

NACUBO BYLAWS
(last amended July 30, 2007)

Article I

NAME

The name of this organization shall be "National Association of College and University Business Officers (NACUBO)."

Article II

REGISTERED OFFICE AND AGENT

The corporation shall maintain a registered office in Chicago, Illinois. Its registered agent must be a resident of the state of Illinois and shall be a licensed resident agent in the state of Illinois and the District of Columbia. The Board of Directors may change the registered agent to another location in Illinois by a majority vote at any regularly scheduled meeting.

Article III

PURPOSES

The purposes of the corporation shall be:

Section 1. Interest in Sound Management and Financial Administration. To promote on a national level sound management and financial administration in higher education, to foster among the higher education community a high ethical standard of professional conduct, and to encourage cooperation with organizations which share this interest.

Section 2. Collection, Exchange, Development, and Dissemination of Information. To stimulate research and to provide for gathering, exchanging, creating, and distributing information of a practical nature that relates to the principles on which sound and ethical business and financial administration of colleges and universities should be based.

Section 3. Assistance to Established National Education Associations and the Formulation of Public Policy. To provide information and technical assistance in the field of higher education management and financial administration to established and representative educational institutions and associations which are not-for-profit and tax-exempt and to provide a means for projecting to public policy makers and standard-setting agencies comments and opinions on issues that concern higher education.

Section 4. Cooperation with Regional Associations. To cooperate with and support the several regional associations of college and university business officers in the achievement of

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their purposes and objectives, so long as such associations are entitled to exemption under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Code).

Section 5. Activities. The Association is organized and shall be operated exclusively for educational purposes. No part of its net earnings shall inure to the benefit of or be distributable to its member institutions, trustees, officers, or other private persons, except that the Association 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 herein. No substantial part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Association shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on any other activities not permitted to be carried on by an institution exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Code). In addition, the Association shall not engage in or carry on activities not permitted an institution whose contributions are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Code).

Section 6. Dissolution. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such a manner or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as a state instrumentality under Section 115(a) or as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Code) as the Board of Directors shall determine, but in accordance with the following priorities:

- a. first priority, to a nonprofit organization which may have been created or selected to succeed the Association;
- b. second priority, to another nonprofit organization which may be selected as proper recipient of these assets;
- c. third priority, to be returned on a pro rata basis to the various colleges and universities holding membership in NACUBO at the time of its dissolution; and
- d. fourth priority, to be returned on a pro rata basis to the treasurers of the various states from which funds have originated.

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Article IV

MEMBERS, BUSINESS PARTNERS, AND MEMBERSHIP MEETINGS

Section 1. Institutional Members. Eligibility for institutional membership in the Association, with vote, shall be accorded to:

a. An institution which is an institutional member of the Association as of the date of adoption of these Bylaws; or

b. An institution which is not eligible under Section 1, paragraph a, but which:

(1) is a regular member of the Central, Eastern, Southern, or Western Association of College and University Business Officers; and

(2) grants or authorizes the associate degree or higher; and

(3) is accredited by its appropriate regional accrediting association or an organization that is recognized by the National Commission on Accrediting or any successive body; and

(4) qualifies under Section 501(c)(3) or Section 115 of the Internal Revenue Code of 1986 (or corresponding provisions of any future United States Internal Revenue Code); or

c. A governing board which is a regular member of a regional association (Central, Eastern, Southern, or Western) of college and university business officers, and is administratively responsible for two or more member institutions.

d. Institutions administratively controlled by a system or district organization and which meet the above cited eligibility criteria for institutional membership must maintain separate institutional memberships. Institutions meeting the eligibility criteria may not be included in a system or district membership. Systems or district organization offices with no student enrollments may obtain an institutional membership by paying the minimum governing boards and system offices dues assessment.

Notwithstanding the foregoing provisions of this section, eligibility for institutional membership in the Association shall in no case be accorded to any institution or organization other than those described in Section 509(a)(1) or Section 509(a)(2) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Code).

e. Accredited, degree-granting higher education institutions in Canada or Mexico.

