examples show how the changes to IRC Sec. 172 and the new provisions of IRC Sec. 461(l) work and interact with each other.

IRC Sec. 172, Example 1: An individual taxpayer has an NOL carryforward from after 2017 of $50,000 and taxable income before the NOL of $100,000. Since $50,000 of the post-2018 NOL is less than $80,000 (80 percent of taxable income), the NOL coming forward is fully deductible. An NOL that had come from 2018 or later must remove the qualified business income deduction in the calculations, then the limitation mentioned above applies.

IRC Sec. 172, Example 2: A taxpayer has an NOL carryforward from 2017 of $175,000 and taxable income of $100,000 without the NOL carryforward. The 80 percent rule does not apply, so $100,000 will be the allowed NOL in 2021 resulting in taxable income of zero; $75,000 of the 2017 NOL will carry forward to 2022.

The NOL rules now do not let you take your taxable income to zero except if you have pre-2018 NOLs. Had the NOL in Example 2 been from 2018 the taxpayer would have taxable income of $20,000 and an NOL carryforward of $95,000.

Before you can claim the NOL you must test to see if you have Excess Business Losses under IRC Sec. 461(l). Starting this year through 2026, business losses are limited to $250,000 for individuals and $500,000 for married couples that exceed business income. Any disallowed loss is treated as an NOL and carried forward under IRC Sec. 172. Passive loss rules also may limit the losses allowed before the use of NOLs. After those calculations, you must restate the NOLs coming forward from 2018, 2019 and future years by removing the deduction for Qualified Business Expenses. In March, the American Rescue Plan become law and added 1 year to the excess business loss limitation (expiring on Jan. 1, 2027).

IRC Sec. 461(l), Example 1: A married taxpayer has business income of $1 million
with other income of $800,000 and business losses of $2.9 million. The business loss deduction allowed is $1.5 million, resulting in taxable income of $300,000. The unused $1.4 million is converted into an NOL under Sec. 172 to carryover to 2022.

Noting that the excess loss is converted to an NOL, the loss is not lost but converted and carried forward without expiration.

**IRC Sec. 461(l), Example 2:** A married taxpayer has business income of $1 million with other income of $800,000 and business losses of $600,000, as well as an NOL carryover from 2017 of $2 million. First, Sec. 461(l) is applied resulting in a pre-NOL taxable income of $1.2 million. Next, the NOL is applied allowing $1.2 million of NOL to be applied, resulting in taxable income of zero and the NOL carry forward to 2022 will be $800,000.

This again shows the value of the pre-2018 NOL, which is to allow these losses to reduce the taxpayer’s income to zero.

**IRC Sec. 461(l), Example 3:** Had the NOL in Example 2 carried into 2021 and come from post-2017 NOLs, the 80 percent limit would have come into play, allowing $960,000 of NOL to be applied, leaving taxable income at $240,000 and increasing the carryover of NOL to $1,040,000.

**IRC Sec. 461(l), Example 4:** A married taxpayer has business income of $800,000 with other income of $1.2 million, business losses of $1.6 million along with a post-2017 NOL carry over of $1.4 million. Application of the Sec. 461(l) test results in pre-NOL taxable income of $700,000 with a $300,000 loss conversion to an NOL carryforward to subsequent years. After application of the Sec. 461(l) test, the NOL carryforward from 2018 or later can be applied to 80 percent of the pre-NOL 2021 taxable income of $700,000. This results in $560,000 of the $1.4 million NOL being applied to 2021 reducing the taxable income to $140,000. The balance of the post-2017 NOL $840,000 also rolls forward with the $300,000 converted into excess business losses to 2022, with $1,140,000 available for 2022 and beyond.

Like IRC Sec. 172, IRC Sec. 461(l) forces the taxpayer to have some taxable income by disallowing, in the current year, excess business deductions over $250,000/$500,000 and the application of NOLs to 80 percent of taxable income.

**Conclusion**

In the future, an NOL carryforward to your tax return will have taxable income once you use up your pre-2018 NOLs. Without the ability to carryback losses, the tax paid will not be able to be recovered. If you can plan to keep your nonbusiness income under $250,000 for single taxpayers or $500,000 for married taxpayers and generate more business losses than business income in the same year, they can reduce your taxable income for the year to zero.

This year and going forward we will need to carefully analyze what are business income and loss items, as well as what are other income items. We will have to remove the deduction for Qualified Business income and adjust passive loss deductions accordingly.

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New Deductions
Recent Legislation & Guidance: Food or Beverages & Charitable Contributions

1. Any eating facility on the employer’s business premises and used in furnishing meals excluded from an employee’s gross income under Sec. 119; or
2. Any employer-operated eating facility treated as a de minimis fringe under Sec. 132(c)(2) and Regs Sec. 1.132-7(a)(3).

Other Requirements
Sec. 274(k)(1) generally disallows deductions for food or beverages expenses unless:
1. The expenses are not lavish or extravagant under the circumstances; and
2. The taxpayer, or an employee of the taxpayer, is present at the furnishing of such food or beverages.

Sec. 274(a)(1) generally disallows deductions for expenses for entertainment, amusement or recreation. However, Regs. Sec. 1.274-1(b)(1)(ii) states that this disallowance does not apply to food or beverages provided at an entertainment activity if:

• The food or beverages are purchased separately from the entertainment; or
• The food or beverages cost is separately stated from the entertainment cost on one or more invoices, bills or receipts.

The amount charged for food or beverages on an invoice, bill or receipt must reflect the venue’s usual selling cost for those items if they were purchased separately from the entertainment or must approximate the reasonable value of those items.

If the food or beverages are not purchased separately from the entertainment, or the food or beverages cost is not stated separately from the entertainment cost on one or more invoices, bills or receipts, no allocation between entertainment and food or beverages may be made and, generally, the entire amount is a nondeductible entertainment expense.

Charitable Contributions
As discussed in the August 2020 California CPA, Page 19, the CARES Act (enacted March 27, 2020) permitted an individual for 2020, who does not elect to itemize deductions to claim a deduction up to $300, for a tax filing unit, toward adjusted gross income (AGI) for qualified charitable contributions. A qualified contribution is a cash payment to a charitable organization described generally in Sec 170(b)(1)(A).

Percentage Limitations
For individuals, the deduction for qualified contributions for 2020 is allowed up to the amount by which the taxpayer’s contributions base (AGI without any NOL carryback) exceeds the deduction for other charitable contributions. For corporations, the deduction for qualified contributions is allowed up to 25 percent of its taxable income for 2020.

For charitable contributions of food inventory qualifying for the enhanced deduction under Sec. 170(c)(3), the deduction is allowed up to 25 percent of taxable income for 2020. The CAA extends these provisions to 2021.

Under Act Sec. 212(a), CAA Division EE, the following modifications to the $300 deduction are made for 2021:
1. This deduction is increased to $600 for married couples filing joint returns [IRC Sec. 170(p)].
2. Instead of being deductible toward AGI, this deduction is now allowable from AGI to arrive at taxable income [Sec. 63(b)(4)].
3. If this deduction is overstated, the Sec. 6662 accuracy-related penalty is increased from 20 percent to 50 percent [Sec. 6662(f)], added to the IRC by Act Sec. 212(b)(2), (CAA Division EE).

Exclusions
A restaurant does not include a business that primarily sells pre-packaged food or beverages not for immediate consumption, such as a grocery store, specialty food store, liquor store, drug store, convenience store, newsstand or vending machine or kiosk.

In addition, an employer may not treat as a restaurant for Sec. 274(n)(2)(D) purposes:

• A restaurant for Sec. 274(n)(2)(D) purposes:
A restaurant does not include a business that primarily sells pre-packaged food or beverages not for immediate consumption, such as a grocery store, specialty food store, liquor store, drug store, convenience store, newsstand or vending machine or kiosk.

IRS Notice 2021-25 (IRB 2021-17, April 26, 2021) states that, for purposes of Sec. 274(n)(2)(D), the term “restaurant” means a business that prepares and sells food or beverages to retail customers for immediate consumption—regardless of whether the food or beverages are consumed on the business’ premises.

Restaurants Defined
IRS Notice 2021-25 (IRB 2021-17, April 26, 2021) states that, for purposes of Sec. 274(n)(2)(D), the term “restaurant” means a business that prepares and sells food or beverages to retail customers for immediate consumption—regardless of whether the food or beverages are consumed on the business’ premises.

The March/April 2021 California CPA, Page 23, discussed several provisions in the 2021 Consolidated Appropriations Act (CAA), P.L.116-260, enacted Dec. 27, 2020. One provision was concerned with the business meals deduction.

This article stated the following: “Existing IRC Sec. 274(n)(1) generally limits the deduction for business-related food or beverages expenses to 50 percent of the amount otherwise deductible. For only 2021 and 2022, the CAA allows a 100 percent deduction for business-related meals and beverage expenses to 50 percent of the amount otherwise deductible. For only 2021 and 2022, the CAA allows a 100 percent deduction for business-related meals and beverage provided at a restaurant.”

This 100 percent deduction is allowed pursuant to Sec. 274(n)(2)(D), which was added to the IRC by Sec. 210(a) of the 2020 Taxpayer Certainty and Disaster Tax Relief Act (Act), enacted as Division EE of the CAA.
Despite the challenges of the last year, the California Board of Accountancy (CBA) has taken important steps to improve processes to continue to assist candidates, licensees and consumers as efficiently and effectively as possible. Here are just some of the recent enhancements the CBA has undertaken.

CBA Staff Efforts Break Backlog
When the COVID-19 pandemic and stay-at-home orders took effect in 2020, it created a substantial disruption to CBA operations. Among the most impacted were processing timelines for candidate applications and license renewals. As the CBA worked to adjust its internal processes to fit with health and safety protocols and a remote workforce, the backlog had grown to well over the CBA's normal processing times.

Over the course of the next few months, CBA staff worked extended hours to get through a backlog as quickly and efficiently as possible. In early May, the CBA announced that it had reduced the backlog and returned to normal processing timelines.

This is a significant accomplishment in the face of unprecedented operational challenges. At a recent CBA meeting, CalCPA recognized the CBA staff’s extraordinary efforts and hard work.

Online Application & Renewals
Processing Around the Corner
In the coming months the CBA will be rolling out the new Online Licensing Application. This highly anticipated enhancement will allow applicants to apply, attach their experience form or other documentation, and pay their application fee entirely online. A similar process will be established for licensure renewals.

This adjustment has long been a focus of the CBA as a way to create a more efficient licensing process that allows applicants and licensees to more easily interface with the CBA. Stay tuned to CBA and CalCPA announcements for updates, information and guidance, as this new and improved process rolls out in the coming months.

