



BYLAWS
OF THE NEW YORK STATE
INTERNAL CONTROL ASSOCIATION

June 2020

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Article I – Name and Location

Section 1. Name

The name of this association shall be THE NEW YORK STATE INTERNAL CONTROL ASSOCIATION, as first created under the bylaws of October 29, 1998, and formally registered under the laws of the State of New York.

Section 2. Acronym

“NYSICA”, as used within these Bylaws, shall mean The New York State Internal Control Association.

Section 3. Location

The official address shall be PO Box 2005, Albany NY 12220.

Article II – Mission and Objectives

Section 1. Mission

The mission of NYSICA is to provide guidance and support to internal control officers, auditors, and others in the internal control / risk management community by sharing resources and best practices for the development and implementation of internal control programs and risk management strategies by government agencies, authorities, commissions, and individuals in New York State.

Section 2. Objectives

Activities in support of this mission will include, but will not be limited to:

- a) Advocating for internal control / risk management training programs;
- b) Providing support and guidance in internal control / risk management matters;
- c) Serving as a liaison / intermediary between government agencies, authorities, and commissions, and various control agencies in New York State;
- d) Serving as strong advocates for systems of internal controls and risk management strategies in New York State; and
- e) Supporting the spirit and intent of the *New York State Governmental Accountability, Audit and Internal Control Act of 1987* and to continually strive to enhance its provisions.

Article III – Membership and Good Standing

Section 1. Membership Types

The membership of NYSICA shall consist of New York State government organization members, non-government (private sector) organization members, individual members, retired individual members, and honorary members.

(a) New York State Government Organization Members

‘New York State Government Organization’ shall include, but is not limited to, all New York State Department, State University of New York, City University of New York, bureau or

division, commission, committee, council, office, public authority, public benefit corporation, bi-state authority, or other governmental entities performing a governmental or proprietary function for the State. Members of this class in good standing shall be eligible for the benefits described in Section 3(a-d) and extend to all employees of the organization. Eligibility for voting rights for this class is described in detail in Section 3(e).

(b) Non-Government Organization Members (Private Sector)

'Non-Government Organization' membership is available to any non-governmental entity organizations, e.g., not-for-profit and for-profit organizations (e.g., company corporation, partnership, or sole proprietor) doing business or wishing to do business in the state of New York. Members of this class in good standing shall be eligible for the benefits described in Section 3(a, b and e). The Board may assign, at their discretion, additional benefits as described in Section 3(c-d).

(c) Individual Members

Individuals may join NYSICA to further advance their knowledge of internal controls and risk management. Members of this class shall be eligible for the benefits described in Section 3(a-e).

(d) Retired Individual Members

This class of membership is available to individuals who had previously been active, but have since retired from, the internal control community. Members of this class shall be eligible for the benefits described in Section 3(a-e).

(e) Honorary Member

At its discretion, The NYSICA Board of Directors (the 'Board'), may designate an individual as an Honorary Member to recognize distinguished service to NYSICA and/or exemplary contributions to the internal control and risk management community. Only highly noteworthy, widely recognized individuals will be considered for honorary membership. Honorary membership does not expire; however, it is expected that the Honorary Member remain active with NYSICA. The Board may rescind or revoke this designation, at its discretion. Honorary members are automatically in good standing and shall be eligible for the benefits described in Section 3(a-b). The Board may assign, at their discretion, additional benefits as described in Section 3(c-e).

Section 2. Dues, Fees, and Good Standing

(a) Dues

The Board at its discretion, may establish rates for annual dues for each class of membership described in Article III, Section 1. The Board shall assess dues to each member class on an annual basis.

(b) Fees

The Association may collect additional fees to cover the actual cost of special events held (i.e. luncheons, conferences, etc.). If there is an event held with one or more agencies

where a fee will be charged and or expenses incurred, a memorandum of understanding shall be created and approved by the Board that will specify the amount of fees established and how the revenues and expenses will be split.

(c) Good Standing

In order to be a ‘member in good standing’, annual dues must be paid in full. Members in good standing shall be eligible to participate in all benefits offered by NYSICA, unless otherwise stated.

