



**Approved by NAEA Board November 18, 2022**

## **Policy & Procedure Manual (PPM)**

The following NAEA policies and procedures supplement the NAEA Bylaws. (In the event that this document is in conflict with the Association Bylaws, the Bylaws will take precedence.)

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# Part I – Knowledge Based Decision Making (KBDM)

A key role of the NAEA Board of Directors (Board) is to provide oversight of the Association. When motions are brought to the Board, it is important that members of the Board have enough background to deliberate and make wise decisions. While not strictly required, the Board strongly recommends that Knowledge Based Decision Making (KBDM) be used as a guideline for creating a complete and meaningful background.

1.1 KBDM is applied to both strategic and tactical decisions. Strategic decisions are spelled out in the Association's strategic plan and in appropriate charges to Committees. Board members are expected to participate in strategic discussions at each Board meeting. Motions pertaining to tactical decisions are made through motions brought to the Board during Board meetings.

1.2 The Board explores the following four areas to apply KBDM to any given issue.

1.2.1 **Members:** What knowledge do we have of our member's needs, wants, and preferences?

1.2.2 **Resources:** What knowledge do we have of our financial resources and staff expertise and availability?

1.2.3 **Environment:** What knowledge do we have of the direction of our profession and our strategic plan?

1.2.4 **Ramifications:** What knowledge do we have of the consequences (positive, neutral, or negative) of taking or not taking action?

These questions are applicable to both strategic issues and tactical questions.

1.3 The President brings strategic issues to the Board by setting the agenda in consultation with the Executive Vice President (EVP), the Executive Committee, and/or individual Directors. Background for such issues is made available in the Board Book and, when appropriate, reference the four areas detailed in PPM 1.2.

1.4 Committees or individual Board members use motions to bring tactical issues to the Board. Background for such motions is made available in the Board Book and, when appropriate, reference the four areas detailed in PPM 1.2.

1.5 The Bylaws, PPM, Committee Charges and Standard Operating Procedures (SOP), Code of Ethics and Rules of Professional Conduct, and Officer/Director Job Descriptions are considered the governing documents of the Association. Amendments to the Bylaws are approved by the Membership as outlined in the Bylaws. Changes to the PPM and the Code of Ethics and Rules of Professional

Conduct are approved by the Board through Board Motions (and not contained in the consent agenda). Changes to the Committee Charges and SOP and Officer/Director Job Descriptions are approved by the Board and may be contained in the consent agenda.

1.6 The Bylaws and Governance Committee and the EVP are authorized to adopt certain changes in the PPM, Committee Charges and SOP, Code of Ethics and Rules of Professional Conduct, and Officer/Director Job Descriptions related to housekeeping corrections only. This authority is strictly limited to:

1.6.1 Renumbering sections after the Board has adopted a change.

1.6.2 Correcting typographical errors for publication.

1.6.3 Making necessary grammatical corrections to adopted changes, provided there is no change to the intent of the change.

1.7 The Bylaws and Governance Committee will perform a full review of the Association's governing documents every five years. The next review is scheduled for the 2027 – 2028 governance year.

## Part II – Board

2.1 The Board will hold no fewer than two meetings between annual meetings. Attendance at all meetings is mandatory for all Board members. A Board member will be automatically excused upon notice of the member's illness or emergency or upon notice of an illness, death or emergency related to a family member. An excused absence will also be allowed in case of conflict arising from a change in original schedule. A Director or Officer will be removed from office as stipulated by the Bylaws for unexcused absences from two regularly scheduled meetings of the Board per governance year.

2.2 All agenda items submitted by Board members and Committee Chairs must be submitted to the EVP 15 days prior to each scheduled Board meeting. The EVP will issue a call for such items at least two weeks before this deadline. All reports will be submitted on Association letterhead when possible. Any recommendation or motion for Board consideration will be included in the report. All motions and strategic discussion issues should have background material as detailed in PPM 1.2, 1.3 and 1.4.

2.3 All agendas, minutes, reports and other material relevant to the Board meeting will be contained in a Board Book, which will be distributed to the Board members and posted on the NAEA website no later than 7 days prior to each meeting. Draft

minutes from a Board meeting will be posted no later than 30 days after the Board meeting.

- 2.4 The President will chair the Board meetings and run the Board meetings in accordance with *Robert's Rules of Order, Newly Revised* (RONR). The President may make use of a Parliamentarian for assistance in conducting the meeting.
  - 2.4.1 Strategic issues are considered for committee of the whole discussion where the Chair may participate in discussion. The Chair maintains the right during these discussions to rule any Board member or guest out of order for inappropriate comments or behavior.
  - 2.4.2 Formal motions offered during a meeting of the Board will be in writing with a copy provided to the Secretary.
  - 2.4.3 Committee Chairs who are invited to the Board Table to present committee reports and motions will be treated as non-voting Directors during deliberations.
  - 2.4.4 Guests in attendance may speak in debate on the same question during a business meeting no more than twice and may not hold the floor more than a total of five (5) minutes without permission of the Board. A guest may ask the President for permission for five more minutes. Upon such a request, the President will then conduct a vote of the Board without debate.
- 2.5 All Board Officers and Directors will be trained on an annual basis in KBDM and RONR as utilized by NAEA for its Board meetings.
- 2.6 The Board will not allow video recording of Board or Committee meetings unless specifically authorized by the Board for a given meeting. Audio recordings are allowed at Board meetings and it will be identified when recording begins. Audio recordings are not permissible in Executive Sessions or during board conference calls. Audio recordings will be retained only until such time as the minutes are formally approved.
- 2.7 Each member of the Board will be reimbursed in accordance with the volunteer reimbursement policies as set forth in PPM 6.7 for expenses to and from mandatory meetings.
- 2.8 The Board will approve the annual budget and all Committee charges and SOP, taking into consideration the Strategic Plan.
- 2.9 If an at-large Director position becomes vacant for any reason the Board will consider a motion, at the next regular scheduled meeting or at a special meeting called for that purpose, to fill the vacant seat. If the motion fails, the seat will not be filled. If the motion carries, filling the vacancy will be the next order of business.