CBA Sponsored Legislation
Moving Through Legislature
The CBA is sponsoring AB 298, which makes two adjustments to the existing licensure process to provide increased flexibility and efficiency for applicants as they work toward their license and entry into the profession. This legislation is supported by CalCPA and has moved through the Assembly with unanimous support. The Senate is expected to take the measure up in the next few weeks.

The first adjustment relates to how an applicant applies for approval to sit for the Uniform CPA Examination. Currently, an applicant for the CPA Exam must meet certain educational requirements, including a bachelor’s degree or higher. Part of the CBA’s approval process to sit for the Exam includes the submission of an official transcript from the applicant’s college/university that reflects their education and degree conferral.

However, applicants often have to wait several weeks after the completion of their classes and graduation for their college/university to finalize and produce an official transcript that reflects their degree conferral. Only then can the applicant submit their transcript and Exam application to the CBA, which requires additional time from that point to review and authorize qualified applicants. These extended processing timeframes prevent applicants from being able to schedule and sit for the CPA Exam immediately upon successful completion of their required education. This can backlog the entire licensure process and ultimately, entry into the profession.

AB 298 would address this issue by permitting an applicant a narrow timeframe to sit for the CPA Exam while they await official documentation of their education and degree conferral. This eliminates a common processing delay so an applicant can more efficiently meet the current licensure requirements. Importantly, applicants will still need to provide the appropriate documentation of education prior to the CBA accepting their CPA Exam scores.

The second adjustment to the licensure process made by AB 298 relates to updating the current ethics education requirements for licensure. It would add courses in auditing and fraud as part of the accounting ethics education requirement.

This narrow adjustment to the requirements is consistent with the ethics requirements when they were first established. Additionally, it addresses an unintended barrier to entry for many applicants coming from out-of-state or to the profession later in their career. In effect, this provides applicants with additional flexibility in how they can meet the education requirements.

Importantly, AB 298 does not reduce any of the requirements to obtain a license and maintains a strong ethics requirement for licensure. Applicants must still meet rigorous educational, exam and experience requirements.

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Clicks for Clients
Building a Social Media Strategy

One challenge CPAs have when launching their own firm or growing an existing practice is finding new clients. Traditional marketing and advertising methods can be expensive and often take time before you start to see results. Alternatively, social media marketing can be a cost-effective way to build a sales pipeline and scale your marketing campaigns quickly to reach thousands of prospective clients in a highly targeted manner.

Branding
Building a social media strategy for accounting professionals starts with branding your firm’s online presence, selecting the right social media platforms and creating valuable sharable content. The first step is to ensure your firm’s brand image delivers a clear message about the services you offer, explains the benefits of working with you and describes the types of clients you serve. Here, I’m not only talking about the look and feel of your firm’s website, but also about ensuring all your social media accounts carry a consistent brand image of you and your business.

Platforms
When it comes to selecting the right social media platforms for offering professional services, social media experts typically advise using LinkedIn, Facebook and, more recently, Instagram.

Facebook and Instagram offer a robust advertising platform to directly reach thousands of prospective clients on their mobile and desktop devices. Facebook also offers an advanced advertising feature called a “Lookalike Audience,” that uses your existing client base to search and build a new audience of likely buyers automatically.

Similarly, suppose you’re interested in connecting with business owners, professionals and corporate executives. In that case, LinkedIn allows you to target your sales pitch to potential clients working in specific industries and companies, with some of its advanced features. Even if you’ve built a strong network of connections on your personal social media accounts, I always recommend creating a separate business page to highlight your firm’s experience, contact information and areas of specialty.

Several other social media platforms, such as TikTok, Snapchat, Pinterest and Clubhouse are also options. Although the users on these platforms tend to be younger and have a non-business focus, there’s a better chance on these new applications to grow your client base organically. You will find the newer apps use more engaging media like videos, photos and voice, which opens the door to creating more appealing content.

The most successful posts offer simple business advice or checklists on a visually appealing background. Remember, most people on social media are looking for entertainment, and your business posts are competing with funny cat videos and cute baby photos. Your goal is to stop your potential clients from scrolling past your post by using an eye-catching photo or an attention-grabbing headline. Eventually, some will stop to read your post, find value in your content and start to follow your profile.

Cultivating Followers
Your social media followers are warm leads for you to market your service offerings. But nobody likes a pushy salesman, so engage with your followers as a professional accounting and tax resource and lead with delivering value before expecting anything in return. Free e-books, whitepapers, discounted services and consultations are effective ways to showcase your expertise to prospective clients. It’s rare to see a post go viral or generate thousands of followers, so you should think about social media marketing as a long-term strategy.

Potential clients need social proof that you’re reputable and knowledgeable, and need time to get to know you. Posting third-party and client testimonials across your social media accounts is one of the best ways to establish credibility.

Another approach is to post informative content in a social media post or blog article. I recently ran a simple post on Instagram reminding teachers that they can deduct out-of-pocket expenses for COVID-19 supplies. Although it only generated 20 likes, I received two direct messages requesting more information on how to claim the deduction and one inquiry for tax preparation services.

Although social media is an excellent source for generating leads, your follow-up with a prospective client should always be done in person or by phone. Accounting is still a relationship-driven business, where above all, prospective clients need to know and trust you before allowing you to handle their financial affairs.

Finally, consistency in your social media marketing effort is essential, and you should commit to posting on a regular schedule (i.e., weekly, monthly, quarterly). One best practice is to set up a content calendar, create several posts at once and then schedule each post to be delivered on different days during the month.

Undoubtedly, social media marketing is hard work, and it takes time to build momentum. Fortunately, it’s well worth the effort, and even if you lack the time or are not especially tech-savvy, you can hire social media experts who specialize in the accounting industry to guide you.

Harsh Jadhav, CPA, CITP, CISA is chief audit executive for ACERA. You can reach him at hjadhav@acera.org.
MEMO

To: CalCPA Members
From: Gregory M. Burke, CPA Chair, CalCPA Bylaws Committee
Date: June 1, 2021
Re: Approval of CalCPA Bylaw Amendments

Background
At the Board of Director’s request, the Bylaws Committee of CalCPA has reviewed CalCPA’s bylaws to update and modernize them. As part of the process, legal counsel reviewed the bylaws and made a number of recommendations to improve compliance with California law, best governance practices, and clarity.

Following is a summary of the major changes resulting from this process, and a red-line version of the bylaws. This memo will not address all of the changes individually, for the sake of brevity, but the Committee felt it important to point out changes affecting member rights, which follow. Bylaws changes affecting member rights have to be approved by the members.

As you review the enclosed red-line version, please keep in mind that some changes were made to delete duplicative concepts or relocate provisions that more closely related to other sections. If you see a deletion that strikes you as odd, it is likely the case that it was duplicative or misplaced and you will find the matter covered in another section.

To date, all proposed changes have been approved by the Board of Directors as well as Council and are now being presented to the membership for review. This process will culminate at our July Annual Members Business Meeting with a vote of the membership.

Changes Affecting Member Rights

ARTICLE V – MEETINGS OF THE MEMBERS OF CALCPA
Section 3(c) – Electronic Participation
This Section was added to allow for electronic participation at member meetings. However, under the Corporations Code, CalCPA cannot force members to participate in meetings electronically. If there are meetings of the members, a physical location would need to be made available to the extent any members wanted to attend.

ARTICLE XI – AMENDMENTS
Section 3 – Voting on Amendments by Ballot
The requirement that 10% of voting members participate in a ballot vote has been eliminated. This requirement was inconsistent with the Corporations Code, which says that the quorum requirements for a ballot vote are the same as an in-person meeting. Also, in the face of COVID, and perhaps increased use of ballot voting in place of in-person attendance at a meeting, it seems an unnecessary hurdle.

ARTICLE XIV – NOMINATIONS COMMITTEE
Section 2. The timing of all deliverables and deadlines related to the nominations process were reexamined, and where appropriate adjusted, to arrive at the following timetable:
- **March 12** – Nominations Committee report due to secretary/treasurer.
- **March 15** – Slate of nominations provided (by email) to the voting members of CalCPA.
- **May 1** – Nominations close, and uncontested elections declared in favor of nominee.
- **June 1** – Identity of candidates for any contested election provided (by email) to the voting members of Cal CPA.

This schedule of events promotes due process and administrative efficiency. The process also concludes, as the Board desired, much sooner than “13 days before the annual meeting” previously provided for. It should also be kept in mind that the dates provided for reflect deadlines. In some cases, deadlines could be, and often have been, provided sooner.

To further enhance the utility and readability of the bylaws, some sections of Article XIV were reordered so that deliverables and deadlines are identified in the same order as they occur.

Section 2 – Composition of Committee
Section 2(c) of Article XIV has been further modified to provided that board members of the California Certified Public Accountants Education Foundation may not serve on the Nominations Committee. However, exempted from this restriction is any individual serving on the Nominations Committee in an ex officio capacity on account of being: (i) the past-chair of the CalCPA Council twice removed (see section (2(a) of the bylaws), (ii) the past-chair of the CalCPA Council once removed (see section (2(b) of the bylaws), or (iii) a preceding past-chair of the CalCPA Council serving only because one of the past chairs identified above is unwilling or unable to so serve (see section (2(g) of the bylaws).

Section 5 – Nominations by Member
The threshold for nominating a candidate to elected office that was not recommended by the Nominations Committee has been raised from 100 to 250 voting members, which is in-line with other large state societies’ requirements. Given the growth of membership over the years, and to also ensure that there is at least a minimum amount of support for a candidate before engaging in the administrative effort required to conduct a member vote, increasing the threshold seemed appropriate.

Conclusion
The members of the Bylaws Committee thank you for the opportunity to provide the proposed changes to the CalCPA Bylaws contained in the accompanying redlined document to you for your consideration.

Members of CalCPA’s Bylaws Committee:
- Greg Burke – Chair, Sacramento Chapter
- Vanessa Hill, East Bay Chapter
- Chris Raymer, Central Coast Chapter
- Cory Stigile, Los Angeles Chapter
- Ben Towne, Silicon Valley/San Jose Chapter
- Jill Gorman, CalCPA Staff Liaison
(as amended and restated on __________, 2021)

ARTICLE I—Name, Purpose and Fiscal Year.

(1) **Name.** The name of this organization is California Society of Certified Public Accountants, a California nonprofit mutual benefit corporation, hereinafter called “CalCPA.”

