

SOUTH AFRICAN PAYROLL ASSOCIATION

CONSTITUTION

1. Name
- a) The association hereby constituted shall be called the South African Payroll Association.
 - b) Its name shall be abbreviated as **SA Payroll**.
2. Body Corporate
- The association shall –
- a) be a common-law association;
 - b) exist in its own right, separately from its members;
 - c) shall have perpetual existence separate from its members and office bearers;
 - d) be able to own property and other possessions;
 - e) be able to sue and be sued in its own name;
 - f) limit the liability of its members and office bearers to the amount of two rand per member or office bearer;
 - g) be subject to the laws of South Africa.
3. Objectives
- The association shall promote and represent the interests of payroll professionals and practitioners in South Africa.
4. Compliance
- The following limitations as determined by Section 30B of the Income Tax Act, No 58 of 1962 (“the Act”) are recorded as forming part of the constitution:
- a) no single person may directly or indirectly control the decision-making powers relating to SAPA;
 - b) SAPA may not directly or indirectly distribute any of its funds or assets to any person other than in the course of furthering its objectives;
 - c) SAPA is required to utilise substantially the whole of its funds for the sole or principal object for which it has been established;

- d) no member may directly or indirectly have any personal or private interest in SAPA;
- e) substantially the whole of the activities of SAPA must be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual member or minority group;
- f) SAPA may not have a share or other interest in any business, profession or occupation which is carried on by its members;
- g) SAPA must not pay to any employee, office bearer, member or other person any remuneration, as defined in the Fourth Schedule, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered;
- h) substantially the whole of SAPA's funding must be derived from its annual or other long-term members
- i) SAPA must as part of its dissolution transfer its assets to—
 - I. another entity approved by the Commissioner in terms of this section;
 - II. a public benefit organisation approved in terms of section 30 of the Act;
 - III. an institution, executive committee or body which is exempt from tax under section 10(1)(cA)(i) of the Act.
- j) the persons contemplated in paragraph (4)(a) will submit any amendment of the constitution or written instrument of the entity to the Commissioner within 30 days of its amendment;
- k) the entity will comply with such reporting requirements as may be determined by the Commissioner from time to time; and
- l) the entity is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in any section of the Act.

5. Membership The voting corporate members of the association shall be companies and organisations who employ or support payroll professionals or practitioners. Voting associate members are individual professionals or practitioners who are members in their private capacities. Every member organisation shall be formally represented by one nominated representative, who can cast one vote on behalf of the company or organisation. Associate members vote on their own behalf. All voting membership applications are subject to approval of the executive committee.
6. Financial Year The financial year of the association will commence on 1 January, and end on 31 December of each year.
7. Limitations on the Distribution of Income The income and property of the association must be used solely for the promotion of its objectives. No portion thereof may be paid, or directly or indirectly transferred by any means, to its members, provided that the foregoing shall not prevent the payment in good faith of reasonable remuneration to any officer, servant or member of the association in return for services actually rendered to the association.
8. Executive Committee The governing body of the Association shall be an executive committee consisting of eight (8) committee members appointed by the members via an electronic election process. Up to three (3) of the executive committee members may be from independent vendor companies to the industry while the balance of the committee members must be practicing payroll practitioners. In addition, said vendor companies may only have one (1) representative on the executive committee at any one time.

Term of Office:

Committee members and office bearers serve for two (2) years, with members' term of office overlapping for the sake of continuity. No committee member shall serve for more than four (4) consecutive years. The terms of the president and president-elect shall be consecutive, with the president-elect of the association being elected every second year, and an automatic succession of the presidency, thereby ensuring continuity.

The immediate past president and vice-president may be eligible for re-election to the position of president or vice-president as long as their tenure on the committee does not exceed that of the maximum years stipulated.

Election of Executive Committee Members:

Every paid-up Association member shall be entitled to nominate candidates for election to the executive committee, prior to the AGM and in line with cut-off dates as published by the Association. Appointments of elected committee members shall expire at the next AGM meeting of members.

Vacancies:

The executive committee may fill vacancies on the committee that arise throughout the year and after election at the AGM, in a transparent manner, form the list of nominees on the previous AGM ballot.

Co-opted Executive Committee Members:

The executive committee may by consensus co-opt non-voting committee members, who need not be paid-up members of the Association, until the next AGM.

Removal of Executive Committee Members:

The executive committee may remove and replace committee members who do not attend committee meetings regularly. The definition of regularly as well as the duties of committee members will be determined by a policy that governs executive committee member responsibilities.

Executive Committee Accountability:

The executive committee shall be accountable to the members of the association.

Corporate Secretary:

The corporate secretary shall be an *ex-officio* member of the executive committee.

9. Meetings of the Executive Committee

The executive committee shall meet at least four times a year. Dates of meetings will be communicated to the executive committee by the administrator at least 21 days prior to the meeting, with the

agendas of such meetings distributed to members of the executive committee prior to the meeting.

At meetings of the executive committee, fifty percent plus one members shall constitute a quorum. A quorum shall be required at all meetings.

Meetings of the executive committee shall be chaired by the president of the association, and by the vice-president in his / her absence.

Any conflicts of interest shall be declared at the beginning of executive committee meetings, and shall be recorded in the minutes.

Minutes of such meetings will be kept by the administrator of the association and will be kept on hand for members to consult.

10. Administrator

The administrator of the association will be appointed by the executive committee and may be a person or a company skilled in the management and administration of associations. The administrator will be responsible for the day to day management and operation of the association and will report to the executive committee.

11. Meeting of Members

The association shall convene at least one meeting of members every second year where members will determine the policies and strategic deliverables of the executive committee. The chairman of the executive committee will present a report on operations as well as the financial statements to the members and will provide to the members the opportunity to debate and set organisational strategy and policy in a "members-only session". A quorum at the meeting of members shall be twenty percent of the members in good standing.

The chairperson of the executive committee shall chair the meeting of members, and in his absence the vice chairperson.