Section 3. Benefits of Membership

Members in good standing are eligible for benefits offered by NYSICA, as follows:

a) Continuing Professional Education credits

Members in good standing are eligible to earn CPE credits by attending monthly membership presentations and events sponsored by NYSICA.

b) Discounted Pricing for Events with Fees Attached

Members in good standing shall be entitled to discounted pricing for events where a fee will be charged.

c) Eligibility to serve on the Board of Directors

Only members in good standing shall be eligible to serve on the Board.

d) Petitioning the Board to make changes in bylaws

Members in good standing may petition the Board to make changes to the Bylaws.

e) Voting Rights

For each New York State Government Organization membership, one (1) designee from each organization is allowed voting rights. By default, the New York State Government Organization’s Internal Control Officer will be recognized as the individual with voting rights for their organization. In the absence of an agency Internal Control Officer, voting rights will be assigned to the agency Director of Internal Audit. A different agency member may be designated with prior submitted documentation to NYSICA.

i. Election of Officers

The designated voter from each New York State Government Organization Member may vote in Board of Director elections.

ii. Changes to Bylaws

The designated voter from each New York State Government Organization Member may vote to approve proposed changes to the bylaws.

Article IV – Chapters

The Board, at its discretion, may elect to establish a new Chapter. Procedures for establishment of a new Chapter are included in the ‘*NYSICA Process Guide*’.

Article V – Presentations, Events and Continuing Professional

Education credits

Section 1. Presentations

To support its mission, NYSICA may conduct a series of presentations on applicable internal control and risk management topics at a minimum of 5 times a year. These presentations shall be held at such place and on such dates as determined by the Board. Members in good standing who attend shall be eligible to earn Continuing Professional Education (CPE) credits in accordance with applicable New York State Education Department (NYSED) rules and regulations.

Section 2. Events

NYSICA shall conduct half-day and/or full-day events on applicable internal control and risk management topics as warranted. These events shall be held at such places and on such dates as may be determined by the Board. Such events will stand alone and have their own budgets established and approved by the Board. Members in good standing who attend shall be eligible to earn CPE credits in accordance with applicable NYSED rules and regulations.

Section 3. Continuing Professional Education credits

The Board shall establish and maintain authorization from NYSED to issue CPE credits in accordance with applicable NYSED rules and regulations.

Article VI – Board of Directors

Section 1. Eligibility

Individuals elected to serve on the Board of Directors must be members in good standing and be currently active in the internal control, internal audit, or risk management field.

Section 2. Officers

The Officers of the Board shall be the President; President Elect; Immediate Past President; Secretary; Treasurer; and at least three (3), and up to five (5), Vice Presidents. The President will serve as Board Chair, and the President Elect will serve as Board Vice Chair.

(a) President

The President presides at membership meetings; may convene Board meetings as needed; is the central entity for receiving and replying to inquiries and correspondence; may chair (with Board approval) Committees or work groups to assist in carrying out the objectives or responsibilities of NYSICA; and prepares the Board meeting agendas. In the event of a tie in any NYSICA vote, the President shall cast the deciding vote.

(b) President Elect

The President Elect assumes responsibility in the absence of the President for all President responsibilities described in Article VI, Section 2(a). May chair (with Board approval)

Committees or work groups to assist in carrying out the objectives or responsibilities of NYSICA.

(c) Immediate Past President

The Immediate Past President serves for one year after serving as President. In this capacity, the Immediate Past President may step in where the President and the President Elect are unable to fulfill the roles. The Immediate Past President may also chair committees and act under the authority of the Board.

(d) Secretary

The Secretary disseminates to the Board copies of all NYSICA meetings agendas, treasurer reports and meeting minutes; arranges for the recording of minutes at all Board meetings; maintains membership lists; and maintains current and past copies of the bylaws and a history of changes.

(e) Treasurer

The Treasurer maintains an accounting for NYSICA funds and expenditures; and has overall responsibility for preparation of financial statements; assures that bank statements are timely reconciled; and signs the checks for disbursement of funds. The Treasurer, in collaboration with the President, will complete, submit, and file all required forms and certifications in compliance with applicable regulatory and oversight bodies. Further details can be found in the *'NYSICA Process Guide'*.

(f) Vice President

The Board shall include at least three (3), and up to five (5), Vice Presidents. Vice Presidents vote on all Board issues; serve on one or more Board committees; and/or may be assigned, as necessary, the tasks and responsibilities associated with one or more roles, including but not limited to:

- i. Newsletter editor
- ii. Event Registrar
- iii. CPE Coordinator
- iv. Webmaster

Section 3. Responsibilities of Officers

The Board shall authorize and approve the following transactions:

- i. Establish and approve annual budget and financial statements
- ii. Establish and approve full day event budgets, attendee fees
- iii. Establish and approve changes in membership dues
- iv. Authorize contracts with event host faculties, caterers, etc.
- v. Negotiate terms with speakers
- vi. Authorize payments
- vii. Establish committees, sub-committees, work groups, etc.
- viii. May establish and maintain a Petty Cash account

Section 3. Meetings of Board of Directors

The Board shall meet monthly, at a minimum of 10 times per year. Meetings may be in person, by phone or any other technology meeting method including video conferencing. Board members shall be provided meeting agendas and other applicable meeting information in advance. Minutes of each meeting shall be recorded, documented, and approved by the Board. Robert's Rules of Order in effect.

