



# SPECIALTY COFFEE ASSOCIATION OF AMERICA

## Bylaws

### **NATIONAL CHARTER**

The specialty coffee merchants of America, in order to promote public interest in coffee and coffee beverages of the highest quality; to provide education about cultivation, processing, preparation, and marketing of specialty coffees; to establish a common forum for discussion among industry members to insure a sense of purpose and cooperation; and to enhance the unified character of our industry, do hereby establish the Specialty Coffee Association of America.

### **THE ASSOCIATION'S MISSION STATEMENT**

To recognize, develop and promote specialty coffee.

### **THE ASSOCIATIONS VALUES**

- Commitment to quality
- Respect for the product
- Dedication to education
- Sensitivity to the environment
- Consciousness of social issues
  - Sense of community
- Encouragement of cultural and economic exchange

**REVISED: JUNE 7, 2010**

## BY LAWS

### FIRST: NAME

The name of the organization shall be SPECIALTY COFFEE ASSOCIATION OF AMERICA

### SECOND: OFFICE

(a) The organization shall establish and maintain a permanent address in a principal city in the continental United States.

(b) The permanent mailing address of the organization shall not be on or at the premises of any member of this organization.

### THIRD: OBJECTS AND PURPOSES

The objects and purposes of the Association are to undertake by all lawful means the following:

(a) TO PROMOTE PUBLIC INTEREST by increasing consumer awareness, understanding, and consumption of specialty coffee.

(b) TO PROVIDE EDUCATION by:

(1) identifying a common set of terms that define coffee types, grades, countries of origin, processing, methods of preparation, and tastes to enable retailers and consumers to accurately evaluate specialty coffees.

(2) conducting research and disseminating information concerning specialty coffee origin, processing, and preparation.

(3) recommending a set of labeling guidelines to properly identify origin-of-label coffees versus proprietary brands and blends.

(c) TO ESTABLISH A COMMON FORUM by:

(1) creating and promoting sound business relations, mutual understanding, and good will among all engaged in any part of the specialty coffee industry.

(2) providing a time and place to meet for mutual exchange of information regarding ideas and problems.

(d) TO ENSURE A SENSE OF INDUSTRY PURPOSE by rendering any and all services to members which may lawfully help to increase the efficiency and general welfare of the specialty coffee industry.

(e) TO ENHANCE THE UNIFIED CHARACTER OF OUR INDUSTRY by cooperating with other trade groups and governmental agencies, both foreign and domestic, in the determination and enforcement of rules, trade practices, laws and projects for improving the conditions under which the specialty coffee industry renders services to the public.

(f) AND TO ENGAGE IN ANY OTHER LAWFUL ACTIVITY incidental or conducive to the attainment of the Association objects and purposes.

### FOURTH: RESTRICTION AGAINST PROFIT AND ACTIVITY INCONSISTENT WITH THE PUBLIC INTEREST

The Association is a non-profit organization. Moreover no activities of the Association shall be conducted for the monetary or financial profit of any of its members. The Association shall not engage in any activity

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which is inconsistent with the public interest or with any laws of any State, or the United States of America now or hereafter in effect.

#### **FIFTH: RESTRICTION AGAINST RESTRAINTS ON COMPETITION**

No rule, resolution or Bylaws shall be adopted, no agreement entered into, and no act done or suffered by the Association which shall restrain or prevent to tend to restrain or prevent free and open competition in the coffee industry and among members of the Association.

#### **SIXTH: RESTRICTION AGAINST COMMITMENTS**

Notwithstanding any general or specific power granted to the Association by its Charter, Bylaws, Certificate of Incorporation, or the General Corporation Law of the State where incorporated, the Association shall not incur obligations or assume commitments which involve the incurring of monetary liability or charges in an amount exceeding the total of funds on hand plus accrued receivables and dues payable during that dues year at the rate then in effect.

#### **SEVENTH: VOTING MEMBERSHIP**

(a) Membership shall be open to all business firms, sole proprietorships, or corporations who are engaged in any or all of the following activities including but not limited to producing, exporting, importing, brokering, warehousing, roasting, blending, processing, packaging, wholesaling, jobbing, distributing, and retailing of specialty coffee. It is expected that members will register and pay dues within the category of their involvement in the specialty coffee industry.

(b) PRIMARY MEMBERSHIP CATEGORY shall be divided into six broad categories: Producers/Exporters; Importers/Green; Brokers; Roasters; Roaster/Retailers; Retailers; and Allied.

Firms in this category shall be actively involved in selling specialty coffees or engaged in the import, manufacture, or distribution of products and/or services closely allied with the specialty coffee industry.

(c) RETAILER CATEGORY shall be open to all individuals, sole proprietorships, partnerships, or corporations engaged in the sales of specialty coffee beans or beverages for consumption at home or away from home, including but not limited to coffee bean stores, coffee cafes, coffee bars, kiosks, carts, restaurants, food service operations, and office coffee service operators.

