

**ASSOCIATION OF PUBLIC PENSION FUND AUDITORS, INC. (APPFA)**  
**CONSTITUTION AND BYLAWS**  
As Amended June 17, 2022

**ARTICLE I -- NAME AND PURPOSE**

Section 1. The name of this organization shall be the Association of Public Pension Fund Auditors, Inc., hereafter referred to in the Constitution and Bylaws as either APPFA or the Association.

Section 2. The purpose of the Association is the following:

- (a) To unify and encourage cooperative relationships among internal auditors who are representatives of public pension funds, retirement systems, and public investment boards.
- (b) To provide comprehensive professional development opportunities and activities for the practice of internal auditing in pension-related topics.
- (c) To promote and maintain high professional standards for internal auditors in public retirement systems.
- (d) To promote the need and value of a well-founded internal audit program as an invaluable aid to management.
- (e) To offer support to a curriculum of internal auditing in institutions of higher education to encourage students to enter this field of professional endeavor.
- (f) To encourage and facilitate research, publication, and dissemination of information among the membership concerning internal auditing, where possible specifically emphasizing audit requirements unique to Public Employee Retirement Systems (PERS).
- (g) To sponsor/co-sponsor such other activities as may be useful in developing the knowledge, skills, and abilities of internal auditors.

Section 3. No part of the assets of this Association, nor any income or gain therefrom, shall inure to the benefit of its members in the event of dissolution of this Association. If for any reason the purposes of this Association shall become impossible to fulfill, the assets remaining after all liabilities and obligations have been paid, satisfied, and discharged, shall be distributed as designated by the Board of Directors of the Association, to one or more of the following public purposes:

- (a) An organization operated for charitable or educational purposes having exemption from federal income tax under section 509(a)(2) of the 1986 Internal Revenue Code as amended.
- (b) The federal or a state or local government.

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**ARTICLE II -- MEMBERSHIP**

Section 1. Membership in APPFA is granted at the organizational level. Individual employees at the Member Organization can be classified as Regular or Associate members as defined in Section 3 and 4 of Article II. Regular and Associate memberships shall be in the name of the public pension funds, retirement systems, and investment boards rather than in the name of an individual.

The membership of the Association shall consist of the following classes:

- (a) Charter members as described in Section 2 of Article II.
- (b) Regular members as described in Section 3 of Article II, which will include Charter members insofar as membership rights and responsibilities.
- (c) Associate members as described in Section 4 of Article II.

Section 2. The Charter members of the Association shall consist of the following public pension funds and retirement systems:

- (a) California Public Employees' Retirement System.
- (b) California State Teachers Retirement System.
- (c) New York State and Local Employees Retirement System.
- (d) New York State Teachers Retirement System.
- (e) Public Employees' Retirement Association of Colorado.
- (f) State Universities Retirement System of Illinois.
- (g) State of Wisconsin Department of Employee Trust Funds.
- (h) Teachers Retirement System of Texas.
- (i) Virginia Retirement System.

Section 3. Regular (voting) members of the Association shall consist of public pension funds, retirement systems, and public investment boards having an active program of internal auditing performed by their employees. All Regular members will be accepted for membership in accordance with provisions and procedures prescribed in Sections 5 and 6 of Article II and will hereafter be referred to in the Constitution and Bylaws as Regular members.

Section 4. Associate (non-voting) members of the Association shall consist of internal auditors or enterprise risk management professionals from private educational endowment funds and those public pension funds, retirement systems or investment boards who do not have a full time internal audit function or enterprise risk management function but who demonstrate a commitment to the internal audit function to the satisfaction of the Membership Committee, may be accepted for membership in accordance with procedures prescribed in Sections 5 and 6 of Article II. This category will include State Auditors who have a separate and distinct organizational component that completes internal audit services for a public pension fund, retirement system or public investment board on a full-time continuing basis. Associate members shall enjoy all the privileges of the Association, except the right to vote or to hold office, and will hereafter be referred to in the Constitution and Bylaws as Associate members. Associate members may serve on the Association's committees.

Section 5. Applications for Regular and Associate membership must be submitted via the form on the Association's website. The Membership Committee will review the application and make recommendations to the Board of Directors. Admission to membership shall occur, subject to approval by a majority of Board Members, after the application has been processed and the payment of related dues has been made.

