

**American Collectors Association of Texas, Inc.  
d/b/a Southwest Collectors Association**

**Bylaws**

**Adopted: April 17, 2020**

**American Collectors Association of Texas, Inc.  
d/b/a Southwest Collectors Association**

**BYLAWS**

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**Table of Contents**

BYLAWS OF SOUTHWEST COLLECTORS ASSOCIATION .....	6
ARTICLE I – NAME AND OFFICES .....	6
1. NAME.....	6
2. REGISTERED OFFICE AND AGENT .....	6
3. PRINCIPAL OFFICE .....	6
4. OTHER OFFICES .....	6
ARTICLE II – MISSION AND PURPOSES .....	6
ARTICLE III - MEMBERS.....	6
1. CLASSES OF MEMBERS.....	6
2. ELECTION OF MEMBERS .....	8
3. MEMBERSHIP APPLICATION PROCESSING AND DUES .....	8
4. MULTIPLE OFFICE MEMBERSHIPS .....	8
5. TERMINATION OF MEMBERSHIP.....	9
6. RESIGNATION.....	9
7. REINSTATEMENT .....	9
8. PLACE OF MEETING.....	10
9. ANNUAL MEETING.....	10
10. SPECIAL MEMBERS' MEETINGS .....	10
11. VOTING OF MEMBERS.....	10
12. QUORUM OF MEMBERS .....	10
13. FIXING RECORD DATES FOR DETERMINING MEMBERS ENTITLED TO VOTE AND NOTICE.....	10
14. VOTING LISTS.....	11

15. ACTION BY MEMBERS WITHOUT MEETING.....	11
ARTICLE IV – DUES AND ASSESSMENTS.....	12
1. ACTIVE MEMBERS .....	12
2. HONORARY OR RETIRED MEMBERS .....	12
3. REFUND OF DUES .....	12
4. ASSESSMENT AUTHORITY .....	12
5. PAYMENT OF ASSESSMENTS .....	12
ARTICLE V - DIRECTORS .....	123
1. BOARD OF DIRECTORS .....	12
2. POWERS AND DUTIES.....	13
3. EXECUTIVE DIRECTOR .....	14
4. NUMBER AND ELECTION OF DIRECTORS .....	14
5. REMOVAL.....	14
6. RESIGNATION.....	14
7. VACANCIES AND INCREASE IN NUMBER OF DIRECTORS .....	14
8. ANNUAL MEETING OF DIRECTORS.....	15
9. REGULAR MEETING OF DIRECTORS.....	15
10. SPECIAL MEETINGS OF DIRECTORS .....	15
11. PLACE OF DIRECTORS' MEETINGS .....	15
12. QUORUM AND VOTING OF DIRECTORS .....	15
13. COMPENSATION .....	15
14. ACTION BY DIRECTORS WITHOUT MEETING.....	16
15. BOARD ACTIONS TO BE REPORTED TO MEMBERS.....	17
ARTICLE VI - OFFICERS .....	17
1. NUMBER OF OFFICERS.....	17
2. EXECUTIVE COMMITTEE .....	17
3. AUTHORITY AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE .....	17
4. POWERS OF OFFICERS.....	18
5. DUTIES OF OFFICERS.....	18
6. NATIONAL DELEGATES .....	18
7. UNIT DIRECTORS .....	19
ARTICLE VII – EXECUTIVE DIRECTOR AND UNIT STAFF .....	19

1. EXECUTIVE DIRECTOR .....	19
2. UNIT STAFF.....	19
3. DUTIES AND RESPONSIBILITIES .....	19
ARTICLE VIII – ELECTION OF OFFICERS AND DIRECTORS.....	19
1. ELECTIONS.....	19
2. ELIGIBILITY TO HOLD OFFICE.....	20
3. ASSUMPTION OF OFFICE.....	20
4. NOMINATIONS OF OFFICERS AND DIRECTORS .....	20
6. UNIT DIRECTORS .....	21
7. ELIGIBILITY TO VOTE.....	21
8. VOTING PROCEDURES.....	21
9. FILLING OF VACANCIES .....	21
ARTICLE IX – COMMITTEES AND APPOINTMENTS.....	21
1. FINANCE COMMITTEE.....	22
2. ETHICS AND GRIEVANCE COMMITTEE .....	22
3. LEGISLATIVE COMMITTEE .....	22
4. MEMBERSHIP COMMITTEE.....	22
5. PROFESSIONAL EDUCATION COMMITTEE .....	23
6. COMMITTEE VACANCIES .....	23
ARTICLE X - INDEMNIFICATION AND INSURANCE.....	23
1. INDEMNIFICATION.....	23
2. INSURANCE.....	23
ARTICLE XI - MISCELLANEOUS.....	24
1. MEETINGS BY TELEPHONE CONFERENCE, ELECTRONIC OR OTHER REMOTE COMMUNICATIONS TECHNOLOGY .....	24
2. SEAL.....	24
3. CONTRACTS.....	24
4. CHECKS, DRAFTS, ETC.....	24
5. DEPOSITS.....	24
6. GIFTS .....	24
7. BOOKS AND RECORDS.....	25
8. FINANCIAL RECORDS AND ANNUAL REPORTS.....	25

9. FISCAL YEAR..... 25  
ARTICLE XII - CONSTRUCTION ..... 25  
1. PRONOUNS AND HEADINGS ..... 25  
2. INVALID PROVISIONS ..... 25  
ARTICLE XIII - AMENDMENT OF BYLAWS..... 25  
ARTICLE XIV – PARLIAMENTARY PROCEDURE..... 26

# **BYLAWS OF SOUTHWEST COLLECTORS ASSOCIATION**

## **ARTICLE I – NAME AND OFFICES**

### **1. NAME**

The name of this Corporation shall be the American Collectors Association of Texas, Inc. d/b/a Southwest Collectors Association and it shall be incorporated as a non-profit corporation in the State of Texas, without capital stock.

