



# **Articles of Incorporation and Bylaws**

Effective July 1, 2017



**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION**  
AACSB International – The Association to Advance  
Collegiate Schools of Business, Inc.

**A Florida Not-For-Profit Corporation**

**ARTICLE ONE  
NAME, REGISTERED AGENT, ADDRESS, INCORPORATOR AND DURATION**

- A. The name of the corporation is AACSB International – The Association to Advance Collegiate Schools of Business, Inc.
- B. The address of its registered office in the State of Florida is 777 S. Harbour Island Blvd., Suite 750, Tampa, Florida, 33602-5730; and the name of its registered agent at said address is Thomas R. Robinson.
- C. The principal business office and mailing address of the corporation is 777 S. Harbour Island Blvd., Suite 750, Tampa, Florida 33602-5730.
- D. The name of the incorporator and his business address is Thomas R. Robinson at 777 S. Harbour Island Blvd., Suite 750, Tampa, Florida 33602-5730.
- E. The period of duration of the corporation is perpetual.

**ARTICLE TWO  
PURPOSE**

The object of the corporation is the advancement of quality business education worldwide through accreditation, thought leadership, and value-added services. Said corporation is organized exclusively for educational and charitable purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws). References to “business education” in these Articles shall be understood to include education in business, management and accounting.

**ARTICLE THREE  
MEMBERSHIP**

The membership of the corporation is composed of educational organizations recognized or authorized by an appropriate governing body to grant degrees (“educational organizations”). The membership also is composed of other selected organizations which include business firms and corporations, non-degree granting educational organizations, learned societies, trade, foundation, research, professional, and governmental organizations (“business organizations”). Each of the organizational members hereinafter is referred to as an "Organization."

**ARTICLE FOUR  
COUNCILS**

A. Within the corporation there shall be the Accreditation Council and such other divisions or councils as may be provided by the corporation Bylaws or the Board of Directors.

B. The Accreditation Council shall be composed of educational Organizations offering programs of instruction accredited by the Council. Within the corporation, the Accreditation Council shall have sole jurisdiction over accreditation standards.

**ARTICLE FIVE  
BOARD OF DIRECTORS**

The Board of Directors shall be not less than three in number; and subject to such limitation, the number of Directors shall be fixed by the Bylaws. The number of Directors may be increased or decreased from time to time by amendment to the Bylaws. The selection and terms of the Directors shall be provided in the Bylaws; and Directors need not be residents of the State of Florida.

**ARTICLE SIX  
CONTROL**

No act of the corporation shall be held to control the policy or action of any Organization.

**ARTICLE SEVEN  
NOT-FOR-PROFIT STATUS**

A. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private person, 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 in Article Two. The corporation shall continue to conduct its educational and charitable purposes in such a manner that it shall not be considered to be a private foundation as that term is defined in Section 509 of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue Laws). No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except as otherwise provided in Section 501(h) and Section 4911 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws), and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

B. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws).

## **ARTICLE EIGHT AMENDMENT**

These Articles of Incorporation may be amended by either of the following two methods:

A. The Board of Directors shall approve the proposed amendment and direct that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual business meeting or a special business meeting. Notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote at such a meeting not less than 20 days prior to the date of such meeting. The proposed amendment shall be adopted upon receiving at least two-thirds of a quorum of the members of the corporation present at such meeting, and by two-thirds of a quorum of the members of the Accreditation Council present at such meeting.

B. The Board of Directors shall approve the proposed amendment and direct that it be communicated to each member entitled to vote thereon. The proposed amendment shall be adopted upon obtaining the consent of two-thirds of all members of the corporation entitled to vote with respect thereto, and two-thirds of the members of the Accreditation Council entitled to vote with respect thereto.

## **ARTICLE NINE DISSOLUTION**

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation in such manner, or to such organization or organizations formed and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws), as the Board of Directors shall determine.

