

## FPA Bylaws as of August 2013

### ARTICLE I NAME AND LOCATION

Section 1.1. Name: The name of this organization shall be the "The Financial Planning Association" (hereinafter, the "Association" or "FPA"). The Association is a nonprofit corporation incorporated under the District of Columbia Nonprofit Corporation Act.

Section 1.2. Location: The principal office of the Association shall be located in the state of Colorado, with other offices at such other locations as may be determined by the Board of Directors. The Association shall have and continuously maintain a registered office in the District of Columbia.

### ARTICLE II PURPOSES

Section 2.1. The purposes of the Association shall be to serve the needs of its members and to establish the value of financial planning and the success of the financial planning profession. This Association is organized exclusively for one or more of the purposes as specified in Section 501(c)(6) of the Internal Revenue Code of 1986.

Section 2.1.1. The thrust of FPA's message to the public will be that everyone needs objective advice to make smart financial decisions and that when seeking the advice of a financial planner, the planner should be a CFP licensee.

Section 2.1.2. The thrust of FPA's message to the financial services industry will be that all those who support the financial planning process are valued equally as members in FPA and that anyone holding themselves out as a financial planner should seek the attainment of the CFP mark. FPA will commit to assisting financial planners who are interested in pursuing the CFP designation.

Section 2.1.3. FPA will proactively advocate the legislative, regulatory and other interests of financial planning and of CFP licensees. FPA will encourage input from all of its members in developing its advocacy agenda. It is the intent of FPA not to take a legislative or regulatory advocacy position that is in conflict with the interests of CFP licensees who hold themselves out to the public as financial planners.

### ARTICLE III MEMBERSHIP

Section 3.1. **Individual Members**: Any individual demonstrating a professional interest in financial planning and willing to abide by these Bylaws and principles and standards as defined in Article IV is eligible for membership in the Association. FPA membership shall include one category of membership entitled "Member".

**Members** shall be entitled to special rights, privileges and benefits as determined by the Board of Directors or its designee.

All individuals demonstrating a professional interest in financial planning who directly or indirectly support the financial planning process and who are willing to abide by these Bylaws and the principles and standards defined in Article IV shall be eligible for membership.

Members of FPA include financial planning practitioners, students, academicians, support staff, retired practitioners, and other allied professionals who support the profession. The Board of Directors or its designee may create additional member types for the purpose of setting appropriate benefits packages and dues.

Section 3.2. Institutional Members: Any institution with an interest in financial planning and which is willing to abide by these Bylaws and the FPA Code of Conduct for Institutional Members, is eligible for membership in the Association.

Section 3.3. Term of Membership; Resignation: The term of any membership shall be as determined by the Board. Any member may resign by filing a written resignation with the Association, but such resignation shall not relieve the member so resigning of the obligation to pay any charges theretofore accrued and unpaid. Any member may be removed at any time pursuant to policies adopted by a majority vote of the Board.

Section 3.4. Membership Meetings: There shall be no annual meeting of the members of the Association. A special meeting of the members for consideration of a merger, consolidation or dissolution may be called by the Board of Directors. Meetings of members may be held at such place, within or without the District of Columbia, and at such hour as may be fixed in the notice of the meeting. Written or printed notice stating the place, day and hour of the meeting and the purpose for which the meeting is called, shall be delivered not less than ten (10) or more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Board of Directors, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, or sent by electronic mail or facsimile transmission, addressed to the member at his mailing address, e-mail address, or fax number as provided by the member and as it appears on the records of the Corporation.

Section 3.5. Waivers of Notice: Whenever any notice is required to be given to any member under any provision of law, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the member entitled to such notice, whether before or after the time stated therein, shall be the equivalent to the giving of such notice. The presence of any member at a meeting, in person or by proxy, without objection to the lack of notice of such meeting, shall also waive notice by such member.

Section 3.6. Quorum: Members having at least one-tenth of the votes entitled to be cast at such meeting represented in person or by proxy shall constitute a quorum at a meeting of the members. The members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present, when any business may be transacted that may have been transacted at the meeting as originally called.

Section 3.7. Voting Rights: Individual members in good standing shall only have the right to vote as expressly set forth in these Bylaws. Whenever any corporate action is to be taken by vote of the members, it shall be authorized by a majority of the votes cast at a meeting of members by the members entitled to vote thereon.

Section 3.8. Proxies: A member may vote by proxy executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its

execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.