### **2. REGISTERED OFFICE AND AGENT**

The registered office or the registered agent may be changed by resolution of the Board of Directors, upon making the appropriate filing with the Secretary of State.

### **3. PRINCIPAL OFFICE**

The principal office of the Corporation shall be in Tyler, Texas, at a site designated by the Board of Directors.

### **4. OTHER OFFICES**

The Corporation may also have other offices at such places, within or without the State of Texas, as the Board of Directors may designate, or as the business of the Corporation may require or as may be desirable.

## **ARTICLE II – MISSION AND PURPOSES**

The mission and purposes of this Corporation shall be to advance and advocate the general welfare and interest of the accounts receivable management profession in the states of Texas, Oklahoma and others that are approved by the Board of Directors and to serve as the collective voice of the members on legislative and regulatory issues which impact members' delivery of credit and collection services; enforce member compliance with a prescribed code of ethics; provide opportunities and services that encourage and promote member professional education and development; accumulate, disseminate and facilitate the exchange of industry related information and material among the membership; and promote public awareness of members' contributions to the general and economic welfare of all applicable member states and the United States.

## **ARTICLE III - MEMBERS**

### **1. CLASSES OF MEMBERS**

The Corporation shall have six classes of members: General, Credit Reporting, Affiliate, Attorney,

Associate, and Honorary. Members must meet the following qualifications for membership: applying for membership in the Corporation by meeting such qualifications, completing such forms, and paying such membership fee or fees as shall from time to time be designated by the Board of Directors.

**a. General Members.** General Members may be any person, firm or entity operating in any member state of this Association, who actively performs services related to the accounts receivable management industry such as debt collection, check recovery, asset buying, or legal services; has met all regulatory requirements of the applicable member state, and agrees to adhere to all federal and applicable state laws and county or municipal ordinances governing member's business and the Code of Ethics and Rules of Conduct adopted by members of this Corporation. Membership in this Corporation and in ACA International shall each be contingent upon the other.

Any application for General membership that does not comply with the above requirements may be processed in the normal manner by the Membership Committee but will require a two-thirds vote of the Board of Directors to be approved for membership.

General membership shall be construed by this Corporation to mean that the company holds membership and shall be entitled to all benefits and responsibilities as may exist. Multiple offices operating within the applicable membership state of any General Member shall be eligible for membership in accordance with ACA International's Multi-Office Membership Program and considered an additional member for benefits, voting and holding of elective office. Any firm, person or entity having multiple offices within the applicable state may submit each office for membership for approval. The multi-office member may designate a representative to act on its behalf in Corporation affairs.

**b. Credit Reporting Members.** Credit Reporting Members may be any person, firm or entity engaged in the business of providing consumer and/or commercial credit reports to the credit-granting sector or general public but not engaged in the collection of past-due accounts. Membership classification and procedures are the same as for General Members, provided: (1) that their reporting activity is sufficient to identify them as part of the credit-reporting industry, and (2) that they have complied with all federal, state, county, and municipal statutes and ordinances regulating those engaged in credit-reporting. Any credit-reporting office under the same ownership as an active Credit Reporting Member, whether located at the same address or at a separate address, may apply for membership provided it is within the geographic area of this Corporation.

Credit Reporting Members shall pay the same dues as General Members and are entitled to register for all meetings of the Corporation and to such other benefits as the Board of Directors may decide. Membership in this category shall not confer the right to vote in matters except those directly affecting this category.

**c. Affiliate Members.** Affiliate Members are individuals, firms or entities operating in the applicable membership state who extend credit to consumers or businesses in conjunction with general commerce transactions or loans, or are engaged in the business of providing consumer and/or commercial credit reports to creditors and operating in compliance with applicable state and federal laws, and are not otherwise eligible for membership as a General or Credit-reporting

Member. These members are entitled to privileges and benefits of membership as determined by the Board of Directors, but may not vote or hold elective office.

**d. Attorney Members.** Attorney Members may be any individual who is licensed to practice law in one of the Member States, who has a physical office located in one of the Member States, who is a member in good standing in the ACA International MAP (Member Attorney Program) division, and who is not employed by a member agency.

An Attorney Member may not represent consumers in claims between consumers and third-party debt collectors, credit grantors, or those engaged in debt buying. Attorney Members agree to strictly comply with all Federal, State, County, and Municipal statutes and ordinances regulating the credit and collection industry, and to also be bound by this Association's Code of Ethics and Rules of Conduct adopted by the Members of this Association.

An Attorney Member may serve as a Committee Member, and may be elected to serve as an Officer, Unit Director, or National Delegate provided that no more than one Board seat at a time is held by an Attorney Member. An Attorney Member may also serve as a National Committee Member, should the opportunity become available.

