

# **UNIFORM CHAPTER BYLAWS – INSTITUTE for INTERNAL CONTROLS**

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Version 2 – July 2021

## **ARTICLE I: ADOPTION OF UNIFORM CHAPTER BYLAWS OF THE INSTITUTE FOR INTERNAL CONTROLS**

### Section 1.01. Adoption & Modification

All local chapters (referred to as the “Chapter”), authorized to operate by the Institute for Internal Controls (referred to as “TheIIC” or “The Institute”) via the approval of the *Petition to Start a Local Chapter*, must adopt the Uniform Chapter Bylaws of the Institute for Internal Controls. No changes to the Uniform Chapter Bylaws of the Institute for Internal Controls are allowed without the written consent of the Chairman of TheIIC. Chapters may supplement this document as long as it does not contradict the terms of this document. Any supplemental articles must be approved by the Chairman in writing in advance.

## **ARTICLE II: NAME AND USE OF TRADEMARKS**

### Section 2.01. Local Chapter Name

The name of the Chapter shall be the {insert geographical area} Chapter of The Institute for Internal Controls. Abbreviations of the chapter name may be substituted in advertisements so long as it is identifiable with the chapter name.

### Section 2.02. Trademarks

The Institute owns all federal and common law trademarks in the following marks: (1) “Institute for Internal Controls”; (2) “IIC”; (3) “TheIIC”; (4) “Certified Internal Controls Auditor”; (5) “CICA”; (6) “Certified Controls Specialist”; (7) “CCS”; (8) the Seal of The Institute for Internal Controls; and (9) the IIC Logo. The use of these trademarks and of any other trademarks owned by The Institute (collectively referred to herein as “IIC Marks”) by the Chapter is governed by the Trademark License Agreement executed by the Chapter and The Institute, the terms of which are incorporated into these Bylaws. Except as provided in the Trademark License Agreement, no other use of The Institute’s trademarks by the Chapter is permitted without the prior written permission of The Institute.

## **ARTICLE III: PURPOSE AND OBJECTIVES**

### Section 3.01. Authorization to Organize and Operate

The request for Chapter operations to commence is based on an approved “*Petition to form a Local Chapter*” form, approved by the IIC Chairman or his representative.

### Section 3.02. Purpose and Objectives

The Chapter should be organized as a not-for-profit entity whose primary purpose is to serve the local chapter membership by the mission and goals of TheIIC as defined on TheIIC website and through expansion of knowledge and the interaction of its members.

## **ARTICLE IV: MEMBERSHIP AND PARTICIPATION**

### Section 4.01. General Eligibility for Chapter Membership

All chapter members are subject to approval by The Institute and the Executive Committee. No person shall be eligible to participate in the Chapter as a member or as an affiliate if that person is currently expelled or suspended from The Institute or any other Chapter of The Institute. All chapter applicants must complete and submit a written application, pay applicable Chapter dues, and agree to abide by these Bylaws and the operational guidelines established by The Institute and the Chapter. Upon

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approval to join the Local Chapter, the member must acknowledge in writing to the Local Chapter Executive Committee that they have read the Uniform Chapter Bylaws of the Institute for Internal Controls and agree to comply with it.

## Section 4.02. Qualifications for Membership

There are two categories of members: (1) Certified members in good-standing, and (2) Associate members. Student members may be authorized based on approval of the Local Chapter Executive Committee. Categories added by The Institute may also be added to the Chapter as authorized. Any other categories must be approved by The Institute.

## Section 4.03. Certified Members in Good-Standing

Any individual holding the Certified Internal Controls Auditor (CICA) or Certified Controls Specialist (CCS) certification and who is in good standing may be a member of the Chapter under the terms set forth in these Bylaws. Only members holding the CICA or CCS designation and who are in good standing may hold any Chapter office and shall have voting rights.

## Section 4.04. Associate Members & Student Members

Any person who is an associate member of The Institute in good standing may be a member of the Chapter under the terms set forth in these Bylaws. Associate members may be granted Chapter voting rights, based on the dictates of the Local Chapter. Associate members cannot be members of the Executive Committee but may serve as Committee Heads, provided they serve under the supervision of an Officer of the Chapter.

