

# BYLAWS OF THE SMALL BUSINESS ADVOCACY COUNCIL

(As prepared by the SBAC Development Committee and approved by the SBAC Executive Committee on June 19, 2013)

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## Bylaws of the Small Business Advocacy Council (SBAC)

### ARTICLE I Name

Section 1. The name of this organization will be the SMALL BUSINESS ADVOCACY COUNCIL ("SBAC"), hereinafter referred to as SBAC, or the corporation.

### ARTICLE II Objectives

Section 1. To support and promote small businesses through MARKETING, advertising, and promotional activities within the meaning of Section 501(c)(6) of the Internal Revenue Code; to support and promote small businesses through referrals and providing the public with incentives for doing business with their members within the meaning of Section 501(c)(6) of the Internal Revenue Code; to support local non-profit corporations that educate and provide job training skills for small businesses within the meaning of Section 501(c)(6) of the Internal Revenue Code; and to support legislation and governmental action favorable to small business owners within the meaning of Section 501(c)(6) of the Internal Revenue Code.

Section 2. In addition, said corporation is organized as a business league. As defined under section 501(c)(6) of the Internal Revenue Code, a business league is an association of persons having a common business interest, whose purpose is to promote the common business interest and not to engage in a regular business of a kind ordinarily carried on for profit. Its activities are directed to the improvement of business conditions of one or more lines of business rather than the performance of particular services for individual persons.

Section 3. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. Notwithstanding any other provision of these Bylaws, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 4. Notwithstanding any other provisions of these Bylaws, the corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an corporation exempt under Section 501(c)(6) of the Internal Revenue Code as now stated, or as it may be hereafter amended.

Section 5. Upon the dissolution of the corporation, the Executive Committee shall, after making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner as the Board of Directors shall determine. Such disposition of assets shall be made to such organization or organizations as shall at the time qualify as an exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or to such organization or organizations as are exempt pursuant to Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

### ARTICLE III Membership Categories and Requirements

Section 1. Membership in this corporation shall be open to all small business owners or operators, their employees or contractors, and those with whom they may conduct business. Membership is also open to anyone who has an interest in small business matters and who meets membership criteria as determined by the SBAC Membership Committee and approved by the Executive Committee. The Membership Committee shall have the right to establish different membership classifications, stipulations, qualifications or application processes from time to time provided all such changes are approved by the Executive Committee and made with appropriate notice to current and prospective members.

Section 2. Applicants for Membership must have an excellent business reputation and agree to treat our other SBAC members with respect, professional courtesy and in an ethical manner.

Section 3. In applying for Membership, Members will agree to uphold the policies of the SBAC, to accept the decisions of its various officers, committees, councils, and Board of Directors, and to abide by their rulings in connection with the business of SBAC, particularly as to their acts in advancing or disciplining members.

Section 4. Members may be required to maintain membership in the SBAC Chapter that has jurisdiction over their business location.

Section 5. SBAC will exercise effective disciplinary power over its Membership, including suspension or expulsion for cause(s) as determined and carried forth by the Executive Committee.

Section 6. This corporation does not and shall not discriminate on the basis of race, color, religion, sex, age, sexual orientation, creed, ancestry, pregnancy, marital status, parental status, national origin, or disability. No person will be denied membership or be discriminated against in any way because of the person's race, color, religion, sex, age, sexual orientation, creed, ancestry, pregnancy, marital status, parental status, national origin, or disability,

#### ARTICLE IV Admissions Procedure

Section 1. Application information and materials of membership may be obtained from SBAC headquarters or downloaded from the SBAC website.

Section 2. All applicants for membership will agree to an irrevocable waiver of any claim or action at law or in equity which might arise after applying for membership, against SBAC, its directors, officers, committee members or other officials, either as a group or as individuals, for any official act in connection with the business of SBAC and, in particular, those acts concerning admission to membership or failure to be admitted, or in disciplining the individual as a member.

Section 3. All applicants for membership will be admitted to the SBAC in accordance with procedures as recommended by the Membership Committee and approved by the Executive Committee.

#### ARTICLE V Termination of Membership, Resignations, Delinquencies & Reinstatements

Section 1. Any member of SBAC may be reprimanded, suspended or have his/her membership status terminated for sufficient cause by the Executive Committee in accordance with SBAC procedures.