**e. Associate Members.** Associate Members are individuals, firms and entities supplying products and services to the collection and credit industry that are not eligible for General or Affiliate membership. Membership dues and benefits are established and regulated by the Board of Directors and specified in the Standing Operating Procedure. Associate Members are eligible to attend all unit meetings and events, but may not vote or hold elective office.

**f. Honorary Members.** Honorary Members are individuals who may be or may not be active in the collections industry or Retired, but whose noteworthy achievements and contributions to the collection profession or this Corporation deserves such recognition. Nominations of candidates for Honorary Membership shall be submitted to the Board of Directors with detailed justification for the nomination. A two-thirds majority vote of the Board of Directors shall be required for approval. Honorary Members shall be exempt from dues and eligible to attend all meetings of this Corporation, but not vote or hold elective office.

## **2. ELECTION OF MEMBERS**

Members shall be elected by the Membership Committee. An affirmative vote of two-thirds of the Committee shall be required for election.

## **3. MEMBERSHIP APPLICATION PROCESSING AND DUES**

Application forms, processing procedures and schedule of annual dues for each membership category may be set forth in procedures adopted by the Board of Directors as authorized in the Bylaws.

## **4. MULTIPLE OFFICE MEMBERSHIPS**

Any member owning two or more branch offices may make application for membership for each additional branch office. Membership granted to such office shall carry the same rights, privileges and obligations as other General or Credit Reporting Members as specified herein.



## 5. TERMINATION OF MEMBERSHIP

**a. Change of Ownership.** Membership in this Corporation shall not be transferable. Change of ownership of any member firm shall automatically terminate its membership, except as may be set forth in procedures adopted by the Board of Directors. There shall be no refund of dues, fees or payments of any kind upon termination of membership for this reason. Membership may be conferred upon the new owner only by conformity with the Bylaws of the Corporation as set forth herein and the Bylaws and Standard Operating Procedures of ACA International.

In the case of a sole proprietorship, a change of ownership shall be deemed to have occurred when the control, management, and/or assets of the proprietorship shall be vested in one or more persons other than the individual to whom they previously belonged, or by whom they had previously been controlled.

In all cases where a member is a partner, a change of ownership shall be deemed to have occurred when the control, management, and/or assets of the partnership shall be vested in one or more persons other than the original partners. The acquisition by one partner of the previous ownership shall not be construed, for purposes of *this* action, as a change of ownership except in those cases where the partner who acquires the control was, in fact, a silent or inactive member of the partnership that had held a membership in this Corporation.

Transfer or sale of a business from one spouse to another or to their children shall be considered a change of ownership unless that spouse or the children acquiring the business shall have been a partner in fact or unless his or her previous association with the business had been on a management level. Acquisition of a collection business by a spouse or children through estate administration or inheritance will qualify the surviving spouse or children for membership in this Corporation provided the requirements of partnership or previous management as set forth above shall have been met.

In the case of a corporation, a change of ownership shall be deemed to have occurred when there is a transfer of fifty-one percent or more of the shares of said corporation.

**b. Non-Payment of Dues.** Any General Member whose dues are not paid within thirty days after billing shall be notified by certified mail by ACA International that membership shall be terminated unless dues are received within thirty days from receipt of said notice, after which time membership in this Corporation shall automatically be terminated.

**c. Sanctions.** A member may be sanctioned or expelled for unethical conduct or for violation of this organization's bylaws, ACA International's Code of Ethics or Professional Responsibilities, Code of Operations or for engaging in conduct prejudicial to the best interest of this Corporation.

## 6. RESIGNATION

Any member may resign by filing a written resignation with the President.

## 7. REINSTATEMENT

Any member expelled for cause, including action of the Ethics and Grievance Committee, may

reapply for membership after one year, or such earlier time as the Board of Directors may designate.

## **8. PLACE OF MEETING**

The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the meeting shall be held either at the principal office of the Corporation or at such other place, as shall be specified in the notice of meeting or executed waiver of notice.

## **9. ANNUAL MEETING**

The Board shall determine the date, time and location of the annual meeting of this Corporation, normally in conjunction with the annual conference. Notice of the annual meeting shall be mailed to each member, or sent via electronic transmission, or published in the Corporation's quarterly publication at least sixty days prior to the scheduled meeting date.

## **10. SPECIAL MEMBERS' MEETINGS**

The President may call special meetings of the Corporation's membership at such time, date and location designated by the Board. The President shall give each member at least fifteen days' written notice, sent by the U.S. Postal Service, facsimile or electronic mail, of the time and place of such special meeting.

## **11. VOTING OF MEMBERS**

The voting rights as stated herein shall apply to all matters coming before the members of this Corporation. Business generally shall be conducted at the Corporation's annual business meeting in conjunction with the annual conference. However, voting by mail, facsimile or electronic mail may be permitted on any matter that is deemed by the Board to be of sufficient importance.

## **12. QUORUM OF MEMBERS**

The members of this Corporation who are present at the relevant annual or special meeting shall constitute a quorum for the conduct of business.

## **13. FIXING RECORD DATES FOR DETERMINING MEMBERS ENTITLED TO VOTE AND NOTICE**

The record date for determining the members entitled to notice of a members' meeting and for determining the members entitled to vote at a members' meeting shall be the close of business on the business day preceding the date on which notice is given, or if notice is waived, at the close of business on the business day preceding the date of the meeting.

A determination of members entitled to notice of or to vote at a members' meeting is effective for any adjournment of the meeting unless the Board of Directors fix a new date for determining the right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining members entitled to notice of the original meeting.