These Articles of Incorporation, as amended, were approved by the Board of Directors on January 14, 2017 and by the members on April 24, 2017. These Articles are on file in the office of the Department of State of the State of Florida.

**Amended and Restated  
AACSB International  
BYLAWS**

**SECTION ONE  
Membership**

- A. The membership of the corporation is composed of educational organizations recognized or authorized by an appropriate governing body to grant degrees (“educational organization”). An educational organization may be a university, college or other similar provider of post-secondary education, or a specific school or other sub-part thereof, such as, but not limited to, a school of business, management, accounting, economics or technology. The membership also is composed of other selected organizations, which includes business firms and corporations, non-degree granting educational organizations, learned societies, trade, foundation, research, professional, and governmental organizations (“business organizations”). Each of the organizational members hereinafter is referred to as an "Organization." References to “business education” in these Bylaws shall be understood to include, but not limited to, education in business, management, and accounting. For purposes of the Articles of Incorporation, Bylaws and Policy Governance Manual of AACSB International, an “appropriate governing body” shall be defined in the *AACSB International Policy Governance Manual* (Policy Governance Manual). To qualify for and maintain membership in AACSB International, an Organization must continually meet the general criteria for membership as established by AACSB International and set forth in the Policy Governance Manual.
- B. An organization may be admitted to membership in the corporation upon determination by the President and CEO or his or her designee that the organization meets the general criteria for membership specified in the Policy Governance Manual. Accreditation shall be by a process separate from granting membership in the corporation and shall be accomplished under procedures and criteria specified in the Articles of Incorporation and Bylaws and the Accreditation Standards.

In addition to meeting the general criteria for membership, a condition to membership by educational organizations in the corporation shall be the use of accurate descriptions of programs or degrees offered. In addition, Organizations are responsible for the accuracy of any data and information requested by AACSB International. Any reference to membership or accreditation, which implies achievement of AACSB International accreditation in business or accounting by Organizations which have not achieved accreditation for those programs or levels, is prohibited. Membership alone of business organizations should not be used to imply that AACSB International endorses the Organization or any of its programs, products, or activities.

- C. Each Organization shall be represented in the corporation by an official representative, as designated by the appropriate officer of that Organization. In the case of an accredited Organization, the official representative shall be the dean or chief officer of that accredited Organization. The official representative of the Organization may designate another person to receive correspondence from the corporation that is not official in nature.

- D. The President and CEO shall have the power and responsibility of denying or canceling the membership of non-accredited Organizations when necessary in accordance with the membership criteria guidelines provided in the Policy Governance Manual. When cancellation of the membership of an accredited Organization is under consideration, the Board of Directors will review and act on each case in accordance with the procedures and criteria specified in the Articles of Incorporation and these Bylaws, and the Policy Governance Manual, which are hereby incorporated by reference. In any instance of revocation of accreditation, the President and CEO shall provide written notification to the Organization.
- E. Upon notification of a decision of denial or revocation of accreditation, an Organization may appeal the decision according to the process set forth in the Appeal Procedure as documented in AACSB International Accreditation Policies.
- F. Disputes  
As a condition of membership, Organizations shall agree:
  - 1. That Florida law shall apply to any and all disputes arising out of membership in the corporation, the accreditation process, accreditation status, maintenance of accreditation, withdrawal or revocation of accreditation, or any agreements in connection with the foregoing.
  - 2. That any and all disputes arising out of the membership in the corporation, the accreditation process, accreditation status, maintenance of accreditation, withdrawal or revocation of accreditation, or any agreement in connection with the foregoing, are subject to the exclusive jurisdiction of the Circuit Court for the Thirteenth Judicial Circuit of Florida, located in Tampa, or the United States District Court of the Middle District of Florida, located in Tampa.