Section 6. Upon admission and the payment of related dues or when there is a change in the Primary representative, a Certificate of Membership shall be issued under the signature of the Secretary of the Association. Presentation may be made at a conference or, if not formally presented, forwarded by mail to the addressee of record.

Section 7. Each Regular member shall designate a Primary representative and may designate a Secondary representative. The Primary representative must be an internal auditor or other employee that has duties similar to those of internal auditors as determined by the Board. Each Associate member shall designate an Official representative and may designate a Secondary representative. The Official representative must be an internal auditor if one exists in the organization. However, if an internal auditor does not exist, a compliance officer, enterprise risk management professional, or other employee with duties similar to those of internal auditors as determined by the Board of Directors may be the Official representative. The Primary representative of each Regular member and the Official representative of each Associate member, shall give written notice via email on the following matters to the Secretary of the Association: any change of official representation; and any change in the audit program or interest in the support and furtherance of the field of internal auditing in public pension funds and retirement systems which would affect the classification or eligibility for Regular, or Associate membership in the Association. Upon receipt of such notification, the Secretary shall make an appropriate review thereof, effect the required changes, and render a report thereon to the Board of Directors.

Section 8. Membership in the Association may be discontinued as follows:

- (a) A resignation in good standing can be effected by written notice via email to the Secretary of the Association.
- (b) A termination of membership can be effected by the Board of Directors for due cause, which shall include the nonpayment of dues and recommendation of the Membership Committee. In such cases, the President of the Association shall give written notice via email of the board's action to the member stating the basis for termination of membership and the right to appeal this action to the full membership by the method prescribed in Section 4 of Article IX. If a membership is terminated for non-payment of dues, the membership may be reinstated upon payment of all delinquent dues.

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### **ARTICLE III -- VOTING**

Section 1. The designated Primary representative, or their designee, of each Regular member organization shall be entitled to cast one vote upon all matters brought before a duly called business meeting of the Association or at the discretion of the Board of Directors. The method of voting shall be as determined by the President and could include written, electronic, or verbal.

Section 2. Associate members shall not be eligible to vote.

Section 3. A majority vote shall be recognized when the votes received constitute more than one-half of the entire Regular members. A vote shall be valid and counted only if received within the time specified by the Secretary of the Association.

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## **ARTICLE IV -- FINANCES**

Section 1. The financial operation of the Association shall be on the basis of a balanced and approved budget and no financial obligation shall be incurred, except variable conference expenses, by any officer or committee except as authorized in the approved budget. The proposed budget for the next calendar year, as approved by the Board of Directors, shall be presented to the membership for its approval at the fall meeting of the Association or as feasible if an in-person meeting is not scheduled.

Section 2. Regular and Associate members shall be assessed dues. The amount of dues shall be recommended by the Board of Directors and approved by the membership. Dues are to be assessed on a calendar year basis. Dues shall be prorated on a monthly basis within a calendar year for new memberships or reinstatements of lapsed memberships as determined by the Board. The Association uses a calendar year basis of January 1 through December 31.

Section 3. Dues are payable upon issuance of the Association's official dues invoice. Dues are payable by March 31 of each year, unless otherwise noted on the invoice. Extension will be reviewed and granted on discretion of the Board.

Section 4. The registration fee for the Association conferences shall be established by the Vice President, approved by the Board of Directors, and shall consider the total need for funds. A registration fee for any member may be waived at the discretion of the Board of Directors, if recommended by the Vice President. Conference fee waivers, complimentary hotel rooms and travel costs may be awarded to officers, board members, conference hosts, and to certain committee members at the discretion of the Board of Directors if the individual's public pension fund, retirement system or public investment board will not pay the costs to attend an APPFA conference.

Section 5. The Treasurer of the Association shall keep an accurate and complete set of books and records of account, which may be inspected by any member for any proper purpose at any reasonable time. The Treasurer must be one of the signatories of all Association bank or investment accounts. The signature card for the Association's bank account will be updated upon change of officers and must contain the signatures of both the current President and current Treasurer. Additional information on the responsibilities of the Treasurer are included in Section 4 of Article VI.

Section 6. The Association's Treasurer shall be bonded for the proper performance of assigned duties, in such amount, and with such surety as the Board of Directors may require, the premium of such bond to be paid by the Association.

Section 7. The Association's officers, directors, and committee members shall receive no compensation for their services. However, they shall be entitled to reimbursement for authorized expenditures incurred in connection with the performance of their duties for the Association.