Section 2. Sufficient cause is hereby declared to be any of the following:

- A. Any conviction by a court of competent jurisdiction of insanity, incompetence, felony or fraud;
- B. Violation(s) of the SBAC Bylaws or other established policies of SBAC;
- C. Violation(s) of the Code of Ethical Principles and Standards of Professional Practice of SBAC, or any action or conduct considered by the Board of Directors to be discreditable to SBAC or the profession;
- D. Refusal or willful neglect to comply with any order or decision of the Executive Committee or Board of Directors;
- E. No longer meets the criteria for membership as set forth herein or in accordance with the SBAC policy;
- F. Nonpayment of applicable dues in accordance with SBAC Policy.

Section 3. It is additionally and specifically provided that no member acquires through such election any inherent or inalienable right, prerogatives or tenure in SBAC, and any member whose professional or personal activities, conduct or deportment, inclusive or exclusive of the causes hereinabove specified, are considered by the Executive Committee to be prejudicial or inimical to the best interest of SBAC or its membership, may be disciplined, suspended or

expelled by an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any regular or special Executive Committee meeting.

#### ARTICLE VI Dues

Section 1. Dues, fees or assessments for various categories or types of membership shall be in amounts established as periodically recommended by the Membership Committee and approved by a majority vote of the Executive Committee in a quorum meeting.

Section 2. All membership dues will become payable periodically as provided for in SBAC policies. Failure to make such payments within sixty (60) *calendar* days from each such date due will subject member to suspension or termination from active SBAC membership unless such member has made payment arrangements satisfactory to the CEO or Executive Director.

#### ARTICLE VII Executive Committee, Officers and Administration

Section 1. The affairs of SBAC will be overseen by the Executive Committee. The members of the Executive Committee shall be Executive Officers of SBAC as follows:

- President (one)
- Vice President (one)
- Secretary (one)
- Treasurer (one)
- Members-at-large (up to six)
- Immediate Past President (one, non-voting – tie-breaking vote)
- SBAC CEO (one; voting)
- Founders Elliot Richardson and Michael Cavanaugh (two, non-voting)
- Executive Director (one; non-voting)

The Vice President and Secretary shall sequentially follow and become the President and Vice President, respectively. The SBAC Member(s)-at-large, Treasurer and Immediate Past President shall not be part of this ascension process. The ascension process shall be annual and perpetual.

Section 2. The President will preside at all Executive Committee meetings and will be in attendance at the Annual Business Meeting and all Board of Directors meetings, and will oversee the affairs of SBAC in compliance with these Bylaws, the policies established by the Executive Committee and the Board of Directors Members. The President will also oversee the leadership efforts of the SBAC CEO, Executive Director and SBAC staff.

Section 3. The Vice President will serve as the Executive Committee Vice Chair, preside at all Board of Directors meetings, be in attendance at the Annual Business Meeting and cooperate with and assist the President in the discharge of the President's duties. The Vice President will, except in extraordinary circumstances, such as death, disability, sanction, or inability or unwillingness to serve, succeed to the office of President for the ensuing year. The Vice President will perform the duties of the President in the event of his/her temporary inability to discharge the powers and duties of his/her office, and will assume the office of President in event of the permanent inability of the President to serve. In the event that the Vice President permanently replaces the President, the Vice President will serve for the remainder of the President's term plus the next full term. The Vice President will act as the representative of the President in such matters as may be assigned by the President.

Section 4. In the event the Vice President is not available, the CEO or Executive Director will preside over the Board of Directors meetings until the Vice President is once again available or until a new Vice President assumes office.

Section 5. The Secretary will undertake all responsibilities as prescribed by law and such special assignments as may be delegated by the President, or Vice President. The Secretary will, except in extraordinary circumstances, such as death, disability, sanction, or inability or unwillingness to serve, succeed to the office of Vice President the ensuing year. The Secretary will perform the duties of the Vice President in the event of his/her temporary inability to discharge the powers and duties of his/her office and will assume the office of Vice President in event of the permanent inability of the Vice President to serve. In the event that the Secretary permanently replaces the Vice President, the Secretary will serve for the remainder of the former Vice President term plus the next full term.

Section 6. The Treasurer will serve as both the Treasurer of SBAC and as Chair of the Budget and Audit Committee. The Treasurer will ensure that the complete records of the organization are available to the individual or individuals preparing the annual financial statements; will work with the CEO and Executive Director to ensure that detailed financial reports are made available to the Executive Committee on a timely basis; and will assist the CEO and Executive Director in preparing and presenting the annual budget to the Executive Committee for approval. The Treasurer will serve for a term of two (2) years, and may be re-elected to one (1) additional consecutive two (2) year term.

