

UNIFORM CHAPTER BYLAWS

Article I

Name

Section 1

Name

The name of this organization shall be the

Chapter of the Association of Certified Fraud Specialists (referred to as the "Chapter"). This chapter shall operate in keeping with, and under the authority of, the Association of Certified Fraud Specialists, Inc., an educational Non-Profit corporation (referred to as "the Association") operating under the provisions of Internal Revenue Service Code 501(c)(3).

Article II

Use of Trademarks

Section 1

The name "Association of Certified Fraud Specialists" and the seals and logos used in connection therewith are the trademarks of the Association. The use of these trademarks by the Chapter are permissible only as long as the Chapter is in possession of a valid Chapter Charter issued by the National Executive Committee of the Association.

Article III

Purpose and Objectives

Section 1

The Chapter is an educational, not-for-profit entity and is created to operate within the guidelines of Internal Revenue Service Code 501(c)(3). The primary purpose of the Chapter is to provide anti-fraud training programs to members and concerned professionals. Additional purposes include providing Pro Bono services to the community, promoting the expansion of fraud detection and deterrence knowledge and skills, and the interaction (networking) of its Members.

Incorporated by reference are the purposes, special purposes, and objectives identified for Chapter and Member activities in Article II and Article X of the national Bylaws of the Association of Certified Fraud Specialists.

Article IV

Membership

Section 1

Eligibility

All members in good standing of the Association are eligible for membership in the chapter. All applicants seeking membership in the Chapter must have first completed, and submitted, to the Association a written application, paid the applicable application fee, agreed to abide by the Bylaws, rules and regulations of the Association, and have been accepted into membership by the Association. Membership in the Chapter is evidenced by written notice from the Association.

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- Section 2 Certified Fraud Specialists
- Any Certified Fraud Specialists in good standing with the Association may become Regular (Full) members of the Chapter. Only Certified Fraud Specialists are Regular (Full) members of the Chapter. Only Certified Fraud Specialists may hold elective office and vote on matters requiring a Chapter membership vote.
- Section 3 Associate Members
- Any Associate Member in good standing with the Association may become an Associate member of the Chapter. Associate Members may not hold elective office or vote on issues requiring a Chapter membership vote. Associate Members may, however, hold any appointive office and serve on any Chapter committee, except for the Ethics Committee. Associate Members may vote on any matter(s) related to their appointed duties.
- Section 4 Students (Non-Association Members)
- Full-time students currently enrolled in degree programs of recognized colleges and universities may attend meetings of the Chapter upon proof of such enrollment, and under such rules as may be adopted by the Chapter. Such students are not members of the Chapter and may not hold any elective or appointed office. Students may not vote on any issue requiring a vote.
- Section 5 Honorary (Non-Association Members)
- The Chapter Board of Directors, at its discretion, may designate other persons as Honorary Members of the Chapter. Honorary Members are persons who wish to attend Chapter meetings, and participate in Chapter functions, but who are not members of the Association. Honorary Members may not hold any elective or appointed office and may not vote on any issue requiring a vote.
- Section 6 Transfers of Membership
- Membership in the Association guarantees membership in a chapter and the Associations' headquarters staff assigns each member to a chapter. The member of one local chapter may transfer to another chapter, subject to the approval of the Associations' Headquarters staff.
- Section 7 Resignation, Transfer, Withdrawal.
- Any Member may elect to not participate in chapter activities and may request transfer to another chapter. Members may not resign from a Chapter while remaining a member of the Association. Resignation from the Association constitutes automatic resignation from the

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Chapter. Resignation from membership in the Association is governed by the Associations' Bylaws, Rules and Regulations.

The withdrawal of a Member from chapter participation, or the transfer of a Member to another chapter, shall not relieve that Member from any obligation owed to the Chapter nor will it create any right to a prorated share of the assets of the Chapter. All requests for transfer to another Chapter shall be made in writing to the Associations' headquarters.

Section 8

Expulsion

Members may only be expelled by the Association of Certified Fraud Specialists and in accordance with the national Bylaws and the Associations' Rules and Regulations.

