

CONSTITUTION BY LAWS and POLICIES

As Amended Through
June 24, 2016



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS
P.O. Box 61043
Honolulu, Hawaii 96839

CONSTITUTION

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS AS AMENDED THROUGH June 24, 2016

ARTICLE I

Name, Headquarters and Existence

Section 1. The name of this organization shall be Hawaii Association of Public Accountants.

Section 2. The headquarters of this Association shall be in Honolulu, City and County of Honolulu, Hawaii.

Section 3. This Association shall have perpetual existence and shall have the right to collect dues, levy assessments, and conduct any activity in the process of carrying out its objects.

Section 4. This Association shall be a non-profit organization, without capital stock.

Section 5. This Association shall be affiliated with the National Society of Accountants.

Section 6. This Association may grant to a group of members of any locale within the State of Hawaii the right to form a Chapter to facilitate in conducting its activities provided that the chapter conforms in principle to the Constitution and By-Laws of the Hawaii Association of Public Accountants.

ARTICLE II

Vision and Mission

Vision Statement: To be the leading association for practicing public accountants in the State of Hawaii.

The Mission of the Association:

To promote and maintain high ethical behavior and standards in the accounting profession.

To provide education to maintain proficiency in the profession.

To provide a forum for open discussion for all matters relating to the practice of public accounting.

To advocate for the association in all regulatory and legislative matters.

To encourage and support future members of the accounting profession.

ARTICLE III

Membership

Section 1. The membership shall be in accordance with the standards and classifications prescribed in the By-Laws of this Association.

Section 2. The privileges and obligations of the membership and violations thereof shall be prescribed in the By-Laws of this Association.

Article IV

Office and Board of Directors

Section 1. The officers and members of the Board of Directors shall be those prescribed in the By-Laws of this Association.

Section 2. They shall be elected in accordance with the provisions prescribed in the By-Laws of this Association.

Section 3. They shall carry out the duties in accordance with the provisions prescribed in the By-Laws of this Association.

Article V

Meetings

Meetings of the Association shall be held in accordance with the provisions prescribed in the By-Laws of this Association.

Article VI

Amendments

This Constitution may be amended by a two-thirds (2/3) vote of the duly qualified members present at the annual meeting.

BY-LAWS

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS AS AMENDED THROUGH June 24, 2016

ARTICLE I

Membership

Section 1. CLASSIFICATION. The membership of this Association shall be classified as (a) Regular, (b) Associate, (c) Honorary, (d) Life and (e) Young Professionals (f) Student in accordance with the standards and classifications hereinafter prescribed.

- (a) REGULAR MEMBER. Any person who is a registered Public Accountant or a Certified Public Accountant, as defined under Chapter 466, Hawaii Revised Statutes, as amended, may be admitted as a Regular Member, provided that, effective July 1, 2004, the person also has had at least two years of professional experience in public accountancy practice as defined in Section 466-3, Hawaii Revised Statutes.
- (b) ASSOCIATE MEMBER. Any person who is a registered Public Accountant or Certified Public Accountant who does not meet the experience requirement of Section 1(a), or any person who is not a Public Accountant or a Certified Public Accountant, who is an employee of a public accounting firm, who is engaged in bookkeeping service, or who is engaged in accounting related activities may be admitted as an Associate Member. An Associate Member may take part in deliberations, vote in elections of officers and directors or in matters pertaining to the Constitution and By-Laws, and have all the privileges extended to a Regular Member, but shall not hold the office of President.
- (c) HONORARY MEMBER. Any person, subject to the approval of the Board of Directors, may be elected as an Honorary Member. An Honorary Member shall have all the privileges of a Regular Member except those of voting and holding office and except as otherwise expressly limited to Regular Members by these By-Laws, but shall not be required to pay dues.
- (d) LIFE MEMBER. Any person who has been a Regular or an Associate Member of the Association, who has attained the age of 65 or over, and who works less than 1,000 hours per year shall be eligible for Life Membership. Life Membership shall be granted upon written application to the Secretary of the Association and approval of the Board of Directors. A Life Member shall have all the privileges of a Regular Member except holding office but shall

not be required to pay dues. Such person shall have been a Regular or an Associate Member of the Association for at least 5 years.

