

Association of Healthcare Internal Auditors

BYLAWS

ARTICLE I NAME

The name of the Corporation shall be the Association of Healthcare Internal Auditors, Inc. ("the Corporation").

ARTICLE II VISION AND MISSION

Section 1. Vision – The vision of the Corporation is to be the premier association for healthcare internal auditing.

Section 2. Mission – The Corporation's mission is to provide leadership and advocacy to advance the healthcare internal audit profession globally by facilitating relevant education, resources and networking opportunities.

The Corporation's mission is achieved through the following:

- a. Fostering the advancement and improvement of the healthcare internal auditing profession;
- b. Promoting cost containment and increased productivity in healthcare institutions through internal auditing;
- c. Meeting the continuing professional education needs of healthcare industry auditors;
- d. Providing a forum for sharing information, knowledge, experience, ideas and other relevant resources related to healthcare internal auditing;
- e. Developing and disseminating healthcare internal auditing information for healthcare users, providers, and the general public;
- f. Facilitating networking among healthcare internal auditors and,
- g. Performing any and all such other acts as necessary, convenient and proper to the attainment of these objectives.

Section 3. Rules – The following rules shall conclusively bind the Corporation and all persons acting for or on behalf of it:

- a. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to its directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
- b. The Corporation shall not adopt any practice, policy, or procedure which would result in discrimination on the basis of race, gender, religion, creed, sexual preference, age or disability.

ARTICLE III REGISTERED OFFICE AND AGENT

The Corporation shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office shall be identical with such registered office, and may have such other offices within or without the State of Illinois and such other registered agents as the Board of Directors may from time to time determine.

ARTICLE IV MEMBERS

Section 1. Membership – There shall be three (3) classes of membership in the Corporation, as follows:

- a. Active Member. An individual or group of individuals who is/are current in payment of their annual dues, who agrees to support the Corporation's purposes, and who further agrees to abide by these bylaws and such other rules and regulations as the Corporation may adopt.
- b. Academic Member. Full-time students, educators or faculty in fields supporting the mission of AHIA and who agree to support the Corporation's purposes and who further agree to abide by these bylaws and such other rules and regulations as the Corporation may adopt. Academic members are further defined as follows:
 - i. Faculty Member. An individual must be an active faculty member or professor (adjunct or full) at a junior college, college, or university. Proof of faculty status must be provided at the time of membership application and at each renewal period.
 - ii. Student Member. An individual must be enrolled as a full-time undergraduate student in a junior college, college or university. Full-time status is defined as 12 credit hours/semester, trimester, or quarter. Proof of undergraduate status must be provided at the time of membership application and at each renewal period. Student memberships shall expire after five (5) consecutive years.
- c. Life Member. Life membership may be granted to any individual selected by the Board of Directors who meets the qualifications of active membership, who is not currently a Board member, and who has made outstanding contributions to AHIA. A life member may participate in all Association activities but may not vote or hold any Association office.

Section 2. Election – Any person submitting an application for membership shall be approved for membership under criteria and procedures that may be established by the Board of Directors.

Section 3. Voting Rights – Only Active Members and Academic Members shall be entitled to vote on matters coming before the membership.

Section 4. Election Tie - If it is not possible to determine which candidate has been elected to a vacant position on the Board of Directors or as Officer because two or more candidates received an equal number of votes for that position, a runoff election will be held. Only Active and Academic members in good standing eligible to vote in the election that resulted in the tied vote shall be eligible to vote in the runoff election. Candidates on the ballot for the runoff election shall be those with a tied number of votes for the vacant positions that could not be filled. Board of Directors shall determine the winner by simple majority vote of the members of the Board should the run-off election result in a tie.

Section 5. Resignation – Members may resign from the Corporation at any time by giving written notice to the Secretary. Any members resigning from the Corporation shall continue to be responsible for all dues and charges until the end of their membership year.

Section 6. Termination of Membership – Membership in the Corporation may be terminated for cause. Sufficient cause for such termination of membership shall be violation of the bylaws or any rule or practice of the Corporation. Expulsion shall be by two-thirds vote of the entire membership of the Board of Directors; provided that a statement of the charges shall have been mailed by certified mail to the last recorded address of the member at least fifteen (15) days before final action is to be taken. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered, and the member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Board of Directors. Membership will be terminated if dues are not paid within the appropriate time as set forth by the Corporation's Policies and Procedures.