#### **14. VOTING LISTS**

After fixing a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all the voting members who are entitled to notice of the meeting. The list must show the address and number of votes each voting member is entitled to cast at the meeting. The Corporation shall maintain, through the time of the members' meeting, a list of members who are entitled to vote at the meeting but are not entitled to notice of the meeting. This list shall be prepared on the same basis and be part of the list of voting members.

Not later than two (2) business days after the date notice is given of a meeting for which a list was prepared, as provided above, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. A voting member or voting member's agent or attorney is entitled on written demand to inspect and to copy the list at a reasonable time and at the member's expense during the period it is available for inspection.

The Corporation shall make the list of voting members available at the meeting, and any voting member or voting member's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

#### **15. ACTION BY MEMBERS WITHOUT MEETING**

Any action required by the Texas Business Organizations Code to be taken at a meeting of the members, or any action which may be taken at a meeting of the members or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

If the Corporation's Articles of Incorporation so provide, any action required by the Texas Business Organizations Code to be taken at a meeting of the members or any action that may be taken at a meeting of the members of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members or committee members as would be necessary to take that action at a meeting at which all of the members or members of the committee were present and voted.

Each written consent shall bear the date of signature of each member or committee member who signs the consent. Prompt notice of the taking of any action by members or a committee without a meeting by less than unanimous written consent shall be given to all members or committee members who did not consent in writing to the action.

If any action by members or a committee is taken by written consent signed by less than all of the members or committee members, any articles or documents filed with the Secretary of State as a result of the taking of the action shall state, in lieu of any statement required by this Act concerning any vote of the members, that written consent has been given in accordance with the provisions of section 6.202 of the Texas Business Organizations Code and that any written notice required by

such section has been given.

A telegram, telex, cablegram, or similar transmission by a member or member of a committee or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a member or member of a committee shall be regarded as signed by the member or member of a committee for purposes of this section.

## **ARTICLE IV – DUES AND ASSESSMENTS**

### **1. ACTIVE MEMBERS**

The Board of Directors shall establish dues for all categories of membership, but dues for General and Credit Reporting Members shall be subject to ratification by the General membership. The Board of Directors shall adopt a dues schedule by membership category.

a. The dues of this Corporation shall be payable at the same time and in the same manner as those of ACA International. Said dues shall be billed and collected by ACA International and remitted to this Corporation.

b. Dues for all new members in the first year of membership shall be assessed on a pro-rata basis in the same manner as those of ACA International.

### **2. HONORARY OR RETIRED MEMBERS**

Honorary or Retired Members shall be exempt from payment of dues and assessments.

### **3. REFUND OF DUES**

Dues shall not be refundable.

### **4. ASSESSMENT AUTHORITY**

The Board of Directors may make and levy special assessments on General and Credit Reporting Members when the Board determines that such assessment is needed for the protection and welfare of the interests of its membership. Only one such assessment may be levied in any one fiscal year.

### **5. PAYMENT OF ASSESSMENTS**

Any member whose assessment remains unpaid sixty days after billing shall be notified by certified mail that membership may be terminated unless the assessment is paid within thirty days from receipt of said notice, after which time the Board shall make final determination of the matter.

## **ARTICLE V - DIRECTORS**

### **1. BOARD OF DIRECTORS**

To the extent not limited or prohibited by law, the Articles of Incorporation, or these Bylaws, the powers of the Corporation shall be exercised by or under the authority of, and the business and

affairs of the Corporation shall be managed under the direction of the Board of Directors of the Corporation. Directors need not be residents of the applicable membership states or members of the Corporation unless the Articles of Incorporation or these Bylaws so require.

The Board shall consist of the President of the Corporation who shall serve as Chairperson, the Vice-President, the Treasurer, all National Delegates, the Immediate Past President, and four members of the Corporation elected as Unit Directors. There shall be at least one Unit Director from each member state, unless not mathematically possible or the members of one state are completely uninterested in running for a Unit Director position. No individual shall, at any time, hold more than one seat on the Board. At all times the Board of Directors must include at least 2 members from each member state, unless not mathematically possible or the members of one state are completely uninterested in running for Board of Directors positions.

All Past Presidents who are not members of the Board, as well as any current Legislative Committee Chair or elected National Director, if not already a member of the Board, may sit with the Board as Ex-Officio members with all privileges except voting.

## **2. POWERS AND DUTIES**

The Board of Directors shall be responsible for:

- a. Conducting the business of the Corporation, establishing programs and policies and supervising unit operations to ensure consistency with the organization's goals and objectives.
- b. Supervising the hiring of the Corporation's Executive Director and approving the compensation packages for the Executive Director and any staff personnel.
- c. Designating policies regarding procurement of directors' and officers' insurance coverage and indemnity bond requirements for the unit's staff.
- d. Hearing appeals by any member disciplined by the Ethics and Grievance Committee, as provided herein and any other documents granting such authority and approved by the Board, and who has exercised his/her right of appeal to the Board.
- e. Within its own discretion as it may deem necessary at any time, promulgating and adopting procedures to aid in its governance of the Corporation while ensuring the practices remain consistent with the unit's bylaws, policies and objectives.
- f. Reviewing and approving the Corporation's legislative agenda to include allocating resources, as appropriate, to achieve set objectives.
- g. Considering the removal of any officer or director from the Board who does not make every effort to perform his/her respective duties. Removal of an officer or director shall require a two-thirds vote of the Board.
- h. Considering suspension or expulsion of any member for due cause upon two-thirds vote of the Board.