It is the responsibility of the Members of the Chapter to ensure the conduct of the Membership is in keeping with the standards and ethical guidelines of the Association. If a Member of the Chapter submits a written complaint to the Chapter Board of Directors, alleging that the conduct of a Member is in violation of the bylaws of the Chapter or the Association, or that the conduct is detrimental to the best interests of the Chapter or Association, the Chapter Board of Directors shall refer the matter to the Chapter Ethics Committee for review and investigation. The Member will be given adequate opportunity to meet with the Ethics Committee and respond to the allegation. The Ethics Committee shall submit to the Chapter Board of Directors the results of their investigation. If the majority of the Ethics Committee members believe expulsion of the Member to be warranted, the Chairman of the committee shall prepare a written report for the Chapter Board of Directors stating expulsion is recommended and outlining the reasons for the recommendation.

Alternately, the Members of the Chapter may, by a two-thirds vote of those present at a Chapter meeting, make a written recommendation to the Chapter Board of Directors, that the membership of any Member be terminated for violation of the bylaws or for conduct determined to be detrimental to the best interests of the Chapter or Association.

If the local Board of Directors receives a recommendation for expulsion of any Member from the Ethics Committee, or as a result of a two-thirds majority vote of those Members present at a Chapter meeting, the local Board of Directors shall prepare a notice to the affected Member. The notice shall be mailed to the most recent address of the Member with a copy of the notice being forwarded to the Associations' headquarters to the attention of the National Ethics Committee. The notice shall be certified as authentic by the Chapter Secretary and state the reasons for the proposed expulsion and shall provide the Member with at least 30 days to respond.

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No action will be taken in regards to the Member until he or she has had an opportunity to respond to the charges by a hearing before a quorum of the Chapter Board of Directors. After said hearing, the Chapter Board of Directors shall prepare a formal recommendation and forward it, together with all related materials, to the National Ethics Committee.

If the Member does not respond to the letter within 30 days of the notice, the findings, together with all related materials, shall be forwarded to the National Ethic Committee for review.

Section 9 Dues

No Member shall be charged local Chapter dues. The Association annually collects membership dues, a portion of which is allocated to fund Chapter operations.

Section 10 Local Membership Report and Local Contact Listing

On January 1st of each year, or upon request, the Chapter shall furnish to the Association a current and updated list containing the names, addresses, and daytime phone numbers of all Members of the Chapter. The list shall indicate whether the person is a Certified Fraud Specialist, or an Associate, Student, Affiliate, or Honorary Member.

On January 1st of each year, or upon request from the Associations' headquarters staff, the Chapter shall furnish to the Association a current and updated listing of local contacts the Chapter uses to mail training notices and information.

Article V Liability Limitations

Section 1 Chapter Liability

The Chapter shall be fully and solely responsible for its own legal and financial affairs, and shall hold harmless the Association, by reason of their affiliation, from any lawsuits, damages, other expenses or liabilities arising out of the activities of the Chapter.

Section 2 Association Liability

The Chapter shall not be responsible nor liable for any lawsuits, damages, other expenses, or liabilities arising out of the activities of the Association.

Section 3 Personal Liability of Directors and Chapter Indemnification

The Officers and Directors of the local Chapter shall not be personally liable for the debts, liabilities, or other obligations of the Chapter. The Directors and Officers of the Chapter shall be indemnified by the Chapter to the fullest extent permissible under the laws of this state.

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Section 4 Insurance

The Association shall procure liability insurance for the Chapter, and the Chapter agrees to allow all reasonable premiums for such insurance to be deducted from the funding provided to the Chapter by the Association.

Section 5 Association Authority

In any disputes, the Association is the final authority.

Section 6 Appeals

Any Member may seek redress on any issue of concern. The Member may submit the issue of concern for appeal to the Regional Governor of the Region in which the Chapter resides.

Any decision rendered by the Regional Governor may be appealed to the National Executive Committee of the Association.

If the Member wishes to appeal the decision of the National Executive Committee, the Member may do so only if granted approval by the National Executive Committee.

If granted approval by the National Executive Committee, the Member may appeal an issue of concern regarding standards to the Board of Regents, who may choose to hear, or not hear, the appeal. The decision by the Board of Regents is final.

If granted approval by the National Executive Committee, the Member may appeal an issue of concern regarding procedure or policy to the Associations' National Board of Directors, who may choose to hear, or not hear, the appeal. Their decision is final.

Article VI Finances

Section 1 Fiscal Year

The fiscal year for the Chapter shall conform to the fiscal year of the Association, which is January 1st to December 31st.

Section 2 Chapter Funds and Dues

The local Chapter may not assess or collect dues from Members. Control of Chapter funds shall be in a manner as established by the local Board of Directors, and effected by the Chapter Treasurer. The Chapter Treasurer shall be empowered to collect, handle, and disburse Chapter funds in accordance with the directions of the Chapter Board.