Section 8. The Association may contract with a former member on a part-time basis to assist in operations of the website, conference planning, membership, and other projects as determined by the Board of Directors. Paid staff shall not have voting privileges. An annual performance assessment will be conducted by the Board of Directors for paid staff for evaluating the services being provided and to provide a basis for evaluating any contract renewal requests.

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**ARTICLE V -- OFFICERS AND BOARD OF DIRECTORS / SUCCESSION:**

Section 1. The elective officers of the Association shall be a President, Vice President, Secretary, Treasurer, Webmaster, and two at-large Board members (non-officers). Only Regular Member Organization representatives shall be eligible for election to these offices. No person shall hold more than one elective office at a time. The order of succession of elected Officers shall be President, Vice President (President-elect), Secretary, Treasurer, and Webmaster. As President-elect, the Vice President shall succeed to the Office of President following completion of a two-year term or if a vacancy occurs in the Office of President under provisions of Section 5 of Article V.

Section 2. The election of officers shall occur at the fall business meeting of the Association or as feasible if an in-person meeting is not scheduled. Article III discusses voting.

Section 3. The term of office of all officers shall be two years and shall commence on January 1, following the close of the meeting at which they were elected. Officers shall be eligible for reelection; however, the President shall not serve more than one successive term. The term of the at-large Board members shall be three years and shall commence on January 1, following the close of the meeting at which they were elected.

Section 4. Effective with the fall 2021 election, the elections to office will be staggered as follows: Office of the President and the Vice President will occur during even years. Secretary, Treasurer, and Webmaster will occur during odd years.

Section 5. If a vacancy occurs in the Office of the President for whatever reason, the Vice President shall succeed to the Office of the President and assume the duties of the President for the remainder of the term of office. If this provision of succession is required, the limitation on more than one successive term as President shall be waived.

Section 6. Mid-term vacancies in the offices of Vice President, Secretary, Treasurer, or Webmaster shall be filled by President's appointment of a qualified APPFA member(s) to serve out the remaining term of office. Such appointment shall be confirmed by the full Board in a vote and will serve out the remaining term of the Officer who has been replaced. A mid-term vacancy in the Office of Vice President for any reason may be filled by the President's appointment of an at-large board member to serve out the remaining term of Vice President and confirmed by a vote of the full Board. If for any reason, an at-large member is unable to or declines to fill the vacancy of Vice President, the remaining term of the Vice President shall be filled by the President's appointment of a qualified APPFA member and confirmed by a vote of the full Board.

Section 7. If multiple vacancies occur for elected offices, the presiding Association officer may call a special election for the remaining term(s) of office. Nominations for office must meet all conditions of Section 1 and 8 of Article V.

Section 8. An eight-member Board of Directors shall be the governing body of the Association with full power of management, control of all its affairs, and custody of all its property. The Board of

Directors shall consist of the five elective officers of the Association as noted in Section 1 of Article V, the immediate Past President (ex-officio member of the Board), and two at-large regular members who will be elected to serve three-year terms. If the Past President role becomes vacant, a prior Past President would be requested to fill the role until such time that the Office of the President becomes the immediate Past President. If the prior Past President declines or is unable to fill the position, the Past President member of the Board of Directors will remain vacant.

Only persons who are a Regular member are eligible to serve on the Board of Directors, provided the individual has been in good standing for a minimum of two years. A Regular member may have either the Primary or Secondary representative serve on the Board. Each member shall have only one representative on the Board at one time, however, if necessary and due to extenuating circumstances, the Regular membership may waive this limitation. Election as an at-large member of the Board of Directors shall occur at the fall business meeting or as feasible if an in-person meeting is not scheduled and take place every three years, unless required to fill out remaining terms of office under Section 9 in Article V.

Section 9. When required, nominations and a slate of candidates for officers and the Board of Directors shall be developed in advance of the fall business meeting in accordance with provisions of Section 2b of Article VII and shall be presented at the fall business meeting by the Chairperson of the Nominating Committee. If necessary, the slate of candidates shall include nominations for Officers and at-large Board members to serve out the remaining term of an at-large Board member who is running unopposed for an Officer position. If a fall business meeting is not scheduled, the Board of Directors may designate an alternative method to hold elections.

Section 10. Interim term vacancies on the Board of Directors, not addressed in Article V or for any other reason, shall be filled by appointment of a qualified Regular member by the Association President. Such appointment shall be confirmed by vote of the full Board of Directors and serve out the remaining term of the replaced board member.