## **SECTION TWO**

### **Organization**

- A. The affairs of the corporation shall be conducted by the Board of Directors whose policies shall be carried out by the officers assisted by appropriate committees and staff.
- B. Within the corporation there shall be the Accreditation Council and such other divisions or councils as may be provided by these Bylaws or the Board of Directors.
- C. The Accreditation Council shall be composed of those educational Organizations offering programs of instruction which are accredited under the Standards and Procedures of the Accreditation Council. Each such Organization shall have one official voting representative who shall be the dean or chief officer of the accredited college/school of business. In the case of an educational Organization that is a specific school or other sub-part thereof, such as a school of business, management, accounting, economics or technology of a university, college or other similar provider of post-secondary education, the official representative shall be the dean or chief officer of such school. Another person may be designated by the official representative to cast a vote on his or her behalf, provided that notification to the appropriate AACSB International staff by the official representative occurs in advance of any voting action in accordance with the procedures set out by the Board of Directors.

The Accreditation Council shall have sole responsibility for the accreditation standards.

- D. To be admitted to membership in the Accreditation Council, an Organization must offer a program of instruction that is approved for accreditation by the Board of Directors.
- E. The Chair of the corporation shall preside over the affairs and meetings of the Accreditation Council. The Accreditation Council shall conduct its work through appropriate committees and staff as specified by the Policy Governance Manual and Accreditation Policies.

### **SECTION THREE**

#### **Annual Business Meetings, Attendance, Quorum, and Voting Rights**

- A. The Board of Directors shall announce the time and place of the annual business meeting of the corporation and the Accreditation Council. Announcement of such date and place for subsequent meeting shall be made to the membership at each annual business meeting. The Board of Directors may call such other meetings of the corporation or divisions thereof as it may deem advisable. Notice stating the place, day and hour of the annual business meeting of the corporation and the Accreditation Council and, in case of a special business meeting of the corporation or the Accreditation Council, the purpose or purposes for which the special business meeting is called shall be communicated not less than 20 days before the date of the meeting, and by or at the direction of the Chair or in the case of the Chair's absence, the Board of Directors, to each member entitled to vote at such meeting.
- B. Each Organization may have any number of representatives from its employ at business meetings of the corporation, but each Organization shall have only one official voting representative. This voting representative shall be the official representative to the corporation. Another person may be designated by the official representative to cast a vote on his or her behalf, provided that notification to the appropriate AACSB International staff by the official representative occurs in advance of any voting action in accordance with the procedures set out by the Board of Directors. The membership of the corporation in attendance and the members of the Accreditation Council in attendance shall constitute a quorum for business meetings of the corporation. Each member of the corporation shall have one vote on affairs brought to the corporation except on matters reserved for members of the Accreditation Council.
- C. Within the Accreditation Council each member thereof shall have one vote to be cast by the official representative on matters brought to the Council. For matters brought to the Accreditation Council that relate specifically to accounting accreditation, each member holding accounting accreditation shall have one vote to be cast by the official representative. The members of the Accreditation Council in attendance shall constitute a quorum for meetings of the Council.
- D. Unless otherwise set forth in these Bylaws, all actions at business meetings of the corporation or the Accreditation Council shall be by the majority vote of a quorum present. Unless otherwise provided for in these Bylaws, no Organization may vote by proxy.
- E. The rules contained in the most recent edition of *Robert's Rules of Order* shall provide the rules of procedure for business meetings of the corporation and the Accreditation Council where they are not inconsistent with the laws of the state of Florida, the provisions of the Articles of Incorporation, these Bylaws, and other pertinent publications of the corporation affecting the subject matter.

**SECTION FOUR**  
**Board of Directors**

A. Each Director shall take office on the first day of July following his or her election or on the date set for his or her appointment, if appointed, and serve his or her respective term or until his or her successor is duly installed.