Quorum (defined herein as half of the total number of Board members, plus one) is required for all meetings of the Board. In the event that a quorum cannot be established, routine agenda items needing review or Board vote can be rescheduled to such time that quorum can be established. If there is an agenda item requiring an immediate vote, but quorum cannot be established, the Board may conduct a vote by electronic ballot, if doing so will accomplish the establishment of a quorum.

Section 4. Special Votes

Board votes will be required on special circumstances including, but not limited to, purchases over an established monetary threshold, revisions to prior approved budgets, entrance into agreements with other entities (e.g. co-sponsorship and/or participation in events), and approval of speaker fees.

Section 5. Compensation

Board members serve on a voluntary basis and are not compensated for their work on the Board. Board members may be reimbursed for reasonable expenses incurred in the performance of their duties as a Board officer as described in Article VI, Section 2.

Article VII – Election, Removal, and Replacement of Board Members

Section 1. Election of Board Members

(a) Terms of Office

Members of the Board shall be elected for two-year terms with the exception of the President, President Elect, and Immediate Past President, who will each serve a one-year term in their respective positions; unless their terms of office shall terminate or be terminated as provided in Article VII Sections 2 and 3 of these bylaws or if a term is extended for up to one year due to a President or President Elect unable to fulfill their term but only upon vote of the Board. Terms may be extended if situations warrant.

(b) Timing of Elections

A new President Elect shall be elected on an annual basis. After a 1 year term in this position, the President Elect automatically assumes the position of President. The outgoing current President fills the position of Immediate Past President.

Election of the Secretary and up to three (3) Vice Presidents shall take place every two years on odd-numbered years. Election of the Treasurer and up to three (3) Vice Presidents shall

take place every two years on even-numbered years. Board Members whose terms expire may be nominated for any vacant office.

(c) Nominations

Announcement of nominations shall be made to the membership each February 1st. Members in good standing can make suggestions for nominations, provided such nominations are submitted to the Board of Directors prior to the elections. Only members in good standing may be nominated for office. All nominations accepted by the Board of Directors will be presented to the membership for election each March 1st. In the event more than one nominee is proposed for any office, then a separate ballot will be cast for that position to the membership.

(d) Installation of Officers

Newly elected Board officers shall be installed at the beginning of the new fiscal year (April 1). Announcement of their installation shall be made in the April membership newsletter. In the event it is not possible to install officers in a timely basis, the current Board shall serve until new officers are installed.

Section 2. Removal of Board Members

Any Board member can be removed for cause by majority vote of a quorum of the Board, provided such Board member is granted an opportunity for a hearing before the Board prior to such vote. Cause for removal may include, but is not limited to, conflict of interest (See also Article XIII), inability to perform required tasks and responsibilities, conduct deemed unfit in the profession, or a vote of No Confidence.

(a) Resignation

Resignation of any Board member shall be tendered to the President of the Board or next highest-serving officer. Resigning Board members shall be responsible for cooperating with the Board to return any NYSICA-owned property, both tangible and intangible (including, but not limited to, NYSICA communication records, copies of budgets, signed contracts, and log in access information related to NYSICA email accounts and other third party software products utilized by the Board).

Section 3. Replacement of Board Members

(a) President

If the President is unable to serve out his/her term for any reason, the President Elect succeeds into the position of President.

(b) President-Elect

If the President Elect succeeds into the position of President because he/she was unable to serve out his/her term for any reason or if the President Elect is unable to serve out his/her term for any reason, a new President Elect shall be nominated.

If the President-Elect is unable to ascend to the role of President, the current President may extend his/her term upon vote of the Board. If the President Elect is unable to serve an

extended term, the Immediate Past President may serve the remaining term upon vote of the board.

If there is no President Elect, Current President or Immediate Past President willing or able to fill out the term, a new president will be nominated, and special election of the members shall be held.

(c) Other Board member vacancy

If any Board member other than the President or President Elect is unable to serve out his/her term for any reason, the Board shall be empowered to fill the office pro tem until NYSICA can elect a member to fill the vacancy through processes established in Article VII, Section 1. Those Board members appointed to fill the office pro tem shall serve out the term of the Board member he/she replaces.

Article VIII – Interpretation and Amendment of Bylaws

Section 1. Interpretation

All questions of interpretation of the Bylaws shall be decided by the Board.

Section 2. Amendment

Members in good standing may petition the Board to make changes to the bylaws. See Article III Section 3(d).

