

Financial Accounting and Reporting Section BYLAWS

I. Name of Organization

The name of this organization shall be the Financial Accounting and Reporting Section (FARS) of the American Accounting Association.

II. Status of the Organization

This organization has the status of a Section within the American Accounting Association (AAA), a nonprofit association incorporated under the laws of the state of Illinois. These bylaws are to explain that status within this relationship. Any conflict between these bylaws and any rules or regulations of the AAA shall be resolved in favor of the parent organization.

III. Purpose and Objectives

The purpose of the Financial Accounting and Reporting Section is to give greater attention to the area of financial accounting and reporting. To fulfill this purpose, the Section has established objectives in three areas.

1. Research Objectives:

- A. to encourage, facilitate, and publicize research in financial accounting and reporting.
- B. to communicate interests, intentions, and actual work-in-process in the area.
- C. to identify areas in need of research.
- D. to provide opportunities for public exposure of research results through AAA meetings (annual, regional, and special meetings devoted solely to financial accounting and reporting) and publications (including working papers and a separate journal for financial accounting and reporting, if warranted).

2. Education Objectives:

- A. to discuss, test, and disseminate various ways of teaching financial accounting and reporting.
- B. to foster the development and study of teaching methods and aids and to give publicity thereto.
- C. to strive to improve the effectiveness and efficiency of instruction in this area.

3. Professional Practice Objectives:

- A. to provide opportunities for closer association between the practicing profession and academics who teach courses and conduct research related to financial accounting and reporting.
- B. to provide a medium through which each can become better acquainted with the others' problems and successes.
- C. to foster a positive climate for interchange between the two groups.
- D. to offer a formal medium through which greater cooperation may be achieved.

IV. Membership

1. All members of the AAA who are in good standing and who support the purpose and objectives of this Section are eligible for membership in FARS. A regular or life member of the AAA can become a regular member of FARS upon payment of the Section's regular annual dues to the Administrative Office of the AAA or other authorized representative of the Section. The Section does not offer life memberships. Student members of the AAA can become student members of FARS upon payment of the Section's student member annual dues.
2. All regular members of this Section are eligible to vote, hold office, participate in all activities of the Section, and entitled to all its other privileges. Student members are eligible to participate in all activities of the Section and are entitled to all its other privileges except those of voting and holding offices.
3. The amount and type of annual dues and the payment schedule will be proposed by the Section Executive Committee subject to approval of the membership present at the annual business meeting of the Section.
4. The Section may charge fees to participating individuals for publications, special activities, and meetings, except for regular sessions at national and regional AAA meetings. The fees for the national and regional AAA meetings will be set by the AAA Executive Committee.
5. The Section shall be authorized to accept gifts and grants.

V. Officers and Committees and Their Duties

1. The duties and terms of office shall be consistent with those specified for officers of Sections by the AAA and are described below.
2. In the event that the President is unable to serve, the President-Elect shall assume the duties of the President for the remaining term. In the event the President-Elect, the Vice-President or the Secretary-Treasurer is unable to serve, the Executive Committee shall name a member to serve the remaining term.
3. Section officers are authorized to initiate and carry out the duties of their offices.
4. Disbursements may be authorized by the President or the Secretary-Treasurer.
5. Each year, the officers shall render a report to the membership in an appropriate fashion.
6. The duties and terms of the section officers are as follows.
 - A. **President** -The President shall serve a one-year term. The duties of the President shall be:
 - 1) to direct the affairs of the Section and carry out the programs formulated by the Section members with the advice of the Executive Committee.
 - 2) to preside at the annual and other meetings of the Section.
 - 3) to preside over meetings of the Executive Committee.
 - 4) to cooperate with the AAA President relative to sectional activities at the AAA annual meeting.
 - 5) to charge and appoint committees and taskforces, when necessary.

- 6) to report periodically to the AAA Executive Committee regarding section activities.
- B. **President-Elect** - The President-Elect shall be elected for a one-year term and upon completion of this term shall automatically become President. The duties of the President-Elect shall be:
- 1) to direct the affairs of the Section in the event the President is unable to serve.
 - 2) to preside at Section meetings if the President is unable to preside.
 - 3) to work with the Section Regional Coordinators and the AAA Regional Program Chairs to encourage Section involvement at regional meetings of the AAA.
 - 4) to perform other duties assigned by the President.
- C. **Vice-President – Practice** - The Vice-President shall be appointed for a two-year term and shall not be eligible for immediate re-appointment. The duties of the Vice-President shall be:
- 1) to direct the affairs of the Section in the event that the President and President-Elect are unable to serve.
 - 2) to preside at Section meetings if the President and President-Elect are unable to preside.
 - 3) to facilitate relationships with the accounting practice community.
 - 4) to perform other duties assigned by the President.
- D. **Secretary-Treasurer** - The Secretary-Treasurer shall be elected for a two-year term and shall not be eligible for immediate re-election. The duties of the Secretary-Treasurer shall be:
- 1) to supervise the keeping of records of section meetings, activities, and procedures.
 - 2) to work with the AAA Administrative Office relative to collection and disbursement of Section funds.
 - 3) to work with the AAA Administrative Office regarding all facets of Section membership.
 - 4) to prepare an annual report of the financial status of the Section.
 - 5) to certify and announce election results as indicated in Section VIII.
- E. **Immediate Past-President** - The Immediate Past-President will serve for one year immediately following his or her term as President. The duties of the Immediate Past-President shall be:
- 1) to advise the President, particularly with regard to past activities of the Section.
 - 2) to coordinate the midyear meeting.
 - 3) to chair the Nominations Committee.
 - 4) to initiate codification of operating procedures and/or its updates as needed.
 - 5) to perform other duties assigned by the President.