Nominations to fill the vacant seat will only be received from members of the Board. Discussions will only be heard from members of the Board. Any Member in good standing, other than one who within the last 12 months has completed two consecutive terms on the Board may be nominated. The Board will conduct a secret ballot using Ranked Choice Voting to elect a Member to fill the board vacancy. Ballots will be collected and tallied by the Secretary and the EVP. The winning individual, if available, will be immediately installed by the NAEA President and assume the responsibilities of Director.

- 2.10 If an Officer position becomes vacant for any reason the Board will, at the next regular scheduled meeting or at a special meeting called for that purpose, fill the vacant office. Nominations to fill the vacant office will only be received from members of the Board. Discussions will only be heard from members of the Board. Any Member in good standing, other than one who within the last 24 months has completed two consecutive terms in that office may be nominated. The Board will conduct a secret ballot using Ranked Choice Voting to elect a Member to fill the vacancy. Ballots will be collected and tallied by the NAEA President and the EVP. The winning individual, if available, will be immediately installed by the NAEA President and assume the Officer responsibilities. If an at-large Director vacates his/her/their position to assume the duties of the office, then addressing this vacancy pursuant to PPM 2.9 will be the Board's next order of business.

## Part III – Committees, Advisory Boards and Task Forces

- 3.1 The President-Elect will appoint the Chairs for the purpose of the governance year when he/she/they serves as President for of the following standing committees, subject to Board confirmation: Affiliate Council; Audit; Awards; Bylaws and Governance; Diversity, Equity, and Inclusion; Education; Ethics and Professional Conduct; Finance; Government Relations; Information Technology; Leadership Development; Membership; Nominating; Public Awareness; and Social Media Administration. All Chairs will be Members in good standing, and, during the governance year, the President may, with good reason, replace a Chair and appoint a new Chair, subject to Board confirmation.
- 3.2 The President will appoint NAEA Officers and Directors as needed to assist in the functioning of Committees. Generally, a Board member will serve as a liaison to at least one committee. Staff liaisons are appointed by the EVP and report to the EVP.

- 3.3 Committees may create (and dissolve) permanent subcommittees. A Chair of a committee may create or appoint such task forces or advisory boards as deemed appropriate. Subcommittee and task force chairs will be Members.
- 3.4 The term of a Chair or any Committee member of the standing committees listed in PPM 3.1 is one year, the governance year. Each Committee Chair selects the members of the Committee, in consultation with and subject to the approval of the NAEA President (President-Elect if before the governance year). Subcommittee, task force, and advisory board chairs select the members of the subcommittee, task force or advisory board, subject to the approval of the Committee Chair.
- 3.5 The Executive Committee, led by the President-Elect in consultation with the Board, conducts the EVP's annual performance review (cf. PPM, Part 12).
- 3.6 The Awards Committee will adhere to the following policies:
- 3.6.1 The committee may set the nominations cutoff date each year per their discretion.
  - 3.6.2 Award recipients are only eligible to win one award in a given governance year.
  - 3.6.3 Award recipients are eligible to win an award more than once, except for the Founder's Award which is a once in a lifetime achievement award.
  - 3.6.4 Posthumous nominees may win any award.
  - 3.6.5 Current employees of NAEA or any state affiliate are ineligible to receive any award.
  - 3.6.6 The NAEA Award categories will be evaluated to determine relevancy and sustainability each year .
- 3.7 The Nominating Committee will be composed of seven members. Should a vacancy occur, the Committee Chair will select a member to fill the vacancy in consultation with and subject to the approval of the NAEA President. The replacement member of the committee will be filled at the discretion of the President and committee chair.
- 3.8 In the event that the ballot for the open position on the Executive Committee results in a tie vote, a second ballot will be held. If the second ballot results in a tie vote, a third ballot will be held that would include all directors and officers present.
- 3.9 The Affiliate Council is a committee composed of ten (10) Members. Four (4) members are appointed by the President (see PPM 3.4) and serve a one year term. The remaining six (6) members are elected by the Affiliate Presidents (three (3) each year – usually in January) to serve a two (2) year term. Candidates for election complete an Affiliate Council Committee Nomination Form, and information is distributed to the affiliate presidents before the election. Affiliate Council Committee member terms coincide with the NAEA governance year and commences immediately after the

NAEA officers and directors are installed. The Chair is appointed by the President-Elect (see PPM 3.1).

3.10 The Affiliate Council committee is tasked with coordinating efforts to build a strong affiliate network and is instrumental in the planning of the semi-annual affiliate exchange training sessions. The Affiliate Council Committee advises and guides NAEA's Affiliate activities in three (3) main areas: recruitment and retention; member benefit development; and the SEE resources. All Affiliate Council Committee members are expected to attend the affiliate exchange. Affiliate Council Committee members will be reimbursed for expenses incurred as a result of NAEA business in accordance with PPM 6.7.

3.11 A vacancy on the Affiliate Council occurs if a member of the Council leaves for any reason.

3.11.1 If the vacancy occurs in the first year of the two-year term of an elected member, the NAEA President may appoint an eligible Member to fill the vacancy or leave the vacancy unfilled until the next installation. The nominee or candidate with the highest number of votes in the next election who is not elected to a two-year term will be elected to serve the remaining term of office.