Section 7. Executive Committee Members-at-large will undertake such special assignments as may be delegated or requested by any other Executive Officers. In the event a Member-at-large, due to extraordinary circumstances, such as death, disability, sanction, or inability or unwillingness to serve, cannot complete their term, then no succession or replacement is mandated, however the Executive Committee by majority vote may appoint a SBAC Board of Directors member in good standing to serve the balance of the vacated Member-at-large term.

Section 8. A CEO may be appointed by the Executive Committee. The CEO will be the chief executive officer subject to the oversight of the Executive Committee. The CEO's compensation will be recommended by the Budget and Audit Committee and will be approved by the Executive Committee.

The CEO manages the overall business and operating affairs of the SBAC, presides over the Annual Business Meeting and provides a written report on the state of SBAC affairs to the Board of Directors, and at such other times as may be deemed appropriate by the Executive Committee. The CEO must attend all Executive Committee meetings and provide all such information as the Executive Committee requests. In the event the CEO, due to extraordinary circumstances, such as death, disability, sanction, or inability or unwillingness to serve, cannot complete or fulfill their duties, the Executive Committee may appoint an interim or permanent replacement.

Section 9. The funds of the SBAC will be expended in accordance with a budget prepared by the Budget and Audit committee, endorsed by the Treasurer, and approved by the Executive Committee. In no event can any debt commitments be made by the SBAC unless reviewed and approved in advance by an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any regular or special Executive Committee meeting.

Section 10. Pursuant to rules and procedures established by the Executive Committee, an Executive Officer may be removed from office by an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any regular or special Executive Committee meeting for conduct determined to be detrimental to the SBAC.

## ARTICLE VIII Board of Directors

Section 1. The duties of all Board of Directors members include, but are not limited to, attending Board of Directors meetings and other SBAC events, electing Executive Officers, providing policy and operating guidance on a range of relevant SBAC affairs, recruiting SBAC members, positively promoting the SBAC including its mission, objectives, and events, and, other duties as defined by the Executive Committee. The Board of Directors will consist of no more than 35 voting members and include:

- A. All Members of the Executive Committee
- B. the Chair of all SBAC Standing Committees
- C. the Regional Directors
- D. Board of Directors Members-at-large, as proposed by the Nominating Committee and approved by the Executive Committee

Section 2. There will be one (1) Regional Director from each region. Regions will be designated and have chapter jurisdiction as determined by the Executive Committee.

Section 3. Each member of the Board of Directors will have a single equal vote on separate issues, whether or not the individual holds more than one (1) office or title in the SBAC.

Section 4. Should any Board of Directors member be absent from two (2) or more consecutive, regularly-called Board of Directors meetings, he/she will forfeit their position and the Executive Committee will thereupon appoint a successor who will serve until the next annual election. The Executive Committee may, however, waive this provision upon receipt of a satisfactory written explanation of such absence.

Section 5. The SBAC Vice President will preside at all Board of Directors meetings.

Section 6. Under no circumstances shall any Board of Directors member serve more than seven (7) consecutive years in a Board of Directors capacity unless authorized by a unanimous vote of the Executive Committee at a quorum meeting in each such instance.

Section 7. Pursuant to rules and procedures established by the Executive Committee, a Board of Directors member may be removed from office by an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any regular or special Executive Committee meeting for conduct determined to be detrimental to the SBAC.

Section 8. In the event, due to priority of Members in Section 1, A-C, we exceed 35 members, we will first request any Members who would like to remove themselves from the Board. In the event that we still remain over 35 members, we will remove a Member At Large with the least seniority.

## ARTICLE IX Election of Executive Officers

Section 1. At each Annual Business Meeting, or as soon thereafter as is reasonably possible, Board of Directors members will elect by majority vote the following Executive Officers from amongst the SBAC members recommended by the Nominating Committee at least 14 days prior to the Annual Meeting, for a term of one (1) year, a President, a Vice President, a Secretary, and, for a term of two (2) years, a Treasurer. In order to be eligible for any of the aforementioned Officer positions, the proposed candidate(s) must have served on the Board of Directors for a minimum of the preceding twelve (12) months. Additionally, the SBAC Executive Committee shall have the right, but shall not be obligated, to appoint, for a term of up to one (1) year, not more than six (6) Executive Committee Members-at-large who are Board of Directors members and have been recommended by the Nominating Committee.