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Section 3 Assessments

There shall be no involuntary assessments imposed. Voluntary assessment may be enacted if the two following requirements are met. If the need for an assessment is submitted to the Associations' National Executive Committee, and receives their written approval, the assessment may then be submitted to the local Chapter membership for U.S. Mail ballot.

If the assessment is approved by a simple majority vote of the Chapter members, the local Board of Directors may collect the assessment from those members voting in the affirmative for the assessment.

The local Board of Directors may request payment of the assessment from Members voting against the assessment, but they may not be compelled to make payment. Assessments do NOT constitute an obligation or debt owed by any member to the Chapter.

Article VII Organization and Structure

Section 1 Board of Directors

The Chapter Board of Directors shall consist of the Chapter President, Vice President, Secretary, and Treasurer; plus at least three Members elected at large from the Chapter. A quorum shall consist of a majority of the Directors.

The Board shall also have the option to combine the offices of Secretary and Treasurer and designate one person to conduct both functions. If the Board chooses this option, then the number of at-large Directors shall be reduced so that an odd number of Directors is maintained.

Section 2 Elections

The officers and directors set forth in these Bylaws shall be elected by a simple majority of the votes of the Members. Voting may be accomplished as follows. Members are mailed voting ballots, together with a meeting notice, at least 30 days prior to the election date. Members may cast their ballots by mail, or attend the election meeting in person. Each Regular Member (Certified Fraud Specialist) is entitled to one (1) vote. The mail ballot of any Regular Member in attendance will be discarded and not counted.

The results of the election will be certified by the current Board of Directors, or by a Chapter Nominations Committee. Elected officers and directors will assume office at the conclusion of the election meeting. The Chapter Board of Directors shall forward the results of the election, together with the names, addresses, phone numbers and Chapter titles of the newly elected Chapter Board of Directors, to the Association within 10 business days.

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Section 3 Terms of Office

- The President shall serve a two-year term.
- The Vice-President may serve a one or two-year term.
- The Secretary shall serve a one-year term.
- The Treasurer shall serve a two-year term.
- The Directors-at-Large shall serve one-year terms.

If the position of Secretary and Treasurer are combined, the position shall have a two-year term. The Directors shall hold office until their successors are duly elected

Section 4 Term Limits

Candidates for Officer and Director positions may be re-elected and hold an office for more than one term.

Candidates are ineligible for re-election if they have been in the office for two consecutive terms.

Section 4 Vacancies

If the office of any Director or Officer becomes vacant, the current Directors shall appoint a person to fill the vacancy. If the remaining term of office is six months or less, the appointed official shall complete the term of office.

If the remaining term of office is greater than six months, an election notice shall be sent to the membership and an election meeting held in accordance with these Bylaws.

Section 5 Duties and Responsibilities

The Chapter Board of Directors shall be the governing body of the Chapter. Members seeking to appeal decisions made by the Board of Directors may do so by submitting a written appeal to the Regional Governor for the Region in which the Chapter resides.

The Board shall perform any and all duties imposed on them collectively or individually by law, the Articles of Incorporation, these bylaws, or by officials of the Association operating within the authority of their office.

The Board shall supervise all officers, agents, and members of the Chapter to assure that their duties are performed properly.

The Board shall make available all financial records of the Chapter to any Chapter Member, or to the Association upon reasonable notice. The Board shall cooperate with, assist, and comply with requests of the National Treasurer of the Association in the performance of his or her duties.

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Section 6 Meetings of the Chapter Board of Directors

The Chapter Board of Directors shall meet at least twice a year at such times and places that it may choose. At meetings, a quorum must be present in order for the Board to conduct business.

Meetings shall be conducted under the rules contained in Robert's Rules of Order (as revised) unless those rules are in conflict with these bylaws, in which case the bylaws shall take precedence.

In all meetings of the Board, the President shall preside. In his or her absence, the Vice President, the Secretary, or the Treasurer shall preside, in that order.

Appropriate notice of the meetings of the Board shall be furnished to each Member of the Board at least ten (10) days in advance of a regular meeting.

A special meeting may be called by the President, or by any three (3) Board Members. Notice of any special meetings must be sent to the Association, and to the other members of the Chapter Board of Directors, at least three (3) days before such meeting.