Section 11. Upon request of the President of the Association, the Board of Directors shall meet at least once a year (in addition to convening at the fall conference) at a site that will be the most convenient for a majority of the Board members or may meet via video or phone conference. Formal minutes of all Board of Directors meetings shall be officially recorded by the Secretary of the Association and made available on the Association website in the member-only section.

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## **ARTICLE VI -- DUTIES OF THE OFFICERS**

Section 1. The President shall be the executive officer of the Association and shall preside at all meetings of the membership and the Board of Directors. He/she shall be responsible for the following Association operational items:

- (a) Enforcement of the Association's Bylaws.
- (b) The execution of all resolutions and proceedings of the Association and Board of Directors.
- (c) The appointment of members to committees unless the committee members are appointed by an action of the Board of Directors.

- (d) Keep the Board of Directors fully informed of affairs of the Association and consult with the Board of Directors whenever necessary, concerning the business of the Association and its activities.
- (e) In coordination with the Secretary, sign Certificate of Membership as defined in Section 8 of Article II.
- (f) For non-conference-related contracts, sign contracts on behalf of the Association.
- (g) Send termination notice to those that have not paid their APPFA dues (annually).
- (h) Become a signatory on the bank account.
- (i) Verify the financials are prepared timely every two years.
- (j) Verify the tax returns are filed annually.

The President will be responsible for the following *conference planning items*:

- (a) Ensure the Vice President is working to advance the conference agenda.
- (b) Review contracts at the request of the Vice President.
- (c) Organize the Board and Annual Meeting material and send out prior to the conference.
- (d) Lead the discussion at the Board and Annual Meetings.
- (e) Prepare and give opening remarks at the APPFA Conferences.
- (f) Send letter to the executive director of the conference host thanking them.
- (g) Sign new member and change of primary representative certificates; and distribute certificates during the conference an appropriate planned time in coordination with conference host and the Secretary.

In the absence or inability of the President to act, the officers (in the order listed) shall have the powers and shall perform the duties of the President: Vice President, Treasurer, Secretary, and Webmaster.

Section 2. The Vice President shall serve as Chairman of the Program Committee (see Section 2c of Article VII) and shall assist the President, serve as the President in the event of the President's absence or inability to act, and perform such other duties as may be assigned by the Board of Directors upon the recommendation of the President. As noted in Section 1 of Article V, the Vice President is also the President-elect.

In addition to the duties detailed in Section 2c of Article VII, the Vice President will be responsible for the following:

- (a) For conference-related contracts, sign contracts with venues and speakers on behalf of the Association.
- (b) Provide the executed contracts to the Treasurer for financial purposes and to the full Board for informational purposes.

Section 3. The Secretary's duties shall include, but shall not be limited to, the following functions:

- (a) Responsibility for the maintenance and accuracy of the membership records of the Association (which shall be supported by an updated file of related application of Membership forms). Note: The membership records also assist in knowing which memberships are eligible for voting in any elections.

- (b) Responsibility for the official correspondence with the membership (except for the President's welcome for new members and a termination of membership for due cause) and/or other duties as may be assigned to him/her by the President or the Board of Directors.
- (c) Coordinate with the Membership Coordinator (Membership Committee) and/or the Webmaster if there are any new Organization Memberships with the Association.
- (d) Responsibility for the issuance of Certificates of Membership in the Association in accordance with Section 8 of Article II.
- (e) Jointly with the Webmaster, review the reconciliation of the collection of the annual dues against the membership records (as prepared by the Treasurer).
- (f) Review the monthly bank account reconciliation (as prepared by the Treasurer).
- (g) Responsibility for the accurate recordings of the minutes of business meetings and all Board of Directors meetings.
- (h) Provide a copy of the minutes for business meetings and Board of Directors meetings to the Webmaster for posting to the website.
- (i) Responsibility for the custody of the Association's Bylaws.
- (j) Responsibility of renewal of APPFA membership on National Association of State Boards of Accountancy (NASBA) National Registry of CPE Sponsors.
- (k) Responsibility for conducting and maintaining the records to support any matters submitted to the members for vote. Including records to support that the members eligible to vote as defined in Section 7 of Article II submitted the valid votes.