An person who is a full-time student enrolled in a college/university may be accepted as a Student Member of the local chapter. Student Members will have no voting rights and cannot hold any Chapter office. Special discounted rates may be authorized for Student Members as determined by the chapter membership or officers. It is suggested that a nominal rate be charged student members.

## Section 4.05. Eligibility for Affiliates of the Chapter

The Executive Committee, at their discretion, may allow other interested parties to become affiliates of the Chapter under the terms set forth below. Affiliates are those parties, regardless of their field of endeavor, who desire to align themselves with the Chapter. Affiliates of the Chapter are not required to meet all the qualifications and requirements for membership in the Chapter or The Institute, but are encouraged to do so. The Executive Committee may assess appropriate dues for affiliates and may establish other requirements for participation by affiliates as it deems appropriate. Affiliates of the Chapter shall not be, nor represent themselves to be, members of the Chapter, shall have no Chapter voting rights, and shall not be eligible to hold any Chapter office.

## Section 4.06. Dual Membership and Transfers of Membership

The Executive Committee may decide whether to allow members or affiliates from another Chapter to join as members or affiliates of its Chapter. Individual participation in one Chapter may be transferred to another Chapter, subject to the rules and regulations of both Chapters and The Institute.

## Section 4.07. Resignation

Any member or affiliate of the Chapter may resign at any time, but such resignation shall not become effective until accepted by the Chapter, and shall not relieve the resigning individual from the payment of dues for the expired portion of the current fiscal year, or give any right to rebate for dues paid, or any

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right to a prorated share or any other share of the assets of the Chapter. All resignations shall be in writing and shall be delivered to the Chapter Officers.

## Section 4.08. Suspension and Expulsion

The Executive Committee shall have the authority to suspend or expel any member or affiliate for disciplinary reasons if it determines that the individual:

- A. Has made material misstatements on his or her application for membership;
- B. Has failed to abide by ***TheIIC Code of Professional Ethics*** or ***TheIIC Code of Professional Standards***;
- C. Has failed to abide by these Bylaws or has committed acts discreditable to The Institute, the Chapter or its membership;
- D. In the case of affiliates, has inappropriately identified himself/herself as a member of the Chapter or a member of The Institute for Internal Controls.
- E. Has been found guilty by a court of a felony, or any crime involving moral turpitude;
- F. Has been declared by a court of competent jurisdiction to be insane or to lack legal capacity.

No member or affiliate of the Chapter may be suspended or expelled unless he or she has first received written notice of the reasons for the proposed disciplinary action, which shall be delivered in person or to the individual's last known address by mail or email. The notice shall be delivered at least 30 days before a hearing of the Executive Committee to address the disciplinary action. The member or affiliate shall be afforded an opportunity to respond to the charges by a full hearing before a quorum of the Executive Committee before a final action is taken.

A disciplinary action under this section is effective immediately upon adoption by the Executive Committee . A member who has been suspended or expelled by the Chapter may appeal the decision to TheIIC Chairman.

## Section 4.09. Non-payment of Dues

The Executive Committee may suspend or expel a member or affiliate who is at least 90 days' delinquent in the payment of annual dues for The Institute or Chapter, or other payments owed to The Institute or the Chapter without a hearing, provided that proper notice of the delinquency was sent to the individual's last known address at least 30 days prior to termination.

## Section 4.10. Reinstatement

The Executive Committee may provide the conditions and procedures under which the Chapter may reinstate a member or affiliate who has been suspended or expelled, or whose membership was otherwise terminated, provided that such reinstatement does not conflict with these Bylaws or the rules of The Institute.

## Section 4.11. Report of Chapter Membership

The Chapter shall furnish, upon request, a list containing the names, addresses, and any other contact information for all members and affiliates of the Chapter. The list shall indicate the participation category of the member.

## Section 4.12. Training

The Executive Committee shall appoint a training director who is responsible for the continuing professional education (CPE) of Chapter members and affiliates of the Chapter. The Chapter is authorized and encouraged to provide continuing professional education and other training

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presentations to the chapter membership. All Chapter training must be coordinated with and approved by The Institute to ensure that Chapter training does not compete with training conducted by The Institute.

## **ARTICLE V: LIMITATIONS OF LIABILITY**

### Section 5.01. Chapter Liability

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

### Section 5.02. Institute Liability

The Institute shall not be responsible for, or liable for any lawsuits, damages, other expenses, or liabilities arising out of the activities of the Chapter.