Section 7. Reinstatement of Membership – Membership terminated automatically for default in the payment of dues shall be reinstated if full payment is received within sixty (60) days of the default date. Membership will be considered continuous.

ARTICLE V DUES AND ASSESSMENTS

The initial and annual dues for members of the Corporation, the time for paying such dues and other assessments, if any, shall be determined from time to time by the Board of Directors.

ARTICLE VI MEMBERSHIP MEETINGS

Section 1. Annual Meeting – An Annual Meeting of the members for receiving reports, and for such other business as may properly come before the meeting, shall be held at such day, time and place as may be determined by the Board of Directors.

Section 2. Special Meetings – Special meetings of the members may be called by the Chair of the Board or ordered by the Board of Directors.

Section 3. Notice – Notice of annual or special meetings of the members shall state the time, date and place of the meeting and shall be given at least twenty (20) days prior to the date of such meeting.

Section 4. Quorum – A majority of the voting members in attendance shall constitute a quorum for the transaction of business at any meeting of the members.

Section 5. Manner of Acting – The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the members, except where otherwise provided by law or by these bylaws.

Section 6. Mail Vote – Voting by standard or electronic mail shall be permitted for any item of business. The action taken shall be effective upon a majority vote of all the voting members.

ARTICLE VII BOARD OF DIRECTORS

Section 1. General Powers – The affairs of the Corporation shall be managed by the Board of Directors, which shall have supervision, control and direction of the affairs of the Corporation, shall determine that the policies or changes therein are within the limits of these bylaws and shall actively promote its purposes and have discretion in the disbursement of its funds. The Board of Directors may direct such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

Section 2. Qualifications – At the time of declaring his or her candidacy, each candidate for voting Director shall have all the following qualifications:

- a. Current or prior employment as an internal auditor or related position for a healthcare entity, healthcare service provider or related healthcare industry or audit organization;
- b. Status as an Active Member in the Corporation for the twelve (12) months immediately preceding the declaring of candidacy; and
- c. Demonstrated leadership capabilities as determined by the Nominating Committee and approved by the Board.

Section 3. Composition, Duties and Tenure

- a. Voting Members. The Board of Directors shall be comprised of up to eleven (11) voting members who shall each serve for a three-year term, except the individual elected to serve as Secretary/Treasurer who shall serve a four-year term consisting of one year each as Secretary/Treasurer, Vice Chair of the Board, Chair of the Board and Immediate Past Chair of the Board, subject to the conditions of Article VIII Section 2. The Directors and the Secretary/Treasurer shall be elected by the Active and Academic members of the Corporation. No Director shall serve for more than two (2) consecutive full terms; however, a person appointed or elected to fill a vacancy may subsequently be elected to two (2) consecutive full terms. A Director, after any length of service on the Board, may, after not serving on the Board for at least one year, again serve for up to another two (2) consecutive full terms. Each Director shall hold office until his or her successor is duly elected, succeeds to the office or is appointed and

takes office. At no time may the Board include more than one (1) member from the same controlling organization. Any change to Article VII, Section 3.a. of the Bylaws requires a majority vote from the total Active and Academic membership at the time of the proposed change.

- b. Non-Voting Advisory Members. In addition, the Board of Directors may include two (2) non-voting advisory members who shall each serve at the direction and discretion of the Board of Directors, to support the mission and objectives of the corporation. Non-voting advisory members shall be appointed by the Board of Directors and shall hold office until their successor, if any, is duly appointed and takes office or until their services are no longer needed. Appointments will be re-evaluated at least on an annual basis. Candidates for appointment to the non-voting advisory seats shall be identified by the Board of Directors from among leaders in the healthcare and/or auditing professions and shall not be subject to qualifications for voting Director as outlined in Article VII, Sections 2(a) or 2(b) .
- c. The Chair of the Board shall supervise and control the affairs of the Board of Directors. The Chair of the Board shall prepare the agenda for and preside at all meetings of the Board of Directors, and perform such other duties and responsibilities as may be delegated by the Board of Directors.
- d. Any Director may resign at any time by giving written notice to the Chair of the Board. Any director may be removed by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served by such removal.
- e. Any vacancy occurring in the Board of Directors for any reason shall be filled by a majority vote of the remaining Directors. A board member selected according to this provision shall serve out the remainder of the unexpired term.
- f. The Board of Directors may provide by resolution the time, date and place for the holding of a regular annual meeting and additional meetings of the Board without other notice than such resolution.
- g. Special meetings of the Board may be called by or at the request of the Chair of the Board or a majority of the Board.
- h. Notice of any special meeting of the Board shall state the time, date and place of the meeting and shall be given at least ten (10) days prior to the date of such meeting. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- i. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
- j. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these bylaws.
- k. Members of the Board, or of any committee designated by the Board, may take any action permitted or authorized by these bylaws pursuant to meeting by means of conference telephone or similar telecommunications equipment by means of which all persons participating in a meeting can communicate with each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.
- l. Any action requiring a vote of the Board of Directors may be taken by electronic mail ballot.