- (e) YOUNG PROFESSIONAL MEMBER. Any person who is 35 years of age or younger may be admitted as a Young Professional Member.
- (f) STUDENT MEMBER. Any person who attends an institution of higher learning full time shall be eligible for Student Membership. This classification has a non-voting status.

Section 2. QUALIFICATION. All applicants for membership must be of good moral character, must meet the qualifications hereinabove prescribed and must pledge to conform to the Rules of Professional Conduct of the Association. The Code of Ethics and Rules of Professional Conduct of this Association shall be those promulgated by the State Board of Accountancy in accordance with Chapter 466, Hawaii Revised Statutes, as amended.

Section 3. APPLICANTS FOR MEMBERSHIP. An applicant for membership shall be sponsored by a member in good standing. The application shall be on a form approved by the Board of Directors and submitted to the Secretary of the Association. The Board of Directors shall establish procedures for the processing of the applications and evaluation of an applicant's character and qualifications. The Board shall have the right of final acceptance or rejection, by a two thirds (2/3) vote of the Directors present and voting.

Section 4. ANNUAL DUES. The annual dues of the members (Regular, Associate, Young Accountant and Student) shall be set by the incoming Board of Directors at its first meeting and shall be payable on or before August 31st of each year for the current fiscal year. Dues for new members shall be assessed in full regardless of the date of acceptance into membership. There shall be no dues assessed for Honorary and Life memberships.

Section 5. SPECIAL ASSESSMENTS. The Board of Directors may levy such additional assessments as are necessary to carry out the activities of the Association upon ratification by three-fourths (3/4) majority of the members of the Association actually voting by referendum. Special assessments shall be additional dues.

Section 6. FAILURE TO PAY DUES. If any member shall fail to pay any installments of dues within thirty (30) days after the same shall have become payable, it shall be the duty of the Treasurer to send by mail to each member so in default a notice to the effect that, unless such dues are paid within fifteen (15) days thereafter, such member is subject to suspension; provided, that any member whose dues delinquency shall extend six months shall be subject to immediate suspension without further notice.

Section 7. REINSTATEMENT. If any member shall have been suspended for nonpayment of dues and such member's record discloses no complaints or charges, the member shall be eligible for reinstatement by forwarding a written request to the Secretary and paying current fiscal year's dues as well as all dues in arrears.

Section 8. TOTAL DISABILITY. Any member who becomes totally disabled may apply in writing for waiver of dues for the duration of total disability. Such application shall be made to the Secretary of the Association. Such application shall be subject to review and approval by the Board of Directors.

Section 9. MEMBERSHIP CERTIFICATE. Each new member (except Young Accountant and Student) upon full discharge of the obligations prescribed in this Article shall receive a membership certificate, which shall be returned upon termination of membership.

Section 10. SUSPENSION OR EXPULSION OF MEMBERS. A member shall be subject to suspension or expulsion if such member:

- (a) refuses or neglects to abide by any decision of the Association or of the Board of Directors, or
- (b) violates any of these By-Laws or any of the rules or professional conduct, or
- (c) has the license to practice Public Accountancy withdrawn or revoked by any State or by the District of Columbia, and such withdrawal or revocation remains in effect, or
- (d) has been declared by a court of competent jurisdiction to have committed any fraud, or to be insane, or to be otherwise incompetent, or
- (e) is found by the Trial Board to be guilty of any act that reflects discredit upon the accounting profession, or
- (f) is convicted of a crime involving moral turpitude.

