

**BYLAWS OF ALASKA SECTION 125
OF THE AMERICAN WELDING SOCIETY, INC.**

ARTICLE I

NAME

Section 1.

The name of this organization shall be the **ALASKA Section 125** of the American Welding Society, Inc., hereinafter called the Section.

ARTICLE II

OBJECTS

Section 1.

The objects of this Section shall conform to those of the American Welding Society, Inc., hereinafter called the Society. The objects of the Society shall be:

- (a) To encourage in the broadest and most liberal sense the advancement of welding;
- (b) To encourage and to conduct research, both basic and applied in all sciences as they relate to welding;
- (c) To improve the education and usefulness of personnel engaged in and associated with welding activities;
- (d) To engage in and assist others in the development of sound practices for the application of welding and related processes;
- (e) To disseminate welding knowledge through its publications, meetings, discussions, consultations, exhibits and by any other available means;

Thereby fostering public welfare and education, aiding in development of our country's industries and adding to the material prosperity and well-being of our people.

ARTICLE III

ORGANIZATION

Section 1.

The organization of this Section shall be subject to the approval of the Society's Board of Directors.

Section 2.

Not fewer than fifty (50) members or eligible paid applicants for membership in the Society, in either the sustaining or member grades may apply for authorization for the organization of a new Section.

Section 3.

Requirements of an Active Section. To maintain an active status, the Section shall:

1. Hold at least three (3) meetings during the Section's membership year for purpose of presentation of appropriate papers and interchange of ideas and information. Where practical, this Section shall promote inspection trips, educational lectures, and courses.

2. Have a total paid membership of twenty-five Members.
3. Submit annual reports to the Secretary of the Society in accordance with the Society Rules. Should the Section become inactive, the National Secretary shall report the fact to the national Board of Directors, which may disband the Section in accordance with the Rules of the Society.

Section 4. Should the Section be disbanded, the Section Treasurer shall return to the Society all of its remaining funds with suitable accounting for receipt and disbursement of funds. A disbanded Section may be reinstated by the National Board of Directors in accordance with the Rules of the Society.

ARTICLE IV

MEMBERSHIP

Section 1. All members of the American Welding Society, namely, Sustaining Members, Members, Transitional Members, Student Members, Retired Members, Honorary Members and Life Members, residing within the bounds of this Section except those who have joined another Section in accordance with the National Bylaws of the American Welding Society and all others who have chosen to join this Section shall be members of this Section.

Section 2. All Members other than Student Members of this Section who are in good standing shall have the right to vote and hold office.

Section 3. Eligibility for membership shall be in accordance with Article 1 Section 1 of the Bylaws of the Society.

ARTICLE V

MEETINGS

Section 1. Regular meetings of this Section shall be held at such time and place as determined by the Executive Committee.

Section 2. The annual meeting of this Section shall be held in the Month of (**April***) of each year for the election of Section Officers and Executive Committee for the coming year, and for the transaction of such other business as may require action by this Section's membership.

Section 3. The membership and fiscal year of this Section shall commence on June 1 and end on May 31.

* Select one month for annual meeting.

ARTICLE VI

MANAGEMENT

- Section 1. The Officers of this Section shall consist of a Chairman, a First and Second Vice Chairman, a Secretary and a Treasurer, all of whom shall be elected for a term of one year by the Section at the Charter Meeting and each annual meeting thereafter. It is suggested the Chairman, the First and Second Vice Chairman shall not be eligible for election to the same office for more than two terms in succession.
- Section 2. The management of this Section shall be vested in an Executive Committee consisting of the Officers of the Section, the immediate Past Chairman and (**three (3) minimum**) Members-at-Large^{**3}.
- Section 3. At the Charter Meeting of this Section, one-third of the Members-at-Large of the Executive Committee shall be elected to serve for one year, one-third for two years, and one-third for three years. At each annual meeting thereafter, one-third shall be elected to serve for three years.
- Section 4. The Executive Committee shall have power to fill vacancies in its membership, such member to hold office for the unexpired term of the vacating member.
- Section 5. The Executive Committee may hold meetings, subject to the call of the Chairman, as frequently as the interests of this Section require.
- Section 6. At all meetings of the Executive Committee, a majority shall constitute a quorum. Any member of the Executive Committee not present for three consecutive meetings may be asked by the Chairman to vacate the position held.
- Section 7. Family members/relatives of the Section Treasurer may not serve as Chairman or other Officer.
- Section 8. Each Section must have at least two, preferably three, signatories for each financial account (checking, savings, CD, Section Investment Agreement with AWS National, etc.). The Executive Committee must insure that the Section's signatories are updated on all accounts when necessary.
- Section 9. All obligations of the Section will be paid by check, drawn to the Section's account.
- Checks should be signed by the Treasurer and at least one other Officer designated by the Executive Committee to have this authority.