(2) **Purpose.** The specific purposes for which CalCPA is established and formed are; to advance the profession of accounting in the State of California; to encourage the maintenance of high professional standards for certified public accountants; to cultivate a cordial relationship among practicing accountants; to promote a better lay understanding of the services rendered by certified public accountants; and to act in a representative capacity for the profession.

(3) **Fiscal Year.** The fiscal year of CalCPA shall begin on May 1 and shall end April 30 of the succeeding calendar year.

ARTICLE II—Membership

(1) **Classes of Members.** Membership in CalCPA shall consist of four classes, namely, voting members, student and candidate members, and honorary members. In addition, the CalCPA Council may:

(a) pursuant to Section (b) of this Article II, the CalCPA Council may create a class of persons associated with CalCPA who shall hold the title of associate member, and Membership in CalCPA shall consist of five classes, namely, voting members, student members, candidate members, honorary members and associate members.

(b) Only voting members, as described in Article II, Section (2), shall be “members” as defined or described in applicable law, including Section 7310 through 7364 of the Corporations Code of the State of California (the “Code”), and only voting members shall be entitled to vote as described in Article V hereof. Except where these bylaws contemplate a person holding an office or position on account of holding another office or position (i.e., ex officio): (i) only voting members in good standing may hold an office position, serve on the Nominations Committee or serve as the chair of any state committee, and (ii) all board members of the CalCPA Council and CalCPA Board must be members in good standing. Except as restricted by clause (i) of the foregoing sentence, student members, candidate members, honorary members and associate members shall enjoy all privileges of CalCPA membership.

(c) An applicant shall be admitted to the appropriate class of membership upon: (i) receipt of a completed membership application, (ii) receipt of payment of applicable dues as established by the CalCPA Council, and (iii) verification that the candidate satisfactorily met all qualifications for membership in the class of membership sought by the applicant.

(d) pursuant to Section (d) of this Article II, create a class of persons who shall hold the title of life member. Despite (c) above or anything else herein, a member who has been terminated pursuant to Article II, Section (10) below, or resigns from membership while subject to suspension or termination under Article II, Section (9) or (10) below, or resigns while under investigation for such suspension or termination, shall not be eligible for membership without: (i) the approval of the CalCPA Council, or (ii) the absence of favorable resolution of the circumstances, condition or investigation that was the basis for suspension or termination.

(2) **Voting Members.**

(a) Any person meeting one of the following criteria is eligible for CalCPA membership as a voting member:

(1) Any person holding a license from the State of California as a Certified Public Accountant.
(2) Any person who is a resident of California and holds a license or similar document as a Certified Public Accountant of another state or political subdivision of the United States, or

(3) Any person who is a resident of California and at any time in the past held a CPA license from the State of California or any other state or political subdivision of the United States, as long as that provided, however, no such license was not suspended, surrendered or revoked in connection with, or as the result of, a disciplinary action by a licensing body, or

(4) Any person meeting the requirements for licensure as a Certified Public Accountant, in accordance with the Uniform Accountancy Act as it existed as of the date of the person's application for membership, but who has not obtained a license as a Certified Public Accountant and is not a candidate for licensure as a Certified Public Accountant, and has not had a Certified Public Accountant license terminated for disciplinary reasons.

(b) Such applicant shall be admitted to membership in CalCPA upon receipt of a completed membership application and verification that the candidate satisfied all qualifications for membership as described in these bylaws.

(c) Only persons meeting the requirements of this section shall be allowed to vote in accordance with Article VIII, to hold office pursuant to Article VIII, or to serve as a member of the Nominations Committee in accordance with Article XIV of these bylaws.

(3) Student Members and Candidate Members. Any student, or CPA candidate seeking to take the CPA exam or awaiting the results thereof or awaiting licensure following passing results thereof, may be admitted to membership in CalCPA. Such an individual must meet the requirements of Article II and shall not be eligible to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them. The CalCPA Council may establish policies for communication of this class of membership to the general public and acceptance and use of those standards shall be a requirement of membership, respectively.

(4) Honorary Members. Any person, who, in the opinion of the CalCPA Council, is distinguished in the profession of accountancy, but who is not eligible for membership, may, upon unanimous vote of the council members, be elected as an honorary member. Such honorary members shall not be required to pay initiation fees or other dues. Honorary members shall be entitled to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them.

(5) Associate Members. The CalCPA Council may, by resolution, create and establish criteria for a class of persons associated with CalCPA who shall not be required to pay dues, as established by the CalCPA Council, and they shall not be eligible to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them. Such class of members shall be known as "associate members," of CalCPA. Such associate members may not be members within the meaning of "members" of this Article II and shall not be eligible to hold office or to vote on any matters, but all other privileges of CalCPA shall be extended to them. The CalCPA Council shall have the right to establish the public description and rights of such associate members and the dues or other consideration to be paid by such associate members. The CalCPA Council may establish policies for communication of the rights of associate members to the general public and acceptance and adherence to those standards shall be a requirement for a person to be granted the title of associate member.

(6) Life Members. The CalCPA Council may, by resolution, create and establish a class of persons who are in good standing with CalCPA in accordance with Section 5 of this Article, who may pay dues as established by the CalCPA Council and comply with those bylaws and the Rules of the CalCPA Code of Professional Conduct. Life membership is not a separate class of membership, but rather a designation within the aforementioned classes of membership.

(7) Nonpayment of Dues; Reinstatement. If a member who is required to pay dues in accordance with the policies established by CalCPA Council neglects to pay such dues, or neglects to pay any other assessments or indebtedness to CalCPA, or a CalCPA chapter, notification of such delinquency shall be
given to such member by the chair of the CalCPA Council or their designee, 30 days after said dues, assessments or other indebtedness shall be payable. If a person in any of the membership classes, except honorary members, or if such member does not pay the delinquent dues 90 days after said dues shall be payable, the person’s membership shall be suspended. If a person in any of the membership classes, except honorary members, and if such member does not pay the delinquent dues by the last day of the fiscal year in which dues were payable, the person’s membership shall be terminated. Reinstatement. Any person whose membership in any of the membership classes, except honorary members, has been suspended or terminated for such nonpayment of dues, assessments or other indebtedness, may be reinstated upon payment of said dues, assessments or other indebtedness and compliance with any other requirements designated by the CalCPA Council or the CalCPA Board of Directors.

(8) [11(U)]. Resignation. The resignation of a member shall be in writing or electronic communication, or as prescribed by the CalCPA Council and sent to the CalCPA to an office, position or staff person whose responsibilities include accepting member resignations, or by such means or form as prescribed by the CalCPA Council. A member who has resigned shall not be entitled to any refund of membership dues. A member who has resigned may be reinstated upon satisfaction of all requirements of membership, except that the payment of dues shall not be required if the dues paid by the resigned member would not have been exhausted before the time of reinstatement. A member who is deceased is deemed to have resigned for all purposes hereof.

(11) Resignation, Suspension and Reinstatement of Members under Charges or Complaints. A person whose resignation was accepted, or whose suspension became effective when the member was under investigation by the California Board of Accountancy (CBA), or was the object of a complaint under the bylaws or the Code of Professional Conduct of either CalCPA or CBA, will not be eligible for reinstatement until the case is resolved.

(12) Complaint Against Member. Whenever a member of CalCPA shall be alleged to have violated these CalCPA Bylaws, the California Board of Accountancy rules, or similar rules or regulations of any state in which such member is licensed, or the CalCPA Code of Professional Conduct, such complaint shall be processed in accordance with policies and procedures adopted by the CalCPA Council. The Committee on Professional Conduct of CalCPA is hereby empowered to carry out these policies and procedures unless the CalCPA Council makes an alternate determination.

(9) Disciplinary Suspension and Termination of Membership. Membership in CalCPA shall be suspended should there be filed with the secretary/treasurer of CalCPA a judgment of conviction imposed upon any member for the event:
(a) A crime defined as a felony (or its equivalent) under the law of the conviction jurisdiction; member’s certificate, license or permit allowing such member to practice is suspended for cause by the applicable state board of accountancy, or its equivalent.
(b) The CalCPA Council or CalCPA Board of Directors determines that the member’s present association with the organization would be detrimental to perceptions of the profession.
(c) A member’s willful and continuing failure to file any income tax return which the member, as an individual taxpayer, is required by law to file.
(d) A member violates the CalCPA Code of Professional Conduct and such violation is continuing.
(e) A member has violated the CalCPA Code of Professional Conduct, or assisted another in doing so, and the CalCPA Council or CalCPA Board of Directors determines such violation warrants suspension.

(11) Disciplinary Termination of Membership. Membership shall be terminated in the event:
(a) A member’s certificate, license or permit allowing such member to practice is terminated or revoked for cause by the applicable state board of accountancy, or its equivalent.
(b) (c). The CalCPA Council or CalCPA Board of Directors determines that the member’s continuing association with the organization would be detrimental to perceptions of the profession.
(c) A member is convicted of a felony (or its equivalent) involving moral turpitude under any applicable law.
(d) A member’s filing of a false or fraudulent income tax return on the member’s or a client’s behalf.
(e) (d) The member’s willful aiding in the preparation and/or presentation of a false and/or fraudulent

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Such membership shall be terminated upon the similar filing of a final judgment or conviction.

Membership in CalCPA shall be suspended should a member’s certificate as a Certified Public Accountant, or license, or permit to practice as such, or to practice public accounting be suspended as a disciplinary measure by a state board of accountancy, or its equivalent, but such suspension of membership in CalCPA shall terminate upon reinstatement of the certificate. Membership in CalCPA shall be terminated should such certificate, license, or permit be revoked, withdrawn as a disciplinary measure or be canceled by the said state board of accountancy.

14. Sanctions Against Members for Other Reasons. Any member renders himself or herself liable to expulsion, suspension or lesser sanctions if the member:
(a) Infringes or violates any of these by-laws or the CalCPA Code of Professional Conduct or similar rules or regulations of any state in which such member is licensed or knowingly aids or abets any other persons in any transgression thereof;
(b) Is declared by court of competent jurisdiction to have committed any fraud;
(c) Is declared by a competent court to be insane or otherwise incompetent;
(d) Has a certificate as a Certified Public Accountant revoked or withdrawn for cause by authority of any state or territory of the United States or the District of Columbia.

15. Enforcement Procedures. Pursuant to the by-laws and the rules of CalCPA Code of Professional Conduct, the CalCPA Council will establish policies and procedures by which complaints against members shall be investigated. Persons belonging to any class of membership may request copies of CalCPA’s by-laws and Code of Professional Conduct, or membership policies and procedures from CalCPA’s headquarters office.

(i) A member’s willful preparation or presentation of materially false or fraudulent financial statements.