ARTICLE II

Charges, Trials and Penalties

Section 1. Any complaint or charge against a member for violation of the Constitution, By-Laws, rules of conduct of the Association or conduct discreditable to a Public Accountant, shall be filed in writing with the Secretary who shall forward the same to the Committee on Accountants Practice and Ethics.

Section 2. The Committee of Accountants Practice and Ethics shall consider the charges in the complaint. If after considering the charges, the Committee by majority vote does not consider that a violation has been committed, the Committee shall dismiss the complaint by notice in writing to the complainant. If the Committee should dismiss any complaint proffered against a member or should fail to act thereon within sixty (60) days after such complaint is received by it, the member proffering the complaint may present the complaint in writing to the Board of Directors for investigation and decision. If, upon consideration of the charges in the complaint, the Committee on Accountants Practice and Ethics is of the opinion that probable cause existed for the filing of the complaint, then the Committee shall request the Secretary to notify the accused member in writing of the charges against him and summon him to appear before the Trial Board to answer at the time and place of the next meeting of the Trial Board.

Section 3. In each case, a Trial Board of three members shall be appointed by the President from among the Past Presidents. The trial Board shall meet for hearing of cases not later than sixty (60) days of the filing of a case with it. The President may grant an extension of time for reasonable cause.

Section 4. As rules of procedure in the conduct of cases before the Trial Board, the following is provided: The Committee on Accountants Practice and Ethics or a member thereof shall present any evidence of the alleged violations and shall have the burden of proof in matters before the Trial Board. Notice of the time and place of hearing shall be sent by the Secretary of the parties concerned at least thirty days prior to the proposed session of the Trial Board. After hearing the evidence prescribed by the Committee of Accountants Practice and Ethics and by the defense, the Trial Board by a majority vote shall enter its written order; (a) admonishing, (b) suspending for a period of time, not more than one year, or (c) expelling the member against whom the complaint is filed. The Trial Board shall submit a statement of the case and its order to the Board of Directors.

Section 5. The member against whom an order of the Trial Board is entered shall have a right of appeal to the Board of Directors within sixty (60) days from entering of the Trial Board's order for review of the record of the case before the Trial Board. The Board of Directors shall review the record of appeal and enter its decision sustaining the action of the Trial Board or remanding the case to the Trial Board for further action not inconsistent with the decision of the Board at the next regular or special Board of Directors meeting. There shall be no appeal from the decision of the Board of Directors.

Section 6. Any officer who is charged in a complaint or who filed a complaint in accordance with the provisions of this Article shall not vote nor participate in such deliberations as a member of the Board of Directors.

ARTICLE III

Board of Directors

Section 1. The control of this Association shall be vested in a Board of Directors which shall consist of:

- (a) The President of this Association
- (b) The four Vice Presidents of this Association
- (c) The Secretary of this Association
- (d) The Treasurer of this Association
- (e) The four Directors of this Association
- (f) The Immediate Past President of this Association
- (g) The NSA Governor of District XI, if confirmed annually by the vote of the current Board of Directors
- (h) The NSA State Director for Hawaii, if confirmed annually by the vote of the current Board of Directors
- (i) Any NSA President or Past NSA President from Hawaii who is a member of this Association, if confirmed annually by the vote of the current Board of Directors

Section 2. The duties of the Board of Directors shall be as follows:

- (a) The Board of Directors shall be responsible for the execution, through its officers, of the authorized policies of the Association. All new business of the Association shall first be considered and shaped by the Board of Directors for presentation to the Association members at a regular meeting, if in the opinion of the Board; it is advisable to do so.
- (b) It shall authorize all expenditures and shall not create any indebtedness beyond the income of the Association, nor disburse funds for purpose non-essential to the objects of the Association.
- (c) A majority vote of the qualified members of the Board of Directors present at the meeting shall govern, except where otherwise provided. (An abstaining vote counts as a NO vote.) The Board of Directors shall have the power to overrule or modify the action of any officer of the Association.
- (d) It shall have the books and accounts audited at its discretion.
- (e) It shall designate on recommendation of the Treasurer, any Bank or Depository for the deposit of the funds of the Association.
- (f) It shall receive committee reports and recommendations, and shall submit to the Association at the regular meeting recommendations which it has approved affecting the administrative or activities policies of the Association.