ARTICLE VIII OFFICERS, AT LARGE MEMBERS, AND EXECUTIVE DIRECTOR

Section 1. Officers – The officers of the Corporation shall be the Chair of the Board, Vice Chair of the Board, Secretary/Treasurer, Immediate Past Chair, Executive Director (ex officio) and such other officers as may be determined by the Board of Directors. Any member may be appointed as an assistant officer by the Chair of the Board.

Section 2. Election and Term of Office – The person filling the position of Secretary/Treasurer shall be elected to the Board for one (1) four (4) year term of service by the Active and Academic members of the Corporation at the annual Board election from the candidates selected by the Nominating Committee. The Secretary/Treasurer shall succeed to the office of Vice Chair of the Board for a one (1) year term in his or her second year of service and shall succeed to the office of Chair of the Board for a one (1) year term in his or her third year of service and Immediate Past Chair of the Board during his or her fourth year of service. At the time of declaring his or her candidacy, each candidate for Secretary/Treasurer shall be currently or previously employed as an internal auditor or related position for a healthcare entity, healthcare service provider or related healthcare industry or audit organization, shall have had status as an Active Member of the Corporation for the twelve (12) months immediately preceding the declaring of candidacy, shall have demonstrated leadership capabilities, and shall have the qualifications required of candidates for the Board

of Directors as outlined in Article VII, Sections 2(a), 2(b) and 2(c). The officers shall serve until their successors have been duly elected and qualified.

Section 3. Removal – Any officer may be removed by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby.

Section 4. Duties

- a. Chair of the Board** – In addition to duties outlined elsewhere, the Chair of the Board shall be the chief elected officer of the Corporation and shall, in general, supervise and control the affairs of the Corporation. The Chair of the Board may sign, with the Secretary/Treasurer or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the Corporation. The Chair of the Board serves on the Budget/Finance/Audit Committee and, in general, shall perform all duties incident to the office of Chair of the Board and such other duties as may be prescribed by the Board of Directors.
- b. Vice Chair of the Board** – The responsibilities of the Vice Chair of the Board shall include those which, from time to time, may be assigned by the Board of Directors. In the absence of the Chair of the Board or in the event of the Chair of the Board's inability or refusal to act, the Vice Chair of the Board shall perform the duties of the Chair of the Board and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair of the Board. Additionally, the Vice Chair of the Board serves on the Budget/Finance/Audit Committee.
- c. Secretary/Treasurer** – The Secretary/Treasurer shall keep or cause to be kept the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and, in general, perform all duties incident to the office of the Secretary/Treasurer and such other duties as from time to time may be assigned by the Chair of the Board or by the Board of Directors. He/she shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any sources whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws. Such duties and responsibilities may be delegated to the salaried staff or firm employed or appointed by the Board of Directors, in which case, the Secretary/Treasurer is responsible for review and oversight of the financial activities of the staff or firm performing on behalf of the Corporation. The Secretary/Treasurer serves as Chair of the Budget/Finance/Audit Committee. The Secretary/Treasurer in conjunction with the Executive Director, is responsible for coordinating the annual financial statement audit of the Corporation and directs the filing of required tax returns.
- d. Immediate Past Chair of the Board** – The responsibilities of the Immediate Past Chair of the Board shall include serving as Committee Chair for the Nominating Committee as noted in Article IX, Section 2 and may be assigned other duties by the Board of Directors. Additionally, the Immediate Past Chair serves on the Budget/Finance/Audit Committee.
- e. Executive Director** – The administrative and day-to-day operations of the Corporation shall be the responsibility of the salaried staff head or firm employed or appointed by the Board of Directors. The Executive Director shall have the authority to execute contracts on behalf of the Corporation and as approved by the Board of Directors. The Executive Director serves on the Budget/Finance/Audit Committee and in general shall perform such other duties as may be specified by the Chair of the Board of Directors.
- f. At Large Board Members (voting and non-voting)** – Each At Large Board Member shall serve as a liaison to an active Committee as assigned by the Chair of the Board and will report Committee activities to the Board of Directors as a whole on a periodic basis. At Large Board Members are expected to attend all full meetings of the Board of Directors as called by the Chair of the Board.