Section 7 Compensation

The Chapter Officers and Directors shall not receive any compensation for their services. Any member of the Chapter shall be entitled to reimbursement for actual expenses incurred by them in connection with the performance of their duties. Any such expenditures shall be presented to the President or Treasurer for approval and payment.

Section 8 Removal

Chapter Directors may be removed from office by the Chapter members, or by the Associations' National Executive Committee, with or without cause, in accordance with the laws of this state.

Article VIII Affiliation, Supervision, and IRS Affirmations

Section 1 Affiliation and Supervision

The Chapter Members, Directors, and Officers acknowledge that the Association is the central organization and that the Chapter is an affiliated subordinate organization operating under the Associations' control and general supervision.

Section 2 Tax Exempt Status

The Chapter Directors formally acknowledge the chapter is eligible to apply for tax exempt status pursuant to Internal Revenue Service Code 501(c)(3).

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- Section 3 Private Foundation Status
- The Chapter Directors attest and affirm that the Chapter is not, nor has it ever been, a private foundation as defined by the Internal Revenue Service.
- Section 4 As referenced by Article VI, Section 1 of these Chapter Bylaws, the Chapter Directors formally acknowledge, and agree, to conform with the Association's accounting period (Fiscal Year.)
- Section 5 The Chapter Directors formally affirm and attest that revenues and receipts will come from either the Association, the tuitions paid by registrants attending Chapter training programs, or a combination of both sources.
- Section 6 By implementation of these Bylaws, and the authorized Chapter Officer affixing his or her signature thereto, the Chapter Directors formally authorize, and request, the Association include the Chapter in any and all Group Exemption Letters the Association files with the Internal Revenue Service.
- Article IX Duties of Officers and Directors-at-Large**
- Section 1 Officers
- The elected officers of the Chapter shall consist of a minimum of a President, Vice President, a Secretary/Treasurer, and two Directors-at-Large.
- Section 2 President
- The President shall be the executive head of the Chapter, and when present, shall preside at all meetings of the Chapter and Board of Directors. He or she shall exercise general supervision and management of the affairs of the Chapter; shall consult with and inform other Directors, Members, and the Association of significant events; shall make an annual report to the Members of the Chapter and the Association; and shall have additional duties as may be delegated by the Board, the Associations' Regional Governor for the region in which the Chapter resides, or Association, from time to time.
- Section 3 Vice President
- The Vice President shall report to the President and shall assume the duties of the President in his or her absence. The Vice President shall be responsible for other duties that the Board shall delegate from time to time.
- Section 4 Secretary
- The Secretary shall report to the President and shall be responsible for maintaining all records, other than financial, maintained by the Chapter. The Secretary shall also be responsible for the Membership records

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and attendance; the minutes of the meetings; and other duties that from time to time may be required.

Section 5 Treasurer

The Treasurer shall report to the President and shall be responsible for all financial records maintained by the Chapter. All moneys received by the Chapter, as well as disbursements, shall be the responsibility of the Treasurer. He or she shall ensure that any funds received are properly deposited for safekeeping to the credit of the Chapter; that all disbursements are properly approved; that the Board is kept advised of the status of the accounting of funds; and otherwise perform appropriate duties to ensure that the assets of the Chapter are properly safeguarded. The Treasurer will be responsible to produce annual financial statements of the Chapter and submit them to the Board and the Associations' National Treasurer at least one month before the Associations' Annual Membership Meeting which is held each year during the Associations' annual National Fraud Conference.

Section 5 Directors-at-Large

The chapter Directors-at-Large shall be responsible for those duties as established by the local Board of Directors. Typically, such duties would include representing the Chapter at official functions and assuming those duties or responsibilities as deemed to create an excessive workload for the Chapter Officers. Directors-at-Large typically Chair key Chapter committees such as the Chapter Membership and Training Committees.

Article X Standing Committees

Section 1 Committee Appointments

The President is responsible for nominating the Chairs for each committee with each nomination being confirmed by a majority of the Chapter Board of Directors. The committee Chairs shall nominate members to their respective committees, with each nomination being confirmed by either the President or the Vice President. The exception to this process exists for the Nominations Committee, Elections Committee, and the Ethics Committee.

Section 2 Nominations Committee

The Nominations Committee shall be composed of three Regular Members nominated by the President and who were confirmed by a majority of the Board of Directors. Members of the Board of Directors may not serve on this committee. Members of the Nominations Committee shall consider all suggestions and recommendations for offices, and shall nominate more than one, but less than four, Candidates for each office or award.