(d) ALLIED/SERVICE/DISTRIBUTORS MEMBERSHIP CATEGORY shall be open to all individuals, sole proprietorships, partnerships, or corporations engaged in the import, manufacture, or distribution of products and/or services closely allied with the specialty coffee industry.

(e) The quorum for any election or other action taken by the Membership with or without a meeting shall be five percent (5%) of the Members eligible to vote.

#### **EIGHTH: NON-VOTING MEMBERSHIP**

(a) ASSOCIATE MEMBERSHIP shall be open to individuals or firms identified as voting members above who elect to be non-voting members of the Association; to writers, editors, publishers of media allied or associated with the specialty coffee industry; to other coffee trade Associations or nonprofit corporations allied with specialty coffee; and to all other individuals not directly involved in specialty coffee commerce.

(b) INDIVIDUAL MEMBERSHIP shall be open to individuals or firms identified as voting members above who are investigating the opportunity to become directly involved in specialty coffee commerce. Individuals researching and/or planning a specialty coffee business may hold an individual membership for

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their first year of membership only. The INDIVIDUAL MEMBERSHIP status shall also extend to individuals employed by a member firm and these individuals shall be eligible for INDIVIDUAL MEMBERSHIP at any time. Firms actively doing business in the specialty coffee industry may not hold individual memberships.

#### **NINTH: BOARD OF DIRECTORS AND OFFICERS**

(a) The Board of Directors of the Association will consist of thirteen (13) Directors, including five (5) officers. The officers of the Association are the President, 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President, Secretary/Treasurer and the Immediate Past President who shall serve as a voting member for one year following his or her term of office. Directors and officers shall be elected by letter ballot of the voting membership, except that the 1<sup>st</sup> Vice President automatically succeeds to the Presidency and the 2<sup>nd</sup> Vice President automatically succeeds to the 1<sup>st</sup> Vice Presidency at the end of their terms. The President, 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President, and Immediate Past President shall serve in each of those offices for terms of one (1) year. The Secretary/Treasurer shall serve in that office for a term of three (3) years. All Directors shall be elected to serve terms of two (2) years, except that those Directors who are also officers shall continue to serve as Directors while they serve their terms in their respective offices. For purposes of this paragraph a “year” shall be the period from May 1 through April 30.

(b) The Nominating Committee shall primarily consider the individual qualifications of each Member it nominates as a Director or Officer, but shall endeavor to have each of the primary membership categories represented on the Board of Directors, and shall endeavor to have no more than three (3) Directors serving from any one of the primary membership categories.

(c) After having been elected for three (3) successive full terms as a Director, the same person shall not be eligible for re-election as a Director of the Association for or during the next year.

(d) The President cannot be nominated to be 2<sup>nd</sup> Vice President for the year immediately succeeding his or her term of office as Immediate Past President.

(e) The 2<sup>nd</sup> Vice President shall have served at least one term on the Board of Directors.

(f) Any vacancies on the Board of Directors occurring between annual elections shall be filled by appointments made by majority vote of the Board of Directors, based on the policies and procedures set forth by the Governance Committee. In the event a President is unable to fulfill their term of office, the Immediate Past President would fill the remaining portion of that term. Any Member appointed by the Board to fill such a vacancy shall continue to serve for the remainder of the term of the person whose vacancy he or she is filling, including automatic succession to 1<sup>st</sup> Vice President, President and Past President, if applicable.

#### **TENTH: CONDUCT AND POWERS OF THE BOARD OF DIRECTORS**

(a) The Board of Directors shall meet at its discretion at a time and place mutually convenient for the presence of a quorum.

(b) Written notice of a regularly scheduled Board of Directors meeting shall be transmitted by regular mail, a recognized air courier or e-mail to each Board member a minimum of four weeks prior to each Board of Directors meeting. Special meetings of the Board shall be held upon at least four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or by electronic transmission by the Association. In all cases of e-mail notification, notification shall not be considered effective, unless the recipient shall acknowledge personal receipt of the notice by a return e-mail message or a telephone call to the sender.

(c) A quorum of the Board of Directors shall consist of six (6) board members.

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(d) The Board of Directors is the governing body of the Association and has authority and is responsible for the supervision, control, and direction of the Association. The Board may delegate the management of the affairs of the Association to any person or group, including a committee, provided the Board shall retain the responsibility for the actions of such person or group and further provided that the Board shall in all cases be responsible for the ultimate direction of the Association.

(e) The Board of Directors is expressly authorized to make, alter or repeal the Bylaws of this Association by a vote of two-thirds of those present at a Regular Meeting or a Special Meeting called for such purpose or by the unanimous written consent of the entire Board of Directors.