ARTICLE IX COMMITTEES

Section 1. Budget/Finance/Audit Committee – The Budget/Finance/Audit Committee shall be a standing Board Committee. It shall consist of the Chair of the Board, Vice Chair, Secretary/Treasurer, and Executive Director, with the Secretary/Treasurer serving as Committee Chair. Responsibilities and authority granted to this committee will be specified by the Board of Directors.

Section 2. Nominating Committee – The Nominating Committee shall be a standing Committee. It shall consist of the Immediate Past Chair of the Board and such other members as may be appointed by the Chair of the Board. The Immediate Past Chair of the Board shall serve as Committee Chair, and three additional members appointed by the Chair of the Board. The tenure of the appointed members to the Nominating Committee will be a three (3) year term, with no consecutive terms. The Nominating Committee shall annually verify the qualifications of and strive to have at least two candidates for the four-year Executive track and at least two candidates for the at-large positions on the Board of Directors from candidates from the general membership of the Corporation. No member of the Nominating Committee shall be a candidate to serve on the Board. The Board, by a majority vote, shall affirm all candidates proposed by the Nominating Committee. At no time may the Nominating Committee include more than one member from the same controlling organization. If the Nominating Committee recommends candidates from organizations represented by members of the Committee, any voting Board Member from the same organization must recuse themselves from voting.

In a year where a three year term is not available due to existing terms of officers and directors, then the nominating Committee is permitted in a succeeding year to convert an open Board position to less than a three year position to assure at least one expiring Board position each year.

Section 3. Other Committees and Task Forces – Other committees and task forces, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated by the Chair of the Board. Members of each such committee or task force need not be Directors of the Corporation or members of the Corporation. The Chair of the Board of the Corporation shall appoint the members of any such committees or task forces.

a. Chair of the Board. The Chair of the Board of the Corporation shall appoint a committee or task force Chair from the membership of each committee or task force.

b. Removal. Any member of a committee or task force may be removed by the Chair of the Board or Board of Directors whenever, in their judgment, the best interests of the Corporation shall be served by such removal.

Section 4. Term of Office – Each member of a committee or task force will continue as such until the end of the fiscal year during which appointment was made and until his or her successor is appointed, unless the committee or task force shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

Section 5. Quorum and Manner of Acting – Unless the appointment by the Board of Directors designating a committee or task force requires a greater number, a majority of the whole committee or task force shall constitute a quorum and the acts of a majority of the members present at a meeting at which a quorum is present shall be the acts of the committee or task force.

Section 7. Minutes – Minutes of all committee or task force meetings shall be provided to the Secretary/Treasurer of the Corporation and the Executive Director.

Section 8. Rules – Each committee or task force may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE X CONTRACTS, CHECKS, DEPOSITS AND BONDING

Section 1. 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. Such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. – All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by

resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Secretary/Treasurer and countersigned by the Chair of the Board of the Corporation.

Section 3. 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.

Section 4. Bonding – The Board of Directors shall provide for the bonding of such officers and employees of the Corporation as it may from time to time determine.

ARTICLE XI BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees.

ARTICLE XII FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE XIII WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given under the provisions of the General Not For Profit Corporation Act of the State of Illinois or under the provisions of the Articles of Incorporation or the bylaws of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV INDEMNIFICATION

The Corporation shall indemnify all Officers, Directors, employees and agents of the Corporation to the full extent permitted by the General Not for Profit Corporation Act of the State of Illinois, and shall be entitled to purchase insurance for such indemnification to the full extent as determined from time to time by the Board of Directors of the Corporation.

ARTICLE XV AMENDMENTS TO BYLAWS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, provided that at least ten (10) days written notice is given of the intention to alter, amend or repeal or to adopt new bylaws at such meeting. Any changes to these bylaws shall be ratified by the membership; however, editorial corrections can be made by the Board without a vote of the membership.

ARTICLE XVI DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations which are then qualified as exempt within the meaning of Section 501(c) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or

organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Revised: August 2017

Ratified by AHIA membership: October 25, 2017