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Section 2. Provisional Members. An institution which is not accredited as provided in Section 1, paragraph b(3), but which is otherwise eligible for membership in the Association, shall be eligible and shall constitute the sole type of institution eligible for provisional membership in the Association, without vote, if it has:

- a. attained a pre-accreditable status with assurance of achieving accreditation within a reasonable period, as based on consultation with the appropriate accrediting agency; or
- b. had its credits accepted as if earned in an accredited institution by not fewer than three accredited institutions; or
- c. had its credits approved by a state department of education, a state board or accrediting commission, an association of state colleges, a state education agency, or a state university.

Individuals from provisional member institutions shall not be eligible to hold elected office.

Section 3. Associate Members. Organizations, other than those described in Section 1 or Section 2 herein, concerned with higher education (including but not limited to museums, libraries, coordinating boards or agencies, foundations, and societies), which are entitled to exemption under Section 501(c)(3) or Section 115 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Code), may be admitted as associate members in the Association. Associate members may neither hold office nor be eligible to vote.

Section 4. Affiliate Members. Institutions, associations, or organizations, other than those described in Sections 1 through 3 herein, engaged in or concerned with primary or secondary education, or any other phase of education other than higher education, which are entitled to exemption under 501(c)(3) or Section 115 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Code), may be admitted as affiliate members in the Association. Affiliate members may neither hold office nor be eligible to vote.

Section 5. International Members. Institutions, associations, and organizations established outside of the U.S., excluding the bordering countries of Canada and Mexico, and its territories, engaged in or concerned with higher education. International members may neither hold office nor be eligible to vote.

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Section 6. Business Partner. A group composed of organizations, firms, and persons, in the for-profit business sector, that provide a service for or have an interest in higher education may be admitted as a Business Partner in the Association, provided the limited participation of the organization, firm, or person is compatible with the Association's exempt purposes under IRC Section 501(c)(3). Business Partner classifications will be determined by NACUBO in accordance with its policies and procedures, as approved by the NACUBO Board of Directors. Business Partner members may neither hold office nor be eligible to vote.

Section 7. Retiree/Student Members. Individuals who have an interest in higher education business and financial management who (1) have retired from a NACUBO member institution and earn no income from an institution/organization eligible for NACUBO membership or as a consultant within higher education, or (2) individuals actively pursuing a degree within an accredited academic program. Retiree/Student members may neither hold office nor be eligible to vote.

Section 8. For-Profit Higher Education Members. A group composed of accredited firms or institutions in the for-profit sector that provide post-secondary course work or certificate or degree granting education may be admitted as a For-Profit Higher Education member in the Association, provided the limited participation of the firm or institution is compatible with the Association's exempt purposes under IRS Section 501(c)(3). For-Profit Higher Education membership classifications will be determined by NACUBO in accordance with its policies and procedures, as approved by the NACUBO Board of Directors. For-Profit Higher Education members may neither hold office nor be eligible to vote.

Section 9. Membership Approval. The Board of Directors of the Association shall approve applications for membership by new institutional, provisional, associate, and affiliate members, and subscribers. In the interests of efficient administration of the Association, the Board may delegate this to the President.

Section 10. Membership Meetings. A national meeting of the institutional members of this Association shall be held annually unless otherwise suspended by the Board of Directors. The time and place of the national membership meeting shall be determined by the Board of Directors. Special meetings of the membership may be called by the Board of Directors or the Chair by written notice to the members stating the place and time of the meeting together with the purpose thereof and delivered personally to the primary representative's address or fax number as shown on the records of the Association, by mail, FAX, telegram, or other "state-of-the-art" communication media, not less than thirty (30) and not more than forty (40) days before the date of the meeting. Any meeting may be held at any place determined within or without the state of Illinois.

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Article V

DIRECTORS

Section 1. General Powers. The immediate governance of the Association shall be vested in a Board of Directors, which shall take office at the conclusion of the NACUBO annual meeting or, in the event no such annual meeting is held, directors shall take office on August 1st of the year during which their term begins. The Board shall possess all the powers necessary or convenient to accomplish the objectives and perform the duties of the Association, provided, however, that the Board of Directors shall not have power to adopt amendments to these Bylaws and that such amendment procedure shall be pursuant to the provisions of Article X, Section 6, of these Bylaws. Consistent with the purposes in Article II hereof, the Board shall establish and maintain policies which address the goals, governance process, Board-President relationship, and limitations on the exercise of executive authority. The Board also shall monitor organizational performance in the context of the Association's purposes.