#### **ARTICLE IV**

##### **ETHICS and DISCIPLINE**

Section 4.1. Individual Members: All individual members who hold themselves out to the public as financial planners, or who perform financial planning services or material elements of the financial planning process shall abide by FPA's Standard of Care, and a Code of Ethics (CFP certificants shall abide by CFP Board's Code of Ethics and non-certificants shall follow FPA's code) as a condition of membership in the Association.

Section 4.2. Other Members: The Board of Directors shall adopt an FPA Code of Ethics. Institutional members and individual members not subject to Article IV, Section 4.1 above must agree to comply with the FPA Code of Ethics as a condition of membership in the Association.

Section 4.3. Disciplinary Activities: All disciplinary activities with respect to members shall be administered by the Board of Directors or its designee, which shall adopt policies governing the initiation, examination and disposition of charges that a member violated the Bylaws; the FPA Code of Ethics; CFP Board's Code of Ethics, Rules of Conduct or Financial Planning Practice Standards; or any lawful rule or practice duly adopted by the Association. These policies shall provide for confidentiality and a fair hearing for any member so charged. The Board of Directors shall establish procedures for appeals in the event that the decision of the Board of Directors or its designee is to terminate the membership of the charged member.

#### **ARTICLE V**

##### **DUES**

Section 5.1. Establishment of Dues: Membership dues shall be established from time to time by the Board of Directors. In accordance with Article III, the Board of Directors or its designee may create subcategories of membership and set different dues levels for these categories.

Section 5.2. Delinquency and Cancellation: Any member of the Association who fails to pay dues within thirty (30) days of date due shall be subject to the policy for termination of such individual and institutional memberships as are duly established.

#### **ARTICLE VI**

##### **BOARD OF DIRECTORS**

Section 6.1. Authority and Responsibility: The governing body of this Association shall be the Board of Directors. The Board of Directors shall determine the policies of the Association and shall ensure that the objectives of the Association are actively pursued and that the receipt and the disbursement of Association funds are adequately supervised. The Board of Directors may delegate areas of its authority as it deems necessary, in accordance with the law.

Section 6.2. Composition:

Section 6.2.1 Number. The Board of Directors shall consist of not more than eighteen (18) voting members, and the CEO acting *ex officio*, who shall be a non-voting member of the Board of Directors. The number of Directors may be increased or decreased from time to time by a two-thirds

affirmative vote of the Board of Directors. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. The number of directors shall never be less than three, as required by D.C. law.

Section 6.2.2. Public Member. Of the voting members of the Board, one or more may be drawn from outside financial planning/financial services and shall be deemed the public member(s).

Section 6.2.3. Designation. At least 75% of the voting members of the Board shall be CFP certificants.

Section 6.2.4. Practice. A majority of the voting members of the Board shall be CFP certificants who hold themselves out as financial planners.

Section 6.3. Qualification: Any individual member of the Association who has been a member in good standing for at least one (1) year may be elected a member of the Board. The public member(s) shall not be required to have been a member of the Association prior to his or her election.

Section 6.4. Election: The Directors at the annual meeting shall elect, by majority vote, Directors to vacancies on the Board. The Board of Directors shall endeavor to ensure appropriate representation of the various segments of membership on the Board.

Section 6.5. Term of Office: Directors shall serve staggered three-year terms. Directors shall upon their election enter into the performance of their duties concurrently with the calendar year, and shall continue in office, unless they resign or are removed, until their successors shall be duly elected, qualified and take office. Directors may be nominated to two additional one-year extensions by the Nominating Committee. However, no Director may serve or be elected to serve, in any combination, more than five (5) consecutive years or seven (7) years total as a member of the Board of Directors; provided however service as an officer shall not be counted for purposes of this limitation.

Section 6.6. Meetings of the Board:

Section 6.6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held no less than three (3) times each year at such times and such places as the Board of Directors or its designee may prescribe. The year, for purposes of planning Board Meetings, shall be the calendar year. Notice of all such meetings shall be sent by mail or other mode of transmittal to each member of the Board of Directors at his last known address in the records of the Association not less than thirty (30) days in advance of such meeting. The annual meeting shall be specified initially by the Board of Directors and may be continued by custom until changed.

Section 6.6.2. Special Meetings. Special meetings of the Board of Directors may be called by the President or at the request of any five (5) Directors, by notice delivered to each member of the Board of Directors not less than seventy-two (72) hours before the meeting is to be held.

Section 6.6.3. Waiver of Notice. A Director's attendance at any meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by the Director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

Section 6.6.4. Teleconference Meetings. Regular or special meetings of the Board of Directors or any of its committees or other working groups may be held by telephone conference call or other mechanism allowed by D.C. law by which all persons participating in the meeting can simultaneously communicate with each other.