(f) The Board of Directors may create committees to which it may delegate various governance functions, provided the Board shall issue to the committee a specific charter with a definition of the committee's authority. The President, will submit all committee assignments, including committee chairmanships, to the full Board for approval.

(g) The Officers perform those duties that are usual to their positions and that are assigned to them by the Board, including those duties that are set forth in the position descriptions for each officer as adopted by the Board from time to time. In addition, the President of the Association acts as Chairman of the Board; the Vice President acts in place of the President when the President is not available; and the Treasurer is the Chief Financial Officer of the Association.

(h) Any member of the Board who is unable to attend a meeting shall notify the President of his or her reasons for absence. If a Director is absent from two consecutive meetings in any one fiscal year, for reasons which the remaining Board shall determine to be insufficient, his or her resignation shall be deemed to be rendered and accepted, and he or she shall be so notified.

(i) A Board member may be publicly reprimanded, fined, or have their Board participation suspended for cause by the Board after the following procedure: Cause shall include a failure, in serious degree, to observe the Association's rules of conduct as prescribed by the Board in the Bylaws or otherwise. This discipline shall occur only after the member has been given a fifteen-day prior written notice of the proposed discipline and the reasons therefore. The Board member shall have an opportunity to be heard by the Board, orally or in writing, not less than five days before the effective date of the discipline by the Board. The Board shall determine whether cause exists and the appropriate discipline, if any.

(j) At periodic intervals of no less than three years, the Board of Directors shall conduct a survey of the membership to determine the effectiveness of the Association's existing programs and to assess which new services should be offered to members.

## **ELEVENTH: ELECTION OF OFFICERS AND DIRECTORS**

(a) The President shall appoint a Nominating Committee, of five (5) Association members and shall endeavor to follow the custom and practice of appointing the Immediate Past President, who shall serve as Chair; two (2) Board members, neither of whom are standing for re-election; and two (2) non-Board members from the primary membership categories. The President may vary from these customs and practices for good cause, as determined in his or her discretion.

(b) Nominations for officers and directors will be open to and taken from the Directors and other Nominations shall be submitted to the Chair of the Nominating Committee in writing by the deadline specified by the Committee. The Nominating Committee shall be designated prior to the end of June; the slate of nominations announced prior to the end of November, and the elections conducted prior to the end of March.

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(c) The Nominating Committee shall consider all suggestions submitted and shall interview all candidates selected for each office. The Nominating Committee shall select one individual for each available position in accordance with Paragraph IX (b), above. The Nominating Committee will submit for Board approval any new directors to be nominated.

(d) Additional nominees may be proposed through a petition process, excluding the office of Secretary/Treasurer. Should any member be proposed by petition, the petition must contain signatures from a minimum of two percent (2%) of the members eligible to vote as of January 1<sup>st</sup> of the election year. The petition shall be submitted at least thirty (30) days prior to the transmittal of the ballots. All nominees qualified under the Bylaws and receiving the required number of signatures will be placed on the ballot. All candidates will be given equal access to promote their candidacy through membership mailings and by access to the membership lists.

(e) The election shall be conducted by written ballots, distributed by regular mail or e-mail, or by other electronic means approved by the Board and not in conflict with applicable law. Ballots shall be transmitted, or otherwise made available, to all eligible voting members at least thirty (30) days prior to the closing date of the election, which shall be announced in the notice of election. Voting shall include the opportunity for write-in voting for each position. The Executive Director will supervise the tally of the responses and announce the results to the membership. Should any nominations be placed on the ballot through the petition process, the tally shall be conducted or verified by the Association's firm of certified public accountants.

#### **TWELFTH: ELIGIBLE VOTING MEMBERS**

(a) All members in the membership categories defined in Article VII, whose dues have been paid in full for the current fiscal year, shall be deemed eligible voting members of the Association. No other class of members shall be deemed eligible to nominate, vote, or hold office.

(b) Any member may resign from the Association by giving written notice to the Board of Directors. Such resignation shall not relieve such member of his obligations to pay dues, assessments, or other financial obligations which become due while a member of the Association.

(c) Any member may be terminated for default in the payment of dues or assessments duly authorized by the Board of Directors. Such termination shall be effected by adoption of appropriate resolution by a majority of the members of the Board of Directors.

(d) These Bylaws constitute a binding legal agreement between the Association and its members, which may be supplemented by amendments and actions of the Board. Each member of this Association agrees to be bound by these Bylaws and any amendments thereto, and by the lawful actions of the Board or voting members of the Association.

