

## ***Arizona State Society of Enrolled Agents***

***The membership of NAEA recently voted to change some of the organization's bylaws.***

***These changes WILL affect each member of NAEA.***

### **Some background:**

Like many membership organizations over the last several years, NAEA has experienced a significant membership decline. In February, 2018, there were 10,045 "regular" members of NAEA. In May, 2023, the number of "regular" members was 7,725. That represents a decline of 23%. In 2018, there were an additional 820 members in the Emeritus, Associate and Academic Associate categories. In 2023, the number was about 430.

NAEA bylaws authorize the existence and operation of "affiliates" (or "State Societies"), which are incorporated in the state in which they are located. Each affiliate has its own articles of incorporation, bylaws, governing board, financial assets, etc. About three-fourths of the states have affiliate status. Membership has declined in all of the affiliates over the last five or so years. In addition, in a number of affiliates, corporate status may have lapsed, bylaws may not exist or be up-to-date, elected boards may not be functioning and members may be receiving few if any services from the affiliate. Many affiliates are functioning, but struggling. Even in the better-functioning affiliates, there is waning member engagement, and a lack of members who are willing to participate as directors and officers at the state level and in local chapters.

In 2022, the NAEA National Board of Directors convened a Component Structure Task Force to study the state of the organization. The objective was to identify a structure in which members receive more services, more efficiently and with more engagement than exists at present. The main findings of the Task Force:

- *The current membership model has several barriers to entry for new professionals, as well as an outdated affiliate relationship structure.*
- *Associations require more time and skills than many volunteers are willing and able to give.*

### **What the Task Force proposed:**

The Task Force had two main recommendations, which they believed would reduce barriers to entry for new Enrolled Agent members, and may improve member retention. Those recommendations are:

- *Eliminate the 30 hours per year Continuing Professional Education requirement. NAEA would have no CPE requirement for membership, although Enrolled Agents would have to satisfy the requirement of 72 hours of CPE per enrollment cycle, as set forth in Circular 230.*

- *Eliminate the dual membership requirement. Individuals who wished to join NAEA would no longer be required to pay dues to their state affiliate. Similarly, EAs who live in a state that retained its affiliate status could choose to join that affiliate, without joining NAEA.*
- *A third element was also proposed. A state Affiliate may choose to terminate its corporate existence, dissolve its bylaws and governing body, and distribute its financial assets pursuant to state law and/or the Affiliate's bylaws. Affiliates that choose to terminate their existence could then become "chapters" of NAEA, and benefit from enhanced services provided by NAEA. The members of the state Affiliate could choose to retain Affiliate status.*

**These changes would require revisions to the NAEA bylaws. The NAEA Board of Directors considered the proposed bylaws revisions in September, and voted to send the proposed bylaws changes to the membership for an electronic vote in December. Based on the NAEA bylaws, a two-thirds majority vote is required to amend the bylaws. In the December vote, the CPE elimination change received 70% approval, and each of the other two changes (elimination of dual membership requirement, and authority of NAEA to create state "chapters") received 79% approval. The bylaws changes will take effect on Sept 1, 2024.**

**The impact on state affiliates:**

**Each state Affiliate will probably have to schedule a vote for its members before August, 2024, to see whether the members in that state wish to retain or give up Affiliate status. An Affiliate's bylaws may provide for other methods of amending existing bylaws.**

**What will happen to the Arizona Society of Enrolled Agents?**

**NAEA members in Arizona will have the opportunity to vote at our Annual Meeting in June on whether to remain an Affiliate, or to become a "chapter" of NAEA. In addition to having an Annual Meeting on June 17 at the Desert Willow Conference Center in Phoenix, arrangements will also be made for electronic voting for members who will not be at the meeting.**

**Over the next few weeks and continuing until the Annual Meeting, the Board of Directors of the Arizona Society of Enrolled Agents will send information about what a "chapter" option might look like, as well as a vision of what a stand-alone Affiliate might involve. We will also try to provide some Frequently Asked Questions about decision-making, member services, continuing education and finances related to each option.**

**Jack Wood  
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