3.11.2 If the vacancy occurs in the second year of the two-year term of an elected member, the President may appoint an eligible Member to serve the remaining term of office or leave the vacancy unfilled.

3.11.3 If the vacancy occurs in the term of an appointed member, the President may appoint an eligible Member to serve the remaining term of office or leave the vacancy unfilled.

## Part IV – Bylaws

4.1 Bylaws amendments are to be brought to the membership for approval as outlined in the Bylaws either through a carried Board motion or by the petition process. The Bylaws and Governance Committee will review proposed Bylaws amendments.

4.2 All Bylaws amendments are to be voted on by the Members (as defined in the Bylaws) via electronic ballot.

4.2.1 The Board will establish procedures to ensure the validity of the election, including but not limited to the decision to contract with an election vendor.

4.2.2 The Bylaws and Governance Committee will determine ballot wording (including pro and con arguments).

- 4.2.3 A sample ballot will be published in the *EA Journal*. This ballot will not be considered official and will not be accepted for count in an election.
- 4.2.4 Ballots must be distributed to all Members in good standing on the date of record 30 days prior to the dispersal of the ballots.
- 4.2.5 The Secretary will certify the results of the vote. Results will be announced in the next E@lert and *EA Journal* issues and will be posted on the NAEA website. If the amendments carry, a new version of the NAEA Bylaws will be posted on the NAEA website within two weeks of this certification.

## Part V – Elections and Nominations

5.1 All Members who seek to serve on the NAEA Board must follow the procedures of the Nominating Committee and must be interviewed by this Committee. Any candidate for President-Elect will have NAEA Board experience.

5.2 The following Nominating Committee procedures will be followed:

5.2.1 Interviews: Interviews may be held either in person or by videoconferencing (or other electronic means) that allow the full Nominating Committee to view and communicate with the applicant. Should interviews be held in person, applicants may opt to participate by videoconferencing or other electronic means. The entire cost of participating in the interview, if any, will be borne by the applicant.

5.2.2 Slate: The slate of nominees for Officers and Directors will be published to the membership no later than 15 days prior to the election.

5.2.3 Non-slate candidacy:

5.2.3.1 Members interviewed for a Director position by the Nominating Committee, but not chosen as a nominee, may declare their candidacy for any single position for which they interviewed, in writing to both NAEA's EVP and Nominating Committee Chair, no later than 7 days after the slate of nominees has been published.

5.2.3.2 Members with NAEA Board experience interviewed for an Officer position by the Nominating Committee, but not chosen as a nominee, may declare their candidacy for any single position for which they interviewed, in writing to both NAEA's EVP and Nominating Committee Chair, no later than 7 days after the slate of nominees has been published.

5.2.3.3 Members without NAEA Board experience interviewed for Secretary or Treasurer by the Nominating Committee, but not chosen as a nominee, may not declare their candidacy for any officer position.



5.2.4 Announcement: The Nominating Committee will prepare an announcement of all nominees and declared candidates, including a biography, goal statement, and an answer(s) to a common question(s). The announcement will be communicated no later than 7 days prior to the start of the election to all eligible voting members (see PPM 5.4.2) and will include instructions for voting.

5.2.5 Committee reimbursement: Nominating Committee members will be reimbursed for reasonable expenses incurred during the interview process subject to PPM 6.7 guidelines.

5.3 The following campaign guidelines will be followed:

5.3.1 For individual nominees, campaign materials will focus on issues that impact the advancement of the enrolled agent credential. Campaign materials will not disparage nor include negative information or comments regarding other candidates. Candidates may employ social media to campaign, but this media cannot be of NAEA or affiliate origins. NAEA may facilitate other campaign opportunities and make those available to the Members.

5.3.2 Campaign materials distributed at NAEA meetings may be distributed only on NAEA provided tables, located in common areas. Space is limited to approximately two (2) pieces of 8.5" x 11" paper to showcase a flyer and/or give-away items. NAEA staff will neither stock materials nor ship materials back to candidates. At NAEA hosted events, the Chair of the Nominating Committee may designate a member (who is not campaigning) to monitor the use of the campaign table. This volunteer member will not receive compensation or reimbursement for these services. Due to time restraints, presentations to audiences of any meeting are not permitted.

5.3.3 Affiliates should encourage all members to vote in the national election as to increase member participation. Affiliates are encouraged to remain neutral and will not encourage or discourage voting for a specific candidate(s).

5.4 Electronic ballots will be used for Officer and Board elections.

5.4.1 The Board will establish procedures to ensure the validity of the election, including but not limited to the decision to contract with an election vendor.

5.4.2 Each NAEA Member (as defined in the Bylaws) in good standing on November 1 of the current year will receive a ballot with the names of all nominees and candidates (if applicable) for each elective position.

5.4.3 Only official electronic ballots received by the deadline will be counted.

5.4.4 The NAEA President will appoint a Chief Teller who is not a current member of the Board to certify the results of the election. The results will be certified no later than December 31 and will be published in the next issue of the *E@lert* and the *EA Journal* and posted on the NAEA website. The results of the NAEA

election will be made available to any member upon request submitted to the EVP.