(g) It shall present an annual financial report at an annual membership meeting.

Section 3. Except for the NSA Governor District XI, NSA State Director for Hawaii, and NSA President or Past Presidents from Hawaii who are members of this Association, Directors shall be elected at the annual meeting of the Association. Directors shall take office from July 1st and hold office for the term of one year or until their successors are duly inducted.

Section 4. Any member of the Board of Directors may resign by submitting a written resignation to the Board of Directors.

Section 5. Any vacancy on the Board of Directors, except as here otherwise provided, shall be filled by the Board of Directors by a secret ballot.

Section 6. Failure of a member of the Board of Directors to attend two consecutive meetings of the Board without written notice of inability to attend which is acceptable to the Board shall automatically make his membership on the Board vacant without further notice. This section shall not apply to members of the Board of Directors from the counties of Hawaii, Kauai, and Maui.

Section 7. Regular meetings of the Board of Directors may be held at the time and place designated by the President. At these meetings a quorum shall consist of seven (7) members of the Board.

Section 8. Special meetings of the Board of Directors may be called by or at the request of the President, or by one-third (1/3) of the members of the Board by filing a written petition with the President stating the date and agenda for said meeting.

Section 9. Notice of all Board meetings shall be given by the Secretary at least fifteen days in advance of the meetings.

Section 10. Members of the Board of Directors of the Association, or any committee designated by such Board, may participate in a meeting of such Board or committee by means of conference telephone, facsimile, e-mail ballots or mail ballots. An affirmative vote of the majority of those voting shall be binding provided that a quorum is attained. Mail, facsimile or email ballots shall be valid and counted only if received by the president in a manner and date prescribed by him. All votes made in the above manner will be recorded as roll call votes by the Secretary and recorded in the minutes of the next regular meeting.

ARTICLE IV

Nominations, Elections, and Duties of the Officers and Directors

Section 1. OFFICERS. The Officers of this Association shall be the President, four Vice-Presidents, Secretary and Treasurer.

Section 2. EXECUTIVE COMMITTEE. The Officers and immediate Past President of this Association shall comprise the Executive Committee.

Section 3. QUALIFICATION OF A PRESIDENT. No person shall be eligible for election as a President who has not been a Regular Member in good standing for more than one year prior to the annual meeting.

Section 4. QUALIFICATION OF ALL OTHER OFFICERS. No person shall be eligible for election as an officer, other than as President, who has not been a Regular or an Associate Member in good standing for more than one year prior to the annual meeting.

Section 5. QUALIFICATION OF A DIRECTOR. No person shall be eligible for election as a Director who has not been a member in good standing for more than six months prior to the annual meeting.

Section 6. The Officers and Directors shall be elected by the members at its annual meeting and shall hold office for a period of one year, beginning July 1st, or until their successors shall have been elected.

Section 7. NOMINATION. A Nominating Committee of at least five members, appointed by the President at least three weeks prior to the annual meeting, shall designate one or more candidates for each office and directorship and shall file with the Secretary such nominations at least twenty-four hours prior to the annual meeting. Other members of the Association may also make nominations for Officers and Directors, with such nominations to be made from the floor on the day of the election. The nominee's consent to serve shall be first obtained before a member may be nominated for election for the position of an Officer or a Director of the Association.

Section 8. NOTICE OF NOMINATIONS. The notice of nominations made by the Committee shall be announced and posted on our Web site or at the annual convention at least twenty-four hours prior to the annual meeting.

Section 9. ELECTION. Any nominee receiving a majority of votes cast by the duly qualified members at the annual meeting shall be declared elected.