- i. Meeting as a committee of the whole at least once a year prior to the Corporation's annual business meeting for the purpose of nominating officers and directors to serve for the coming fiscal year.
- j. Developing and proposing changes in bylaws for submission to the membership.
- k. Filling vacancies on the Board between annual business meetings by a majority vote of the Board.
- l. Conducting other business as shall be necessary and appropriate to the missions and purposes of this Corporation.

### **3. EXECUTIVE DIRECTOR**

The Board may hire an Executive Director to supervise and administer the daily operations of the Corporation and act as the Secretary, contracting agent and official representative of the Corporation. The Executive Director shall attend all Board meetings and shall provide information and reports to assist the Board in the conduct of business, but shall not vote nor hold any elective office.

### **4. NUMBER AND ELECTION OF DIRECTORS**

The number of directors may be increased or decreased from time to time by an amendment to these Bylaws or resolution adopted by the Board of Directors, provided that the number of directors may not be decreased to fewer than three (3). No decrease in the number of Directors shall have the effect of shortening the term of any incumbent director.

### **5. REMOVAL**

A director may be removed from office, with or without cause, by the persons entitled to elect, designate, or appoint the director. If the director was elected to office, removal requires an affirmative vote equal to the vote necessary to elect the director.

### **6. RESIGNATION**

A director may resign by providing written notice of such resignation to the Corporation. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

### **7. VACANCIES AND INCREASE IN NUMBER OF DIRECTORS**

Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of the previous director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

## **8. ANNUAL MEETING OF DIRECTORS**

The Board of Directors shall meet at least once each year prior to the Corporation's business meeting at the annual conference. The Board shall determine the date, time and location of the annual meeting. Written notice of the Board Meeting shall be sent to each Board member by mail or electronic transmission at least fifteen days in advance of each meeting. This provision for notice can be waived by written consent of a majority of the Board Members signing a waiver of such notice prior to the meeting of the Board.

## **9. REGULAR MEETING OF DIRECTORS**

Regular meetings of the Board of Directors may be held with or without notice at such time and place as may be from time to time determined by the Board of Directors.

## **10. SPECIAL MEETINGS OF DIRECTORS**

The President may call special meetings of the Corporation's Directors at such time, date and location designated by the Board. The President shall give each member at least fifteen days' written notice, sent by the U.S. Postal Service, facsimile or electronic mail, of the time and place of such special meeting.

## **11. PLACE OF DIRECTORS' MEETINGS**

All meetings of the Board of Directors shall be held either at the principal office of the Corporation or at such other place, as shall be specified in the notice of meeting or executed waiver of notice.

## **12. QUORUM AND VOTING OF DIRECTORS**

A quorum for the transaction of business by the Board of Directors shall be a majority of the number of directors fixed by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of the majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or the Articles of Incorporation.

A director may vote in person or by proxy provided that prior to the Board meeting the President receives in writing notice of the respective Board member's designated proxy. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

## **13. COMPENSATION**

Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at any meeting of the Board of Directors. A director shall not be precluded from serving the Corporation in any other capacity and receiving compensation for such services. Members of committees may be allowed similar compensation and reimbursement of expenses for attending committee meetings.

#### **14. ACTION BY DIRECTORS WITHOUT MEETING**

The Board shall, as directed by the President, conduct any and all Corporation business that shall arise between regularly scheduled meetings by mail or electronic transmission, to include voting on such matters as presented.

Any action required by the Texas Business Organizations Code to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the Board of Directors entitled to vote with respect to the subject matter thereof, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

If the Corporation's Articles of Incorporation so provide, any action required by the Texas Business Organizations Code to be taken at a meeting of the Board of Directors or any action that may be taken at a meeting of the Board of Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Board of Directors or committee members as would be necessary to take that action at a meeting at which all of the Board of Directors or members of the committee were present and voted.

Each written consent shall bear the date of signature of each Director or committee member who signs the consent. A written consent signed by less than all of the Board of Directors or committee members is not effective to take the action that is the subject of the consent unless, within sixty (60) days after the date of the earliest dated consent delivered to the Corporation in the manner required by this section, a consent or consents signed by the required number of Board of Directors or committee members is delivered to the Corporation at its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of Board of Directors or committees are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested. Delivery to the Corporation's principal place of business shall be addressed to the President or principal executive officer of the Corporation.

Prompt notice of the taking of any action by Board of Directors or a committee without a meeting by less than unanimous written consent shall be given to all Board of Directors or committee members who did not consent in writing to the action.

If any action by Board of Directors or a committee is taken by written consent signed by less than all of the Board of Directors or committee members, any articles or documents filed with the Secretary of State as a result of the taking of the action shall state, in lieu of any statement required by this Act concerning any vote of the Board of Directors or committee members, that written consent has been given in accordance with the provisions of section 6.202 of the Texas Business Organizations Code and that any written notice required by such section has been given.

A telegram, telex, cablegram, or similar transmission by a Director or member of a committee or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Director or member of a committee shall be regarded as signed by the Director or member of a committee for purposes of this section.



## **15. BOARD ACTIONS TO BE REPORTED TO MEMBERS**

All actions taken by the Board shall be reported to the membership either by mail, by electronic transmission, by publication in the Corporation's quarterly publication, or at the annual convention. The actions of the Board shall be final and binding unless and until reversed or modified by the membership.