^{**} Specify a sufficient number to satisfy the requirements of this Section.

- Should it not be possible to acquire a second signature, Chair should be notified of disbursement and a confirmation via email should be attained and saved for record keeping.
- Disbursements over \$1,000 require email notification and approval from all Officers.
- No checks should be written to an officer without proper approval. As such, any payment made by personal credit card for Section-related activities must be approved by all officers prior to reimbursement.

Section 10.

The Chairman of the Executive Committee may request an audit of the Section's books at any time. The outgoing Chairman and incoming Chairman shall audit the books at the end of the fiscal year and sign the same before making out the annual report, and at any time there is a change of Treasurer.

ARTICLE VII

DUTIES OF OFFICERS

Section 1.

CHAIRMAN – The Chairman shall preside at all meetings of the Section and of its Executive Committee. He/she shall act as chief executive officer of this Section subject at all times to approval of the Executive Committee.

Section 2.

FIRST VICE CHAIRMAN – The First Vice Chairman shall perform the duties of the Chairman in the event the Chairman is absent or unable to act. He/she may be designated to serve as Program Chairman of this Section.

Section 3.

SECOND VICE CHAIRMAN – The Second Vice Chairman shall perform the duties of the Chairman in the event both the Chairman and First Vice Chairman are absent or unable to act. He/she may be designated to serve as Membership Chairman of this Section.

Section 4.

SECRETARY – The Secretary shall keep minutes of all meetings of the Executive Committee. The Secretary shall keep an accurate record of all members of this Section and shall periodically check the roster with the records of the Society. This member shall be custodian of all papers and non-financial records of the Section and shall perform the usual duties of a recording and corresponding Secretary. The Secretary, or such person as designated, shall submit a report in writing of each meeting of the Section to the National Secretary of the Society (Section Meeting Report Form), with a copy to the District Director. The Secretary shall make an annual report to the National Secretary of the Society, with copy to the District Director. If absent these duties fall upon the other officers in the following order: Chairman, Treasurer, First Vice Chairman and Second

Vice Chairman. Bring to the attention of the Chairman all correspondence, bulletins, notifications, and matters affecting the Section's activities as well as those which the Chairman should bring before the Executive Committee, under the direction of the Chairman. Arrange for and supervise the mailing of all Section meeting notices to all on the mailing lists of members, prospective members, approved organizations, District Directors, National Headquarters and other Section Secretaries as decided.

Section 5. TREASURER – The Treasurer shall be the financial officer of the Section. He/she shall keep complete and accurate accounts of receipts and disbursements in books belonging to this Section, and shall deposit all funds of the Section in the name and to the credit of this Section, in such depository as may be designated by this Section's Executive Committee. The Treasurer shall ensure there are at least two, preferably three, signatories listed on the Section's financial account(s). The Treasurer shall provide an updated financial report at Section and Executive Committee meetings, and provide the Section Chairman periodic reports, as requested.

The Treasurer shall prepare a budget based on anticipated income and fixed expenses for submission to the Executive Committee at the first Executive Committee meeting of the Section's fiscal year. The Treasurer shall disburse the funds of this Section as may be ordered by this Section's Executive Committee, requiring receipt of proper vouchers for such disbursements. A requirement may be made by this Section's Executive Committee to file a proper bond, conditioned upon the performing duties of this Section entrusted to him/her. Prepare annual report of receipts and expenditures prior to the end of the fiscal year and forward a copy of the report to the Secretary of the Society with copy to the District Director. The Treasurer prepares for each meeting of the Executive Committee a report on the financial status of the Section. Retain bank statements for a minimum of **Seven (7)** years and a maximum of **Seven (7)** years before disposing of them. (The statute of limitations varies according to state. Check regulations applicable in your state.) The main obligation of the Treasurer is to serve as custodian of all Section funds. To fulfill this obligation, the Treasurer must insist upon being made aware of every Section activity and be informed as to the possibility of its need for funds, the amount of such and the frequency. At no time should approval be given to the financing of projects if the Section's welfare is not indicated. While overruled by the Chairman and Executive Committee, a valid objection must be made to the action taken, it is the duty of the treasurer, for the record, to insist upon registration of this negative vote in the minutes of the Executive Committee meeting. When it appears that the Section's operations are consuming funds beyond those provided in the budget, it is the Treasurer's obligation to bring this matter to the

immediate attention of the Chairman, Secretary, and Executive Committee with recommendation that either certain operations be curtailed or additional ways and means be developed for proper financing.