Section 2. Number, Qualification, and Tenure.

a. Three directors from each of the four regional associations or a total of twelve, who shall be elected by each of the regional associations concerned pursuant to a vote by each such regional association. Any director so elected must be employed at an institution which is an institutional member of the Association and must remain so employed throughout the term for which he or she was elected. Each director thus elected shall hold office for the term for which he or she is elected, unless said director becomes ineligible to serve for any reason contained in these Bylaws, in which case he or she shall be replaced pursuant to Article V, Section 4. The President or Secretary of the regional association shall certify by letter to the secretary of the national association the names of the officially selected directors and the names of the alternates and the directors for whom they serve.

b. The persons elected as Chair and Vice Chair pursuant to Article VI, Sections 1 and 2, of these Bylaws must each be from an institution which is an institutional member of this Association. The Chair and Vice Chair shall continue to serve as regional or at-large Board members, as the case may be, following their election as officers, for the remainder of their term.

c. The Immediate Past Chair of the Association shall continue as a director-at-large and shall be a member of the Board of Directors for a term of one year immediately following the end of his or her term as Chair, if the Immediate Past Chair's term would otherwise expire.

d. Nine additional directors-at-large shall be elected by the NACUBO Board from a slate of nominees to be submitted by the NACUBO Executive Governance Committee. The terms of three of the directors elected pursuant to this paragraph shall expire each year. Directors elected hereunder may be elected without regard to regional affiliation and shall be eligible to

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serve as an officer of this Association as defined in Article VI, Sections 1 and 2. Any director-at-large so elected whose institution is not currently a member of this Association must become a member of this Association in order for the director-elect hereunder to be eligible to serve on the Board.

e. A director, if elected, may serve for a continuous period not to exceed two consecutive three-year terms, unless the term is extended in order to allow the Immediate Past Chair to serve one year.

f. The President shall be a voting director, and shall remain so during his or her tenure as President, but shall absent himself or herself from a meeting of the Board or Directors, or any portion of a meeting of the Board of Directors, upon request of the Chair.

Section 3. Removal from Office. Any director may be removed for cause by a two-thirds majority vote of the Board of Directors.

Section 4. Vacancies. Any vacancy occurring in the Board of Directors for positions defined in Article V, Section 2(a) shall be filled by the respective regional association. Vacancies in at-large director positions as defined in Article V, Section 2(d) shall be filled by the NACUBO Board. Other at-large director vacancies as defined in subparagraph (d) hereof shall be filled by the NACUBO Board from a list of nominations submitted by the NACUBO Executive Governance Committee. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 5. Meetings. The directors shall meet not less than three times each year. The dates for the meetings shall be set by the Chair. The Board of Directors by resolution may provide the time and place, either within or without the state of Illinois, for the holding of additional regular meetings without other notice than such resolution. All meetings shall be held at the place designated by the Chair in consultation with the Executive Governance Committee. The place of meeting may be any place either within or without the state of Illinois. Meetings shall be governed by Robert's Rules of Order, except as otherwise provided herein.

Section 6. Executive Session. An Executive Session of the Board of Directors may be called by the Chair under the following circumstances:

- a. On the advice of counsel.
- b. To discuss current or pending legal matters.
- c. To consult with the auditors.
- d. To acquire or dispose of property.

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- e. To discuss or act on personnel issues.
- f. Such other matters as the Board deems appropriate.

At the option of the Chair, or upon majority vote of the Directors, an Executive Session of the Board may be called. While in Executive Session, only Board members and individuals invited by the Chair may be present.

At the option of the Chair, the President may be excused. Directors may discuss the business conducted in an Executive Session only with other directors including or not including the President as directed by the Chair, persons present in the Executive Session by invitation of the Chair, and others upon advice of counsel.

Section 7. Special Meetings. Special meetings of directors may be called by or at the request of the Chair, or any twelve directors, who may fix the place of such meeting either within or without the state of Illinois. Notice of any such special meeting of the Board of Directors shall be given at least twenty (20) days and not more than thirty (30) days prior thereto by written notice delivered personally or sent by mail, FAX, telegram, or other "state-of-the-art" communication media to each director at his or her address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited into the mail addressed to the director with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute waiver of notice of such meeting, except when the 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, which purpose the director makes known at the beginning of the meeting. Unless specifically required by law or by these Bylaws, notice or waiver of notice need not specify the business to be transacted or the purpose of a meeting.