## Part VI – Finance

- 6.1 The Executive Committee is authorized to approve short-term loans as necessary to ensure operational solvency. The Board must approve any short-term loan debt in excess of \$75,000.
- 6.2 All property and equipment expenditures of less than \$2,500 will be expensed. The Board must approve all property and equipment expenditures in excess of \$5,000. The President and Treasurer can approve emergency expenditures.
- 6.3 The Finance Committee will review monthly financial statements, showing actual income and expenses compared to budget, before distributing to the Board in a timely manner.
- 6.4 The bank signatures for all NAEA accounts will include the EVP, President and Treasurer. Signatures will be updated with the bank(s) within two weeks of installation of the President and Treasurer. Checks written in excess of \$25,000 will require two signatures.
- 6.5 A fund will be created as a Board Designated Unrestricted Reserves account. The balance in the Board Designated Reserves account will be calculated and designated at the end of every fiscal year. The Board designated Unrestricted Reserves may be accessed only by a two-thirds vote of the Board. In the event NAEA has net assets without donor restriction at zero or below zero, any board designations on funds will be eliminated. The amount of the Board Designated Unrestricted Reserves Account will not be more than \$275,000. In the event negative net assets are less than \$275,000 the calculated negative net assets at the end of the fiscal year will be subtracted from the value of the fund. The Treasurer would be responsible for monitoring the net assets without donor restrictions and suggesting an amount to designate to the Board following the completion of the annual audit of the financial statements. The designated funds may be used for new programs or projects consistent with the Strategic Plan, capital expenditures, or unforeseen circumstances such as EVP succession costs and to cover costs for unexpected opportunities that may arise during a fiscal year. These funds could be set aside in a separate bank account but that is not necessary to maintain their designation.
- 6.6 Pursuant to the requirements of the Sarbanes-Oxley Act, the Audit Committee will maintain procedures with respect to the receipt, retention and treatment of complaints regarding NAEA's accounting, internal controls, auditing matters or violations of

NAEA's Code of Ethics and Rules of Professional Conduct. Procedures are also identified that allow NAEA employees to submit confidential and anonymous concerns about questionable accounting or auditing matters. All concerns in this policy should be reported to the President-Elect for action. Based upon the nature of the complaint, it will be forwarded to the Audit or Executive Committee for consideration and action. NAEA and its management may not discharge, demote, suspend, threaten, harass or discriminate in any manner in the terms and conditions of employment based upon any employee's good faith complaint relating to NAEA's accounting, internal accounting controls, auditing matters or violations of NAEA's Code of Ethics and Rules of Professional Conduct.

- 6.7 Unless otherwise stated, a Member whose services and/or attendance has been requested by the NAEA EVP or NAEA President will be reimbursed for expenses incurred as a result of NAEA business using the following guidelines:
- 6.7.1 Expenses must be reported on the approved expense form provided by NAEA and must be submitted within 45 days of the expense.
  - 6.7.2 Expenses in excess of \$50 must be documented by original receipts.
  - 6.7.3 All Members should make effort to select the lowest cost air travel to and from the location. Other modes of travel are authorized and will be reimbursed in accordance with the current IRS mileage rate provided the total does not exceed air travel.
  - 6.7.4 Lodging, only at the NAEA designated hotel, at the NAEA rate as required by the meeting schedule, which may include the night before and/or the night following if necessary and approved by the EVP.
  - 6.7.5 Transportation to and from the airport at the lowest published fare or IRS mileage rate plus parking, whichever is lower.
  - 6.7.6 A per diem using the IRS M&IE rate for the location for each meeting day and one-half per diem for each travel day. If meals are provided during the meeting days, the per diem will be adjusted accordingly.
  - 6.7.7 Reimbursements will be processed within 30 days of the date of submittal.
- 6.9 The Government Relation Fund (GR) and Public Awareness Fund (PAF) are assets with donor restrictions. Revenue is recorded in the year notification is received from the donor. Contributions and support are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restrictions in the combined financial statements.

## Part VII – Membership

- 7.1 The effective date of membership of new applicants will be the day the application is processed by NAEA.
- 7.2 NAEA membership will operate on an anniversary method of dues renewal. Members and associates joining from the first through the 15th will have an expiration date of the last day of the prior month in the following year. Members and associates joining from the 16th through the end of the month will have an expiration date of the last day of the month in which they joined in the following year.
- 7.3 Dues and initiation fees will be the same for Members and associates. Member emeritus dues will be set at 25% of regular dues.
- 7.4 Members and associates will receive a renewal invoice three (3) months prior to their expiration date. NAEA reserves the right to assess a \$20 late fee on any Member who has not paid his/her/their dues 30 days after his/her/their expiration date. Suspension and termination will occur as outlined in NAEA Bylaws Article V, Membership Status, 5.01 Termination/Suspension of Membership. Upon suspension, any Member or associate ceases to be eligible for any benefit until such time as the suspension is lifted. For annual review and analytic purposes, the number of active (non-terminated) members and associate members will be reported as of the beginning of each fiscal year (July 1<sup>st</sup>.) Similarly, year-end membership numbers will be reported as of June 30th.
- 7.5. Associate membership categories are created (or dissolved) by the Board. Associates will abide by the Association’s Bylaws and Code of Ethics and rules of Professional Conduct. Associates will be required to meet and annually report on completion of the same continuing education (CE) requirements as Members. Associates will receive the same benefits as Members, but will not have the right to vote on any issue that comes before the Association. Associates are not eligible to hold elective office in the Association or serve as a Chair of a committee, subcommittee, task force, or advisory board. No enrolled agent or other individual who has been removed from practice under the provisions of Circular 230 will qualify for Associate status.
- 7.5.1 **Associate.** A non-enrolled agent involved in the tax industry.
- 7.5.2 **Academic Associate.** Students and instructors involved in learning or instruction at institutions teaching tax, accounting, or finance. Students and instructors eligible for the category must provide proof of enrollment or instruction in high schools, colleges, or professional schools. Academic Associates are exempt from additional CE requirements.