Section 6.6.5. Action by Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all Directors consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the Directors shall be filed with the minutes of proceedings of the Board.

Section 6.6.6. Rules of Order. Questions of order not answered by these Bylaws shall be determined according to *Sturgis' Rules of Order*.

Section 6.7. Quorum of the Board: At any meeting of the Board of Directors a simple majority of voting members of the Board of Directors shall constitute a quorum for the transaction of business of the Association and any such business thus transacted shall be valid providing it is affirmatively passed upon by the majority of the Directors voting, except as otherwise provided in these Bylaws.

Section 6.8. Voting: Voting rights of a Director shall not be delegated to another, exercised by proxy, or exercised in absentia.

Section 6.9. Resignation and/or Removal: Any Director may resign at any time by giving written notice to the President or to the Board of Directors. Such resignation shall take effect at the time specified therein, or, if not specified, at the time of acceptance as determined by the Board of Directors. The Board of Directors, in its discretion, may remove any Director from office by affirmative two-thirds vote. Section 6.10. Vacancies: Any vacancy that occurs on the Board of Directors may be filled by a majority vote at any meeting of the Board of Directors by the remaining Directors for the balance of the unexpired term. In its discretion, the Board of Directors may leave a vacancy unfilled.

Section 6.11. Compensation: Directors and Officers, other than the CEO, shall not receive any compensation for their services as directors or officers. However, the Association will reimburse, under guidelines published annually, expenses that are incurred by Directors or Officers in the performance of their duties.

## **ARTICLE VII** **OFFICERS**

Section 7.1. Officers: The Officers of the Association shall consist of Chair, President, President Elect, Secretary, Treasurer, and CEO, and any other officers as may be subsequently determined by the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 7.2. Qualification for Office (other than CEO): Any member in good standing shall be eligible for election as an Officer, other than as Secretary or Treasurer, provided that member shall have served on the Board of Directors within the last two years, and provided that member shall have attended a majority of the Board meetings held during that term.

7.2.1 President-elect Nomination Process: Current Board members and individuals who served on the FPA board within the last two (2) years are eligible to run for President-elect. The nomination process for President-elect is as follows:

- a) Eligible candidates must express their intent to run for president-elect in writing to the FPA Chair by July 1<sup>st</sup> of each year. All individuals will be notified by FPA regarding their eligibility and must self-nominate.
- b) Individuals who are not current Board members must be approved by the FPA Board of Directors prior to being placed on the official slate of nominees. This provision does not pertain to members of the current Board who have self-nominated.

Section 7.3. Term of Office: The Chair, President and President-Elect, shall hold office for a term of one year or until a successor is duly elected and qualified. Such term of office shall commence concurrently with the calendar year. At the end of their terms, the President shall become the Chair and the President Elect shall become the President.

Section 7.4. Nominations: Any member of the Board of Directors may nominate any qualified member for any elected office, and any person so nominated shall have given prior consent to serve. Directors may self-nominate for service as an officer, but may not self-nominate for one-year term extensions.

Section 7.5. Election: The President Elect shall be elected annually by a majority vote of the Board of Directors.

Section 7.6. Re-election: The same person shall not hold the office of President more than once in any ten (10) year period.

Section 7.7. Resignation and/or Removal: Any Officer may resign at any time by giving written notice to the President or to the Board of Directors. Such resignation shall take effect at the time specified therein, or, if not specified, at the time of acceptance as determined by the Board of Directors. The Board of Directors, in its discretion, may remove any Officer from office by affirmative two-thirds vote.

Section 7.8. Vacancies: Any vacancy in any elected office may be filled for the remainder of the term thereof from the Board of Directors by majority vote of the remaining Directors at any regular or special meeting. In its discretion, the Board of Directors, by a majority vote of the remaining Directors, may leave unfilled until the next regular election any office except that of President Elect.

## **ARTICLE VIII** **DUTIES OF OFFICERS**

Section 8.1. President: The President shall be the chief elected officer of the Association, shall preside at the meetings of the Executive Committee and the membership, shall be, along with the CEO, the official spokesperson of the Association, and shall perform such other duties as may be prescribed from time to time by the Board of Directors. The President shall make all appointments of groups advising the Board not otherwise provided for by these Bylaws, and shall serve as a member *ex officio* with the right to vote on all Board advisory groups.

Section 8.2. Chair: The Chair shall act as advisor to the Executive Committee and to the Board of Directors, and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 8.3. CEO: The CEO shall be employed by the Board of Directors and shall possess the power to perform the duties as prescribed in Article XII of these Bylaws.