ARTICLE VIII

Treasurer's Tutorial & Guidance 101

OVERVIEW

These guidelines are designed to supplement the AWS Manual of Operations For Sections and Divisions and bring the best business practices for Sections' Treasury operations. Each Section should review, analyze and evaluate these guidelines and make necessary changes in its existing operations. The only mandatory requirements provided in the guidelines are located in the Annual Financial Report and Retention of Financial Records sections.

TREASURER ORIENTATION

- Three months before transitioning of duties to a new Treasurer, provide a description of the official duties (See AWS Manual of Operations for Sections and Divisions) and follow-up to ensure clarity in understanding of the information.
- Two months before transition, summarize the tips for the new Treasurer based on your experience in the position and outline all the informal DOs and DON'Ts of being in the role.
- One month before transition, meet with the new Treasurer and the new Chairman to review your records and documents in details and go over the software utilized to record and report Section's finances.

These include:

- Bylaws
- archive of documents and receipts
- forms
- names of contacts from banks and vendors
- contracts with hotels
- computer software and online merchant accounts (Eventbrite, PayPal, etc)
- bank statements
- budgets
- other relevant financial and membership information

BANKING PROCEDURES

Opening / Closing of a Bank Account

To open or close a bank account, a written request should be made to the Section's Executive Committee. The following information should be included in the request:

- Bank name, address, bank contact and phone number
- Purpose of the request
- Proposed account signatories

All requests to open or close a bank account should be approved by the Section's Executive Committee.

The Section Treasurer will process and retain all documentation related to the opening or closing of bank accounts. All changes should be reported to the Executive Board and recorded in the Section's meeting minutes.

Account Signatories

The Treasurer is responsible for ensuring that accounts are properly maintained and that signatories are correct and updated as necessary. This includes responsibility to ensure accounts are opened and closed as necessary including timely accounting for all related funds. For the bank accounts, the signatories should be the Treasurer and at least two other current officers of the Section. At the beginning of each Section year, the procedure of updating the signatories on each of the bank accounts should be performed as quickly as possible.

The Treasurer should identify each account and then contact each of the applicable banks to determine the best methods of updating signatories.

Additions / Deletions of Authorized Signatories

All requests to add or delete bank signatories should be approved by the Section Treasurer and Chairman. All changes to authorized signatories should be reported to the Executive Committee and recorded in the Section meeting minutes. Upon receipt of an approved request, the Treasurer will notify the bank of signature changes and coordinate the effort to ensure the changes occur timely. The Treasurer will retain all documentation related to the addition and deletion of bank signatories.

Cash Receipts

Receipts usually come in the following ways: 1. Checks and cash from members or sponsors
2. Credit/Debit card payments received through merchant accounts (i.e. Eventbrite, PayPal) 3. Section rebate checks from American Welding Society Headquarters.

To ensure safeguarding of Section's assets, the following controls are recommended for implementation:

- A. Registration for events should be handled by a Section Member, preferably other than the Section Treasurer
- B. Event payments should be received by the Section Treasurer
- C. Cash payments should be deposited as soon as practical, preferably within three business day of the event.
- D. Electronic payments via Eventbrite, PayPal or other third party payment systems should be under the control of the Section Treasurer. Such payments should be transferred directly to the Section bank account
- E. The Treasurer is responsible for obtaining the cash receipts activity from any merchant accounts and posting the necessary transactions into the book of records (i.e. QuickBooks/Monthly Reconciliation)
- F. An officer or designee should reconcile actual receipts (credit card payments, cash, and checks) to the attendance records (hard copy or electronic sign-in sheets) for every paid event offered by the Section. This control is not recommended to be performed by the Treasurer to ensure proper segregation of duties.

Cash Disbursements

Each Section should establish their own monetary disbursement limits, determine authorized approvers and the process to approve transactions supporting operations of the Section. This decision should be discussed and approved by all members of the Executive Board and documented in the Section's meeting minutes.

Each payment should be supported by an invoice or appropriate supporting document (check request form, quote, receipt, vendor contract, venue contract, etc.) and approved by the authorized approver. In case an approval is obtained verbally, as part of the Executive Meeting or other arrangement, a note specifying an approval should be made in the Executive Committee meeting minutes subsequently. Original hard/soft receipt copies should be obtained and retained by the Treasurer per the provision for records retention (see Retention of Organizational Records below).