The Secretary will be responsible for the following *conference planning items*:

- (a) Approve proposed CPE for the conference prior to posting conference announcement to ensure APPFA is following the NASBA requirements.
- (b) Review the reconciliation of the conference registration fees to the conference attendance records (as prepared by the Program Committee).
- (c) Responsibility for the custody of conference attendance records.
- (d) Maintain a copy of the speaker bios and session handouts custody of records purposes; and provide a copy to the Webmaster to be placed on the website, if applicable due to size limits.
- (e) Responsibility for the issuance of conference CPE certificates.

At the conclusion of his/her term of office, he/she shall promptly transfer to his/her successor all the Association's records and other property of any type which is or has been entrusted to his/her control custody.

Section 4. The Treasurer shall be responsible for the development and administration of the fiscal policy of the Association, and he/she shall be bonded for the faithful discharge of his/her duties in such sum and with such surety as the Board of Directors shall direct. He/she shall be responsible for the following items:

- (a) Supervision of all funds received by the Association, or any of its committees or agents, and such funds shall be disbursed only by his/her direction and authority.
- (b) Prepare the Association's annual budget, which shall be submitted to the membership for approval at the fall business meeting (or when held).
- (c) Invoice and collection of membership dues and notifying the Board of Directors of any

delinquencies.

- (d) Proper disbursement of Association funds and the establishment of proper accounting procedures for handling the Association's funds.
- (e) Reconcile the monthly bank account statements and submit to the Secretary for review.
- (f) Reconcile the collection of the annual dues against the membership records and submit to the Webmaster and Secretary for their review.
- (g) Maintain the records to support the financial transactions, to include executed contracts, invoices, other billing documentation, and reconciliation support.
- (h) Submit any required tax returns on behalf of the Association.
- (i) Prepare an interim financial statement covering the period of January to September to be presented to the Board of Directors prior to the fall business meeting (or when held).
- (j) Prepare formal annual financial statements in accordance with generally accepted accounting principles, submitted not later than forty-five (45) days after the calendar year end to the Board of Directors for their approval and after approval by the Board of Directors submitted not later than sixty (60) days after the calendar year end to the membership via email and/or posting to the Association's website. Annual financial statements shall be verified (as defined in Section 2(a) of Article VII) no less frequently than every two years or when there is a change in the office of Treasurer. The frequency of any interim verification of the financial statements shall be approved by the Board of Directors. If annual financial statements are not subject to a verification, they shall be combined with the financial report of the succeeding year and a two-year verification report shall be completed.
- (k) Biennially, the Board of Directors will request either a formal or an informal audit/review of the Association's financial statements. A Regular member or an Associate member who is not a part of the Board of Directors or leadership of the Association will perform this engagement. As considered necessary, the Board can also engage an external firm to conduct a full audit and/or an informal audit/review of the financial statements.

The Treasurer will be responsible for the following *conference planning items*:

- (a) Jointly with the Program Committee, prepare the reconciliation of the conference registration fees to the conference attendance records (and submit to the Secretary for review).
- (b) Provide the conference host with an estimate for the conference budget.

In general, the incumbent shall perform all the duties incident to the Treasurer's office and such other duties as may be assigned to him/her by the President or the Board of Directors. At the conclusion of his/her term of office, all records of the Association shall be transferred to the newly elected Treasurer.

Section 5. Webmaster. The Webmaster shall be responsible for managing the content of the Association's website in compliance with Section 5 of Article X. General responsibilities may include the following:

- (a) Act as liaison with the website vendor to perform site maintenance and upgrades.
- (b) Grant members and Board of Directors appropriate website access.
- (c) Manage logical access of website to Board of Directors and all members.
- (d) Update calendars, events, and other online features of the APPFA website.
- (e) Post files, links, and documents to the website.

- (f) Post the current Bylaws to the website.
- (g) Post the formal meeting minutes of all Board of Directors meetings on the website.
- (h) Send the annual membership due notification to members.
- (i) Send inactive member emails to the Membership Coordinator (Membership Committee) to update membership list.
- (j) Update the Association membership for new organizations joining APPFA.
- (k) Update Primary Representative for new or existing member organizations.
- (l) Jointly with the Secretary, review the reconciliation of the collection of the annual dues against the membership records (as prepared by the Treasurer).
- (m) Update the public website information as necessary, for membership, listing of officers, APPFA history, etc.