## **ARTICLE VI - OFFICERS**

### **1. NUMBER OF OFFICERS**

The officers of this Corporation shall be:

- a. President
- b. Vice President
- c. Treasurer

New offices may be created and filled at any meeting of the Board of Directors.

### **2. EXECUTIVE COMMITTEE**

The elected officers shall constitute the Executive Committee, chaired by the President. The Executive Director shall be an ex-officio member of the Committee without vote.

### **3. AUTHORITY AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE**

- a. The Executive Committee shall be responsible for supervising the Executive Director and for oversight of the Corporation's operations, accountable to the Board. This Committee will advise and aid the Board on all matters concerning the interest and management of the organization, generally performing such duties and exercising such powers during the intervals between regular Board meetings as shall be delegated by the Board. The Committee shall be subject to the orders of the Board and all decisions implemented shall be in concert with the mission, purposes and objectives of the Corporation.
- b. The President or any two members of the Executive Committee may call meetings. The presence of a majority of the elected officers shall constitute a quorum for transaction of business. Business may also be accomplished by mail, facsimile or electronic transmission if so prescribed by the President. Minutes will be transcribed of all committee meetings and copies provided to the Board within 30 days of the said meeting.
- c. The Executive Committee shall be responsible for the annual performance evaluation of the Executive Director, providing a report to the Board at the annual meeting preceding the Corporation's annual business session. The Committee shall also review the Executive Director's appraisals of any and all staff personnel to include

recommendations for adjustments in compensation packages.

#### **4. POWERS OF OFFICERS**

Each officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Board of Directors shall from time to time designate. All officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The President may secure the fidelity of any and all officers by bond or otherwise.

All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

In the discharge of a duty imposed or power conferred on an officer of a Corporation, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person, that were prepared or presented by: (1) one or more other officers or employees of the Corporation, including members of the Board of Directors; or (2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

An officer is not relying in good faith within the meaning of this section if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this subsection unwarranted.

#### **5. DUTIES OF OFFICERS**

- a. **President.** The President shall preside at all meetings, serving as the Executive Officer of the Corporation, and Chairperson of the Board of Directors, sign all official documents, appoint all committees not otherwise provided for, and generally supervise the affairs of the Corporation. He or she may countersign all checks upon its funds as provided herein and any authorizing documents approved by the Board of Directors.
- b. **Vice President.** The Vice President shall advise and assist the President, and perform all and singular the duties of the President when the President is absent, or in any manner unable to serve. He or she shall chair the Education and Membership Committees.
- c. **Treasurer.** The Treasurer shall advise and assist the President and the Vice President and perform all and singular the duties of the President when the President and Vice President are absent, or in any manner unable to serve. He or she shall chair the Finance Committee and shall supervise the annual financial review of the Corporation's financial records, providing a report to the Board.

#### **6. NATIONAL DELEGATES**

As specified herein, members elected as National Delegates to the ACA International's Council of

Delegates, will attend all regular and special meetings convened by the President of ACA International, representing the interest of this Corporation. The number of National Delegates authorized to represent this Corporation shall be in accordance with the bylaws of ACA International. National Delegates are elected by the membership of this Corporation for a term of three years unless vacating the position by resignation or removed for cause. A National Delegate may be elected for more than one consecutive term of office. However, no individual may serve as a National Delegate for more than ten (10) consecutive years.

## **7. UNIT DIRECTORS**

Four members of this Corporation, duly elected by the membership at an annual business meeting shall serve as Unit Directors. The term of office is for two years with two Unit Directors' terms expiring annually. A Unit Director may be elected for more than one consecutive term of office. It is the duty of each Unit Director serving on the Board to attend all meetings, to exercise his/her best judgment in formulating policy and to inform the Board of any matter that may have a significant impact on this Corporation or its membership.

## **ARTICLE VII – EXECUTIVE DIRECTOR AND UNIT STAFF**

### **1. EXECUTIVE DIRECTOR**

The Executive Director shall carry out all the duties prescribed by the Board, execute policies and implement sanctioned programs and function as the Corporation Secretary and agent for all contracting and legal matters.

### **2. UNIT STAFF**

The Board may authorize the Executive Director to hire, train and supervise additional staff personnel to perform duties and functions necessary to the welfare and interest of the Corporation.

### **3. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Executive Director and unit staff, as approved by the Board, may be specified in documents approved by the Board.

## **ARTICLE VIII – ELECTION OF OFFICERS AND DIRECTORS**

### **1. ELECTIONS**

The President shall call for a meeting of the membership in conjunction with the Corporation's annual conference to transact Corporation business and elect officers and directors. The members shall elect a President, Vice President, and Treasurer and fill any or all National Delegate or Unit Director vacancies. Nominations for officers and directors may be submitted by the Nominations Committee and from the floor during the election process; however, the only nomination for office of President shall be that of the Vice President, duly elected at the previous annual business meeting of the Corporation, if currently serving as such and he has not withdrawn his/her name from being placed into nomination for the Presidency.

## **2. ELIGIBILITY TO HOLD OFFICE**

Any owner, partner, corporate officer or management employee of a member holding an active General Membership shall be eligible to hold office in this Corporation. However, not more than two persons from any particular member agency or organization may serve on the Board simultaneously.