- F. **Council Representative** – The Council Representative shall serve a three-year term. AAA Bylaws allow the Representative to serve one additional three-year term. To serve an additional term, the current Council Representative must be nominated as Council Representative-Elect in the second year of the Representative's three-year term (see Section VIII). The duties of the Council Representative shall be:
- 1) to represent the views, concerns, and interests of FARS in Council activities.
 - 2) to attend the AAA Council meetings. If the Council Representative is unable to attend a Council meeting, the Section's officers may send an alternate who shall have all of the voting rights of an elected representative.
 - 3) to anticipate potential consequences of AAA policies for FARS and to report all relevant Council meeting information to the FARS Steering Board in a timely manner.
 - 4) to gather feedback from FARS Steering Board regarding issues confronting the AAA.
 - 5) to communicate to the Council the FARS's position regarding relevant issues
- G. **Council Representative-Elect** – The Council Representative-Elect shall be elected to a one-year term that coincides with final year of the current Council Representative's term. Upon completion of this term, the Council Representative-Elect shall automatically become Council Representative. The duties of the Council Representative-Elect shall be:
- 1) to support the current Council Representative in carrying out his or her duties.
 - 2) if charged by the Section's Executive Committee, to perform the duties of Council Representative when the current Council Representative is unable to carry out his/her duties.
- H. **Publications Committee** – The Publications Committee shall consist of six members. The members shall have three-year staggered terms and are not eligible for immediate re-appointment. The two members in the final year of their terms shall be designated as Co-Chairs. Two new members shall be appointed each year by the Nominations Committee. All editors of Section journals and the Section Webmaster shall be ex officio, non-voting members of the Committee. The duties of the Committee shall be:
- 1) to recommend to the Executive Committee new editors of Section journals when necessary
 - 2) to propose to the Executive Committee any modifications to the Policies and Procedures guide for a Section journal
 - 3) to provide oversight to the Section website, the Section Webmasters, and any other Section publications (e.g., newsletters)
 - 4) to report to the Executive Committee the year's activities in accordance with AAA requirements
- I. **Standing Committees** – The Section has two standing committees. Additional ad hoc committees may be created at the discretion of the President with consultation from the Steering Board, and once formed, the Immediate Past-President will add the duties and procedures of each ad hoc committee to the Section's operating manual.
- 1) *Executive Committee*: The President, President-Elect, Immediate Past-President, Vice-President – Practice, Secretary-Treasurer, and Council Representative shall constitute the Executive Committee. They shall be responsible for recommending plans, policies, rules,

and procedures as needed to achieve the purposes and objectives of the Section. They also are responsible for carrying out those plans, policies, rules, and procedures approved by the membership. The President and two other officers shall constitute a quorum.

- 2) *Nominations Committee*: The Immediate Past-President and four other persons elected at the annual business meeting shall constitute the Nominations Committee. The Immediate Past-President chairs the Committee. Candidates for election to the Nominations Committee shall be proposed and seconded from the floor. Details about the nomination and election processes are explained in Section VIII.

J. **The Steering Board** - The purpose of the Steering Board is to enhance organizational continuity by overseeing the implementation of all FARS-sponsored activities on an ongoing basis.

- 1) **Membership of the Steering Board** - Members of the Steering Board include the current Executive Committee and eight at-large members. Each at-large member serves a two-year term and may be reappointed for a second consecutive term. All FARS members are eligible to serve as at-large Steering Board members. Other than the maximum four-year continuous service limit noted above, at-large members may include those with prior service in this role. At-large board members' terms are to be staggered so that, at most, four at-large members rotate off the board in any year.
- 2) **Selection Process for Board Members** - The President-Elect shall appoint FARS members to serve on the Steering Board as at-large board members as vacancies arise due to either the completion of each at-large board member's term or other reasons (e.g., resignation). It is expected that the President-Elect will obtain input from the FARS membership and existing Officers and Steering Board members in formulating the appointments.
- 3) **Semi-Annual Steering Board Meetings** - The Steering Board shall meet each year at the AAA Annual Meeting and at the FARS midyear meeting.