(j) A member violates the CalCPA Code of Professional Conduct, or assists another in doing so, and the CalCPA Council or CalCPA Board of Directors determines such violation warrants termination.

16. Certificate of Membership. The CalCPA Council shall cause a certificate of membership, in such form as it may prescribe, to be issued as a matter of course to each person admitted to membership. Membership certificates issued by CalCPA shall state on the certificate that CalCPA is a nonprofit mutual benefit corporation, which may not make distributions to its members except upon dissolution. Upon suspension or termination of any member for disciplinary reasons or by resignation of any member under charges or complaints, the certificate of membership shall be returned to CalCPA for cancellation. If any certificate shall become lost, stolen, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

17. Termination of Membership. All CalCPA members must be members of a chapter, and therefore a member who ceases to be a member of a chapter shall thereupon cease to be a member of CalCPA.

18. Transfer of Membership. Membership in CalCPA and any rights arising therefrom are not transferable or assignable and any attempted transfer or assignment thereof shall be void ab initio.

ARTICLE III—Fees, Dues & Assessments

1. Dues. Annual dues shall be paid to CalCPA. The CalCPA Council shall determine, by at least an affirmative majority vote of those present at the CalCPA Council meeting in which annual dues are determined and at which a quorum is present, the annual dues which shall be paid by each member in accordance with such classifications as the CalCPA Council determines appropriate, and may require dues of a different amount for each class so created. Membership dues are payable May 1.

2. Dues. Payments in Advance. Any member who shall have attained the age of 55, and shall pay...
The dues of any member shall have become due and payable in accordance with these laws. Such dues to be paid in advance pursuant to this paragraph shall be computed at the highest rate of annual dues in effect at the time of payment, for the applicable class of membership set forth in Article II hereof.

Fiscal Year. The fiscal year of CalCPA shall begin on May 1 and shall end April 30 of the succeeding calendar year. Membership dues are payable May 1.

Initiation Fees, Administrative Fees or Other Fees. The CalCPA Council shall prescribe the amount of initiation fee, administrative fee or other fee, if any, which applicants for membership shall pay.

Dues. [Member Resigning] If any member shall have registered a submitted such member’s resignation, and if said resignation shall not have been accepted by CalCPA prior to the beginning of the fiscal period next succeeding the date of presentation submission of the said such resignation, such member shall not be liable for any dues beginning with such succeeding fiscal period unless, after the commencement of such fiscal period, the resignation shall have been withdrawn, in which instance, the dues shall become due and payable in the same manner as if the resignation had not been requested. This provision shall not be a waiver of any dues that may have become due and payable in accordance with these bylaws.

Dues. [Disciplinary Suspension] Any member holding a license as a Certified Public Accountant, suspended under Article II, Section (11)-(12)-(13) or (14) shall not be liable for the payment of dues accruing during the period of such suspension.

Assessments. [Proposed] The CalCPA Council shall have the right to propose assessments, provided such action shall not be taken unless notice thereof shall have been incorporated in the notice for the meeting at which the assessment is proposed. If such proposal is approved by the majority of the voting members present, the secretary/treasurer of CalCPA, or designee, shall send a notice to that effect to the president of each chapter, who shall thereupon promptly call a meeting of the chapter over which the president presides, setting forth the proposed action of CalCPA and holding a vote thereon. The votes cast for and against the proposal by the voting members present at such meetings shall be forwarded to the secretary/treasurer of CalCPA, or designee, of CalCPA within 30 days of notice to the chapters. Alternatively, the CalCPA Council may conduct a written ballot of the entire voting membership of the chapters, under rules established by the CalCPA Council. The CalCPA Council shall then be governed by the approval of a majority of votes reported by the chapters, and it carried, such assessments or collected by ballot shall constitute approval of the assessment, which shall thereupon be levied and collected by CalCPA. Honorary members and voting members who have been relieved of further payment of dues pursuant to Section (2) of this Article shall be exempt from the payment of any such assessment. Nothing herein shall restrict the power of Notwithstanding the foregoing, a chapter to levy assessments for its particular use, provided notice is given to the voting members of the chapter of such proposed action to be taken at a chapter meeting.

Refunds. Any member who shall have resigned shall not be entitled to a refund of any dues paid except dues which may have been paid for a fiscal period succeeding the period in which such resignation shall have been presented submitted.

Cancellations. In meritorious individual cases, as determined in the sole discretion of the CalCPA Council, shall establish policies and procedures to order cancellation of any dues, assessments or other indebtedness of a member, including any dues, assessments or other indebtedness of a member seeking reinstatement after termination of membership a member may be cancelled.

ARTICLE IV—Chapters

(1) Formation of Chapters. Chapters of CalCPA may be proposed to be formed in any city or other geographic area within the state of California whenever there are 100 or more voting members of CalCPA or 100 or more eligible voting members resident in such city or other geographic area, and/or who have their principal offices in such city or other geographic area. Prior to the date of granting a chapter...
charter, the CalCPA Council shall require the proposed chapter to function successfully for two years as an area group related to a chapter already chartered. The organization and function of an area group shall be in accordance with procedures adopted by the CalCPA Council. Upon compliance with all the requirements under these bylaws, CalCPA may, but shall not be required to, grant a chapter charter to such area group.

(2) **Membership in Specific Chapter.** Each member of CalCPA shall belong to a primary chapter. A member may belong to multiple secondary chapters. For purposes of the chapter membership count for determining chapter representatives to the CalCPA Council, a member will be counted only in their member’s primary chapter. Leadership opportunities for secondary chapter membership shall be determined by each chapter. A member may change his or her member’s primary chapter membership by delivering written notice thereof to CalCPA and the president of the applicable chapters.

(3) **Revocation of Chapter Charter.** If at any time the number of voting members in a chapter shall fall below the required number of voting members as provided elsewhere in Article IV, and such number of voting members in the chapter shall not be brought up to such required number within six months after written notice thereof to its secretary/treasurer, then such chapter may be subject to suspension or revocation of its charter as the CalCPA Council may determine. Upon suspension or revocation of its charter, all rights and privileges of the chapter shall immediately cease. Members of a chapter whose charter has been revoked or suspended shall transfer to other chapters in accordance with the provisions of Section (2) of this Article IV, or in the absence thereof may be transferred to another chapter by the CalCPA in accordance with geographic proximity.

(4) **Reinstatement of Charter.** A chapter thus having been deprived of its charter may be reinstated by the CalCPA Council upon compliance with the requirements of these bylaws and such other requirements as the CalCPA Council shall designate.

(5) **Limitation of Chapter Communication.** No chapter or committee, except by express written permission of the chair of the CalCPA Council, shall communicate with, (a) any federal or state governmental body, self-regulatory organization, bureau, commission, or unit, concerning matters affecting the accounting profession in California as a whole, or (b) any national or state professional society, except in matters relating to the dissemination of general publicly available information to the public pursuant to plans by such national or state professional society policies or procedures previously adopted by the CalCPA Council, and except in general routine matters.

(6) **Chapter Bylaws.** Each chapter shall be self-governing, but no chapter may have or adopt bylaws which are in conflict with the bylaws of CalCPA. Chapter bylaws and any amendments thereto or changes therein shall not be effective unless and until ratified by the CalCPA Council. Any bylaws Notwithstanding any approval or ratification of any chapter’s bylaws or any amendments thereto, any bylaw provisions of a chapter inconsistent with these bylaws shall be declared null and void by the CalCPA Council to the extent of such inconsistency.

**ARTICLE V—Meetings of the Membership of CalCPA**

(1) **Annual Meeting.** There shall be an Annual Meeting of CalCPA held within 120 days after fiscal year end or 15 months after its last annual meeting (whichever is earlier), on such day and at such time and place or places, as(s) designated by the CalCPA Council designate.

(2) **Special Meetings.** Special meetings may be called at any time by the chair of the CalCPA Council, or by a majority of the CalCPA Council, or shall, In addition, special meetings may be called by the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, at CalCPA upon the written request of not less than 125 members of CalCPA entitled to vote, as demonstrated by written evidence reasonably satisfactory to the secretary/treasurer, to be held at such day, time and place, or places, as the Council designate. Council shall designate, provided, however, any request by the members for a special meeting to consider a proposal to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct may only be initiated, signed and presented to the
secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, by two-thirds or more of the voting members of CalCPA. Any such special meeting shall be held at a time fixed by the CalCPA Council not less than 30 days prior to more than 90 days after receipt of the request for the meeting. At such special meeting, no business shall be transacted except such as shall be specified in the call for written notice thereof.

(3) Quorum. Action of Members; Electronic Participation.

(a) (3) Quorum. At any meeting of the members of CalCPA, the presence of at least 50 voting members in person, or by such other means as determined by the CalCPA Council, constitutes a quorum.

(b) Action of Members. Any act approved by a majority of the voting members represented at the meeting at which a quorum is present, entitled to vote, and voting on any matter is the act of the members, unless the Code, the Articles of incorporation of CalCPA, or these bylaws require a greater number. A meeting at which a quorum is initially present may continue to transact business, adjourn, or reconvene at a time fixed by the presence of those members of the meeting attending the same with the intention of continuing business at the next adjourned meeting, notwithstanding the withdrawal of enough members to leave less than a quorum (other than adjournment) is approved by at least a majority of the members who constitute the required quorum for the meeting, or such greater number as required by the Code, the Articles of Incorporation of CalCPA or these bylaws.

(c) Electronic Participation. Unless otherwise restricted by these bylaws, a meeting of the members may be conducted, in whole or in part, by electronic transmission by and to CalCPA or by electronic video screen communication. The member shall be deemed present in person or by proxy at the meeting if (i) CalCPA implements reasonable measures to provide members in person or by proxy a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (ii) if any member votes or other action taken at the meeting by means of electronic transmission to CalCPA or electronic video screen communication, a record of that vote or action is maintained by CalCPA. Any request by CalCPA to a member pursuant to Section 20(b) of the California Corporations Code for consent to conduct a meeting of members by electronic transmission by and to CalCPA, shall include a notice that absent consent of the member pursuant to Section 20(b) of the California Corporations Code, the meeting shall be held at a physical location in accordance with these bylaws and the Code.

(4) Adjournment. If no quorum shall be present within 30 minutes after the time appointed for a meeting, such meeting shall be considered adjourned. Furthermore, by the vote of at least a majority of the voting members present, the meeting may be adjourned to a later specified date, time, and place, or places, and the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, is required to notify all members of CalCPA of such adjournment and said new meeting date, time, and place or places. No meeting may be adjourned for more than 45 days.