- 7.6 Requests from any Member or associate for waiver of dues will be submitted with all pertinent facts to appropriate NAEA staff who will discuss the facts with the NAEA President and EVP who will then make a decision. In the case of a denial, the member has the right to appeal the decision in writing to the Executive Committee. Any Member or associate granted a waiver of dues will be advised that the waiver is for NAEA dues only and that a request to an Affiliate (if applicable) must be made. NAEA will notify the requisite Affiliate of any waiver. The identity of the Member or associate, as well as the circumstances with regard to the waiver, will be maintained in the strictest of confidence. Dues waivers will be granted for one NAEA fiscal year. Ordinarily, waivers will not be granted for the same circumstances for subsequent years.
- 7.7 NAEA may, at its sole discretion, market and solicit directly to potential Members and associates. NAEA may reduce national dues or waive initiation fees for potential Members for the first year of membership only. NAEA may offer reduced state dues only with the express permission of the State Affiliate.
- 7.8 Members and associates must attest to the completion of the 30 hours NAEA CE requirements prior to or concurrent with renewing their membership. NAEA will have a CE attestation form available on the NAEA website and will include information on the CE renewal process with the renewal information sent to Members and associates. Enrolled agents who initially receive their NAEA membership card during the current year must complete a total of at least 2 hours of CE per month for the remainder of that year. Enrollment in any part of the month (i.e. January 31 or February 28) is considered enrollment for the entire month. NAEA Members who report less than the minimum hours must earn the missing CE hours in the next calendar year, in addition to the 30 hours required for that year. Members may not report more than 30 hours of CE in a year with the intention of lessening the requirement for future years. In accordance with IRS requirements for enrollment renewal, Members must earn at least 2 hours of Ethics in each calendar year.
- 7.8.1 CE as defined by IRS guidance will qualify towards NAEA's CE requirement. CE in the areas of state and local taxation or practice management will be eligible for purposes of the additional hours of CE required by NAEA. For associates studying to become an enrolled agent, the Special Enrollment Examination (SEE) preparation classes will be eligible for purposes of the additional hours of CE required by NAEA.
- 7.8.2 Requests from any Member or associate for waiver of CE will be submitted with all pertinent facts to appropriate NAEA staff who will discuss the facts with the EVP who will then make a decision. In the case of a denial, the member has the right to appeal the decision in writing to the NAEA President. NAEA will notify the requisite Affiliate of any CE waivers granted. The identity of the Member or associate, as well as the circumstances with regard to the

waiver, will be maintained in the strictest of confidence. CE waivers will be granted for one calendar year. Ordinarily, waivers will not be granted for the same circumstances for subsequent years.

7.9 Approval of CE waivers will fall into two (2) categories:

7.9.1 Individuals who cannot or will not complete the requirements under Circular 230 and have requested and been granted a waiver by the Return Preparer Office (RPO). NAEA will follow the RPO grant of CE waiver, providing all dues are current.

7.9.2 Individuals who request a full or partial waiver for a specific year of the NAEA education requirement set forth in Section 3.06 of the Bylaws. NAEA will review these requests on a case-by-case basis.

7.10 The Code of Ethics and Rules of Professional Conduct will be made available to all Members and Associates. The Ethics and Professional Conduct Committee will perform a full review of the Code of Ethics and Rules of Professional Conduct every five years. The next review is scheduled for the 2024 – 2025 governance year.

## Part VIII – Affiliates

8.1 Authorization to charter, modify the territory, or withdraw the charter of existing Affiliates resides with the Board as stated in the Bylaws.

8.2 The NAEA Board may modify the territory of an existing Affiliate upon request by that Affiliate’s Board of Directors. To request a change in territory, the Affiliate’s Board of Directors will notify the NAEA President in writing. The NAEA President will convene the Board at a regularly scheduled meeting or by conference call to consider the request.

8.3 Affiliates may establish other “associate” categories to individuals not otherwise eligible for membership. Affiliates (and Chapters of those Affiliates) will not use the word “member” in the title of Any associate or in any official document provide to the associate. Any such associate category will be reported to the Association. Affiliates will not allow associates to vote on any issue before the Affiliates’ members nor to hold elective or appointed office.

8.4 NAEA may require an Affiliate to submit its governance documents, including but not limited to a current copy of Bylaws, policy and procedure manual, tax documents or financial statements.

- 8.5 Within five (5) days after knowledge of an infraction of the Affiliate Charter occurring on the part of an Affiliate, the NAEA President will notify the current Affiliate President and Board of Directors and outline the infraction and possible remedies. The Affiliate President will have 30 days to respond in writing, acknowledging the infraction, detailing how the situation will be remedied and a timetable for the correction. If the Affiliate is unresponsive, uncooperative or if the proposed solution is deemed insufficient to remedy the situation, the NAEA President will convene the NAEA Board by conference call or at a regularly scheduled meeting to explore options.
- 8.6 Should the NAEA Board vote to withdraw an Affiliate charter, the NAEA President will notify the Affiliate President and Board of Directors of the effective date of charter withdrawal. All current NAEA members within the territory of the Affiliate will be notified of the NAEA Board's vote to withdraw the charter within 15 days, regardless of whether the Affiliate opts to appeal the decision. Members in the state will retain their membership in NAEA and are free to join another NAEA Affiliate if desired. Any member requesting a refund for state dues will be referred directly to the former State Affiliate.
- 8.7 To appeal the NAEA Board's decision for the withdrawal of a Charter, the Affiliate President must notify the NAEA President in writing within 15 days of the notice. New documentation or a new plan to resolve the situation must accompany the appeal, otherwise the appeal is deemed insufficient and the Board's decision is upheld. NAEA's President will convene the NAEA Board by conference call or at a regularly scheduled meeting to review the appeal request. The NAEA President will notify the Affiliate President and Board of Directors of the final decision. NAEA will not issue a new charter to any other Affiliate or potential Affiliate for the geographic area until all appeal rights have been exhausted by the current Affiliate and its Board of Directors.