Article IX – Dissolution

Section 1: Overview

Dissolution of NYSICA will be conducted in accordance to all New York State rules and regulations. The Board shall seek professional legal advice to ensure dissolution activities are in compliance with stated New York State rules and regulations.

Section 2. Disbursement of Funds

NYSICA shall use its funds only to accomplish the objectives and purposes specified in these bylaws. No part of said funds shall be distributed to the members of NYSICA. In the event of dissolution of NYSICA and liquidation of its affairs, any money or other assets remaining after the payment of all obligations shall be distributed to another organized and qualified professional, educational, scientific, or philanthropic organization having a similar purpose as NYSICA. Such remainder distribution to a similar organization must be approved by majority of remaining board members.

Article X – Prohibitions

Section 1. Payments to Board Members

NYSICA funds may only be expended to Board members for:

- a) Reimbursement of expenses incurred for NYSICA business that was pre-approved by the Board and is supported by a receipt;
- b) Replenishment of the Petty Cash account (if any).

Section 2. Legislative Issues

No substantial part of the activities of NYSICA shall be attempting to influence legislation. The organization shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for political office. However, NYSICA may inform legislative or other appropriate officials of NYSICA's position or viewpoint on matters pending before said officials, and of concern to NYSICA, when the position or viewpoint is approved by a majority vote of the membership.

Article XI – Indemnification

Section 1. Indemnification

NYSICA may, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she, his or her testator or intestate, was a director, officer, employee or agent of NYSICA, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 2. Insurance

NYSICA shall have the power to purchase and maintain insurance to indemnify NYSICA for any obligation, which it incurs as a result of its indemnification of the Board.

Article XII – General Provisions

Section 1. Fiscal Year.

Fiscal Period: The Board shall prescribe the fiscal year of NYSICA as April 1 to March 31.

Section 2. Books and Records.

NYSICA shall keep correct and complete books and records of the activities and transactions, including a copy of the Certificate of Incorporation, a copy of these Bylaws, all resolutions of the Board, and all minutes of meetings of the Board and committees thereof.

Article XIII – Conflicts of Interest

Any potential conflict of interest which could result in a direct or indirect financial or personal benefit to a Board member, director, officer or staff member must be disclosed on good faith or known to the Board, and must be resolved pursuant to the Conflict of Interest Policy adopted by NYSICA (which is annexed to as Exhibit A, and shall be referred to as the "Conflict of Interest Policy").

Article XIV – Non-Discrimination

In all its dealings, neither NYSICA nor its duly authorized agents shall engage in discrimination and harassment based on race, color, sex (including sexual orientation, self-identified or perceived sex, gender expression, gender identity and the status of being transgender), creed or religion, age, national origin, marital or familial status, arrest record or criminal history, domestic violence victim status, disability, military or veteran status, and predisposing genetic characteristics or any other classification pursuant to applicable State or federal law, rule or regulation.

Exhibit A
Conflict of Interest Policy (“Policy”)

Section 1. Conflict of Interest Defined

A conflict of interest transaction is a transaction with NYSICA in which a director of NYSICA has a direct or indirect interest. A conflict of interest transaction is not voidable by NYSICA solely because of the director’s interest in the transaction if any one of the following is true:

- A. The material facts of the transaction and the director’s interest were disclosed or known to the Board and the Board authorized, approved or ratified the transaction;
- B. The material facts of the transaction and the director’s interest were disclosed or known to the members entitled to vote and they authorized, approved or ratified the transaction; or
- C. The transaction was fair to NYSICA. If any one of the above is true and the transaction was approved as provided in Section 2 below, there is no basis for imposing liability on the director with the direct or indirect conflict.

Section 2. Approval Process

A transaction in which a director has a conflict of interest may be approved if such conflict will not cause an act of self-dealing under Internal Revenue Code Section 4941, by either:

- A. A vote of the Board or a committee of the Board if the material facts of the transaction and the director’s interest are disclosed or known to the Board or committee of the Board; or
- B. Obtaining approval of the State Attorney General; or the circuit court in an action in which the Attorney General is joined as a party.

Section 3. Indirect Conflicts

For the purposes of this Article, a director has an indirect interest in a transaction if:

- A. Another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or
- B. Another entity of which the director is a director, officer or trustee is a party to the transaction, and the transaction is or should be considered by the Board.

Section 4. Votes Required for Approval

For purposes of this Policy, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the Board or on the committee who have no direct or indirect interest in the transaction. A transaction may not be authorized, approved or ratified under this section by a single director. If a majority of the directors who have no direct or indirect interest in the transaction votes to authorize, approve or ratify the transaction, a quorum is present to take action under this Policy. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this Policy if the transaction is otherwise approved.