The Treasurer makes payments in the following ways: 1. Manual check 2. Debit card 3. Online payments. If payment is made by a check, the Treasurer manually prepares the check for the invoice amount, signs the check and mails it to the designated payee. Check stock should be maintained by the Treasurer and adequately safeguarded at all times. Debit card and Online payment receipts should be stored per the retention of the Organizational records guidance (see Retention of Organizational Records below).

Recommended Cash Disbursement and Authorization Matrix:

Approver	Monetary Limit
All Members of the Executive Board	Over \$1,000 or 50% of Section's Cash Balance as of 1 st of the month subsequent to receipt of AWS rebate check.
Treasurer, Chairman and half of the Board Members	\$500 - \$1000
Chairman, Treasurer, First Vice Chair or Secretary	Up to \$500

PLANNING, REPORTING AND RECORD KEEPING

Annual Budget Procedures

A budget is a plan of action. It represents a Section's blueprint for the entire year, expressed in monetary terms. The budget results from the Board's decisions as to the Section's programs for the future. Thus, a Section should know what its goals are before it can prepare a budget. The following basic steps are recommended to prepare a well-conceived budget.

- A. Past performance is generally a good indicator of future performance; thus, budgets and financial statements from previous years are invaluable to establishing a realistic budget. Financial statements from previous years that compare the budgeted revenue with actual revenues and expenses, item by item, are similarly an indispensable budgeting aid. It also is helpful to review a year-to-date financial statement and compare it with the budget. Input from past Section program leaders and directors, as well as other Sections in a district, may also prove valuable.
- B. Prepare a list of objectives or goals for the upcoming year. Re-evaluate the relative priority of existing programs and include any new initiatives.

- C. Estimate the cost of each objective or goal on the list. For continuing programs, the previous year's actual expenses and budget will be helpful in estimating these costs.
- D. Compare total expected income to the expense of achieving the Section's objectives and goals. Where projected expenses exceed income, value judgments will have to be made. What programs are most important? What costs can be reduced? Can additional income be found?
- E. Submit the final proposed budget to the entire Board for review and approval. This should not be just a formality. The budget should be carefully presented and reviewed so that once approved, all Section leaders will be firmly committed to the resulting plan of action.

The most carefully thought-out budget will be of little value if it is not compared throughout the year with the actual results of Section operations. As such, the budget should be compared to actual financial statement figures monthly to monitor Section financial activities throughout the year. Properly used, the budget can provide a benchmark that will be an early warning to the Board that financial goals may not be met. A budget, to be effective, should be a working document that forms the basis for action. A budget should not be seen as a restrictive device, but a way of estimating and guiding the spending of Section resources.

The best-prepared budget serves little purpose if the Board is unwilling to take action once it becomes apparent that expenses are exceeding the budget or that income has not been as high as anticipated. The Board should be prepared to modify the Section's plans if it becomes clear that the budget cannot be met. Many budgets fail because the Board does not take aggressive, corrective action. In these instances, the Section's Board is not fulfilling its responsibilities and the budget is a meaningless formality.

Monthly comparison of the Section's budget to actual operating results can also be a very effective internal control. If deviations from the budget are carefully followed up by the Board, the likelihood of a misappropriation occurring without being detected quickly is considerably reduced. Every Board member should ask questions about any item that appears out of line either with the budget or with expected figures.

Bank Reconciliations

One of the most important methods of financial control for a Section is a bank reconciliation of all Section bank accounts. Preparing a bank reconciliation involves reviewing the Section's checkbook balance and bank accounts' cash balances. Reconciliation is the primary method of double-checking the Section's handling of cash receipts and disbursements during the month and exposing any errors.

To facilitate collaboration between Sections and their Districts, as well as to provide accountability and transparency, Treasurers are encouraged to determine an optimal frequency of performing reconciliations of their financial operations with agreement and confirmation of their District Directors (monthly, quarterly etc). Once a frequency is determined, Treasurer should start submitting reconciliations along with the corresponding bank statements to District Director for a review.

Annual Financial Report

The Section Annual Financial Reports, with required documentation (see below), should be submitted to the AWS Headquarters by the July 1 due date for the Sections to receive their Annual Rebates in September. Copies of these Reports should also be sent to the Section's District Director.