B. The Board of Directors shall be composed of thirty members as specified:

1. The following officers of the corporation:  
Chair, Vice Chair-Chair Elect, Secretary-Treasurer, and President and CEO.
2. The Immediate Past Chair of the corporation to serve a one-year term. The Immediate Past Chair shall remain a member of the Board of Directors regardless of any change in employment affiliation. However, any subsequent participation on AACSB International committees would, by necessity, be limited to the Immediate Past Chair's current affiliation.
3. Eighteen representatives from educational Organizations elected to the Board of Directors by world region as defined by the AACSB International regional classification system:

<u>Region</u>	<u>Number Elected</u>
Asia-Pacific	2
Canada	1
Europe, Middle East and Africa	3
Latin America	1
United States	11

The eighteen representatives are elected to the Board of Directors based on accreditation status with no less than 14 from accredited Organizations. Nine of the eleven representatives from the United States shall be representatives of educational Organizations offering programs accredited by the Board of Directors; two representatives from the United States shall be representatives of educational Organizations that are not accredited. No less than a combined total of five representatives of accredited Organizations from the other regions shall be elected to the Board of Directors.

4. Seven Directors are appointed for terms of one, two or three years. The open positions are appointed by the Vice Chair-Chair Elect (who shall preside as Board Chair during the year for which the appointments are made). These appointments must be approved by the Board of Directors. Appointed Directors complement the elected Directors to ensure a diversity in perspectives on the Board of Directors.

At least two of the appointed Directors shall be representatives of business Organizations.

One of the appointments shall be used, when necessary, to ensure that at least one representative from the Beta Gamma Sigma Board of Governors also serves concurrently on the Board of Directors when it takes office on the first day of July.



5. Unless otherwise provided for in these Bylaws, the combination of elected and appointed members of the Board of Directors shall result in representation by accredited Organizations of at least 20 Directors.

The number of Directors from accredited Organizations may temporarily fall below the minimum only in the case when the Immediate Past Chair or Secretary-Treasurer changes his or her affiliation from an accredited Organization to a non-accredited Organization during his or her term. The minimum representation of at least 20 Directors from accredited Organizations must again be met upon completion of the term of the Immediate Past Chair or Secretary-Treasurer.

6. No person may serve more than a total of six years as a Director, except for the following: service as the Chair, Vice Chair-Chair Elect, Secretary-Treasurer, Immediate Past Chair, or President and CEO may extend the total Board service beyond six years while occupying these positions.

C. The Board of Directors shall:

1. function as the policy-making body of the corporation,
2. establish appropriate committees of the corporation in addition to those provided in these Bylaws,
3. create and maintain the Policy Governance Manual which shall include all major policies and procedures, corporation committee structure and charges, and such other content as it deems pertinent to the operations of the corporation,
4. have final authority on all accreditation decisions, policies, and interpretations,
5. recommend to the Accreditation Council revisions to the Accreditation Standards,
6. conduct the affairs of the Accreditation Council through appropriate committees and staff as provided in the Policy Governance Manual and Accreditation Policies,
7. execute the policies of the corporation as set forth in the Articles of Incorporation and Bylaws, and the decisions of the corporation at its annual and special business meetings,
8. conduct the business of the corporation in the interim between meetings,
9. determine the location of corporate offices and the location of the office of the President and CEO and provide for the operations and support thereof.

D. The presence of forty percent of the Directors shall constitute a quorum for meetings of the Board of Directors.

E. Unless otherwise set forth in these Bylaws, all actions at meetings of the Board of Directors shall be by the majority vote of a quorum present.

F. The Board of Directors shall meet at the same place as the annual business meeting of the corporation before said meeting. All other meetings of the Board of Directors shall be held at

such other places within or without the State of Florida as may be designated by the Chair or in the case of the Chair's absence, the Vice Chair-Chair Elect.

Regular meetings of the Board of Directors may be held at such time and place as may be determined by the Chair or in the case of the Chair's absence, the Vice Chair-Chair Elect. Notice of any special meeting of the Board of Directors, and the business to be transacted, shall be communicated at least five days previous thereto. Any Director may waive notice of any meeting. The 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.