(5) Notice of Meetings. Written notice of all meetings of the members of CalCPA shall be sent to every member, personally, by electronic transmission by a corporation, or by other means of written communication, addressed to each member at the member’s registered address appearing on CalCPA’s books, or, in the case of any email address, the email address provided for that purpose, not less than 30 or more than 90 days prior to the date of the meeting. The notice shall state (a) the matters to be voted upon at the meeting, (b) the place, date and time of the meeting, (c) the means of electronic transmission by and to CalCPA or electronic video screen communication, if any, by which members may participate in the meeting, (d) in the case of a special meeting, and (e) such other content as may be required under Section 7511(a) of the Code. Each member is responsible to promptly notify CalCPA of any change in such member’s address.

(6) Record Date. The CalCPA Council shall determine the record date for the purpose of determining the members entitled to notice of, and to vote at a meeting as provided by law. Voting. A vote shall be taken on each motion or resolution at each meeting. The voting members present at any meeting of
the CalCPA Board of Directors, may direct that a motion or resolution be submitted by mail, or by such other method as may be established by the CalCPA Board of Directors in conformance with applicable law, to each member entitled to vote thereon, and that such vote thereon be taken in lieu of a vote at a meeting of CalCPA, as provided in Section (11) of this Article V. An affirmative majority of the votes cast shall be sufficient for the adoption of any motion or resolution, except as otherwise provided in these bylaws, a meeting of the members in accordance with Section 7611 of the Code.

(7) Proxies. All voting members of CalCPA shall be entitled to vote by proxy at any meeting of the membership members. A member may vote by proxy by appointing another member of CalCPA or the secretary/treasurer, or designee, as Proxyholder therefor, to cast their member’s vote as specified in the proxy. All proxies must be in writing and must contain a statement which sets forth the name of the member to whom the proxy is given. No member may vote as a Proxyholder for more than 10 proxies, except as specified in Section (7)(a)(1) of this Article V.

(a) Directed Proxy. A voting member may direct exactly how their member’s vote shall be cast and specify in the proxy exactly how said member’s vote shall be cast by the individual who is assigned to cast their vote by proxy designated in accordance with Section 7611(a)(1) or (a)(2) below, as applicable.

(1) A voting member may assign their member’s proxy to the secretary/treasurer’s designee, as Proxyholder therefor, to cast their member’s vote as specified in the proxy. The proxy form must be received by CalCPA at such location, date, and time as stated on the proxy form. There shall be no limit to the number of proxies the secretary/treasurer’s designee, as Proxyholder therefor, granting the Proxyholder may cast as a Proxyholder, subject to the 10 proxy limit referred to above in this Section (7).

(b) Undirected Proxy. A voting member may assign their member’s proxy to another voting member giving them and granting the Proxyholder full power and authority to exercise all voting rights in the sole and absolute discretion of the individual who is so appointed to vote the proxy Proxyholder.

(9) Suspended Members. A member holding a license as a Certified Public Accountant notwithstanding anything in these bylaws to the contrary, any voting member who has been suspended for any reason shall not be qualified entitled to vote on any matter regarding CalCPA.

(11) Inspectors of Election. The president of the CalCPA Board of Directors at the Annual Meeting or at any other meeting at which a member or more members of the CalCPA Council is to be chosen or one or more offices of the Council is to be elected shall appoint three inspectors, none of whom shall be an officer of CalCPA or member of the CalCPA Council or nominee as officer or member of the CalCPA Council. The inspectors of election shall (a) determine the number of voting members outstanding, and the voting power of each member as of the record date for such meeting, the number of such voting members as of the record date for such meeting represented at the meeting in person or by proxy, the existence of a quorum, and the authenticity, validity and effect of proxies, (b) receive votes, ballots or consents, (c) hear and determine all challenges and questions in any way arising in connection with the right to vote, (d) count and tabulate all votes or consents, (e) determine when the polls shall close, (f) determine the final result of such vote, and (g) do such acts as may be proper to conduct the election or vote with fairness to all members. The candidate for office, or the determination of at least a majority of the inspectors of elections regarding each item described in this Section (11) shall be final and binding on all members. The candidate for each open officer position, and the candidates for membership on the CalCPA Council, in each case, receiving the highest number of votes for the respective offices, as specified in Article VII and for the respective memberships on the CalCPA Council, as specified in Section (1) of Article VI (4) shall thereupon be declared elected by the presiding officer.
(10) **Action Without a Meeting.** In addition to the procedures set forth in Section (7) of this Article, any action which may be taken at the Annual Meeting or at a special meeting of CalCPA members may be taken without a meeting if the CalCPA Council distributes a written ballot to every member entitled to vote on the matter, in accordance with applicable law, by Ballot. The CalCPA Council or the CalCPA Board of Directors may direct that a motion or resolution be submitted by written ballot in lieu of taking a vote at a member meeting, which shall be delivered by first class mail, personally, by electronic transmission by a corporation, or by other means of written communication, addressed to each member who is entitled to vote thereon at such member’s registered address appearing on CalCPA’s books (or, in the case of any email address, the email address provided for that purpose). Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot, with respect to such matter or proposal, within 30 days of submission of the such ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approved votes cast in favor of such matter or proposal equals or exceeds the number of votes that would have been required to approve such matter or proposal at an annual or special meeting duly called in accordance with the provisions of this Article V and at which the total number of votes cast in favor of such matter or proposal was the same as the number of votes cast by ballot.

**ARTICLE VI—CalCPA Council**

(1) **Representation on CalCPA Council.** The governing body of CalCPA shall be subject to the provisions of the Code and any limitations in these bylaws relating to action required to be approved by voting members, the business and affairs of CalCPA shall be managed and all corporate powers shall be exercised by or under the direction of the CalCPA Council. For purposes of the Corporations Code of the State of California (the “Code”) and other applicable law, the CalCPA Council shall be deemed to be, and shall have all of the authority, power, rights and obligations of, a “Board” (as defined in Section 5038 of the Code), and the members of the CalCPA Council shall have all of the rights and obligations of members of such Board. The members of the CalCPA Council shall be set by the CalCPA Council elected at the annual meeting of the members as follows:

(a) Chapter representatives on the CalCPA Council are to be determined by the following rules:

1. Each chapter shall be entitled to designate two CalCPA Council members, and one additional CalCPA Council member for every full 1,000 voting members (as described in determined pursuant to Article II of these bylaws), elected for one-year or staggered two-year terms, as specified in Article 3 of the Code and other applicable law, the CalCPA Council shall be deemed to be, and shall have all of the authority, power, rights and obligations of, a “Board” (as defined in Section 5038 of the Code), and the members of the CalCPA Council shall have all of the rights and obligations of members of such Board. The members of the CalCPA Council shall be set by the CalCPA Council elected at the annual meeting of the members as follows:

2. The determination of the number of voting members in each chapter and the total number of elected nominees for the CalCPA Council members under this paragraph shall be made as of April 30 of the year immediately preceding the year of election, at least 30 days prior to the meeting of the members at which such CalCPA Council members are to be elected.

3. Chapter vacancies in the CalCPA Council, determined by the application of the above rules, shall be filled in accordance with chapter bylaws and no later than May 1 of each year. Positions authorized but not filled by this process, and subsequent vacancies in the year, shall be filled by appropriate chapter nomination in accordance with chapter bylaws and a vote of the CalCPA Council at any regular meeting.

(b) Six CalCPA Council members elected at large for staggered two-year terms by the voting members of CalCPA at each meeting of the members at which CalCPA Council members are to be elected without regard to the chapter to which they belong, but with considerations for achieving diversity.

(c) The following officers of CalCPA Council shall automatically serve on the CalCPA Council so long as
they serve in such position: chair of the CalCPA Council, first vice-chair, the four vice-chairs and the secretary/treasurer.

(d) The immediate past chair of the CalCPA Council shall automatically serve on the CalCPA Council so long as such person serves in such position.

(e) The president of the California Certified Public Accountants Education Foundation shall automatically serve on the CalCPA Council so long as such person serves in such position.

(f) State committee and section chairs shall automatically serve on the CalCPA Council so long as they serve in such position, subject to a six consecutive years term limit as any state committee or section chair.

(g) The ten past chairs of the CalCPA Council who served most recently shall automatically serve on the CalCPA Council.

(h) All two representatives, who must be voting members of the CalCPA board shall also be members appointed by the chair of the CalCPA Council.

(i) The Chief Executive Officer (CEO) of CalCPA shall serve as a non-voting member of the CalCPA Council.

(2) Non-voting Invited Guests. Non-voting invited guests at each regular CalCPA Council meeting shall be past chairs of the CalCPA Council who do not serve on the CalCPA Council, members of AICPA Council, the Board of Trustees of the California Certified Public Accountants Education Foundation, speakers, active task force chairs, presenters and others who shall be invited to attend CalCPA Council meetings from time to time. Such invited guests shall not be eligible to vote but may be permitted to speak and participate in the CalCPA Council meetings they attend. Notwithstanding any of the foregoing, the CalCPA Council may, with the approval of a majority of a quorum of the CalCPA Council, adjourn a meeting of the CalCPA Council and reconvene in closed session attended by only members of the CalCPA Council to discuss and vote on personnel matters, litigation in which CalCPA is or may become involved, and/or orders of business of a similar or otherwise sensitive nature.

(3) Service. No CalCPA Council members except for officers, past chairs of the CalCPA Council and state committee or section chairs may serve more than six consecutive years without at least a 365 consecutive day break in service. Service for more than 6 months in a term shall constitute a full year. [Effective July 2001]

(4) Vacancy. If a vacancy occurs due to death, resignation or removal of a CalCPA Council member, or on account of the termination or suspension of their membership in CalCPA, or for any other reason, the CalCPA Council shall appoint a voting member of CalCPA to fill the vacancy for the unexpired term; provided, however, that if the CalCPA Council position vacated is that of a voting member who holds office pursuant to Section (1)(a) of this Article VI, then the voting member appointed to fill the vacancy shall be from the same chapter with respect to which such vacancy exists.

(5) Removal from Office. Any CalCPA Council member who holds office pursuant to Section (1)(a) of this Article VI and who has missed two consecutive CalCPA Council meetings may be removed from office by the chapter who designated such CalCPA Council member in accordance with procedures determined by the CalCPA Council. Any CalCPA Council member who holds office pursuant to Section (1)(b) of this Article VI and who has missed two consecutive CalCPA Council meetings may be removed from office at any duly held CalCPA Council meeting, provided that the action is documented in the notice of the meeting. Removal of a CalCPA Council member who holds office pursuant to Section 1(b) of this Article VI requires an affirmative majority vote of the voting members of the CalCPA Council present at a duly held meeting (not counting for this purpose the member who is the subject of the removal vote).