### Section 5.03. Non-liability of Directors Executive Committee; Indemnification

The directors Executive Committee of the Chapter shall not be personally liable for the debts, liabilities, or other obligations of the Chapter. The Chapter Executive Committee shall be indemnified by the Chapter to the fullest extent permissible under the laws of this jurisdiction.

### Section 5.04. Insurance

It is recommended that the Chapter procure liability insurance for the Chapter, and the Chapter agrees to pay all reasonable premiums for such insurance.

### Section 5.05. Institute Authority

In any disputes, The Institute is the final authority. To the extent that these Bylaws conflict with the bylaws or rules of The Institute, the bylaws or rules of The Institute shall control.

## **ARTICLE VI: FINANCES**

### Section 6.01. Fiscal Year

The fiscal year for the Chapter shall be established by the Executive Committee it is recommended that the organization's fiscal year be consistent with national or local laws for maintaining the financial books of the organization as well as for tax or other reporting requirements.

### Section 6.02. Chapter Dues and Fees

Chapter dues and fees will be established by the Executive Committee. Dues and fees shall be billed on a periodic basis as established by the Executive Committee. The Chapter Treasurer shall be empowered to assess and collect said dues. Membership dues for Chapter members, as well as participation fees for affiliates of the Chapter and for all other types of Chapter activities held may be set at different rates at the discretion of the Executive Committee. The Executive Committee shall decide, by a majority vote, the membership dues and participation fees as it deems appropriate.

## **ARTICLE VII: ADMINISTRATION**

### Section 7.01. General

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The operations of the Chapter will be administered by the appointed or elected Officers of the Local Chapter, referred to as the Chapter Executive Committee, as outlined below.

It is noted that many jurisdictions will require a formal legal entity to be formed in order to establish the Chapter as an authorized entity. This is typically necessary to apply for bank account(s) and tax filings. It is recommended, when allowable, that the legal entity apply for non-profit status as soon as possible after the chapter is formed. In instances where a chapter Executive Board of Trustees or Directors is required by the jurisdiction in the formation of the legal entity, it is recommended that one or more of the initial members of the Executive Committee serve as the initial members of the entity Board of Directors. The directors should be updated with the then current elected or appointed officers as changes are made at the subsequent required filings for the legal entity.

Note that the Chapter Board of Directors or Trustees of the legal entity has no authority over the daily operations of the local chapter in their capacity as a member of the Chapter Board of Directors or Trustees. The legal entity has no authority over the daily operations of the Local Chapter. All authority is based on their status as a member of the Executive Committee of the Local Chapter

## **ARTICLE VIII: OFFICERS**

### Section 8.01. Officer Positions and Qualifications

The members of the Executive Committee of the local chapter shall serve as the officers of the Chapter and shall consist of at a minimum, a President, Vice President, Secretary, and Treasurer. The Chapter Executive Committee may create additional officer positions and define the authority and duties of each position. The same person may hold any two or more offices. The Officers shall have the option to allow associate members to hold office, subject to the restrictions in these Bylaws and the approval of TheIIC Chairman.

### Section 8.02. Election

Initial Officers of the Executive Committee may be appointed by TheIIC Chairman for a term not to exceed two years. Subsequent officers must be elected via formal election by the membership. All elections must be ratified by TheIIC Chairman.

### Section 8.03. Term of Office

Officers of the Executive Committee shall serve two-year terms and shall hold office until their successors are duly appointed or elected and qualified. At the discretion of the Executive Committee: (1) The terms of officers may be staggered so that the terms of one-half of the officers expire each year; and/or, (2) Officers may be re-elected to successive terms in either the same or different office.

### Section 8.04. Removal

The Executive Committee may vote to remove an officer at any time with or without good cause, including but not limited to violation of these Bylaws or the bylaws or rules of The Institute. A meeting to consider the removal of an officer may be called with notice to the Board members and the officer in question. The notice of the meeting shall state that the issue of possible removal of the officer will be on the agenda. An officer may be removed by the affirmative vote of a majority of the Executive Committee. Officers may be removed at any time by TheIIC Chairman, typically for cause, and with the ratification of the Chapter Executive Committee or membership.