Section 10. DUTIES OF OFFICERS

PRESIDENT. The President shall preside at all membership and Board of Director meetings, serve as the Executive Officer at all times, appoint and remove chairpersons of committees and serve as ex-officio member of all such committees, appoint temporary Officers at any meeting in the absence of the specific Officers for the specific meeting only, sign all membership certificates, present an annual report in

writing at the annual meeting, and perform all such duties as he deems necessary to carry out the provisions of the Constitution and these By-Laws in protection of the rights and interests of the Association.

VICE-PRESIDENT. This Association shall have four Vice-Presidents each from a different County. They shall perform such duties as may be prescribed for them at the direction of the President with the approval of the Board of Directors. The President shall appoint a Vice-President to act in his absence and shall so certify in writing to the Secretary.

SECRETARY. The Secretary shall attend to the duties relating to the minutes of all membership and Board of Directors meetings and election of Officers, certify to when requested for all elections the membership standing of any and all members, attend to the duties relating to the membership certificates, letters, documents and papers, retain letters, documents and papers and other records in a permanent form, sign all membership certificates and maintain the master list of members of the Association.

TREASURER. Except for the respective Chapter funds, the Treasurer shall receive and disburse all moneys and shall have custody of all Association funds, pay all Association bills as approved by the Board of Directors, keep or cause to be kept accurate and adequate accounting records in accordance with generally accepted accounting procedures, notify the Secretary of any member in default of dues, notify in writing each member in default of dues that unless such dues are paid within fifteen days thereafter such member is subject to suspension in accordance with Article I, Section 6, certify to when requested the membership standing of any and all members, prepare the financial statements of the Association and issue the same at all regularly scheduled Board of Directors meetings, prepare the financial statements of the Association combining all Association funds for the fiscal year and prepare all required governmental reports including the Return of Organization Exempt From Income Tax (Federal Form 990), for the fiscal year.

The respective Chapter shall maintain custody of their funds and shall submit to the Treasurer year-end financial statements, audited if deemed necessary by the State Auditor, by an auditor selected by the Chapter.

Section 11. If any of the officers, except the office of the President, becomes vacant by death, disability, and resignation or otherwise, the office shall be filled by election of the Board of Directors. The office of President shall in all cases be filled by one of the Vice-Presidents, by election of the Board of Directors.

Section 12. Election of Officers and Directors shall be in the following order:

President	Treasurer
Four (4) Vice-Presidents	Four (4) Directors
Secretary	

Section 13. Auditor. The Auditor of this Association for the ensuing fiscal year shall be selected by the Board of Directors at its annual Board of Directors meeting.

Section 14. In the event of a vacancy due to death, disability, and resignation or otherwise, the position of Auditor shall be filled by appointment of the Board of Directors.

Section 15. The Auditor shall examine the books of accounts and the financial statements of the Association in accordance with generally accepted auditing standards as directed by the Board or by the written request of at least twenty (20) members filed with the Secretary. The Auditor shall render his opinion on the financial statements and present his findings and recommendations in writing to the Board of Directors within a reasonable time, not to exceed ninety (90) days from the date of request.

ARTICLE V

Meetings

Section 1. This association shall between April 1st and June 30th, hold its annual meeting. The date shall be determined and announced by the Board of Directors at least thirty days prior to the date of said meeting.

Section 2. GENERAL MEETINGS. The Association may hold regular meetings on said dates as may be set by the Board of Directors.

Section 3. SPECIAL MEETINGS. Special meetings of the Association shall be called by the President or by the written request of at least twenty (20) members filed with the Secretary upon five days written notice.

Section 4. In all meetings of this Association a quorum shall consist of twenty (20) members in good standing at the date of any meeting.

Section 5. A majority vote of the qualified members present and voting shall govern. (An abstaining vote is not counted.) Robert's Rules of Order shall govern in all procedures of said meetings.