Section 8.4. President Elect: The President Elect shall perform such duties as the President may assign and, except as otherwise provided, shall perform the duties of the President when the President is unable to perform such duties or absent from any meeting of the Executive Committee or of the membership.

Section 8.5. Presiding Officer: The Board shall determine who shall preside at its meetings.

Section 8.6 Secretary: The position of Secretary shall be held *ex officio* by the CEO. The Secretary shall be responsible for the keeping of an accurate record of the proceedings of all meetings of the Board of Directors, shall give or cause to be given all notices in accordance with these Bylaws or as required by law, and, in general, shall perform all duties customary to the office of Secretary. The Secretary shall have custody of the corporate seal of the Association, if any; and he shall have the authority to affix the same to any instrument requiring it; and, when so affixed, it may be attested by his signature. The Board of Directors may give general authority to any officer to affix the seal of the Association, if any, and to attest the affixing by his signature.

Section 8.7. Treasurer: The position of Treasurer shall be held *ex officio* by the CEO. The Treasurer shall have the custody of, and be responsible for, all funds and securities of the Association. The Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Association, and shall deposit all monies and other valuable property of the Association in the name and to the credit of the Association in such banks or depositories as the Board of Directors may designate. Whenever required by the Board of Directors, the Treasurer shall render a statement of accounts. The Treasurer shall at all reasonable times exhibit the books and accounts to any Officer or Director of the Association, and shall perform all duties incident to the office of Treasurer, subject to the supervision of the Board, and such other duties as shall from time to time be assigned by the Board. The Treasurer shall, if required by the Board of Directors, give such bond or security for the faithful performance of his duties as the Board may require, for which he shall be reimbursed.

Section 8.8. Agents: The Board of Directors may appoint agents who shall have such authority and perform such duties as may be prescribed by the Board. The Board may remove any agent at any time with or without cause. Removal without cause shall be without prejudice to such person's contract rights, if any, and the appointment of such person shall not itself create contract rights.

Section 8.9. Compensation of CEO and Agents: The Association may pay compensation in reasonable amounts to CEO and for services rendered, such amounts to be fixed by the Executive Committee. The Board may require agents to give security for the faithful performance of their duties.

## **ARTICLE IX** **EXECUTIVE COMMITTEE**

Section 9.1. Composition: The Executive Committee shall consist of the Chair, the President, the President Elect, such other members as the Board may elect, and the CEO. The CEO shall be a non-voting

member. The President, and in the absence of the President, the President Elect, shall be the presiding officer of the Executive Committee.

Section 9.2. Meetings: Meetings of the Executive Committee may be called by the President or the Secretary and shall be permitted to be held by telephone or other electronic means.

Section 9.3. Authority and Responsibility: The Executive Committee shall carry on the business of the Association as directed by the Board of Directors. The Executive Committee shall be responsible to report its actions to the Board of Directors.

## **ARTICLE X** **NOMINATING COMMITTEE**

Section 10.1. Nominating Committee: The Nominating Committee shall consist of the Chair, the President-elect, and at least four members of the Board to be elected by the Board. The CEO shall serve as non-voting member. Additionally, in the event that the Nominating Committee considers nominating a committee member to serve a one-year extension, such committee member will become a non-voting member of the Nominating Committee. The Board may also opt to add no more than one non-Board member to the Nominating Committee. All Nominating Committee members must be elected by the Board.

The Chair shall chair the Nominating Committee. The committee members shall be elected by the Board of Directors no less than one hundred eighty (180) days prior to the meeting of the Board of Directors at which elections are to be held.

Section 10.2. Nomination of Directors: The Nominating Committee shall identify a slate of candidates for submission to the Board. The slate may be fewer or more than the number of vacant Board seats. During the election meeting, the Board shall have the right to vote on and elect any candidate, including those not on the slate provided by the Nominating Committee. If current directors are nominated by the Nominating Committee to serve a one-year extension, they will abstain from voting on director nominations.

## **ARTICLE XI** **OTHER COMMITTEES**

The President shall annually appoint such members of standing or special committees and subcommittees and their chair as the President may deem necessary.

## **ARTICLE XII** **CEO AND STAFF**

Section 12.1. Appointment: The CEO shall be appointed by an affirmative two-thirds vote.

Section 12.2. Authority and Responsibility: The CEO shall be the chief executive officer of the Association, and shall perform those duties normally assigned to the offices of Secretary and Treasurer. As chief executive officer, the CEO shall manage and direct all the day-to-day activities of the Association in a manner consistent with the policies of the Board. The CEO shall maintain and manage a staff and budget as appropriate to carry on the business of the Association.