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## Section 8.05. Vacancies

If a vacancy occurs in any office for any reason, the Executive Committee or The IIC Chairman may appoint a person to fill the vacancy. An officer elected to fill a vacancy shall be appointed for the remaining unexpired term in office.

## Section 8.06. Compensation

No Director or Officer shall not receive any compensation for their services nor favored benefits; however, they shall be entitled to reimbursement for reasonable expenses incurred in connection with the usual performance of their duties. Any such expenditure shall be presented for approval and payment by the Treasurer, failing which, by a majority of the Executive Committee.

## Section 8.07. President

Only a Certified Member in good standing may hold the office of President. The President shall be the chief executive officer of the Chapter, and when present, shall preside at all meetings of the Chapter. He/she shall exercise general supervision and management of the affairs of the Chapter; shall consult with and inform other officers and directors, members, and The Institute of significant events; shall make an annual report to the members of the Chapter and The Institute; and shall perform other duties prescribed by the Chapter Executive Committee, as well as all duties incident to the office of President and chief executive officer.

## Section 8.08. Vice President

Only a Certified Member in good standing may hold the office of Vice President. The Vice President shall report to the President and shall assume the duties of the President in his/her absence. When the Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall be responsible for other duties that President or the Chapter Executive Committee shall delegate from time to time. Notwithstanding the forgoing, if the office of President becomes vacant before the expiration of the term, the Vice President may assume that position for the unexpired term.

## Section 8.09. Secretary

Only a Certified Member in good standing may hold the office of Secretary. The Secretary shall report to the President and shall keep the minutes of the meetings of the members and of the Chapter Executive Committee; see that all notices are given in accordance with the provisions of these Bylaws or as may be required by law; be custodian of the corporate records and of the seal of the Chapter and see that the seal of the Chapter is affixed to all documents as authorized; maintain the membership records of the Chapter, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Chapter Executive Committee. The Secretary shall be a member of The Institute for Internal Controls in good standing.

## Section 7.10. Treasurer

Only a Certified Member in good standing may hold the office of Treasurer. The Treasurer shall report to the President and shall be responsible for all financial records maintained by the Chapter. All moneys received by the Chapter as well as disbursements therefrom, shall be the responsibility of the Treasurer. He or she will ensure that any funds received are properly deposited for safekeeping to the credit of the Chapter; that all disbursements are properly approved; that the Executive Committee is kept advised of the status of the accounting of funds; and otherwise perform appropriate duties to see that the assets of the Chapter are properly safeguarded. The Treasurer shall produce annual financial statements of the

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Chapter and submit them to the Executive Committee and The Institute within three months of the end of the Chapter's fiscal year, and in general shall perform such other duties as from time to time may be assigned by the President or by the Executive Committee.

## Section 7.11. 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President

The Chapter may create multiple levels of the Vice President position to order to spread the work load and responsibility of the Officers as well as expand the experience of the officers.

## **ARTICLE IX: COMMITTEES**

### Section 9.01. Establishment of Functional Committees

The Executive Committee may adopt a resolution establishing one or more functional committees, establishing qualifications for membership on a committee, delegating specified authority to a committee, or appointing or removing members of a committee. The Executive Committee may delegate to the President its power to appoint and remove members of a committee.

### Section 9.02. Functional Committee Participation

Members of each functional committee shall be members of the Chapter in good standing.

### Section 9.03. Term of Office

Each member of a functional committee shall continue to serve on the committee until a successor is appointed or the committee is terminated. However, the term of a committee member may terminate earlier if the committee is terminated or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

### Section 9.04. Removal of Functional Committee Members

Any functional committee member may be removed by the person or persons authorized to appoint such member with or without cause whenever in their judgment the best interests of the Chapter will be served by such removal.

### Section 9.05. Chair and Vice-Chair of Functional Committees

One member of each functional committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be elected by the members of the committee or appointed by the Executive Committee. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

### Section 9.06. Notice of Meetings

The Committee chair shall give reasonable notice to all committee members of the place, day, time, and purpose or purposes for any committee meeting. Meetings may be conducted in person or by conference call.

### Section 9.07. Quorum

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Unless otherwise provided in the resolution of the Executive Committee, a majority of the number of members of a committee shall constitute a quorum when business is conducted at any meeting of the committee.