(e) A member may be publicly reprimanded, fined, or have their membership suspended for cause by the Board after the following procedure:

Cause shall include a failure, in serious degree, to observe the Association's rules of conduct as prescribed by the Board in the Bylaws or otherwise. This discipline shall occur only after the member has been given a fifteen (15) day prior written notice of the proposed discipline and the reasons therefore. The member shall have an opportunity to be heard by the Board, orally or in writing, not less than five (5) days before the effective date of the discipline by the Board. The Board shall determine whether cause exists and the appropriate discipline, if any.

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(f) A member may be expelled for conduct prejudicial to the objects and purposes of the Association. This discipline shall occur only after the member has been given a thirty (30) day prior written notice of the proposed discipline and the reasons therefore. The member shall have an opportunity to be heard by the entire membership, orally or in writing, not less than fifteen (15) days before action is taken to remove the member. Expulsion shall be effected by the adoption of an appropriate resolution by two-thirds vote of the Association's eligible voting members in a written ballot.

### **THIRTEENTH: COMMITTEES**

(a) The Governance Committee shall consist of the President, 2<sup>nd</sup> Vice President, Treasurer (or Audit Committee chair, if different), and one or more other non-officer directors appointed by the President. The President may not chair the Governance Committee. At no time shall the Governance Committee have a membership roster that is larger than one half the size of the full Board. The Governance Committee shall oversee the governance system of the association with specific responsibility for Board organization and procedures, performance evaluation of the Board and its individual directors, committee assignments, nomination of directors, and any other duties assigned to it by the Board.

(b) The President shall appoint the Nominating Committee no less than 180 days prior to the circulation of the ballots for officers and directors. The members and duties of the Nominating Committee are defined in Article XI.

(c) The Executive Committee shall consist of the Association's five officers: President, 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President, Secretary/Treasurer, and Immediate Past President. The Executive Committee shall oversee all personnel issues dealing with the Association's staff performance and compensation, and any other duties assigned to it by the Board.

(d) Only members in good standing are eligible to serve on the Board of Directors or on an SCAA committee.

(e) The audit committee shall consist of four independent board members, one of whom serves as the Audit Committee Chair. This committee is selected annually, and the chairperson named, by the President. The committee shall include at least one board member who is also a financial expert. The Secretary Treasurer of the association shall not sit on the audit committee.

Responsibilities include:

Engaging the external auditor, Working with management to provide all financial information to the auditors, ensuring that auditors have all necessary financial information, Assessing compliance with financial practices of the association, Working with management to address any issues raised by auditors during the audit, Presenting the finished audit to the Board of Directors, Addressing any apparent or alleged conflicts of interest, and bringing any violations of financial practices to the attention of the board

(f) The finance committee shall be composed of four individuals, at least two of whom are directors. The Secretary/Treasurer of the association serves as the chair of the finance committee. Other members of the finance committee are selected annually by the President, and shall be ratified by the board.

Duties:

The Finance committee will meet at least four times a year to review and discuss the financial position of the association. The finance committee works closely with management to develop financial reports that are useful and meaningful to the board, and to develop a deep understanding of the financial activities of

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the association. The finance committee shall also undertake any special activities delegated to it by the board.

#### **FOURTEENTH: MEETINGS OF THE MEMBERSHIP**

- (a) A national meeting shall be held annually at a time and place chosen by the Board of Directors.
- (b) Members are encouraged to meet at their convenience throughout the year.

#### **FIFTEENTH: ANNUAL DUES**

- (a) The Board of Directors, from time to time, may determine the annual dues payable to the Association by its members. The Board of Directors may designate the dues as payable on a fiscal year, calendar year or other basis.
- (b) The Board of Directors may propose, for approval by the eligible voting membership, a special assessment in excess of the annual dues if needed to fund a specific special purpose or project.

#### **SIXTEENTH: FISCAL YEAR**

The fiscal year of the Association shall be from October 1 - September 30 of each year.

#### **SEVENTEENTH: INDEMNIFICATION**

- (a) To the fullest extent permitted by the law, the Association shall indemnify and hold harmless all agents against claims arising out of any alleged or actual action or inaction in the good-faith performance of their duties. "Agents" for this purpose shall include Directors, Officers, Committee Members and employees.
- (b) The Association shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents against any liability asserted against or incurred by the agent in such capacity arising out of the agent's status as such.
- (c) No member of the Association shall be personally or otherwise liable for any of the debts or obligations of the Association.

#### **EIGHTEENTH: CHARTER ADOPTION**

- (a) This Charter shall be deemed adopted and in force upon the ratification thereof by a majority of the eligible voting members, as defined herein, there being no less than eight (8) members in each of the two regions.
- (b) The honorarium of "CHARTER MEMBERS" shall be applied to all General Members who ratify this Charter and pay their 1982 dues in full prior to the expiration date for Charter ratification at the close of business on December 31, 1982. The membership certificate of those ratifying this Charter prior to the expiration shall henceforth and forever be endorsed "CHARTER MEMBER."

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