Section 2. It will be the duty of the Nominating Committee to nominate by a majority vote one (1) SBAC member in good standing for President, Vice President, Secretary and Treasurer. The nomination and election of SBAC Executive Officers shall be conducted in accordance with SBAC policy established by the Executive Committee

Section 3. In event of a vacancy in the office of any SBAC Executive Officer, the next Executive Officer in succession shall ascend, as shall all other ascending Executive Officers, and the Executive Committee will appoint an Executive Officer replacement to fill the remaining vacancy for the balance of the current term.

Section 4. Should any Executive Officer be absent from three (3) or more consecutive, regularly-called Executive Committee meetings, he/she may forfeit their position and the succession process outlined herein shall prevail. The Executive Committee may, by majority vote, waive this provision upon receipt of a satisfactory written explanation of such absence.

Section 5. Unless ascending to an office pursuant to Article VII, outgoing SBAC Executive Officers shall not be eligible for re-election or appointment to any Executive Officer position for a minimum of twelve (12) consecutive months from their last respective date of service as an SBAC Executive Officer.

Section 6. The SBAC President will serve as Executive Committee Chair.

## ARTICLE X Chapters and Regions

Section 1. The Executive Committee is authorized to issue charters for Chapters of SBAC and to prescribe the conditions under which charters may be issued, including the territorial jurisdiction of Chapters.

Section 2. Provisions of the charter issued to a Chapter and provisions of the bylaws adopted by the Chapter must conform to the provisions of the Bylaws of SBAC.

Section 3. The Executive Committee is authorized to create Regions for the regional oversight of chartered Chapters. Each Region shall have a Regional Director as elected by that Region.

## ARTICLE XI Standing and Other Committees

Section 1. There will be four (4) Standing Committees: a Budget and Audit Committee, an Advocacy Committee, a Membership Committee, and a Nominating Committee., each with a Chair and a Vice Chair. The Chair of each Standing Committee shall also be a Board of Directors member. Standing Committee Chairs may be represented by their respective Vice Chair at Board of Directors meetings up to two (2) times per calendar year. The composition and description of each Committee shall be established by the Executive Committee.

Section 2. The Executive Committee may establish additional ad hoc committees as it deems necessary. All committees report to the Executive Committee.

Section 3. Unless otherwise specified in these Bylaws, chairs of SBAC Standing Committees, ad hoc committees, subcommittees and task forces will be appointed by the Executive Committee.

Section 4. Appointment as a Standing Committee Chair will be for a term of two (2) years, or as hereinafter provided. Service as a Standing Committee Chair on any such committee will be limited to three (3) consecutive two (2) year terms. To the extent reasonably possible, these terms will be staggered so that approximately one-half of the Standing Committee Chairs are newly appointed each year.

Section 5. Each Standing Committee will include a leadership team comprised of, at minimum, an Executive Committee member and an SBAC staff member plus the applicable committee Chair and Vice Chair(s), and subcommittee chairs (if any).

Section 6. When not defined in these Bylaws, the duties, personnel and other affairs of Standing Committees will be defined by the Executive Committee.

Section 7. If a committee member misses two (2) consecutive meetings in a row without reasonable written excuse, he/she may be terminated from the committee by the CEO or Executive Director at their discretion.

Section 8. The Budget and Audit Committee will at minimum be comprised of the Treasurer, who will also serve as Chair of the Committee, the President, the Vice President, and up to four (4) additional at-large SBAC members appointed by the Executive Committee. The CEO will serve on the Committee as a non-voting member. With the exceptions of the CEO and the SBAC Vice President, Budget and Audit Committee members will serve two-year terms. Terms will be staggered to allow for one-half of this Committee to be newly appointed each year. The purpose of this Committee is to review SBAC financial statements, monitor and supervise SBAC income and expenses, reasonably establish and manage the appropriate fiscal policy on behalf of SBAC, and present the SBAC annual budget for approval by a majority vote of the Executive Committee.

Section 9. The Nominating Committee will be comprised of the CEO, President, and immediate Past President, and two (2) at-large SBAC members in good standing as appointed by the Executive Committee. Nominating Committee members shall serve one year terms. The SBAC Immediate Past President will serve as Chair of the Committee. Pursuant to Article IX Section 2, the Nominating Committee by majority vote will recommend a slate of candidates for office. The committee may not recommend or slate for elected office a current Nominating Committee



member, however, a Nominating Committee member may be recommended to serve as an at-large Executive Committee member or Board of Directors member.