## Part IX – Communications

- 9.1 All advertising in any NAEA publication that states its target audience and lists certified public accountants and/or attorneys must also list enrolled agents.
- 9.2 No appropriate advertiser may be turned down due to prejudice. NAEA retains the right to refuse an advertiser if the advertiser or advertisement is in competition with NAEA or NAEA programs. The publisher reserves the right to cancel or reject any advertising at any time and to add the word "Advertisement" at the top of any copy which, in the publisher's opinion, simulates editorial matter and might be misleading to the reader.



- 9.4 Use of the NAEA logo by companies and organizations (including companies that employ one or more NAEA members) on their websites or elsewhere is strictly prohibited except with written consent. The NAEA logo may be displayed solely by current individual members of NAEA. The logo may be downloaded from the NAEA website or obtained by contacting the NAEA office. Advertisers and sponsors may not use the NAEA logo on any printed or electronic material without written approval. NAEA may publish a logo for use by advertisers and sponsors. Such use will be limited to conditions established in written agreements between NAEA and its advertisers and sponsors. NAEA logos may not be altered or enhanced in any way without direct permission from NAEA.
- 9.5 Member data, including phone, fax or email information, may be shared with State Affiliate leadership for the express purpose of providing appropriate member benefits. NAEA may rent the mailing list of Members for a one-time usage, provided NAEA approves the materials being sent and the list is being sent to a bonded third-party mail house. NAEA never rents phone, fax or email information. NAEA maintains a "do not sell" list of Members. NAEA maintains a "Find a Tax Expert" directory and referral phone service to assist the general public in locating member enrolled agents. Phone, fax, email or website information may be shared with the general public through this service. At any time, Members may opt out of this directory and/or all additional marketing by notifying the NAEA office in writing or so indicating on the online profile available on the NAEA website.

## Part X – Social Media, Forums

- 10.1 NAEA social media consists of, but is not limited to, NAEA's members-only Facebook, the NAEA Member WebBoard, Twitter, Instagram, and a public Facebook page. In order to preserve a climate that encourages civil, respectful, and relevant dialogue, NAEA reserves the right to suspend or terminate membership in these communities for anyone who violates the policies in this section.
- 10.2 All posts are to be professional and civil. Disrespectful or abusive comments will not be tolerated. Members may not attack or insult others. NAEA social media may not be used for public or private disputes. Members must be respectful of and courteous at all times when posting or responding to a post.
- 10.3 NAEA, through its appointed administrators, has the right to restrict or remove posts or posting ability for any reason (see PPM 10.5).
- 10.4 Members may not promote products, services, or any activity in which they have a direct financial interest, unless the promotion relates to the mission of NAEA and its



affiliates. This applies to either an original post or a response to a post, no matter how helpful or on-point. This does not, however, prevent a member from reaching out to another member by way of a private message. Members may talk about tax software and other appropriate industry products, provided there is no financial gain, including discount codes for industry products, free webinars, and events sponsored by NAEA and its affiliates (even if the member is paid as a speaker).

10.5 The Social Media Administration Committee Chair will be a site administrator on each social media platform. The Chair has the authority to grant site administrator rights to other committee members .

10.6 The following steps will be followed for addressing alleged breaches of the NAEA social media policy.

10.6.1 An alleged violation of this policy will be brought to the attention of at least one member of the Social Media Administration Committee and at least one site administrator.

10.6.2 If two or more members of the Social Media Administration Committee, one of whom is a site administrator, agree that a response is appropriate, they will notify the other committee members of action(s) already taken or under consideration. Relevant dates, names of offenders and copies of actual posts will be recorded and shared with committee members and the NAEA Social Media Administration Committee staff liaison who will track the data for future reference.

10.6.3 Site administrators may remove the offending post/discussion thread at their discretion after making and preserving a copy of the offending comments/posts.

10.6.4 If two or more members the Social Media Administration Committee, one of whom is a site administrator, determines that direct communication with the “offender” is desired, a designated member of the committee will contact the person(s) whose post(s) were deemed inappropriate.

10.6.4.1 If at the discretion of two or more members of the Social Media Administration Committee, one of whom is a site administrator, the offense warrants immediate removal from one or more NAEA-administered social media channels, the “offender” will be removed as a member of said channel(s) and notified via email that they have been removed for violation of the NAEA policies and procedures. That email will include an invitation to the offender to contact the sender of the email or Social Media Administration Committee Chair to discuss further if the offender so chooses.

10.6.4.2 If two or more members of the Social Media Administration Committee, one of whom is a site administrator, determine the offense warrants only a warning and possible further discussion with the offender about the nature of the offense, an email will be sent to the offender by a designated member of the committee or NAEA staff discussing the offense and reviewing these policies.

10.7 A designated member of the Social Media Administration Committee will, at regular intervals, post a message to the appropriate online communities reminding members to read and abide by the Board's policy on social media.

10.8 An offense will be referred to the Ethics and Professional Conduct Committee upon the recommendation of two or more members of the Social Media Administration Committee.

## Part XI – Education Programs

11.1 NAEA educational programs and services will be discounted for NAEA Members and associates.

11.2 Individuals (including members of the Board of Directors) speaking for NAEA may be compensated by an hourly speaker's fee, flat fee, or honorarium. Complimentary registration for CE credits may also be given at the discretion of NAEA EVP.

11.3 Whenever NAEA engages the services of any enrolled agent at any educational event, that enrolled agent must be a Member of NAEA. Engagement contracts will include a provision requiring membership in NAEA.