Section 6. The host Chapter for the annual meeting shall be selected two years in advance by a majority of the members present at each annual meeting.

ARTICLE VI

Committees

Section 1. ELIGIBILITY FOR SERVICE. All members in good standing shall be eligible to be appointed on committees.

Section 2. APPOINTMENT AND REMOVAL. The Board of Directors shall designate and appoint the members to the committees of the Association, and may appoint such other committees as may be necessary from time to time, with such powers as the Board of Directors may designate, consistent with the Articles of Incorporation and By-Laws and the laws of the State of Hawaii. Such committees shall hold office at the pleasure of the Board. Any and all committee chairpersons and committee members are subject to removal by the Board of Directors.

Section 3. MEMBERS. Each committee shall consist of at least three (3) members.

Section 4. TERM. Any member, appointed on committee, shall serve until he is removed by the Board of Directors or until the committee is dissolved.

Section 5. QUORUM. A majority of the members of the committee shall constitute a quorum. A majority vote of the members present at a meeting shall govern. An abstaining vote counts as a NO vote.

Section 6. REPORTS. Each Committee Chairperson or designated representative shall submit in writing to the President its goals and financial requirements for the fiscal year, make periodic reports of the committee's activities when called upon to do so by the President and make an annual report in writing of the Committee's activities for the fiscal year.

Section 7. STANDING COMMITTEES.

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|---------------------------------------|----------------------------------|
| 1. Executive Committee | 7. Government Relations |
| 2. Accountants Practice and Ethics | 8. Legislative |
| 3. Constitution, By-Laws and Policies | 9. Membership |
| 4. Continuing Education | 10. Website and Public Relations |
| 5. Convention | 11. Nominations |
| 6. Finance/Investment | 12. Student Affairs |

Section 8. The Executive Committee shall meet at the President's discretion.

Section 9. The Finance/Investment Committee shall be comprised of no less than three (3) HAPA members in good standing, two (2) of which shall be appointed for a minimum three (3) year term each. The third member shall be the HAPA State Treasurer currently in office. One of the initially appointed members shall serve for a two (2) year term and the second member shall serve for three (3) years. Thereafter, each appointed member shall be appointed for a three (3) year term or for the balance of the term of the withdrawing member being replaced.

Section 10. The Finance/Investment Committee shall adhere to the investment policy adopted by the Board of Directors, which may be revised from time to time.

Section 11. SPECIAL STANDING COMMITTEES. Special standing committees may be established by the President upon approval of the Board of Directors. Committees so established will function as outlined in Article VI, Section 1 through Section 6.

Section 12. All special standing committees must be confirmed annually by the vote of the current Board of Directors. Those special standing committees not so confirmed will automatically dissolve.

ARTICLE VII

Parliamentary Authority

Section 1. SUSPENSION OF RULE. Any Section of any Article, except Article VII and Article VIII of these By-Laws, may be suspended for any meeting upon the unanimous consent of the members present.

Section 2. PERSONAL PRIVILEGE. Any member exercising personal privilege shall have the right to refuse service, in any capacity, except as a member of the Association.

Section 3. AUTHORITY IN THE ABSENCE OF RULE. In the absence of rules in the Constitution or these By-Laws of the Association, the proceedings of this Association shall be conducted in accordance with Robert's Rules of Order, Revised.

ARTICLE VIII

Amendments

Section 1. These By-Laws may be amended by a two-thirds (2/3) vote of the duly qualified members present and voting at the annual meeting.

Section 2. A notice of proposed amendments to the By-Laws shall be sent to all members at least thirty (30) days prior to the annual meeting by the Chairperson of the Constitution and By-Laws Committee; provided however, that in the event an official bulletin or periodical is issued by the Association and a copy is mailed to members only in accordance with the above time limit, then the notice of proposed amendments may be published in such official bulletin or periodical in lieu of notice from the Chairperson of the Constitution and By-Laws Committee.