1. Annual Financial Report
2. 12 bank statements for the entire year
3. Self-Assertion Confirmation Form. The form is designed with intuitive PDF features and can be completed and signed without printing

(A new form required to be submitted beginning 2018, see Self Assertion Form below)

Retention of Organizational Records

The Treasurer should maintain books and records to document transactions by Section year, which runs from June 1 through May 31. These records should be maintained in a neat, orderly fashion by year and type of receipt or expense. Examples of the types of books and records would include:

- Event attendance records
- Board meeting minutes
- Cash receipts and cash disbursements (including copies of checks issued, if not part of the bank statements)
- Records of cash disbursement approvals (if not part of the meeting minutes)
- Annual Financial Reports
- Bank Reconciliations

These records should be turned over to the succeeding Treasurer at the conclusion of each term of office. Records should be maintained in accordance with the following schedule:

- Retain cancelled checks should be stored for a minimum of three years and maximum of eight years before disposing of them.
- Section's Bylaws and Annual Financial Reports are the key documents for any Section and therefore should be stored permanently.
- All other financial and operational records shall be maintained for current year plus a minimum of three years.

ARTICLE IX

SECTION 501(c)(3) PROVISIONS FOR GOVERNING DOCUMENT

- Section 1. The Section is organized, and shall be operated exclusively for, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future tax code (the "Code").

- Section 2. No part of the net earnings of the Section shall inure to the benefit of any officer or director of the Section, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Section affecting one or more of its purpose(s)); and no director, officer or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Section.
- Section 3. No substantial part of the activities of the Section shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the Section shall not participate in, or intervene in (including the publication or distribution or statements) any political campaign on behalf of any candidate for public office.
- Section 4. The Section shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Code, or by an organization, contributions to which are deductible under 170(c)(2) of the Code.
- Section 5. Upon dissolution of the Section, after paying or providing for payment of any debts and other liabilities, all remaining assets of the Section shall be distributed to the American Welding Society provided that the American Welding Society is at such time exempt from federal income taxation under Section 501(c)(3) of the Code.

ARTICLE X

ELECTIONS

- Section 1. The Section Chairman shall appoint a Nominating Committee to consist of at least three members, one of whom he/she shall designate as Chairman, preferably the immediate Past Chairman. If available among those actively participating in Section activities, Past Chairmen should be appointed as Nominating Committee members. The Committee shall meet at least 90 days prior to this Section's annual meetings.
- Section 2. The Nominating Committee shall report to the Section Secretary within 20 days, the names of the nominees that they have selected for the various elective offices next falling vacant, together with (if necessary) the written consent of the nominees included in the report.
- Section 3. The nominees proposed by the Nominating Committee shall be designated as "Regular Nominees."
- Section 4. Nominations for officers and members of the Executive Committee may also be made by petition by not less than ten members in good standing of the Section, the names of such nominees to be added to the slate as "Nominees by Petition."

- Section 5. The names of the “Regular Nominees” and of the “Nominees by Petition,” if there are any, shall be presented at a regularly called meeting and the Chairman shall declare the closing date for further nominations.
- Section 6. Members cast their votes in person at the annual meeting. The candidates receiving the largest number of votes for the respective offices shall be declared elected and shall assume office on adjournment of the annual meeting.
- Section 7. In case of a tie in the vote for any office, the Chairman shall cast the deciding vote, except in such case where he is involved in a tie vote, the most recent Past Chairman shall cast the deciding vote.
- Section 8. Provided there are no nominations by petition, and provided that the slate of “Regular Nominees” proposed by the Nominating Committee is mailed to all Members of the Section at least 45 days in advance of the annual meeting of the Section, election may be made by approval of a motion for the Secretary to cast a unanimous ballot for the election of those nominated.

ARTICLE XI

INDEMNIFICATION

- Section 1. Any person named as a defendant or respondent in a third party legal proceeding by reason of the fact that such person is or was a director or officer of the Section, shall be indemnified and held harmless by the Section, though not in excess of the actual amount of the Section’s available insurance coverage, against all costs, expenses, liabilities and losses (including reasonable attorneys' fees) reasonably incurred or suffered by such person in the defense of the legal proceeding, except in the event the officer or director received an improper personal benefit, engaged in willful misconduct, or other circumstances resulting in ineligibility for indemnification under applicable State law.

ARTICLE XII

MISCELLANEOUS

- Section 1. The Executive Committee is empowered to appoint committees for special purposes.
- Section 2. The Chairman shall be ex officio, a member of all committees.
- Section 3. Proposal for amendments to those Bylaws may be submitted in writing at any regular meeting of this Section and, if approved by a majority of the eligible voting members present at the meeting, shall be submitted to the full membership of the Section. If approved by two-thirds of the votes cast, the amendment or amendments shall become a part of the Bylaws

provided they are not in conflict with the Constitution of the American Welding Society, Inc.

Section 4. These Bylaws shall go into effect immediately upon their adoption by a vote of this Section, such adoption requiring at least a two-thirds vote of the Executive Committee, as long as the Bylaws are in agreement with the National Bylaws as adopted by the National Board of Directors.