The Webmaster will be responsible for the following *conference planning items*:

- (a) Set up new conference registration on the website.
- (b) Post the President's letter and conference brochure.
- (c) Add hotel information for upcoming conference.
- (d) Make the upcoming conference as the feature on the website.
- (e) Add next new conference as upcoming conference.
- (f) Post conference roundup/news for past conference.
- (g) Post speaker bios and conference session handouts to the website, if applicable due to size limits.

The Webmaster will be allowed to delegate and have a back-up for responsibilities related to the website

- (a) Should the Association contract with a retired or former APPFA member to assist on a part-time basis to assist in operations of the Association, the Webmaster may delegate some of the website duties to that individual.
- (b) The Immediate Past President will act as a backup to the Webmaster when he/she is unable to perform such duties

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## **ARTICLE VII -- COMMITTEES**

Section 1. Except where noted and outside the Standing Committees detailed in Section 2 of Article VII, the President shall appoint the formation of technical or ad hoc committees. The President shall normally designate all committee chairpersons. The committee chairperson will provide updates and/or reports on committee activities to the Board of Directors. Members of the committee can be either Regular or Associate members, unless stated otherwise.

Section 2. Standing Committees of the Association shall consist of the following: Audit, Nominating, Program, and Membership. Their duties shall be as follows:

- (a) The Audit Committee is charged with overseeing the review of the Association's financial statements and that the Association has reasonable internal controls. The Audit Committee shall consist of a chairperson (who shall not be an Officer of the Association as defined in Section 1 of Article V) and up to two other members. The Audit Committee must be

independent of any Association Officer from a day-to-day employment perspective. The Treasurer will be responsible for providing a copy of the Association's financial statements to the Audit Committee chairperson.

General responsibilities of the Audit Committee are to provide a verification report of the Association's financial statements to the Board of Directors. The verification report must include a list of the procedures performed. The verification procedures must include, but are not limited to, the following standards:

- i) The verifier must ensure the financial statements appear in proper form as defined by the Board of Directors.
  - ii) The fund balances agree to reconciled bank balances.
  - iii) The method used to ensure the balances in the bank accounts were confirmed.
  - iv) Ensure that the expenditures were for purposes authorized by the Board of Directors and comply with these Bylaws.
  - v) The amounts in the financial statements agree to the amounts in the IRS Form 990 report filed by the Treasurer.
- (b) The Nominating Committee will provide nominations for officers and the Board of Directors or vacancies thereof as described in Article V. The Nominating Committee shall consist of the Board of Directors and normally chaired by the immediate or a prior Past President of the Association. After giving due consideration to all relevant factors (e. g., eligibility of holding office or election to the Board of Directors, the degree of interest expressed in the Association by past attendance and other participation, etc.), the chairperson shall submit the list of candidates to the Secretary, who shall propose the candidates for voting by the Regular members.
- (c) The Program Committee will be responsible for the planning and development of the entire program in connection with the Association's conferences and other educational offerings. The Committee chairperson is the Vice President, who will update the President on conference planning. The Member organization(s) that are hosting the conference will need to have at least one member of their organization participate on the Program Committee.

General responsibilities of the Program Committee include:

- i) Coordinate the conference program with those services and facilities to be provided by the host Member Organization(s).
- ii) Provide quality control for the continuing education aspects of the conferences.
- iii) Continuously evaluate the membership's educational needs, including Continuing Professional Education credits (CPEs) for CPAs, CIAs, and other professional certification requirements in order to plan the conference to best meet those needs.
- iv) Review the reconciliation of the conference registration fees to the conference attendance records (as prepared by the Program Committee).

General responsibilities for *conference planning items* may include:

- i) Select dates and location.
- ii) Obtain packet of information on conference from previous host.
- iii) Coordinate facility logistics including meals, food menu, equipment, etc.

- (approximately 1 year prior to conference date).
  - iv) Coordinate dinner event (approximately 6-12 months prior to conference date).
  - v) Select topics and arrange for speakers (gratis when possible).
  - vi) Establish conference fees based on conference costs, with Board approval.
  - vii) Develop conference brochure and registration materials.
  - viii) Develop electronic course notebook.
  - ix) Jointly with the Treasurer, prepare the reconciliation of the conference registration fees to the conference attendance records (and submit to the Secretary for review).
  - x) Work with hotel for check-in instructions (signage, location of conference rooms, etc.).
  - xi) Coordinate welcome reception (arrive 1 hour early to review set up) and have nametags available.
  - xii) Facilitate the conference (arrive 1 hour early each date to review set up).
  - xiii) Set up a post-meeting for an after-conference discussion.
- (d) The Membership Committee will support membership growth and provide insight on membership recruitment, engagement, and retention. The Membership Committee shall be a three-person committee, which is chaired by a Membership Coordinator. General responsibilities of the Membership Committee include:

- i) Review applications for membership.
- ii) Make recommendations to the Board of Directors for membership and/or continuation of membership.