Section 12.3. Removal: The CEO may be suspended with pay from duties at any time, for up to 30 days, with or without cause, by a two-third majority of the voting members of the Executive Committee. The



CEO may be dismissed at any time, with or without cause, by an affirmative two-thirds vote of the Board of Directors.

**ARTICLE XIII**  
**FINANCE**

Section 13.1. Fiscal Period: The fiscal year of the Association shall be the twelve months ending May 31.

Section 13.2. Bonding: Trust or surety bonds or the appropriate insurance shall be furnished at the expense of the Association for the CEO and other appropriate employees of the Association.

Section 13.3. Audit: The accounts of the Association shall be audited annually by a certified public accountant who shall be approved by the Board of Directors. An audited financial report shall be provided to the Board of Directors at the first regular Board meeting following completion of the audit and shall be available for review by any member at the principal office of the Association.

**ARTICLE XIV**  
**LOCAL AFFILIATES**

Section 14.1. Establishment: All local affiliates (i.e. local organizations of Association membership) shall exist under the sanction of the Board of Directors and by virtue of a charter issued by the Board of Directors. The Board of Directors or its designee shall establish minimum standards for local organizations.

Section 14.2. Operation: The Association shall bear no responsibility, financial or otherwise, for actions taken by a local organization or its representatives.

Section 14.3. Standards: Any local organization failing to comply with the minimum standards for active status, or when applicable, the criteria for developing organizations, shall be suspended from active or developing status. Concurrent with such suspension, benefits, if any, shall be withdrawn.

**ARTICLE XV**  
**INDEMNIFICATION**

Unless otherwise prohibited by law, the Association shall indemnify any Director or Officer, any former Director or Officer, any person who may have served at its request as a director or officer of another corporation, whether for profit or nonprofit, and may, by resolution of the Board of Directors, indemnify any employee against any and all expenses and liabilities actually and necessarily incurred by him or imposed on him in connection with any claim, action, suit, or proceeding (whether actual or threatened, civil, criminal, administrative, or investigative, including appeals) to which he may be or is made a party by reason of being or having been such Director, Officer, or employee; subject to the limitation, however, that there shall be no indemnification in relation to matters as to which he shall be adjudged in such claim, action, suit, or proceeding to be guilty of a criminal offense or liable to the Association for damages arising out of his or her own negligence or misconduct in the performance of a duty to the Association.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such Director, Officer, or employee. The Association may advance expenses to, or where appropriate may itself, at its expense, undertake the defense of, any Director, Officer, or employee; provided, however, that such Director, Officer or employee shall undertake to repay or to reimburse such expense if it should be ultimately determined that he is not entitled to indemnification under this Article.

The provisions of this Article shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after adoption hereof.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which such Director, Officer, or employee may be entitled under any statute, Bylaw, agreement, vote of the Board of Directors, or otherwise and shall not restrict power of the Association to make any indemnification permitted by law.

The Board of Directors may authorize the purchase of insurance on behalf of any Director, Officer, employee, or other agent against any liability asserted against or incurred by him which arises out of such person's status as a Director, Officer, employee, or agent or out of acts taken in such capacity, whether or not the Association would have the power to indemnify the person against that liability under law.

If any part of this Article shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

#### **ARTICLE XVI** **DISSOLUTION**

Plans of merger, consolidation or dissolution which are voted on and adopted by the Board of Directors shall require ratification through an affirmative vote of at least a majority of the individual members of the FPA voting. In the event of dissolution of the Association, to the extent allowed under applicable law, all of the assets of the Association shall be distributed to, or its assets shall be sold and the proceeds distributed to another organization organized and operated for the same purpose for which the Association is organized and operated, or to one or more corporations, funds or foundations organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, which is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, and any successor provision, and which shall be selected by the Board of Directors of the Association.

#### **ARTICLE XVII** **AMENDMENTS AND INTERPRETATION**

Section 17.1. Amendments. These Bylaws may be amended or repealed according to the following procedures. Proposed changes to the Bylaws will be sent to the Board at least fourteen (14) days prior to the next meeting of the Board of Directors. A two-thirds affirmative vote of the Board at which a quorum is present is required for amendments to be effective. Additionally, any amendment or repeal of the Organization's purposes, as outlined in Article II, shall require ratification through an affirmative vote of at least a majority of the individual members of the FPA voting.

Section 17.2 Interpretation. The use of either gender shall include both genders and these Bylaws shall be interpreted accordingly.

Last Amended: August 2013