VI. Compensation

No officer shall receive honoraria, professional fees, stipends, or other compensation for the performance of Section duties. However, officers may be reimbursed from Section funds for expenses incurred in connection with the performance of their duties in accordance with standard AAA expense reimbursement policies.

VII. Meetings

The Section shall hold an annual business meeting. This meeting and any other meetings shall be held at such time and place as determined by the Executive Committee. Written notice of the time, place, and agenda of a meeting shall be provided to the membership at least thirty days prior to the meeting. A quorum at such duly called meetings shall consist of those members present. All matters presented at a meeting shall be decided by majority vote. Elections of President-Elect, Secretary-Treasurer, and the Council Representative-Elect (explained in Section VIII) and bylaw amendments (explained in Section X) cannot be presented for vote at the annual business meeting.

VIII. Nominations and Elections

1. Nominations and elections procedures are dictated primarily by Section XIII of AAA Bylaws.
2. The four members other than the chair of the Nominations Committee shall be elected during the annual business meeting. Candidates for the Nominations Committee shall be proposed and seconded from the floor and will begin their term upon election. The Committee will prepare a list of nominees for the election at the next vote of the membership. The Committee should solicit input from the membership for these positions.
3. The Nominations Committee is charged with nominating individuals for President-Elect and Secretary-Treasurer (for the offices coming vacant). They are also responsible for appointing the Vice-President – Practice.
4. The Nominations Committee is charged with appointing new members of the Publications Committee for positions coming vacant.
5. In addition, the Nominations Committee is charged with nominating a Council Representative-Elect during the second year of the current Council Representative's term. If the current Council Representative is serving his or her first term, the current Council Representative can be nominated to serve again. If not, the Nominations Committee should first offer the Council Representative-Elect position to the President-Elect. If the President-Elect does not wish to serve, then the nomination should be offered to the current President. If both individuals decline, the Nominations Committee will expand the search. The nominee should have at least two years of experience in a leadership position(s) within FARS by the time his/her voting term on the council begins. Within that set of people, if all else is equal, the first preference should be given to other recent past presidents, second preference should be given to current or recent past officers, and third preference should be given to current or recent past steering board members.
6. Additional persons can be nominated for any elected position via a petition signed by not less than one hundred (100) regular members of the Section, subject to the following conditions:
 - a. Persons nominated by committee or petition must indicate a willingness to serve.
 - b. Only regular members (as defined in Section IV) in good standing of the Section may be nominees.
 - c. Nominees for Council Representative-Elect made by petition must have at least two years of experience in a leadership position(s) within FARS.
7. The nominations from the Nominations Committee and from petition (if any) should be sent to the Secretary-Treasurer at least sixty (60) days prior to the beginning of the election. The Nominations Committee may not nominate a member from itself. However, Nominations Committee members are eligible for nomination by petition.
8. The President-Elect, Secretary-Treasurer, and the Council Representative-Elect shall be elected by mail or electronic vote. Only regular members of the Section (as defined in section IV) may vote.
9. Ballots used to elect officers will ask members "should nominee X be elected." If a single nominee exists for a given position, the nominee is considered elected if a majority of

members submitting votes respond “yes”. If multiple nominees exist for a given position, the nominee receiving the most “yes” votes is elected; “no” votes are not considered when multiple nominees exist for a single position. If a single nominee does not receive a “yes” vote from a majority of members submitting votes, then the officer who is currently holding the position shall retain his/her office. If he/she is unwilling, then the Executive Committee shall appoint a FARS member to fill the vacancy until a special election is held. The Executive Committee shall make all efforts to expedite the election to fill the position.

10. The results of the election shall be certified and announced by the Secretary-Treasurer. Newly elected officers shall assume office at the conclusion of the annual business meeting. All other appointed positions shall also assume office at the conclusion of the annual business meeting.

IX. Publications

The Section may publish newsletters, proceedings, working papers, monographs, journals, teaching aids, and other materials as approved by the AAA Executive Committee and in accordance with the policies of the AAA.

X. Amendments

Amendments to these Bylaws may be proposed by the Executive Committee or by petition of not less than 20 members of the Section. Such proposals shall be presented to the membership for a vote. Written notice of Bylaws amendments to be presented for membership vote shall be given to the members at least sixty (60) days prior to the vote. To be amended, a minimum of 10% of all eligible Section members must vote and of the votes cast, at least two-thirds must be affirmative. In assessing if 10% of members cast votes, the denominator will be the number of eligible Section members as of the end of the prior fiscal year.