Duties associated with the review of membership application include:

- i) Review to determine if the candidate's organization is already a member of APPFA.
  - ii) If the organization is already a member, email to the Primary Representative advising them that they can grant them access to the APPFA website.
  - iii) If it is unclear if the organization is eligible for membership, follow up as necessary.
  - iv) If the applying organization is eligible for membership, submit the application to the Secretary for a vote by the Board of Directors. If it is not clear, provide a recommendation and other comments to the Board of Directors for further review and decision.
  - v) If the Board of Directors approves the membership, advise the applying organization to gather necessary contact information and submit the applicable records to the Secretary and the Webmaster.
  - vi) Provide report to the Secretary prior to each conference on new Member Organizations.
  - vii) Coordinate with the Secretary on tracking free conference credit. As an incentive to join, every new Member Organization is entitled to one free conference registration.
- (e) The Best Practices Committee will assemble and disseminate best practices associated with internal auditing of pension systems. The Best Practices Committee will have a chairperson who shall have full authority to manage the Committee. The Best Practices Committee members will be made up of volunteers from the membership. General duties associated with the Best Practices Committee include:

- i) Provide specialized training at any of the Association's conferences upon approval by the Vice President as the chairperson of the Program Committee.
- ii) Develop guidelines (e.g., operational risk and investment risk) and sample documents (e.g., audit charters and audit committee charters) that can be used by the membership.

Section 3. As the need arises, other technical or ad hoc committees may be authorized upon the initiative and direction of the President or by the Board of Directors approval of a specific request from the membership. The composition of such committees and the method of appointment shall be governed by each committee's chairperson. Either the President or the Board of Directors shall appoint the following committees:

- i) The Bylaws and Policies Committee shall consist of a chairperson who shall originate or accept proposed amendments to the Constitution and Bylaws and shall process them in accordance with the procedures outlined in Section 3 of Article VIII. The Committee may also draft new or update the Association's policies as necessary.
- ii) Other committees as deemed necessary.

Section 4. Any member of any committee (except for Audit) may be removed at the discretion of the committee chairperson. In the case of the Audit Committee, any removal must be approved by a majority of Regular members voting thereon by an electronic transmission.

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## **ARTICLE VIII -- BYLAWS**

Section 1. Bylaws consistent with the aims and purposes of the Association and considered necessary to provide for its government or general welfare may be adopted by the membership.

Section 2. A majority of the Board of Directors shall decide all questions of interpretation of the Association's Bylaws.

Section 3. The Chairperson of the Bylaws and Policies Committee, if convened, shall submit all proposed revisions of the Association's Bylaws, together with related comments and/or recommendations, to the Board of Directors for their review. Following review and approval by a majority of the Board, proposed amendments shall be submitted in writing to the membership for review and comments, by the Secretary, at least twenty days prior to the date upon which they are to be voted on for adoption. After the comment period has ended, additional modifications made, if necessary, at the discretion of the Board, and the amended Bylaws voted on for adoption. Amendments to the Association's Bylaws shall become effective upon approval by vote of the Regular members, in accordance with the voting procedures outlined in Article III.

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## **ARTICLE IX -- PROCEDURE**

Section 1. At all meetings of the Association or the Board of Directors, a majority of the Regular members present, and voting shall constitute a quorum.

Section 2. Robert's Rules of Order Revised shall govern any questions on procedures when they are not in conflict with the Association's Bylaws. In addition, when Robert's Rules of Order Revised appear to have a restricting effect, the President of the Association shall have the power to declare an open meeting. In all cases, meetings will be presided over by the President of the Association or his/her designated representative.

Section 3. The rules of procedure may be suspended by a majority of those representatives of Regular members present and voting at any meeting.