(6) Responsibilities of Council. The responsibilities of the CalCPA Council shall focus on strategic planning and policy making on behalf of the CalCPA members. Specifically, the

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CalCPA Council:

(a) Shall have the authority to establish policies and procedures of CalCPA and to enact resolutions binding upon the CalCPA Board of Directors, officers, state committees, sections and staff;

(b) Shall determine the desired outcomes for the success of CalCPA, including strategic planning, annual budgeting and promoting CalCPA to the public;

(c) Shall carry out CalCPA’s mission in accordance with these bylaws;

(d) May delegate any of its responsibilities to the CalCPA Board of Directors except the appointment of a voting member to fill a vacancy on the CalCPA Council and except as otherwise provided by applicable law (including, but not limited to, Section 7212(a) of the Code);

(e) Shall determine the role shall establish and, from time to time, revise the primary duties of the CEO and officers; and

(f) Shall not alter, amend or rescind any resolution or motion duly adopted at any properly assembled meeting of the CalCPA membership in accordance with these bylaws.

(7) Conduct of Meetings.

(a) The CalCPA Council shall adopt rules and procedures for the conduct and transaction of its business at its meetings. A record shall be kept of all of the proceedings of each CalCPA Council meeting, in the form of minutes. The record of each meeting shall be available for inspection by any member of CalCPA at all reasonable times after it is compiled. The record of each CalCPA Council meeting shall also be posted to a CalCPA web site, which is available to all classes of membership members of CalCPA only. The secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, of CalCPA shall timely distribute copies of the minutes of each CalCPA Council meeting to the members of the CalCPA Council.

(b) A majority of the members of the CalCPA Council shall constitute a quorum for the transaction of the business of the CalCPA Council.

(c) A meeting of the CalCPA Council may be adjourned and rescheduled to another time or place by vote of a majority of the CalCPA Council members present whether or not a quorum is present. If the postponement is for more than 24 hours, then notice of the new time or place shall be given to all members of the CalCPA Council, including those not present at the time of adjournment.

(d) Members of the CalCPA Council do not need to be physically present to participate in a meeting. The CalCPA Council shall establish rules for holding a duly noticed CalCPA Council meeting from site(s) remote from the main location. Members of the CalCPA Council participating from a remote site in accordance with such rules shall constitute presence. However, the remote meeting site must minimally provide that all participants are able to hear one another. Since there are limitations inherent in tallying and verifying votes at a remote site, unless otherwise determined by the CalCPA Council, each remote site shall be staffed by a member of CalCPA Council or staff.

(e) The CalCPA Council shall hold at least two regular meetings each year.

(8) Call for Meetings. The chair of the CalCPA Council or at least 15 members of the CalCPA Council acting as one may call a meeting of the CalCPA Council. The time and place of the meeting shall be specified in the call written notice of such meeting, which time shall be seven days or more after the notice is given. Notice shall be given to all members of the CalCPA Council using a method established by the CalCPA Council. The CalCPA Council may fix the time and place of regular meetings, and such meetings may be held at the time and place so fixed without further notice or call.

(9) Written Opinion Canvas Poll of Members. The CalCPA Council, at any meeting of the CalCPA Council, may request a written opinion that CalCPA take a non-binding canvass poll of the voting
(a) shall direct the general operational activities of CalCPA;

(b) shall act as the Executive Committee of the CalCPA Council and shall take whatever action it deems desirable, including the establishment of procedures to implement the policies set by the CalCPA Council relating to the conduct of the affairs of CalCPA, consistent with the provisions of these bylaws, motions and resolutions of the membership, or actions of the CalCPA Council;

(c) shall supervise the financial management of CalCPA and ensure accountability, including the responsibility for the hiring, firing, compensation and review of the CEO of CalCPA;

(d) shall ensure appropriate communication, notice, and working relationships with the CalCPA Council;

(e) shall assist with the work of the CalCPA Council and its work groups (i.e., committees and task forces);

(f) shall report the actions of the CalCPA Board of Directors to the CalCPA Council at the regular meetings of the CalCPA Council; and

(g) shall have the authority to delegate decision making to the chair of the CalCPA Council, first vice-chair of CalCPA Council, immediate past chair of the CalCPA Council, the secretary/treasurer and the CEO, in the event of situations that may arise from time to time and require immediate attention or action on decisions between regularly scheduled meetings of the CalCPA Board of Directors. Such decisions and actions shall be reported to the CalCPA Board of Directors for ratification at its next scheduled meeting.

(2) **Conduct of Meetings.** The CalCPA Board of Directors shall meet at least three times per year.

(a) The CalCPA Board of Directors may fix the time and place of regular meetings, which may be held at the time and place so fixed without further notice or call. The CalCPA Board of Directors may call a special meeting as required from time to time. Notice of regular or special meetings of the CalCPA Board of Directors shall be given at least four days’ notice by mail, or 48 hours delivered personally,
by telephone, fax or email.

(b) Meetings shall be held in person or through other means established by the CalCPA Board of Directors as long as proper notice has been given. The CalCPA Board of Directors shall establish rules for holding a duly noticed CalCPA Board of Directors meeting. Members of the CalCPA Board participating from a remote site in accordance with such rules unless otherwise restricted by these bylaws, members of the CalCPA Board of Directors may participate in any regular or special meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

(3) **Quorum.** At any meeting of the CalCPA Board of Directors, the presence of the majority of members of the CalCPA Board of Directors shall constitute a quorum.

(4) **Composition of the CalCPA Board of Directors.** The CalCPA Board of Directors shall have not less than 8 and no more than 15 members. The exact authorized number of directors shall be fixed from time to time, within the limits specified in this section or in the CalCPA Articles of Incorporation, by the CalCPA Board of Directors or by a bylaw or amendment thereof duly adopted by the voting members of this corporation. Subject to the foregoing provisions for changing the authorized number of directors, the authorized number of directors of this corporation shall be fifteen.

(a) Members of the CalCPA Board of Directors shall be:

1. Chair of the CalCPA Council;
2. First vice-chair of the CalCPA Council;
3. Four vice-chairs of the CalCPA Council who serve for staggered two-year terms;
4. Secretary/treasurer;
5. Immediate past chair of the CalCPA Board Council;
6. President of the California Certified Public Accountants Education Foundation Board of Trustees;
7. Four representatives from the CalCPA Council who shall be nominated and elected by the CalCPA Council to the CalCPA Board of Directors for staggered two-year terms in accordance with procedures established by the CalCPA Council;
8. Two at-large representatives from the voting membership appointed by the chair of the CalCPA Board for staggered two-year terms and such representatives also shall serve on the CalCPA Council according to Article VI, Section (1)(h).

(b) The CEO shall serve as a non-voting member of the CalCPA Board of Directors.

(5) **Removal of a Member of the CalCPA Board of Directors from Office.** The CalCPA Board of Directors shall have the authority to remove any director who holds such positions pursuant to Section 4(a)(8) of this Article **VII for any reason or no reason.** Such removal of a director requires an affirmative majority vote of the directors present and voting at a duly held meeting (not counting for this purpose the director who is the subject of the removal vote).

(6) **Action Without a Meeting.** Any action required or permitted to be taken by the CalCPA Board of Directors may be taken without a meeting if all members of the CalCPA Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the CalCPA Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such members of the CalCPA Board of Directors.
(7) Conflicting Actions or Direction. To the extent these bylaws permit the CalCPA Board of Directors to take any action or make any decision that is also permitted herein to be taken or made by the CalCPA Council, and the CalCPA Board of Directors and the CalCPA Council both act, and in so acting they take conflicting action or make inconsistent decisions, the decision of the CalCPA Council shall control.

ARTICLE VIII — Officers

(1) Officers. The officers of CalCPA shall be the chair of the CalCPA Council, the first vice-chair of the CalCPA Council, four vice-chairs of the CalCPA Council and a secretary/treasurer, all of whom shall be voting members of CalCPA. No person shall hold more than one office at a time. No trustee of the California Certified Public Accountants Education Foundation shall be eligible to concurrently serve as a CalCPA officer, nor as a member of the CalCPA Board of Directors, with the exception of the chair of the CalCPA Council and the president of the California Certified Public Accountants Education Foundation Board of Trustees.

(2) Election. The officers, with the exception of the continuing vice-chairs, shall be elected at the Annual Meeting of the membership of CalCPA except as provided for in Article XIII XIV. (6 Section (4)), in each year concurrently with the election of the at-large members of the CalCPA Council and shall hold office until the next Annual Meeting of the membership of CalCPA, or until the election and qualification of their respective successors. The vice-chairs shall hold office for two years and shall have staggered terms, with two vice-chairs being nominated and elected each year at the Annual Meeting of the membership of CalCPA.

(3) Vacancy. If any vacancy shall occur in an office by reason of death, resignation, removal or for any other reason, the chair of CalCPA shall appoint a replacement, subject to approval by the CalCPA Board, to fill the vacancy until the next Annual Meeting of the membership of CalCPA.

(4) Duties of the Chair of the CalCPA Council. In addition to the duties and prerogatives prescribed elsewhere in these bylaws and by the CalCPA Council, the chair of the CalCPA Council:

(a) shall preside at all meetings of the members of CalCPA, the CalCPA Council, and the CalCPA Board of Directors;

(b) shall enforce the bylaws of CalCPA;

(c) shall be a member "ex officio" of every committee except the Audit Committee and the Nominations Committee;

(d) may conduct such correspondence as the chair of the CalCPA Council considered to be in the best interests of CalCPA; and

(e) shall perform all executive and other duties ordinarily appertaining to the office of chair of the CalCPA Council.

(5) Absence of Chair of the CalCPA Council. In the event of the absence, disability or refusal of the chair of the CalCPA Council to act, the first vice-chair of the CalCPA Council shall act in the chair of the CalCPA Council’s stead. In the further event of the absence, disability or refusal of the chair of the CalCPA Council and the first vice-chair of the CalCPA Council to act, the CalCPA Council shall designate one of the other vice-chairs to act. In the further event of the absence, disability or refusal of the chair of the CalCPA Council, the first vice-chair of the CalCPA Council and any of the vice-chairs of the CalCPA Council to preside at any meeting, the members of the CalCPA Council (by majority vote) shall select one of its members to preside.