- G. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of audio and/or video conference or similar communications equipment whereby all persons participating in the meeting can hear each other. These privileges also extend to members of any committee, special committee, task force or advisory council designated by the Board of Directors as it relates to participation in a meeting of these groups. Participation in a meeting in this manner shall constitute presence in person at the meeting. Any action that is required to be or may be taken at a meeting of the Board of Directors, or of any other committee of the Board of Directors, may be taken without a meeting if consents in writing, setting forth the action so taken are signed by all Directors or members of the committee, as the case may be, and shall have the same force and effect as provided by law.

## **SECTION FIVE**

### **Officers**

- A. 1. The officers of the corporation are: Chair, Vice Chair-Chair Elect, Secretary-Treasurer, and President and CEO.
2. The Vice Chair-Chair Elect shall be elected annually by the membership, and upon completion of his or her term shall accede to the office of Chair for a one-year term. The Secretary-Treasurer shall be elected biennially and shall serve a maximum of one two-year term.
3. The Chair and the Vice Chair-Chair Elect shall be the dean or chief officer of the college/school of business from an Organization that is a member of the Accreditation Council. The Secretary-Treasurer may be the representative of any Organization. The President and CEO shall be appointed by and serve at the pleasure of the Board of Directors for a specified term as determined by the Board of Directors.
4. The Chair, Vice Chair-Chair Elect, and Secretary-Treasurer shall each take office on the first day of July following his or her election and serve his or her respective term, or until his or her successor is duly installed.
- B. The duties of the Chair shall be:
1. to preside at the annual business meeting and affairs of the corporation and the Accreditation Council, and at meetings of the Board of Directors,
2. to carry out the policies of the Board of Directors,

3. to appoint members of the corporation and the Accreditation Council to standing and *ad hoc* committees and task forces formed during the year in which he or she serves as Chair. Members of the Board of Directors may be assigned to committees to function as liaison between such committees and the Board of Directors,
4. to represent or appoint others to represent the corporation at all functions to which the corporation may be invited and in which it may desire to participate,
5. to perform such other duties that customarily pertain to the office of Chair.

C. The duties of the Vice Chair-Chair Elect shall be:

1. to serve as an aide to the Chair,
2. in the temporary or permanent absence of the Chair for any cause, to assume and perform the duties of the Chair. Such service shall not preclude a Vice Chair-Chair Elect from subsequently acceding to the office of Chair,
3. to review the budget which is prepared by the President and CEO for the forthcoming fiscal year for which the Vice Chair-Chair Elect accedes to the office of the Chair.

D. The duties of the Secretary-Treasurer shall be:

1. to make available to the membership an annual report of the financial operations,
2. to submit to the Board of Directors at its regular meetings and at such other times as requested by the Board of Directors, a statement showing the relation of income and expenditures to the budget for the fiscal year,
3. to arrange for an annual audit to be made of the corporation's financial operations by a Certified Public Accountant. A copy of the audited statements shall be made available to the membership in an annual report,
4. to authorize staff signature privileges for appropriate disbursement of funds in maintained bank accounts,
5. to review and approve travel expenses incurred by the President and CEO.

E. The President and CEO shall be the chief executive officer and perform the duties prescribed by the Board of Directors.

F. Executive Committee

1. There shall be an Executive Committee whose membership shall include the Board Chair (who shall serve as Chair of the Executive Committee), Vice Chair-Chair Elect, Secretary-Treasurer, President and CEO, Immediate Past Chair, and up to three additional Directors appointed by the Vice Chair-Chair Elect (who shall preside as Board Chair during the year for which the appointments are made).

2. The Executive Committee shall act on behalf of the Board of Directors between meetings of the Board of Directors and shall have such other duties as outlined in the Policy Governance Manual.