## **3. ASSUMPTION OF OFFICE**

All officers and directors elected by the membership shall take office prior to the adjournment of the annual conference and serve in the respective position to which elected for the duration of the term to which elected or until a successor is elected and qualified.

## **4. NOMINATIONS OF OFFICERS AND DIRECTORS**

The Past Presidents of this Corporation shall meet prior to the annual business meeting and sit as a Nominations Committee to develop and compile a list of recommended candidates for election to all offices, National Delegate and Unit Director vacancies, submitting said list of candidates to the Board. The incumbent President will chair the meeting without a vote. The Board is not obligated to accept or reject any or all of the Nominations Committee's recommendations, but will submit the committee's report to the general membership prior to the election of officers and directors.

The Board, acting as a committee of the whole, may at its meeting prior to the annual business meeting, nominate candidates to hold officer or director positions. Nominations may also be made from the floor during the business session for all offices and positions except President.

## **5. NATIONAL DELEGATES**

- a. National Delegate vacancies shall be filled by vote of the members of this Corporation at the annual business meeting. Members who may serve as a National Delegate are individuals whose business is related to the accounts receivable management industry. Each National Delegate's term of office shall be three years unless prior to being elected, the membership determines that a shorter term of office should apply.
- b. Should ACA International direct a reduction in the number of National Delegates of this Corporation, the National Delegate with the shortest remaining term shall resign. If there are two National Delegates with equally short remaining terms, they shall both resign and the Board will appoint an interim National Delegate until the election at the next annual business meeting.
- c. Should a National Delegate be unable to attend a Council of Delegates meeting, the Executive Committee shall have the option to appoint an alternate Delegate to attend the Council of Delegates meeting, which otherwise would not be attended by a duly elected Delegate. Such appointments shall be deemed as a onetime appointment, and shall not be construed as a permanent replacement of the duly elected Delegate.

## **6. UNIT DIRECTORS**

At least two Unit Directors shall be elected during each annual business meeting of this Corporation for a two-year term of office.

## **7. ELIGIBILITY TO VOTE**

Every qualified General Member office fully registered at the annual conference and represented in person shall be eligible to vote on all business issues and in the election of officers and directors of this Corporation. Branch offices of a General Member may each vote provided such branch office is also a member of this Corporation and an authorized person employed at the branch office casts the vote.

## **8. VOTING PROCEDURES**

Voting shall be conducted by secret ballot, provided however that such secret ballot shall be waived when any given nominee for office is unopposed. In the event of three or more candidates for the same office and any one candidate fails to achieve a majority on the first ballot, there shall be a second ballot, but only with the names of the two candidates receiving the highest number of votes on the first ballot. A majority vote of the members present shall elect a candidate to office.

## **9. FILLING OF VACANCIES**

- a. Should the office of President become vacant, the Vice President elected at the Corporation's last annual business-meetings shall immediately become President and serve until the next annual business meeting and a successor is elected and qualified.
- b. Should the office of Vice President become vacant, the Treasurer elected at the Corporation's last annual business meeting shall immediately become Vice President, and serve until the next annual business meeting and a successor is elected and qualified.
- c. Should the office of Treasurer become vacant, the Executive Board shall nominate and present two or more names to the membership for vote by mail, facsimile or electronically transmitted ballot or at a special membership meeting. The person elected shall serve until the next annual business meeting and a successor is elected and qualified.
- d. Should either a National Delegate or Unit Director's position, either of this Corporation or of the ACA International become vacant, the Board of Directors shall appoint a member to fill such vacancy within sixty days. The appointee shall serve until the next annual business meeting and a successor is elected and qualified.

## **ARTICLE IX – COMMITTEES AND APPOINTMENTS**

Unless otherwise provided for herein, upon election to office, the President shall appoint unit members to serve on Standing and Special Committees for a period of one year. The President may appoint such other committees during his/her term of office as determined advisable. The

number of members appointed shall be at the discretion of the President, but normally not less than three or more than five. Not more than one person from the same office or entity may serve on the same committee.

## **1. FINANCE COMMITTEE**

This committee, chaired by the Treasurer, shall conduct or supervise an annual examination of the financial records and the accounts of the Corporation, as well as all funds in the Corporation's treasury, and report its findings to the Board and the Corporation members at the annual business meeting. This committee shall be responsible for presenting the Corporation's annual budget to the Board for approval at the fall meeting. The Board-approved budget is the authorization for the obligation and expenditure of funds.

## **2. ETHICS AND GRIEVANCE COMMITTEE**

The Ethics and Grievance Committee shall consist of the three most immediate past presidents and two members appointed at-large. Appointments are for one- year terms, but members may be reappointed. The most immediate past president will serve as the Committee Chair, empowered to fill vacancies should any occur during the year, determine the time and location of committee hearings and fix the amount of appeal bonds.

This Committee shall be responsible for investigating and resolving all complaints by clients of Corporation members, other Corporation members and governmental agencies relative to alleged violations of state and federal laws and ACA International's Procedural Rules for the Ethics and Professional Responsibility and Code of Operations. The procedures for processing complaints may be contained in any document approved by the Board.

## **3. LEGISLATIVE COMMITTEE**

The Legislative Committee shall consist of at least three members but not more than seven members elected by the Board for three-year terms with one member's term expiring each year. Committee vacancies shall be filled by a majority vote of the Board at the meeting preceding the Corporation's annual conference, based upon nominations presented to the Board. Committee members may be elected to serve more than one term of office. The committee chair shall be elected for a period of one year by the Board of Directors.