11.4 NAEA speakers are reimbursed for reasonable and customary expenses including travel by air, train or automobile at the lowest, most economical coach airfare or train fare, and lodging at the NAEA rate to include the night before and the night following a speaking engagement. Other speaker's costs, including ground transportation and parking, will be reimbursed according to policies set at the discretion of NAEA staff. No per diem, rental car expenses, gratuities or other miscellaneous items will be reimbursed. Expenses in excess of \$50 must be documented by original receipts. Expenses must be reported on an approved expense form and must be submitted within 30 days after travel.

## Part XII – EVP Performance Review

- 12.1 The Board’s sole official connection to the staff, its achievements, and conduct will be through the EVP. Only decisions of the Board acting as a body are binding on the EVP. Decisions or instructions of individual Board members, Officers, or committees are not binding on the EVP except in rare instances when the Board has specifically authorized such exercise of authority. In the case of Board members or committees requesting information or assistance without Board authorization, the EVP can refuse such requests that require, in the EVP’s opinion, a material amount of staff time or funds, or are disruptive. All authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the EVP. The Board shall never give instructions to persons who report directly or indirectly to the EVP. The Board shall refrain from evaluating, either formally or informally, any staff other than the Executive Vice President. In the event there is a conflict between the EVP’s employment contract and NAEA’s Policy and Procedure Manual, the contract will be controlling.
- 12.2 The Board will conduct an annual performance review of the EVP. The Executive Committee will serve as the performance review committee. This review shall be based on the EVP’s job description and an annual EVP goals document (see also 12.3). This document, developed by the Board and the EVP in partnership, will specify goals. These goals will be developed systematically from the broadest, most general level to more defined levels. As long as the EVP uses any reasonable interpretation of these goals, the EVP is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. As long as any particular goal is in place, the Board will respect and support the EVP’s choices. The EVP will submit written reports on EVP and staff activities (including progress on the goals) for each scheduled Board meeting
- 12.3 The following timeline will be utilized for the annual EVP performance review. All dates in bold in the timeline are deadlines, actions may occur before the dates given.
- 12.3.1 **November 1st:** The EVP submits a self-evaluation to the Executive Committee covering the previous 12 months (October 15 – October 15). This self-evaluation will include (but is not limited to) a review of the mutually agreed upon EVP goals set during the previous year and projected goals for the coming year.
- 12.3.2 **November 5th:** The President-Elect will distribute the EVP self-evaluation along with an EVP assessment tool to the full Board of Directors.
- 12.3.3 **November 15th:** The EVP assessments are completed by Board members and submitted to the President-Elect.

12.3.4 **December 1st:** The President-Elect will compile the data from the completed assessments into a composite summary, distribute to Board members and then will conduct an Executive Session meeting of the Board members to discuss the composite summary as well as receive additional feedback about the performance review and goals for the coming year.

12.3.5 **December 15th:** The President-Elect will convene a meeting of the Executive Committee to review all the data and submit a preliminary review, including the performance assessment and proposing goals for the coming year to the EVP for review (along with the composite summary). The EVP will provide the Executive Committee with salary and budget information, as well as benchmarking data from associations of similar size and scope in the region where the EVP is located.

12.3.6 **January 5th:** The President-Elect will meet with the EVP (and may include the rest of the Executive Committee) to discuss any issues raised and agree to the goals document. The Executive Committee will meet to discuss recommendations for salary or other compensation adjustment(s) to be effective January 1st. These recommendations will be delivered to the EVP in writing. If the EVP wishes to discuss the amount of compensation further with the President-Elect and/or the Executive Committee, a meeting will be scheduled in a timely manner.

13.3.7 **January 15th:** The new goals document will be signed by the President-Elect and the EVP as well as any new salary or compensation agreements. The Executive Committee will report to the Board of Directors that the performance review was conducted, consistent with these policies. The Executive Committee will share the agreed-upon goals with the Board of Directors.

12.4 The Executive Committee and the EVP will meet quarterly via conference call, virtually or in person during the year to discuss progress on the goals established during the performance review and make appropriate adjustments based on changing conditions (such as an update to the strategic plan). The Executive Committee will inform the Board of Directors of any such changes.

## Part XIII – Conflict of Interest

13.1 NAEA Board members, while acting in their capacity as members of the Board, must act at all times in the best interests of the Members of NAEA and not for personal or third-party gain or financial enrichment. A conflict of interest is a transaction or relationship which presents or may present a conflict between a Board

member's obligations to NAEA and the Board member's personal, business or other interests.

13.2 A Board member has a duty to disclose to the NAEA EVP any real or potential conflicts of interest. The EVP will request the disinterested members of the Executive Committee to determine whether a conflict exists, and the Board will be informed of such determination. If a conflict of interest is determined, the affected Board member is not precluded from making a presentation to the Board regarding the transaction or relationship. However, before the Board discusses and votes on this matter, the Board member will recuse him/herself from discussion and voting on the item. The Executive Committee may request that the member with the conflict leave the meeting during deliberations and/or vote of the issue related to the conflict of interest.

13.3 PPM 13.1, 13.2, and 13.4 will apply not only to all members of the NAEA Board but also to all members of NAEA committees, subcommittees, task forces and others in the NAEA governance structure. All references to the Board or Board members in these policies will be construed also to refer to these additional individuals.

13.4 The following are specific actions *prohibited* by Board members:

13.4.1 Placing (either in fact or appearance) one's own self-interest or any third-party interest above that of the Members. While the receipt of incidental personal or third-party benefit may necessarily flow from certain NAEA activities, such benefit must be merely incidental to the primary benefit to NAEA and its purposes.

13.4.2 Using their positions as Board members to obtain from NAEA staff favors or services not routinely be available to any or all Members.

13.4.3 Representing to third parties their authority as a Board member extends further than it actually extends.

13.4.4 Engaging in any outside business, professional or other activities either directly or indirectly materially adverse to NAEA.