## Section 9.08. Compensation

Committee members shall not receive any compensation for their services, but shall be entitled to reimbursement for reasonable expenses incurred in connection with the usual performance of their duties. Any such expenditure shall be presented for approval and payment by the Treasurer, failing which, by a majority of the Executive Committee.

## Section 9.09. Rules

Each committee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Chapter Executive Committee.

## **ARTICLE X: ANNUAL MEETING**

### Section 10.01. Purpose

The annual meeting shall be held for the purpose of electing and/or announcing the results of the election of officers and directors; installing the officers and directors; presenting the annual financial statements; and transacting such other business as may be deemed appropriate by the Chapter Executive Committee.

### Section 10.02. Time and Place

The annual meeting shall be held each year at a time and place specified by the Chapter Executive Committee.

### Section 10.03. Notice of Meeting

All Chapter members in good standing and eligible to vote shall be notified in writing, including email, no less than thirty (30) days in advance of the annual meeting.

### Section 10.04. Voting

All Chapter members in good standing and eligible to vote may participate in elections at the annual meeting. A quorum shall be constituted by at least 10% of the Chapter members eligible to vote. All business coming before the members shall be approved by a majority of those present unless otherwise required by these Bylaws. Members unable to attend may be provided ballots for voting provided the ballot is received by the appointed chapter representative at least 48 hours prior to the election. All absentee votes must be included in the final count for the election.

## **ARTICLE XI: BOOKS AND RECORDS**

### Section 11.01. Books and Records

The Chapter will keep correct and complete books and records of account and will also keep minutes of the formal proceedings of the Executive Committee, functional committees, and meetings of the membership.

All books and records of the Chapter may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.



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## **ARTICLE XII: DISSOLUTION**

### Section 12.01. Vote to Dissolve

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

### Section 12.02. Distribution of Assets

Upon dissolution of the Chapter, its assets remaining after payment of all debts and liabilities, shall be distributed to The Institute and will be credited to the IIC Scholarship Fund.

### Section 12.03. Non-Use of IIC Marks and Report to Institute

Upon dissolution, the Chapter shall destroy all letterhead, stationery, or other items bearing, in any form, the name “Institute for Internal Controls” or any other Marks of The IIC, and the Chapter shall immediately and permanently cease to use, in any manner, The IIC Marks for any purpose unless such use is approved in writing, in advance, by The Institute. The Chapter shall also provide The Institute with a list of Chapter members at the time of dissolution, a report detailing the distribution of the assets of the Chapter, and a copy of the Certificate of Dissolution issued by the state.

## **ARTICLE XIII: MISCELLANEOUS PROVISIONS**

### Section 13.01. Chapter Handbook

The Chapter and its members, Executive Committee and officers, and directors agree to abide by the provisions of the Chapter Handbook and such other rules or regulations which may from time to time be instituted by The Institute.

### Section 13.02. Meeting by Electronic Means

The Chapter Executive Committee, and any committee of the Chapter, may hold a meeting by telephone conference call or other electronic means in which all persons participating in the meeting can hear each other. The notice of a meeting by electronic means must state the fact that the meeting will be held by electronic means as well as all other matters required to be included in the notice. Participation of a person in a meeting by electronic means constitutes presence of that person at the meeting.

### Section 13.03. Amendments to Bylaws

The Chapter Executive Committee may alter, amend, repeal, or enact new Bylaws, subject to the limitations of the articles of incorporation, these Bylaws, and the laws of the jurisdiction under which the Chapter operates. All amendments are subject to the written approval of The Institute and no amendment shall be given effect until such approval has been granted.

### Section 13.04. Legal Construction

If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

### Section 13.05. Principal Office

The Principal of the Chapter shall be at a place designated by the Executive Committee.

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Section 13.06. Effective Date

These Bylaws shall be effective on the date they are adopted by the Chapter Executive Committee.

**CERTIFICATE OF ADOPTION OF CHAPTER BY-LAWS**

I, the undersigned, certify that I am the presently elected or acting Secretary of the Chapter, and that this document represents the Bylaws of the {insert your charter name} as adopted by the meeting on {insert date} and replace any Bylaws adopted previous to this date.

Attest:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date