Section 4. A member, which has had its membership terminated by action of the Board of Directors (see Section 8b of Article II), may petition the Association's President for submission of an appeal of this action to the full membership. The Membership Committee who shall make a recommendation to the President shall review the petition. By appropriate means, the President shall then inform the Board and the full membership as to the subject petition and Membership Committee recommendation. At the next meeting of the Association, the appealing institution and the Board of Directors shall present arguments relative to the termination action and the representatives of Regular members shall then either sustain or revoke the Board of Directors action, with a simple majority of those present and voting deciding the matter.

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## **ARTICLE X -- MEETINGS, CONFERENCES AND WEBSITE ACCESS**

Section 1. Business meetings shall be held each year, unless extraordinary circumstances occur, for all members in conjunction with the conferences of the Association. The Association was organized under New York state law and as a result, at least one meeting must be held to comply with that state law that governs corporations that organize in the state. The Board of Directors shall determine the exact dates and the site of said meetings, based upon recommendations of the Vice President. By means of electronic notification, posting on the Association's website, or by a newsletter, and/or other adequate means, the President shall give the membership notice of each meeting and conference at least sixty days prior thereto. If extraordinary circumstances occur and such annual business meeting shall not be held, the Board of Directors shall discuss such and document it in their Board of Directors meeting minutes.

Section 2. The opening business session of the meeting shall proceed as follows:

- (a) Approval of the business session minutes for the previous meeting.
- (b) Report of Committees and Officers.
- (c) Election of officers and Board members, if applicable.
- (d) Discussion of standing and/or other technical or ad hoc committees that are requesting volunteers.
- (e) Any other business items or announcements related to the Association.

Section 3. Except for Sections 2a and 2b of Article X, the President shall have the power to revise other portions of the Business sessions.

Section 4. Conference attendance shall be limited to Association members who represent the internal audit function of Regular and Associate members. Representatives of non-members who would otherwise qualify to be a member shall be allowed to attend one conference. Staff of the Investment Compliance, Enterprise Risk Management Offices, and non-audit staff of APPFA members' public pension funds, retirement systems or public investment boards, may attend a conference when approved by the President and/or Vice President in coordination with the Regular Primary Representative of the system requesting non-audit attendance and the Conference Chair (Vice President). Non-audit staff attendance at any one conference will be limited at two (2) unless increased by Board of Directors action. Conference speakers may be permitted to attend designated conference sessions after receiving the prior approval of the Conference Chair (Vice President). Regular members and Associate members who have terminated employment due to retirement and/or other reasons may request to attend the Sunday evening reception of the Conference, when approved by the President and/or Vice President in coordination with the approval of the Regular member or Associate member of that organization.

Section 5. Access to Website directories that contain audit programs, communications on audit techniques and procedures, and other directories identified by the APPFA membership shall be restricted to "Members Only." Members are encouraged to utilize the Website for polling and community forums.

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## **ARTICLE XI -- MISCELLANEOUS**

Section 1. The Board of Directors shall have the power to adopt, revise or eliminate the official seal and/or other representative symbols of the Association.

Section 2. The Board of Directors, on behalf of the Association, may accept any gifts, contributions, bequests, or devices for any specific or general purpose of the Association.

Section 3. The Board of Directors, upon the recommendation of the Bylaws and Policies Committee shall have the power to adopt or revise the Association's policies (excluding changes to the Bylaws, which must be approved by the full membership).

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## **ARTICLE XII -- LIMITATIONS ON LIABILITIES AND INDEMNIFICATION**

Section 1. No Officer, Member of the Board, or Committee Member shall be liable to the Association for the acts or failure to act on the part of any other Officer, Member of the Board, or Committee Member of the Association; nor shall any Officer, Member of the Board, or Committee Member be liable for his acts or failure to act under these Bylaws, except in such cases wherein the Officer, Member of the Board, or Committee Member is negligent in the performance of the duties

of the office.

Section 2. Every Officer, Member of the Board, or Committee Member shall be indemnified by the Association against all reasonable expenses and liabilities incurred by such Officer, Member of the Board, or Committee Member in connection with the defense of any action, suit, or proceeding brought by any party other than the Association in which he or she may become involved by reason of being or having been an Officer, Member of the Board, or Committee Member of the Association, except in such cases where such Officer, Member of the Board, or Committee Member, or former Officer, Member of the Board, or Committee Member shall be adjudged in such action, suits, or proceeding to be liable for gross negligence or willful misconduct in the performance of the duties of the office.

Section 3. In the event of a settlement, the indemnification provided for in Section 2 shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association.