## **SECTION SIX**

### **Nominations and Elections**

- A. A Nominating Committee shall be appointed by the Vice Chair-Chair Elect (who shall preside as Board Chair during the year for which the appointments are made) and shall function under procedures and criteria set forth in the Policy Governance Manual. The composition of the Nominating Committee must reflect the global membership of AACSB International.
- B. Nominations of candidates for the elected members of the Board of Directors shall be made by the Nominating Committee, and the Directors shall be elected by a ballot of the corporation membership. Each Director shall take office on the first day of July following his or her election and shall serve his or her respective term, or until his or her successor is duly installed.
- C. No more than one person shall be nominated for the positions of Vice Chair-Chair Elect and Secretary-Treasurer. At least two persons shall be nominated for each other elected position.
- D. The Nominating Committee shall not nominate one of its sitting members as a candidate for any elected position. If a sitting member of the Nominating Committee is nominated and agrees to put forth his or her name for consideration by the Nominating Committee, he or she is required to resign from the committee. The Nominating Committee shall seek and consider recommendations for nominees from the membership of AACSB International.

## **SECTION SEVEN**

### **Filling Vacancies**

- A. In case the person serving as Chair resigns or is unable to serve for any reason, the duties shall be assumed by the Vice Chair-Chair Elect.
- B. In case the person elected Vice Chair-Chair Elect resigns or is unable to serve for any reason, the Chair, with the endorsement of the Board of Directors, shall designate a successor to serve until the completion of the term of the Vice Chair-Chair Elect.
- C. In case the person elected Secretary-Treasurer resigns or is unable to serve for any reason, the Chair, with the endorsement of the Board of Directors, shall designate a successor to serve until the first day of July following the next annual election.
- D. In case the offices of Chair and Vice Chair-Chair Elect shall be vacated concurrently, the Board of Directors is authorized to designate who shall act in these offices until the completion of his or her term. Under these conditions, any two Directors may call a meeting of the Board of Directors.
- E. In the case of other vacancies on the Board of Directors, the Chair shall designate permanent appointments to serve until the completion of the terms.

- F. Unless otherwise provided for in these Bylaws, in the case of a Director who is elected or appointed as a representative of an accredited Organization, and who during his or her Board term changes his or her employment affiliation to an Organization that is not accredited by the corporation, or who is no longer employed by an accredited Organization, such Director must relinquish his or her seat on the Board of Directors which would then be filled by appointment of the Chair (and approved by the Board of Directors) with a representative from an accredited Organization to serve until the completion of the term.
- G. In the case of a Director who is elected or appointed as a representative of a non-accredited Organization which achieves accreditation during the Director's term, or who changes his or her employment affiliation from a non-accredited Organization to an accredited Organization during his or her term, such Director may remain in his or her position on the Board of Directors until the completion of his or her term.
- H. In the case of a Director elected to a specified region who then changes employment affiliation to an Organization in another region during his or her term, such Director must relinquish his or her seat on the Board of Directors which would then be filled by appointment of the Chair (and approved by the Board of Directors) with a representative from an Organization from the specified region.
- I. In the case of vacancies in committees of the corporation, the Chair shall designate permanent appointments to serve until the completion of the terms.
- J. The determination of when a vacancy exists in any officership, directorship, or committee membership shall be made by the Board of Directors.
- K. The vote of a simple majority of the Directors present at a meeting called for such purpose shall be required to remove an elected or appointed Director from office prior to the expiration of the term for which that Director has been elected or appointed.
- L. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

## **SECTION EIGHT**

### **Dues, Fees, and Funds**

- A. Members should approve any changes in the annual dues schedule proposed by the Board of Directors. Members will vote on the changes at the annual business meeting. Changes in the dues of members must be approved by (1) a majority of all membership of the corporation voting, as well as by (2) a majority of the members voting who are specifically affected by the proposed change. Notice of a proposal by the Board of Directors to ask approval of a change in dues must be given to the membership in accordance with the procedures and time frame set forth in Section 11.E.
- B. The Board of Directors is authorized to charge appropriate fees to members of the Accreditation Council and to Organizations applying for or engaged in an accreditation process prior to becoming a member of the Accreditation Council. The Board of Directors is authorized to determine the amount of each fee. All fees are assessed through the office of the President and CEO.
- C. All current funds of the corporation shall be deposited promptly by the President and CEO or his or her designee in checking accounts in banks which have been approved by the Board of Directors. All withdrawals of current funds shall be initiated by vouchers which must be approved by the Secretary-Treasurer, or the President and CEO or his or her designee. All checks should bear the signature of the President and CEO or his or her designee. Disbursements via electronic transfer require an equivalent level of approval. The corporation shall purchase and maintain insurance against any loss resulting directly from theft or forgery by any person designated as an authorized check signer.
- D. The Finance and Investment Committee reports to the full Board of Directors investment strategies of any funds of the corporation not needed for current operations. An annual report of the status of all invested funds shall be made available to the membership by the Secretary-Treasurer.