Section 8. Quorum. A simple majority of the elected Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board. If less than a majority of the elected directors are present at the outset of the meeting, the meeting is deemed to be automatically adjourned.

Section 9. Manner of Acting. The act of majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these Bylaws. No individual director or group of directors shall seek to assert authority or oversight over the administration of the Association, its policies, positions, or executive decisions except as authorized by the Board of Directors consistent with these Bylaws.

Section 10. Compensation. Directors as such will not receive any compensation for their services, but expenses of attendance may be allowed for attendance at each regular or special

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meeting of the Board. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

Section 11. Action by Directors without a meeting. Any action required or which may be taken at a meeting of the directors, or of a committee thereof, may be taken without a meeting if a consent in writing, prepared by the Secretary, setting forth the action to be taken, shall be signed before such action by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote. A consent may be executed in counterparts and transmitted by facsimile.

Section 12. Meetings by Conference Telephone. Meetings of the Board or any committee by conference telephone or similar communications equipment shall be permitted and participation by such means shall constitute presence in person at any such meeting.

Section 13. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof, or shall forward such dissent by certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Article VI

OFFICERS

Section 1. Officers. With the exception of the President and Treasurer, the officers of the corporation shall be elected by the Board of Directors from the then existing NACUBO Board members and shall include a Chair of the Board, a Vice Chair, a Secretary, and such other officers as the Board shall deem necessary. The President shall be appointed pursuant to the terms of Article VII. The Treasurer shall be the Vice President of Administration and Treasurer (see Article VI, Section 7) and shall report to the President of the Association as a paid staff member.

An Assistant Secretary position shall exist to perform such functions of the Secretary as the President or the Secretary shall from time to time direct. The President will appoint a member of the staff to serve in this capacity.

Section 2. Election and Term of Office. The officers of the corporation shall be elected by the Board of Directors at the spring meeting of the Board; provided, however, that if the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. The terms of office of all elected officers shall be one year,

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and the newly elected officers shall assume their new positions at the close of the annual membership meeting of the Association or on August 1 of the year during which their term begins if no annual membership meeting is held. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. With the exception of the President and the Treasurer (as set out in Article VI, Section 7), no person shall hold the same office for more than three consecutive years, but each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed as an officer for cause by majority vote of the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or other reason may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chair of the Board. The Chair shall preside at all meetings of the institutional members and Board of Directors. He or she may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be delegated by the Board of Directors, or by these Bylaws, or by statute, to some other officer or agent of the corporation. In general, he or she shall perform all duties incident to the office and such other duties as may be prescribed by the Board of Directors from time to time. The Chair shall coordinate the evaluation of the President by the Board of Directors on an annual basis.

Section 6. Vice Chair. In the absence of or in the case of incapacity of the Chair, or in the event of a vacancy in the office of the Chair, the Vice Chair shall perform the duties of the Chair and, when so acting, shall have all the power of and be subject to all the restrictions upon the Chair. The Vice Chair shall be deemed to be the chair-elect and shall become Chair for the following year. The Vice Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors.

Section 7. Treasurer. The Treasurer of the corporation shall be the chief financial officer of the corporation and shall report to the President as a paid staff member. In his/her capacity as Treasurer, he/she shall report to the full Board without compensation. He/she shall make, at least annually, reports to the Board in his/her capacity as Treasurer. The Treasurer shall be responsible for the supervision of all funds received by the Association or any of its committees, and such funds shall be disbursed only by his or her direction and authority. The Treasurer shall be bonded for the faithful discharge of his or her duties in such sum and with such surety as the Board of Directors shall determine. In general, he or she shall perform all duties incident to the office of Treasurer.

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Section 8. Secretary. The Secretary shall be responsible for the minutes of the meetings of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; and, in general, be responsible for all duties incident to the office of the secretary, and such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors. The duties as outlined above may be performed by appropriate staff, as designated by the President, with the consent of the Secretary.

Section 9. Assistant Secretary. The Assistant Secretary shall perform such functions of the Secretary as the President or the Secretary shall from time to time direct. The Assistant Secretary shall promptly report to the Secretary any actions he or she has taken as Assistant Secretary. The President will appoint a member of the staff to serve in this capacity.