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Section 3 Election Committee

The Election Committee shall consist of three Regular Members appointed by the Vice President. Members of the Board of Directors may not serve on the Elections Committee. Members of this committee shall be responsible for certifying the results elections, awards selections, confirmation of appointments.

Section 4 Ethics Committee

The Ethics Committee shall consist of three Regular Members. The President shall appoint the Chairman of the Committee. The Vice President shall appoint one member to the Committee. The appointees of the President and Vice President shall agree in the selection and appointment of a third member to their Committee. Members of the Board of Directors may not serve on the Ethics Committee. Members of this committee shall be responsible for investigating all allegations of misconduct by any Member of the Chapter. Committee Members shall also be responsible for submitting to the Board of Directors a report of findings, together with any recommendations the Committee may believe the Board of Directors should consider.

Section 5 Other Committees

Other committees may be established by a resolution adopted by a majority of the Board of Directors at a meeting at which a quorum is present.

Article XI Annual Meeting

Section 1 Purpose

The Annual Meeting of the total Membership of the Chapter shall be held for the purpose of announcing the results of the election of Officers and Directors; the installation of the Officers and Directors; presenting the annual financial statements of the Chapter; and transacting such other business as deemed appropriate by the Board.

Section 2 Time and Place

The annual Meeting shall be held each year at a time and place specified by the Board of Directors.

Section 3 Notification of Meeting

All members in good standing shall be notified in writing at least sixty days in advance of the annual meeting.

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Section 4

Voting

All Members in good standing and present in person shall be eligible to vote at the Annual Meeting. A quorum shall be constituted by a majority of those Members present who are eligible to vote. All business coming before the Membership for approval shall first be approved by a majority of the Chapter Board of Directors unless otherwise required by these bylaws.

Article XII

Dissolution

The vote to dissolve the Chapter must be by written ballot and must be approved by a two-thirds majority of the members eligible to vote. The Association must be notified in writing at least thirty (30) days prior to the vote and must be notified in writing of the results immediately thereafter.

Upon the dissolution of the Chapter, any assets that remain after payment, or provision for payment, of all debts and liabilities of the Chapter shall be paid to the Association for use in funding the operations of other Association Chapters.

Upon dissolution, the Chapter shall destroy all letterhead, stationery, or other items bearing the name, logo or seal of the Association. It shall also provide to the Association a list of all Chapter members at the time of dissolution, a detailed report regarding the distribution of Chapter assets, and a copy of the Certificate of Dissolution issued by the state.

The Officers and Directors of the Chapter shall be held individually responsible by the Association to ensure that the requirements related to dissolution are met.

Article XIII

Creation of a Chapter Handbook

The Association is developing a Handbook designed to guide Chapters both in their formation and in their operation. The Chapter Members, Officers, and Directors agree to abide by the provisions of the Handbook once it has been officially issued by the Association.

The Chapter Members, Officers, and Directors also agree to abide by all Rules or Regulations on Chapter operations, as may be instituted by the Association from time to time.

Article XIV

Amendments to Bylaws

No amendments may be made to these Bylaws without prior written approval of the Association. Proposed amendments, including additions or deletions to these Uniform Chapter Bylaws, must be approved by a majority of the Chapter Board of Directors and then must be submitted to the National Secretary for review by the Association's

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Bylaws and Procedures Committee. After review, the National Secretary, on behalf of the Association's Bylaws and Procedures Committee, will submit a written recommendation to the Association's National Executive Committee. Written approval of the Association's National Executive Committee is required before any proposed amendments, additions, and/or deletions may be submitted to the Chapter membership for balloting.

The meeting at which the proposal is voted upon shall be a duly called meeting with notices being mailed as prescribed by these bylaws. Any modifications, amendments, additions, or deletions to the bylaws shall not take effect unless approved by a two-thirds majority of the Chapter Members voting

Article XV Chapter Office - Location

The location of the Chapter Office shall be at a place designated by the Chapter Board of Directors.

Article XVI Effective Date

These bylaws shall be effective on the date that they are adopted by the Chapter Board of Directors.

CERTIFICATE OF CHAPTER SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of the Chapter, and the above bylaws, consisting of _____ pages, are the bylaws of the

_____ Chapter of the
Association of Certified Fraud Specialists, Inc. as adopted at the meeting on _____, 20____.

Attest:

Secretary

Date