13.4.5 Providing goods and services to NAEA as a paid vendor to NAEA unless approved by the Board of Directors (after full disclosure), and pursuant to any related procedures adopted by the Board.

13.5 All NAEA Members must avoid a conflict of interest when using NAEA Social Media (see PPM 10.4).

## Part XIV – Anti-Trust

- 14.1 The antitrust laws of the United States and the various states prohibit agreements, combinations and conspiracies in restraint of trade. Because NAEA and other trade and professional associations are, by definition, combinations of competitors, one element of a possible antitrust violation is generally present, and only some action by the association that unreasonably restrains trade generally needs to occur for there to be an antitrust violation.
- 14.2 The antitrust laws prohibit competitors from engaging in actions that could result in an unreasonable restraint of trade. Some activities, such as, but not limited to, price fixing (setting minimum or maximum prices), allocation of clients or markets and bid rigging are deemed so pernicious and harmful they are considered *per se* violations. It does not matter whether the activities have a harmful effect on competition, the effect is presumed. Above all else, association members should be free to make business decisions based on the dictates of the market, not dictates of the association.
- 14.3 NAEA has a policy of strict compliance with federal and state antitrust laws. NAEA members should avoid discussing certain subjects when they are together, both at formal NAEA membership, Board, Committee and other meetings and in informal contacts with other industry members, and should adhere strictly to the following guidelines:
- 14.3.1 Do not discuss prices, fees or rates. Note that a price-fixing violation may be inferred from price related discussions followed by parallel decisions on pricing by association members, even in the absence of an oral or written agreement.
  - 14.3.2 Do not agree with competitors to not deal with certain suppliers or others.
  - 14.3.3 Do not try to prevent a supplier from selling to your competitor(s).
  - 14.3.4 Do not disclose protected information about your clients with your competitor(s).
  - 14.3.5 Do leave any meeting (formal or informal) where improper subjects are being discussed. Tell everyone why you are leaving.
  - 14.3.6 Do ensure that only NAEA staff sends out all written and electronic correspondence on behalf of NAEA. NAEA Officers, Directors, Committee members or other members will not hold themselves out as speaking or acting with the authority of NAEA when they do not, in fact, have such authorization.
  - 14.3.7 Do ensure that if questions arise about the legal aspects of NAEA's activities or your individual responsibilities under the antitrust laws, you seek advice and counsel from NAEA's EVP.

## Part XV – Legal Defense Fund

- 15.1 The NAEA Legal Defense Fund (the Fund), a restricted fund, was established to assist with the legal expenses required to defend the rights of enrolled agents to practice before all levels of the Internal Revenue Service and associated levels of state or local departments of taxation. It is funded by voluntary contributions from the members and the affiliates. The fund may be supplemented by auctions or other fundraising methods as needed.
- 15.2 The Fund is to be used to oppose pending regulations or legislation or to change currently restrictive regulations or legislation that inhibits enrolled agents' right to practice before the Internal Revenue Service and/or a state or local departments of revenue.
- 15.3 If assistance is needed by an NAEA affiliate, the affiliate must make a written request providing relevant information about the specific issue to the NAEA EVP. The request should include the projected cost of defense (along with a plan of action or proposal from any professionals engaged to assist in the defense), the anticipated timing of the defense, and the affiliate's ability to pay any defense costs. There is no standard form for this request. At the earliest opportunity the EVP will submit the request to the Executive Committee.
- 15.4 The Executive Committee will deliberate the assistance request. In its evaluation the Executive Committee should consider the specific request including the possible impact the pending legislation may have on other states or Affiliates. The Executive Committee should consider the total cost of the defense along with the Affiliate's ability and willingness to contribute to the defense. There is no requirement that an Affiliate match any amount requested from the Fund. After deliberation the Executive Committee may authorize a Fund disbursement of an amount not to exceed \$20,000 per fiscal year to the Affiliate. Requests that exceed \$20,000 per fiscal year require approval of the full NAEA Board as discussed in PPM 15.10.
- 15.5 The Affiliate must account to the Executive Committee for Fund disbursements, including documentation to show the funds were used for the specified purpose.
- 15.6 Any funds not used for the specified purpose are to be repaid at the earliest opportunity to the NAEA Legal Defense Fund.
- 15.7 The Affiliate must treat monies received as restricted in its books and records. The amount received and the amount disbursed should be reflected separate from other operating activity on its financial statement. The amounts do not need to be in a separate bank account.

- 15.8 Affiliates may request assistance from the Fund more than once for an issue.
- 15.9 In general the Executive Committee will not authorize an amount exceeding the Affiliate's current need.
- 15.10 For needs exceeding \$20,000 per Affiliate, per fiscal year, the Executive Committee will place the matter before the full Board for consideration of the appropriate amount of fund disbursement. Any payments exceeding \$20,000 per Affiliate, per fiscal year, must be authorized by a majority vote of the Board.
- 15.11 This policy is not intended to preclude NAEA from using the Fund to defend non-budgeted legal fees incurred in protecting the rights of its members to practice before the Internal Revenue Service and/or any state or local departments of revenue. As specified in PPM 15.3, the NAEA EVP may make a written request to the Executive Committee which will consider the matter as specified in PPM 15.4.
- 15.12 This policy is not intended to prohibit the Fund's use in a state where there is no NAEA Affiliate as necessary to defend the rights of enrolled agents to practice before the state or local departments of revenue. A member or group of members from that state may make a written request as specified in PPM 15.3 which will be considered by the Executive Committee. Additionally, the NAEA EVP may make a written request to the Executive Committee which will consider the matter as specified in PPM 15.4. Any funds authorized will be paid as directed by the Executive Committee, which may include payment to a service provider or making payment to NAEA for the appropriate disbursement.