(6) Duties of First Vice-Chair. Pursuant to paragraph (5) above of this Article VIII, the first vice-chair shall take the chair’s place and perform the chair’s duties, in the event the chair is unable to serve. The first vice-chair shall also spend the term as first vice-chair learning the role and function of the chair and shall perform other duties as assigned by the chair or the CalCPA Council.
DUTIES OF SECRETARY/TREASURER. The secretary/treasurer shall be responsible for:

(a) Giving required notice of all meetings of CalCPA members and of the CalCPA Council and the CalCPA Board of Directors;

(b) Keeping a record of the proceedings to all such meetings to be made and of all matters of which a record shall be ordered;

(c) Keeping custody of the corporate seal and affixing the seal to papers and documents when required;

(d) Keeping a register of the name, residence and business addresses of each person admitted to membership;

(e) The notification of members elect;

(f) Recording the number of voting members at each annual or special meeting of members:
   (1) Who are present at such meeting, and
   (2) Who are represented by proxy, or
   (3) Who have submitted ballots, as reported by the election inspectors.

(g) The oversight of the financial activities and transactions of CalCPA;

(h) Chairing of the Finance Committee;
   (1) Reporting to the CalCPA Council and the CalCPA Board of Directors at each of their regular meetings. The said meetings shall contain such information as may be specified by the CalCPA Council or the CalCPA Board of Directors; and
   (2) Furnishing the auditors, as elsewhere provided in the bylaws, copies of the secretary/treasurer’s annual report.

(i) Performing all other duties delegated to them by the CalCPA Board of Directors.

(j) The secretary/treasurer may delegate any or all of their duties outlined in items (a) – (f) above to the CEO of CalCPA.

(8) ANNUAL REPORTS. The chair of the CalCPA Council and the secretary/treasurer shall render an annual report at the Annual Meeting each annual meeting of the membership.

ARTICLE IX—SEAL

(1) FORM. The seal shall consist of a circular die, with two concentric circles, between which shall be the words "California Society of Certified Public Accountants," and in the center of the die, the words "Incorporated September 27, 1909."

ARTICLE X—BUDGET

(1) ANNUAL BUDGET. The CalCPA Board of Directors, with the assistance of the chief executive officer, no later than the first day of each fiscal year, shall prepare for the approval of and adoption by the CalCPA Council an annual budget, including budgets from each chapter, showing all
ARTICLE XI—Amendments

(1) **Proposals for Amendments by Voting Members.** Every proposal by voting members to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct shall be in writing and shall set forth the nature of the proposal. Such proposals shall be initiated, signed and presented to the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, of CalCPA by 3% or more voting members or by the CalCPA Council and may be voted upon at the next succeeding annual meeting of the membership, a special meeting of the CalCPA members or by ballot, as determined by the CalCPA Council.

(2) **Voting on Amendments at Annual Meeting or Special Meeting.** Unless the CalCPA Council orders a written ballot or a ballot by other means as established by rules set by the CalCPA Council, the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, shall include in the call for the Annual Meeting or a special meeting of CalCPA members all proposals presented by CalCPA voting members to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct. A majority affirmative vote of the CalCPA members voting at such Annual Meeting or the membership meeting or special meeting is required to adopt, amend or rescind these bylaws or the CalCPA Code of Professional Conduct.

(3) **Voting on Amendments by Ballot.** When the CalCPA Council orders a written ballot or a ballot by other means as established by rules set by the CalCPA Council, the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, shall forthwith submit the proposal to CalCPA members in such manner. Approval by ballot shall be valid only when the number of votes cast by ballot within the time specified by the CalCPA Council, which shall not be less than 30 days after the date the ballot is submitted to members, equals or exceeds 10% of voting that required to constitute a quorum at a meeting of the members, and the number of approvals constitutes a majority affirmative vote of the votes cast by ballot.

(4) **Amendment by CalCPA Council.** Except to the extent voting member approval is required pursuant to Section 7150 of the California Corporations Code, these bylaws and the CalCPA Code of Professional Conduct may be adopted, amended, or repealed by the CalCPA Council without member approval.

ARTICLE XII—Committees and Sections of CalCPA

(1) **State Committees and Sections.** The voting members of CalCPA, the CalCPA Council, or the CalCPA Board of Directors may designate or dissolve such committees and sections as they deem desirable from time to time to create and carry out the purposes of CalCPA. Unless specified by at least a majority of the voting members of CalCPA or the CalCPA Council, for any committee or section designated, the CalCPA Board of Directors or their designee/s shall specify the number of members to compose each such committee and sections and the duties thereof.

   (a) Every proposal for the creation of a committee or section by the voting members shall be in writing and shall set forth the nature of the proposal. Such proposals shall be initiated, signed and presented to the secretary/treasurer of the CalCPA Council by at least 25 voting members of CalCPA and may be voted upon at the Annual Meeting of membership or that of the CalCPA, special meeting of the CalCPA-voting members or by ballot, as determined by the CalCPA Council.

   (2) **Appointments by Incoming Chair of the CalCPA Council.** The incoming chair of the CalCPA
The CalCPA Council shall annually designate the personnel of every committee, except the Audit Committee, (see Article XIII), the Nominations Committee, (see Article XIV, Section (2)), and the CalCPA Board of Directors, (see Article VII, Section (4)), and at the time of appointment of a committee shall designate the chair of the committee. The chair of the CalCPA Council shall be a member “ex-officio” of every committee except the Audit Committee and Nominations Committee.

(a) —The Solely for purposes of Section (2) of this Article XII, the incoming chair of the CalCPA Council shall be deemed to be the person nominated to serve as chair by the Nominations Committee pursuant to Article XIV, Section (1)(b) for the coming fiscal year.

ARTICLE XIII—Audit Committee and Auditors

(1) Appointment of Audit Committee. The CalCPA Council will annually appoint an audit committee (Audit Committee). The appointment of the Audit Committee members shall occur at the first meeting of the council year.

(2) Composition. The audit committee Audit Committee may include persons who are not members of the CalCPA Council. The audit committee cannot include staff members, the chair, secretary/treasurer, CEO, or CFO of the organization CalCPA. Members of the finance committee Finance Committee may serve on the audit committee Audit Committee, but cannot comprise 50 percent or more of the audit committee members of the Audit Committee.

(3) Auditors. The audit committee Audit Committee, under the supervision of CalCPA Council, is responsible for making recommendations to the council CalCPA Council on the hiring and firing of independent certified public accountants (CPAs). The audit committee shall negotiate the independent CPA to be engaged as external auditors to CalCPA. The Audit Committee has the delegated authority of the CalCPA Council to negotiate the external auditor’s compensation. The Audit Committee shall recommend and the CalCPA Council shall appoint the outside auditors. The CalCPA’s external auditors shall have access to the books and records of the secretary/treasurer, or such secretary/treasurer’s designee, at all reasonable times throughout the fiscal year. The CalCPA’s external auditors shall render an opinion on the CalCPA financial statements included in the annual report of the treasurer and shall furnish one copy each thereof to the officers. Facsimiles of such financial statements and the external auditors’ opinion shall be distributed to the membership CalCPA members annually.

(4) The audit committee Audit Committee must:

(a) confer with the external auditor to satisfy committee members that the financial affairs of CalCPA are in order;

(b) resolve any disagreements between management and the external auditors regarding CalCPA’s financial reporting and other matters;

(c) oversee the external auditor’s qualifications and independence;

(d) oversee CalCPA’s systems of disclosure controls and procedures;

(e) oversee CalCPA’s internal controls over financial reporting, including, but not limited to, reviewing with the CalCPA Council the adequacy and effectiveness of such internal controls;

(f) oversee CalCPA’s compliance with ethical standards adopted by the CalCPA Council, for any to the extent relevant to the financial reporting function;

(g) hold timely discussions with the external auditors regarding: (i) all critical accounting policies and practices; (ii) all alternatives treatments of financial information within generally accepted
accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and (iii) other material written communications between the external auditor and management, including, but not limited to, any management letter or schedule of unadjusted differences;

(h) oversee, review, and periodically update CalCPA’s code of business conduct and ethics and CalCPA’s system to monitor compliance with and enforcement of such codes;

(i) review, with CalCPA’s counsel, legal compliance and regulatory matters that could have a significant impact on CalCPA’s financial statements;

(j) discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as CalCPA’s major financial risk exposures and the steps management has undertaken to control them;

(k) review the audit and decide whether to accept it; and

(l) approve non-audit services by the external auditors, and ensure such services conform to standards in the Yellow Book issued by the U.S. Comptroller General.

ARTICLE XIV—Nominations Committee

(1) Responsibilities of the Nominations Committee. The responsibilities of the Nominations Committee shall be to:

(a) Collect and process the candidate applications for officers of CalCPA and at-large members of the CalCPA Council;

(b) Nominate officers and at-large members of the CalCPA Council by either of the following methods, as determined by the Nominations Committee:

   (1) An affirmative vote of at least a majority of the members of the Nominations Committee at a meeting at which a quorum is present;

   (2) An affirmative vote by ballot of at least a majority of the members of the Nominations Committee, who vote by ballot, provided that the number of votes cast by ballot within the time specified by the Nominations Committee equals or exceeds three-fourths of the number of members of the Nominations Committee. Three-fourths of the Nominations Committee shall constitute a quorum for purposes of any vote by ballot pursuant to this Section (1)(b)(2).

(3) The report of the Nominations Committee shall be filed with the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, not later than the first day of the next to last month of each fiscal year;

(2) Composition of Committee. The Nominations Committee shall be composed of:

(a) The past-chair of the CalCPA Council twice removed, who shall serve as chair;

(b) The past-chair of the CalCPA Council once removed, who shall serve as vice-chair;

(c) One committee member designated by the president of each of the CalCPA chapters, who shall serve staggered two-year terms; and
(d) Five at-large members of the CalCPA Council who shall be elected by a vote of at least a majority of the CalCPA Council at the last meeting of the council year and shall serve staggered two-year terms.

(e) Those not eligible to serve on the Nominations Committee are: (i) elected officers, (ii) appointed Board members, and (iii) candidates for CalCPA officer or CalCPA Council at large positions, and (iv) board members of the California Certified Public Accountants Education Foundation, unless such board member is serving in an ex-officio capacity as identified in clauses (a) and (b) above, or (g) below.

(f) **Term Limit.** Members of the Nominations Committee, with the exception of those serving in an ex-officio capacity as identified in this article above, may not serve more than 4 consecutive years, without a 365-day break in service.

(g) Should the past-chair of the CalCPA Council designated in clauses (a) or (b) above not be able to serve, then the next preceding past-chair available shall serve in that capacity.

[3] (4) **Consent.** The consent of nominees proposed by the Nominations Committee or by other voting members, as provided herein, shall be obtained before the forwarding of such nomination to the secretary/treasurer of CalCPA.