Section 3. Any proposed amendment to the By-Laws that has not been published or circulated to the members in the manner as required above may be presented for consideration at the annual meeting by a two-thirds (2/3) vote of the duly qualified members present and voting.

Section 4. Unless otherwise stated, all amendments to the By-Laws shall be effective immediately upon their adoption.

POLICIES

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS AS AMENDED THROUGH June 22, 2006

WE, THE PUBLIC ACCOUNTANTS OF HAWAII, believing as we do, that the role of the Public Accountant is an important segment of the economy of the State of Hawaii and that we should seek to achieve, through our state society and high professional standards, broader and fuller recognition of this role and the scope of function of the Public Accountant in our economy, do hereby establish these policies for the Hawaii Association of Public Accountants.

NAME

Section 1. The policies of the Hawaii Association of Public Accountants shall hereafter be referred to as “POLICIES” and the Hawaii Association of Public Accountants as the “STATE SOCIETY” and the National Society of Accountants as the “NATIONAL SOCIETY”.

PURPOSE

Section 2. The purpose of these POLICIES is to guide the State Society in the efficient and effective administration of its objectives as set forth in its Constitution and in its By-Laws and in order to promote and protect the interest of the Public Accountant and to secure the proper recognition of the practice of accountancy as a profession.

MEMBERSHIP

Section 3. The membership shall be in accordance with the standards and eligibilities as prescribed in the By-Laws of the State Society.

CONVENTION COMMITTEE

Section 4. There shall be a Convention Committee, selected by the President of the State Society, whose function is to plan and organize an annual state convention, to be held concurrent with the State Society’s annual meeting.

Section 5. The Committee shall be guided in its plans in accordance with the rules and provisions set forth for the convention in these Policies and in the By-Laws.

NOMINATING COMMITTEE

Section 6. There shall be a Nominating Committee, consisting of at least five (5) members in good standing, appointed by the President of the State Society. The function of this Committee shall be to designate one (1) or more candidates for each office or for Director, for recommendation to the general membership on our Web-site or at the annual meeting. As prescribed in the By-Laws, nominations for office may be made from the floor at the annual meeting.

FINANCE COMMITTEE

Section 7. There shall be a Finance Committee, consisting of at least five (5) members in good standing, appointed by the President of the State Society. The function of this Committee shall be to prepare with the President of the State Society, an administrative budget to be presented to the Board of Directors for approval at the first official Board meeting. The Finance Committee shall review all budgetary requests and expenditures, and shall report their recommendations to the Board of Directors whose decision therein shall be final.

Section 8. Insofar as is practicable, the President of the State Society shall, subject to the approval of the Board of Directors, make an annual visitation to the outlying islands. He shall acquaint the members, or potential members, of the State Society situated in these islands, with the functions of the State Society, and encourage the exchange of ideas, suggestions, problems, programs and other pertinent matters, between themselves. A written report of such visits shall be submitted to the Board of Directors.

FINANCES

Section 9. Expenses of the annual convention shall be borne by the State Society, regardless of the locality of the convention. Said expenses shall be as prescribed in the budget to be prepared by the Convention Committee.

Section 10. The proposed budget for the annual convention shall be presented to the Board of Directors of the State Society for approval not later than thirty (30) days prior to the opening convention date. The Board of Directors shall augment the budget by providing honorariums for the President, Secretary and Treasurer, in various amounts, in lieu of any other gratuities customarily granted.

Section 11. Expenses of local travels for Officers of the State Society and expenses of travel for the Society President, NSA District XI Governor, Hawaii State Director, Governor and/or State Director nominees and other delegates to the NSA Conventions shall be borne by the State Society in the manner provided herein:

- (A) Cost of Transportation and per diem for the President's annual visitations to the island chapters.

(B) Cost of Transportation, registration fee and five (5) days per diem for the President's attendance at the annual NSA Convention.