Article VII

PRESIDENT

The President shall be appointed by the Board of Directors and shall be the chief executive officer of the Association. The President shall perform all duties customary to that office and shall supervise the implementation of all policy directives as may be established by the Board of Directors. An annual evaluation of the President's performance will be conducted by the Board of Directors.

The President shall remain fully accountable to the Board of Directors and the membership of NACUBO. The President serves as the chief spokesperson for the Association and represents NACUBO in policy matters before public policy makers.

The President shall be a member of the Board of Directors pursuant to, and subject to, the provisions of Article V(2)(f).

Article VIII

COMMITTEES

Section 1. Standing Committees. There shall be the following standing committees: (1) Executive Governance and (2) Finance and Audit. In addition, the Board of Directors may, from time to time, add standing committees by a majority vote of the Board.

Section 2. Appointment. Except as provided elsewhere in these Bylaws, the Board Chair, upon the advice of the NACUBO President and Chief Executive Officer, shall appoint the chairs, vice chairs, and members of standing and special committees with the approval of the Board of Directors. The Board Chair and the NACUBO President and Chief Executive Officer shall be ex-officio members of all standing and special committees.

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Section 3. Executive Governance Committee. The Executive Governance Committee shall consist of the Chair of the Board of Directors, the President, the Secretary, the Vice Chair, the Chair of the Finance and Audit Committee, the Past Board Chair, and up to two additional members who shall be designated by the Board Chair and approved by the Board of Directors.

The Executive Governance Committee shall carry out the Board's overall responsibility with respect to overseeing the Board's committee structure; monitoring the orientation and continuing education of Directors; ensuring compliance with legal, ethical, and contractual obligations; determining the compensation of NACUBO senior staff and all disqualified persons; and exercising the Board's authority when the Board is not in session except as specifically limited by the Board, the Bylaws, and applicable law. All action approved, taken, and ratified by the Committee shall be deemed to be, and may be certified as being approved, taken, and ratified under authority of the Board. Actions taken by the Executive Governance Committee shall be reported to the Board of Directors at its next regularly scheduled meeting.

The Executive Governance Committee shall be responsible for maintaining an effective working relationship with the President, shall negotiate with the President his or her employment contract, and shall annually evaluate the President's performance.

Section 4. Finance and Audit Committee. The members of the Finance and Audit Committee shall be appointed by the Chair, shall be approved by Board of Directors and shall be nine in number.

The Finance and Audit Committee assists the Board of Directors in discharging its oversight responsibilities relating to the accounting, financial reporting, and financial practices of NACUBO, including the integrity of all NACUBO financial statements; the oversight of administrative and financial controls, the system of internal controls over financial reporting, and the outside auditor's qualifications, appointment, independence, and ongoing performance.

Section 5. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated from time to time by the Board. Members of such committees shall be appointed by the Chair and may include persons belonging to the Association who are not members of the Board of Directors. The Chair shall designate the chair of such committees. Unless otherwise provided by the Board of Directors, a majority of committee members present shall constitute a quorum and the acts of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 6. Term of Office. Each member of a committee shall continue as such until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member resigns or is removed from the committee, or upon expiration of the Director's term as a Board member if the committee is a Standing Committee.

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Section 7. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Article IX

DUES

Section 1. Annual Dues. The amount of dues to be paid by members and subscribers, and the effective date, shall be recommended by the Board of Directors of the Association and shall be approved by a majority of the members present and voting at the annual membership meeting, provided that notice of the proposed change has been made in a publication of the Association distributed to all members at least thirty days in advance of the annual meeting.

The dues shall be invoiced and collected directly by the Association.

Section 2. Membership in Regional Association. Any institution which holds a membership in more than one regional association or different memberships in various regional associations shall be required to pay dues to the national association only once. It will be the responsibility of the particular institution to identify the regional association through which it holds national association membership, if the question arises.

Article X

MISCELLANEOUS

Section 1. Books and Records. The corporation shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of the meetings of its membership, Board of Directors, and committees appointed by the Board of Directors. It shall keep at the registered or principal office a record giving the names and addresses of the members. All books and records of the corporation may be inspected by any member, or its agent or attorney, for any proper purpose at any reasonable time upon due notice.