Term of a Nominating Committee Member shall commence on January 1 and end on December 31<sup>st</sup> of the same year. Should a member's term commence mid-year, their first term will end on December 31<sup>st</sup> of the same year.

Nominating Committee Members may serve multiple terms, but must be elected each year.

The Nominating Committee shall have no more than 5 members. In the event that there are less than 5 members due to one person holding two titles, the committee shall elect a 3<sup>rd</sup> Member at Large.

Section 10. The membership and duties of the Advocacy and Membership Committees will be assigned by the Executive Committee.

Section 11. Other committees and task forces may be formed, authorized and discharged by the Executive Committee to perform such specific functions or purposes as may be assigned to them.

## ARTICLE XII Meetings and Quorums

Section 1. The Annual Business Meeting will be held 30-90 calendar days prior to the next Fiscal Year as outlined herein in Article XIII, in an accessible location selected by the Executive Committee with sufficient advance notice to all required and invited attendees. In the event a quorum at the Annual Business Meeting is not achieved, election of SBAC Executive Officers as specified in Article IX may be held by mail or digitally through a legally-binding medium.

Section 2. The Annual Business Meeting will be open to all SBAC members in good standing provided, however, that only those members that meet the criteria identified in the bylaws shall be entitled to floor privileges and participation in discussion, or may vote or hold office.

Section 3. A quorum for the Annual Business Meeting will consist of a majority of the Board of Directors members.

Section 4. A quorum for any meeting of the Executive Committee and/or Board of Directors will consist of a majority of the total number of its voting members.

Section 5. A quorum for any of the aforementioned meetings may be achieved via any combination of in-person attendance, through proxy as provided for herein, or via live teleconference or similar medium. A proxy may be achieved in accordance with policies and procedures as set forth by the Executive Committee from time to time.

Section 6: Approval for all measures is established by majority vote unless specified herein.

Section 7: All meetings will be reasonably conducted according to the latest edition of Robert's Rules of Order.

## ARTICLE XIII Fiscal and Elective Years

Section 1. The fiscal year of SBAC will be from January 1 to December 31, inclusive.

Section 2. The elective year of SBAC shall be the same as SBAC's fiscal year.

## ARTICLE XIV Governing Documents

Section 1. These Bylaws may be initially adopted or subsequently amended upon the recommendation of an SBAC ad hoc committee or task force by an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any regular or special Executive Committee quorum meeting, provided a minimum of 14 calendar days advance notice will have been given to all SBAC Executive Committee of SBAC's intention to adopt or amend, together with a written copy of the substance of the proposed amendments before said adoption or amendments shall become effective and binding.

Section 2. Ministerial and other nominal changes to the Bylaws that do not in any way change the meaning or intent of the content herein shall be permitted to be made by the CEO or Executive Director only with the Executive Committee's prior notice and approval in each such instance.

Section 3. The current SBAC Bylaws shall be made available to all SBAC members in good standing at SBAC headquarters or via the SBAC website.

## ARTICLE XV Dissolution of the Corporation

Section 1. By an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any quorum Executive Committee meeting, and a majority vote of the Board of Directors, the SBAC may elect to dissolve or merge with another organization. If the SBAC elects to merge with another organization, pertinent details that address the proposed financial and legal structure, the assumption of liabilities, the acquisition or disposition of assets, any intellectual property considerations, and other such relevant matters shall be provided to the Executive Committee and Board of Directors at least 14 business days prior to the votes referenced above. If the SBAC elects to dissolve, the Executive Committee, and any other required professionals, will wind-up the organization, paying any outstanding debts from the assets of the SBAC. To the extent any sums remain after the payment of all debts, they shall be held in escrow until such time as the Executive Committee unanimously agrees to donate them to a charitable 501(c) (3) organization. Any remaining debts that remain, after all SBAC assets are dissipated, will be the sole responsibility of the SBAC and any such debts shall not inure to members of the Executive Committee, board of Directors or any SBAC employees.

Section 2. No part of the net earnings of the corporation will inure to the benefit of, or be distributable to its members, trustees, directors, officers, or other private persons, except that the corporation will be authorized and empowered to reimburse for reasonable start-up costs, pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the purposes set forth herein. Notwithstanding any other provision of these articles, the corporation will not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any further United States Internal Revenue Law).

Section 3. Upon the dissolution of the corporation, the Executive Committee will, after making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation, or to another organization or organizations organized and operated exclusively for tax exempt purposes.

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