The committee is responsible for developing and formulating the Corporation's legislative agenda for the applicable membership state Legislature, derived from communications with members and an analysis of any legislation proposed by other political action groups that may be favorable or unfavorable to the collection industry and its clients. The committee shall operate within the guidance and budget established by the Board and report to the Board at least annually on legislative issues and an accounting for the disposition of any funds allocated. Additional authorities and responsibilities of this committee may be set forth in procedures adopted by the Board of Directors as authorized in the Bylaws.

## **4. MEMBERSHIP COMMITTEE**

The Membership Committee shall process all applications for General membership in accordance with any procedures adopted by the Board of Directors as authorized in the Bylaws. The Vice

President shall chair this committee.

## **5. PROFESSIONAL EDUCATION COMMITTEE**

This committee, chaired by the Vice President, shall ensure that a quality professional education program is available to the members for the training and development of members and their staff. Additional duties and responsibilities of this committee may be set forth in procedures adopted by the Board of Directors as authorized in the Bylaws.

## **6. COMMITTEE VACANCIES**

The same authority that made the original appointments to a respective committee shall fill any vacancies on the committee during his term of office.

# **ARTICLE X - INDEMNIFICATION AND INSURANCE**

## **1. INDEMNIFICATION**

The Corporation shall have the full power to indemnify and advance or reimburse expenses pursuant to the provisions of the Texas Business Organizations Code to any person entitled to indemnification under the provisions of the Texas Business Organizations Code.

## **2. INSURANCE**

The Corporation may purchase and maintain insurance or another arrangement on behalf of any person who is or was a member, director, officer, employee, or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise, or other entity, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify him or her against that liability. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Corporation would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the members of the Corporation. Without limiting the power of the Corporation to procure or maintain any kind of insurance or other arrangement, the Corporation may, for the benefit of persons indemnified by the Corporation, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Corporation or with any insurer or other person deemed appropriate by the Board of Directors regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Corporation. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be voidable and shall not subject the directors approving the insurance or arrangement to liability, on any ground, regardless of whether directors participating in the

approval are beneficiaries of the insurance or arrangement.

## **ARTICLE XI - MISCELLANEOUS**

### **1. MEETINGS BY TELEPHONE CONFERENCE, ELECTRONIC OR OTHER REMOTE COMMUNICATIONS TECHNOLOGY**

Subject to the provisions required or permitted by the Texas Business Organizations Code and these Bylaws for notice of meetings, members of the Corporation, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such members, board, or committee by means of: (1) conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other; or (2) another suitable electronic communications system, including videoconferencing technology or the Internet, only if: (a) each member entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) the system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **2. SEAL**

The Corporation may adopt a corporate seal in such form as the Board of Directors may determine. The Corporation shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or other instrument executed by the Corporation.

### **3. CONTRACTS**

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

### **4. CHECKS, DRAFTS, ETC.**

All checks, drafts or other instruments for payment of money or notes of the Corporation shall be signed by such officer or officers or such other person or persons as shall be determined from time to time by resolution of the Board of Directors.

### **5. DEPOSITS**

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

### **6. GIFTS**

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.



## **7. BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the members, Board of Directors, and committees and shall keep at the registered office or principal office in this State a record of the names and addresses of its members entitled to vote. A member of the Corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Corporation relevant to that purpose, at the expense of the member.

## **8. FINANCIAL RECORDS AND ANNUAL REPORTS**

The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Corporation, including all income and expenditures, in accordance with generally accepted accounting practices. All records, books, and annual reports (if required by law) of the financial activity of the Corporation shall be kept at the registered office or principal office of the Corporation in this state for at least three years after the closing of each fiscal year.

## **9. FISCAL YEAR**

The fiscal year of the Corporation shall be as determined by the Board of Directors.

# **ARTICLE XII - CONSTRUCTION**

## **1. PRONOUNS AND HEADINGS**

All personal pronouns used in these Bylaws shall include the other gender whether used in masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. All headings herein are for convenience only and neither limit nor amplify the provisions of these Bylaws.

## **2. INVALID PROVISIONS**

If any one or more of the provisions of these Bylaws, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision shall not be affected thereby.

# **ARTICLE XIII - AMENDMENT OF BYLAWS**

The Board of Directors may amend or repeal these Bylaws, or adopt new Bylaws, unless the Articles of Incorporation or the Texas Business Organizations Code limits such powers. Unless the Articles of Incorporation or a bylaw adopted by the members provides otherwise as to all or some portion of these Bylaws, the members may amend or repeal these Bylaws or adopt new Bylaws even though the Bylaws may also be amended, repealed, or adopted by the Board of

Directors. Any Member may submit proposed amendments provided they are delivered to the Corporation's office at least forty-five days prior to the annual business meeting for subsequent delivery to the general membership at least thirty days prior to the annual business meeting.

#### **ARTICLE XIV – PARLIAMENTARY PROCEDURE**

In all questions of order and parliamentary procedure not covered by these Bylaws, *Robert's Rules of Order* shall govern. The President may appoint any person as Parliamentarian who is well versed in recognized parliamentary law to advise the presiding officer on rules of order and procedure.

Adopted by the Board of Directors on March 31, 2020.

Approved by the general membership on April 17, 2020.

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Steve Whigham, Past President