[4] **Notice.** Notice of the Nominations Committee’s nominations for officers and at-large members to the CalCPA Council shall be provided to members of CalCPA, under rules established by the CalCPA Council, not later than the thirteenth day of the next to last month of each fiscal year.

[5] **Nominations by Members.** 250 or more voting members may nominate a candidate for officer or at-large member to CalCPA Council. Such nominations must be filed with the secretary/treasurer of CalCPA, or designee, not later than the first day of the first month of the fiscal year.

[6] **Close of Nominations.** Notice of nominations for officers and at-large members to the CalCPA Council shall close not later than the first day of the first month of each fiscal year. In accordance with California Corporations Code Section 7522 (d), if after the close of nominations, the number of nominees is not more than the number of positions to be elected, CalCPA may without further action, declare that those nominated and qualified to be elected have been elected.

[6] **Notice.** Notice of nominations for officers and at-large members to the CalCPA Council shall be made by the Nominations Committee and filed with the secretary/treasurer of CalCPA, or designee, not later than the fifteenth day of the first month of each fiscal year.

[7] **Nominations by Members.** One-hundred or more voting members may nominate a candidate for officer or at-large member to CalCPA Council. Such nominations must be filed with the secretary/treasurer of CalCPA, or designee, not later than the first day of the first month of the fiscal year, the close of nominations.

[8] **Secretary/Treasurer’s Report.** In the event that there are nominees in addition to those nominated by the Nominations Committee, the secretary/treasurer of CalCPA, or such secretary/treasurer’s designee, shall send to the voting members a report containing the names of all nominees and other information the Nominations Committee determines to be reasonable and appropriate (e.g., biographical information), whether nominated by the Nominations Committee or otherwise. Such report shall be given not later than 15 days before the Annual Meeting of the membership.

[9] **Election of Petition Nominees.** If a petition nominee is presented for a director or at-large member of Council, the election shall occur at CalCPA’s Annual Meeting of the membership the first day of the second month of the fiscal year.
ARTICLE XV—Appointment and Nomination of AICPA Representatives

(1) **Representatives.** The bylaws of the AICPA provide for representation of CalCPA and AICPA members residing in California on the AICPA Council. Those bylaws set forth the process for AICPA Council designations and nominations. To the extent that rights are granted by AICPA to CalCPA with respect to this process, this article Article XV shall govern the exercise of such rights.

(a) **State Society Representative to AICPA Council.** The AICPA bylaws provide that the executive director of state societies (CEO of CalCPA) will be requested to provide the name of their designated representative to the AICPA Council. That representative will be the chair of CalCPA unless the chair is already serving as an AICPA Council member. If the chair of CalCPA is already serving on the AICPA Council, the chair, after such consultation as the chair deems appropriate, shall provide the name of an eligible CalCPA member to the AICPA as the CalCPA representative.

(b) **California AICPA Member Positions on AICPA Council.** The AICPA bylaws provide for the process by which societies of certified public accountants in each state are to provide the names of suggested candidates to fill AICPA Council vacancies that may arise in the coming year. Nominations from CalCPA shall be administered by the CalCPA Nominations Committee utilizing the same process used for nomination of at large members of CalCPA Council. Nominations from the CalCPA Nominations Committee shall be provided to the AICPA without further CalCPA review.

Applicant not a Member of CalCPA. If an applicant is an AICPA member, but not a CalCPA member, the Nominations Committee shall expand its process to incorporate the applicant, using measures they deem appropriate.

ARTICLE XVI—Miscellaneous

(1) **Parliamentary Procedure.** The rules contained in the current edition of “Robert’s Rules of Order Newly Revised” shall govern CalCPA in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order CalCPA may adopt.

(2) **Location of Offices.** The offices of CalCPA shall be maintained at such location or locations as the CalCPA Council may designate from time to time.

(3) **Right of Indemnity.** To the full extent permitted by law, CalCPA shall indemnify its members of the CalCPA Council, members of the CalCPA Board of Directors, officers, employees, and other persons described in Subsection Section 7237 (a) of the California Corporations Code, including persons formerly occupying such positions (collectively, “agents”), against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding” as that term is used in such subsection Section 7237(a) of the Code by reason of the fact that such person is or was a person described in such subsection. The term “expenses” as used in these bylaws shall have the same meaning as in Subsection Section 7237 (a) of the California Corporations Code.

(4) **Approval of Indemnity.** Upon written request to the CalCPA Board of Directors by any person seeking indemnity under Subsection Section 7237 (b) or (c) of the California Corporations Code, the CalCPA Board of Directors shall promptly determine whether such person has met the applicable standards of conduct set forth in such subsections.

(5) **Advancement of Expenses.** To the full extent permitted by law, and except as shall otherwise be determined by the CalCPA Board of Directors in the specific instance, expenses incurred by a
person seeking indemnity under these bylaws in defending any proceeding covered by these bylaws shall be advanced by CalCPA prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall be determined ultimately that such person is entitled to be indemnified by CalCPA therefore.

(5) **Non-Exclusivity.** Nothing herein shall be deemed to diminish or otherwise restrict any rights to which any person indemnified under these bylaws may be entitled under CalCPA’s Articles of Incorporation, these bylaws, any contract, any vote of voting members or disinterested directors, or under the laws of the state of California.

(6) **Insurance.** CalCPA shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s, or agent’s status as such.

(7) **Books and Records.** CalCPA shall keep at its principal office correct and complete books and records of the activities and transactions of the Corporation, including the original or a copy of its Articles of Incorporation and these bylaws as amended to date.

(8) **Limitation of Liability of Volunteer Directors and Volunteer Executive Officers.** Except as provided in Section 7233 or 7234, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any volunteer member of the CalCPA Council or the CalCPA Board of Directors or volunteer executive officer of CalCPA based upon any alleged failure to discharge the person’s duties as a director or officer if the duties are performed in a manner that meets all of the following criteria: (a) the duties are performed in good faith; (b) the duties are performed in a manner such director or officer believes to be in the best interests of CalCPA; and (c) the duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. “Volunteer” means the rendering of services without compensation. “Compensation” means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a member of the CalCPA Council or the CalCPA Board of Directors or to an executive officer does not affect that person’s status as a volunteer within the meaning of this Section (8). “Executive officer” means the CEO, president, vice president, secretary/treasurer of CalCPA, or other individual serving in like capacity, who assists in establishing the policy of CalCPA.

(9) **Corporate Loans, Guarantees and Advances.** Except as provided by applicable law (including Section 7235 of the Code), CalCPA shall not make any loan of money or property to or guarantee the obligation of any member of the CalCPA Council or the CalCPA Board of Directors or any officer of CalCPA or any of its affiliates.

Last year, CalCPA shared a commitment to promote diversity, equity and inclusion (DE&I) throughout the profession. The driving forces behind this initiative are both ethical and practical: Research indicates that promoting DE&I isn’t just the right thing to do; it’s also a business imperative.

As CalCPA continues to lead efforts to transform the profession and recruit and retain the diverse talent needed to achieve that vision, volunteer leadership and senior staff identified DE&I efforts as central to the successful transformation of the profession.

The member-led CalCPA Diversity, Equity and Inclusion Commission (CDEIC) was formed to be the public face of CalCPA’s DE&I efforts, and to collaborate with staff to create meaningful programs, resources, solutions and results for all of our communities, including members, staff and partners. Led by former CalCPA Chair Kathy Johnson, CPA, CGMA, and vice chair Brad Monterio, CalCPA chief learning officer, the 20-plus member CDEIC is committed to defining specific goals, standards, best practices and performance metrics to measure its progress and to strive for a more inclusive, equitable profession.

This sustained effort includes collaboration with CalCPA’s partners—including other state CPA societies—and ensures transparency and accountability by publicly reporting progress updates on outcomes. This recurring column will be one of the ways in which the CDEIC shares these updates.

As part of its early efforts, the CDEIC chose a data-based approach in helping to define issues and opportunities and set the course for developing strategies and solutions. In February, CalCPA and the Institute of Management Accountants (IMA) published a joint national research study titled Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes (imanet.org/diversifying-accounting-talent). Using surveys, one-on-one interviews and trend data on the demographic makeup across the accounting profession, the report highlighted several key findings:

• A “diversity gap” exists at the senior leadership level of the profession when compared to the broader community of accountants and finance professionals. Of 10 senior leaders, nine are Caucasian, eight are male and few identify as LGBTQIA.
• Just half of the respondents of all backgrounds view the profession as equitable or inclusive. An even smaller proportion of demographically diverse respondents share this view.
• People of diverse demographic backgrounds report they are not advancing in the profession because of inequity and exclusion.
• Approximately half of the groups studied indicated they have left an employer due to lack of good DE&I practices. Up to 20 percent of them have left the profession for the same reasons, representing a significant talent drain and opportunity cost to the profession.
• The lack of DE&I at senior leadership levels poses a critical risk to the success of the profession’s transformation by inhibiting its ability to attract, retain and promote diverse talent.

The study also identified several solutions to improving equity and inclusion in the accounting profession:

1. **Raise awareness** by identifying and addressing unconscious bias so people of all backgrounds are recognized and valued.
2. **Attract diverse talent** by promoting the profession as a desirable career path for people regardless of gender, ethnicity, race or LGBTQIA identification.
3. **Drive career choices** by taking steps to ensure that people of diverse backgrounds have equitable access career advancement.
4. **Increase accountability** for progress by measuring and reporting the progress of all professionals regarding the first three components above.

CalCPA is excited to serve a leading role in building a broad strategy supporting DE&I efforts for our profession—and we can’t accomplish this alone. We will keep our communities informed and engaged with solutions and efforts to make meaningful progress toward our goal to close the diversity gap.

Together we can ensure that our profession remains vibrant, diverse, equitable and inclusive for generations to come.
Find Your Perfect Match

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Finding the perfect accounting professional to meet your hiring needs can be tough—in any market. Take advantage of special membership rates and directly target your job opening to the thousands of CPAs who view CalCPA classifieds every day. Post your open positions now—and make your next hire your best hire.

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- **Virtual Event Sponsorships:** Support a CalCPA conference, webcast or chapter event to position your brand and engage with highly qualified registrants — or create your own event with us with your targeted content.
- **CalCPA Knowledge Hub:** CalCPA’s new Knowledge Hub syndicates content to a highly-engaged audience who become the source of high-quality, intent-based, 100% exclusive leads.
- **CalCPA Custom Media Solutions:** From video vignettes to virtual roundtables and executive interviews, we’ll help you build a custom media platform to generate quality leads, increase revenue, and bring visibility to your brand story.
- **CPA Job Board:** The ultimate resource to find your next hire.

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