(C) Costs of transportation, per diem and/or registration fees for the NSA District XI Governor, Hawaii State Director, nominees for such offices when applicable and other Hawaii delegates' attendances at the annual NSA Convention shall be borne in the following order of priority, subject to adequacy of the State Society's financial resources and other considerations:

Priority 1.

Incumbent District XI Governor for registration fee and four (4) days per diem, less any applicable NSA reimbursements,
Incumbent Hawaii State Director for air fare, registration fee and five (5) days per diem, less any applicable NSA reimbursements,
District XI Governor-nominee for air fare, registration fee and five (5) days per diem, less any applicable NSA reimbursements, and
Other Hawaii delegates for registration fees, or

Priority 2.

Incumbent District XI Governor for registration fee and four (4) days per diem, less any applicable NSA reimbursements,
Incumbent Hawaii State Director for air fare, registration fee, and five (5) days per diem, less any applicable NSA reimbursements, and
Other Hawaii delegates (to include District XI Governor and/or Hawaii State Director nominees) for registration fees, or

Priority 3.

Incumbent District XI Governor for registration fee, less any applicable NSA reimbursements.
Incumbent Hawaii State Director for registration fee, less any applicable NSA reimbursements, and
Other Hawaii delegates (to include District XI Governor and/or Hawaii State Director nominees) for registration fees.

If the State Society's financial resources and other considerations do not justify or warrant the reimbursements under this sub-section, the Board may, at its discretion and on a year-to-year basis, suspend any or all of the prioritized orders of reimbursements under this sub-section.

The outgoing Board of Directors will encumber the funds for the succeeding NSA Convention by the last meeting of the outgoing Board.

Section 12. REBATES TO CHAPTERS. A rebate in an amount or percent to be determined by the incoming Board of Directors, shall be returned annually to each Chapter based on membership dues paid in, respectively, by each Chapter in order to finance its programs and activities for the year.

ANNUAL STATE CONVENTION

Section 13. The By-Laws of the State Society shall govern all procedures of the annual convention, insofar as they are applicable.

Section 14. The Convention Committee shall prepare a proposed program and budget covering the entire annual convention which shall be submitted to the Board of Directors of the State Society for approval, not later than thirty (30) days prior to the opening convention date.

Section 15. The State Society shall, between April 1st and June 30th, hold its annual convention. The date shall be determined and announced by the Board of Directors at least thirty (30) days prior to the date of said convention.

Section 16. The presidential nomination speech shall be limited to five (5) minutes and each seconding speech shall be limited to two (2) minutes. All other nomination speeches shall be limited to three (3) minutes and each seconding speech shall be limited to one (1) minute.

NOMINATION OF DISTRICT GOVERNOR AND STATE DIRECTOR

Section 17. DISTRICT GOVERNOR. The District Governor of the National Society shall be nominated from the floor and be elected by a majority of votes cast by the duly qualified members at the annual meeting. He shall represent District XI at all NSA Board Meetings and Conventions as outlined in the By-Laws of the National Society. The elected District Governor shall be recommended to the National Society for election at the NSA Convention.

Section 18. STATE DIRECTOR OR DIRECTORS. The State Director or Directors of the National Society shall be nominated from the floor and be elected by a majority of the votes cast by the duly qualified members at the annual meeting. It shall be his duty to act as liaison officer between the State Society and the National Society and such other duties as outlined in the By-Laws of the National Society. The elected State Director or Directors shall be recommended to the National Society for election at the NSA Convention.

Section 19. QUALIFICATION OF THE DISTRICT GOVERNOR AND THE STATE DIRECTOR OR DIRECTORS. Nominees of these offices must be members in good standing of the National Society of Accountants as outlined in the By-Laws of the National Society of Accountants.

AMENDMENTS

Section 20. These POLICIES may be amended by a two-thirds (2/3) vote of the duly qualified members present at the annual meeting or by a majority vote of the members of the Board of Directors of the State Society at any Board meeting.