Section 2. Budget. The financial operation of this Association shall be on the basis of a balanced budget and no financial obligation shall be incurred by any officer or committee except as authorized by the Board of Directors. The Board of Directors shall approve a budget for the following year, generally at the spring meeting.

Section 3. Fiscal Year. The fiscal year shall begin on the first day of June each year and close on the thirty-first day of May next succeeding, effective July 2004 and thereafter.

Section 4. Voting. At meetings of the membership of the national Association, each institutional member shall be entitled to one vote. The primary representative of each member

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institution shall be the institutional representative and shall cast the ballot at any membership meeting, or, in the event of mail ballot, when such a mail ballot is conducted. At any membership meeting, any institutional member not represented by its primary representative or his or her alternate may vote by proxy executed in writing by that individual or its duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution.

Section 5. Corporate Seal. The Board of Directors shall adopt a corporate seal, which may be in typewritten form.

Section 6. Amendment to Bylaws. The Bylaws may be altered, amended, or repealed by the affirmative vote of the majority of the member institutions present and voting at the annual meeting as defined in Section 4 above. The Board of Directors shall provide to the member institutions a copy of the proposed changes at least thirty (30) days prior to the NACUBO annual meeting.

Section 7. Gifts. The Board of Directors may accept on behalf of the corporation any contributions, gifts, bequests, or devises for the general purposes or for any special purpose of the corporation.

Section 8. Reports. The Association shall file such reports as are required by law and shall file in a timely fashion an annual report with the secretary of the state or district in which the corporation is registered in the form prescribed, setting forth the name of the corporation, the address of its registered office and the name of its registered agent at such address, the names and respective addresses of its directors and officers, and a brief statement of the character of affairs which the corporation is actually conducting. This annual report shall be executed by its President, Chair, Vice Chair, Secretary, or Treasurer.

Section 9. Indemnification. The Association shall indemnify each director, officer, employee, agent, committee member, or person who otherwise served at the Board's written request or election, whether such service be within the Association or with or for another entity, from and against all damages, judgments, fines, penalties, costs, charges, expenses, and claims (including settlements, legal fees, and expenses attendant upon each) imposed upon or asserted against him or her by reason of being or having been such director, officer, employee, agent, committee member, or a person otherwise serving at the Board's written request or election as follows:

(a) Such director, officer, employee, agent, committee member, or person otherwise serving at the Board's written request or election shall have acted within the scope of his or her office, role, employment, or assignment in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association.

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(b) No indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged to have engaged in deliberate misconduct in the performance of his or her duties to or for the Association unless, and only to the extent that, the Board shall determine that indemnification is warranted in light of evidence relating to the individual's good faith and the circumstances involved.

(c) Any request for indemnification shall be made to the President or, in his/her absence, to the Chair of the Board. The President or the Chair shall promptly notify the Executive Governance Committee of the request, and the Executive Governance Committee shall approve indemnification or, if questions exist as to whether a right of indemnification exists under this provision, the Executive Governance Committee shall obtain an opinion of counsel as to the Association's duty to indemnify under these provisions. If after receipt and review of such opinion of counsel the Executive Governance Committee determines to deny indemnification, the individual or individuals seeking indemnification shall have a right to appeal the determination to the Board. Any member of the Executive Governance Committee or the Board having an interest in the issue presented by the indemnification request shall recuse him or herself from consideration of the matter.

(d) Expenses incurred in defending a civil action suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding where it is determined by the Executive Governance Committee or the Board that a duty to indemnify exists in the specific case, or upon receipt of an undertaking on behalf of the individual seeking indemnification to repay the amount of such expenses covered by the Association if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association.

The Association shall purchase and maintain adequate insurance on behalf of any director, officer, or person who may have served at the Association's request or election as the director or officer of another corporation against any liability asserted against him or her and incurred by him or her in any capacity, or arising out of his or her status as such, whether or not the Association would have power to indemnify him or her against such liability under the laws of the state or district in which the corporation is registered.

This provision shall be interpreted to be consistent with Title 32, Section 163a23.1 (or any successor provision) of the laws of the state of Illinois.

Section 10. Effective Date. To the extent that these Bylaws change, alter, or add to existing Bylaws, they shall be effective from and after the date of their adoption except that the Board of Directors as presently constituted shall continue to exercise its authority as constituted until such time as new members are appointed in accordance with the requirements of these Bylaws and in the regular course of affairs.