## **SECTION NINE**

### **Committees of the Corporation**

- A. The following committees authorized by the corporation and specified in the Policy Governance Manual shall be composed of members of the corporation appointed by the Vice Chair-Chair Elect (who shall preside as Board Chair during the year for which the appointments are made) except, however, that the membership of the Executive Committee shall be as designated in Section Five of these Bylaws.
  - Executive Committee
  - Articles and Bylaws Committee
  - Audit Committee
  - Finance and Investment Committee
  - Nominating Committee
- B. Committees, advisory councils, and task forces in addition to those listed in these Bylaws may be authorized by the Board of Directors.

- C. These Committees of the Corporation and additional committees and task forces shall have duties as provided in the Policy Governance Manual.

## **SECTION TEN**

### **Indemnification of Officers, Directors and Others**

- A. The corporation shall indemnify any person who was or is threatened to be made a named defendant or respondent to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a Director, Officer, employee (whether salaried or not) or agent of the corporation, or is or was serving at the request of the corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The term "agent of the corporation" as used in this Section Ten shall include volunteers, team members, panel members and committee members while acting in the course of their duties as directed or appointed by the Chair or by a salaried officer or by the Board of Directors for and on behalf of the corporation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, shall not, of itself create a presumption that the person did not act in good faith and in a manner which he or she is reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.
- B. The corporation will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses, including attorneys' fees, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the defense or settlement of the action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the court in which the action or suit was brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.
- C. To the extent that a Director, Officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections A and B of this Section Ten, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the action, suit or proceeding.

- D. Any indemnification under Sections A and B of this Section Ten, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon determination that indemnification of the Director, Officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in this Section. The determination shall be made by the Board of Directors of the corporation by a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding, or, if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs by independent legal counsel in a written opinion.
- E. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, Officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this Section.
- F. The indemnification provided by this Section Ten shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation or these Bylaws or any agreement, vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.
- G. The corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Section.
- H. For the purpose of this Section Ten, references to "the corporation" include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation so that any person who is or was a Director, Officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he or she would if he or she had served the resulting or surviving corporation in the same capacity.
- I. For purposes of this Section Ten, the term "other enterprise" shall include employee benefit plans; the term "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and the term "serving at the request of the corporation" shall include any service as a Director, Officer, employee or agent of the corporation which imposes duties on, or involves services by, such Director, Officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section.



**SECTION ELEVEN**  
**Amendments**

- A. These Bylaws may be amended at a business session of Organizations at any annual business meeting of the corporation by the majority vote of a quorum present, and by a majority of a quorum of the Accreditation Council present.
- B. The official representative of any Organization may propose an amendment or amendments to these Bylaws.
- C. By unanimous consent of a quorum of Organizations and a quorum of the Accreditation Council present at an annual business meeting, proposed changes in these Bylaws may be considered and acted upon.
- D. Amendments to these Bylaws also may be made by ballot from the office of the President and CEO. If two-thirds of the members of the corporation, and two-thirds of the members of the Accreditation Council eligible to vote favor the amendment, it shall be declared adopted.
- E. Notwithstanding anything to the contrary in these Bylaws, notice of any proposed change(s) or amendment(s) to these Bylaws shall be communicated to the membership from the office of the President and CEO not less than 20 days prior to the date of such meeting.