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BY-LAWS OF NACCAS

ARTICLE I – NAME

**NATIONAL ACCREDITING COMMISSION OF
CAREER ARTS & SCIENCES, INC.**

A nonprofit corporation organized under the General Corporation Law of the State of Delaware, and said corporation is hereinafter referred to in the By-Laws as the Commission.

ARTICLE II – MAJOR AIMS AND PURPOSES

SECTION I

The objects of this Commission are those set forth in the Certificate of Incorporation, as from time to time amended. These purposes are as follows:

1. To provide an independent, autonomous agency to promote, further advance and develop standards of education and instruction in cosmetology arts and sciences, massage and cognate areas which serve to supplement the practical, scientific and business skills of these professions, by giving recognition through accreditation to schools offering programs in the cosmetology arts and sciences, massage or cognate areas which agree to and do maintain high standards of education in one or more fields within NACCAS' scope.
2. To encourage the most advanced practices and techniques in student recruitment and screening, testing procedures, nationally administered aid programs, standards of ethical and professional conduct and other activities and programs designed to advance and improve standards of service to the public in the field of cosmetology arts and sciences, massage and cognate areas.
3. To act as an accrediting agency for those schools and departments of schools providing instruction in cosmetology arts and sciences, massage and cognate areas which serve to supplement the practical, scientific and business skills of these professions, so as to maintain prescribed standards and assure quality programs to students attending said schools, to establish and maintain a national headquarters for the Commission and to fulfill all functions as required in these activities.
4. To cooperate with various organizations representing segments of cosmetology, massage and related industries for the purpose of maintaining and further improving the best interests thereof through education.
5. To engage in such other activities necessary and proper for the accomplishment of these objectives consistent with the public interest and the interest of the fields of cosmetology arts and sciences, massage and cognate areas.

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6. The Commission is organized exclusively for charitable, religious, educational, and scientific 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 1954 (or the corresponding provision of any future United States Internal Revenue Law).
7. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, Commissioners, officers, or other private persons, except that the Commission 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 above.

No substantial part of the activities of the Commission shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Commission 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 the Certificate of Incorporation and the By-Laws, the Commission shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (2) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or corresponding provision of any future United States Internal Revenue Law).

8. Upon the dissolution of the Commission, the Board of Commissioners shall, upon paying or making provision for the payment of all of the liabilities of the Commission, dispose of all assets of the Commission exclusively for the purposes of the Commission 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 an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any United States Internal Revenue Law), as the Board of Commissioners shall determine. Any such assets not so disposed shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.
9. In any taxable year in which the Commission is a private foundation as described in Section 509(a) of the Internal Revenue Code of 1954, the Commission shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Code; and the Commission shall not (1) engage in any act of self-dealing as defined in Section 4941(d) of the Code; (2) retain any excess business holdings as defined in Section 4944 of the Code; or (3) make any taxable expenditures as defined by Section 4945(d) of the Code or corresponding provisions of any subsequent Federal tax laws.
10. To do any and all things necessary and lawful for the accomplishment of the foregoing purposes.

SECTION II

In furtherance of these objects, but not in limitation thereof, the Commission shall have the power:

1. To collect and disseminate data, statistics and other information.

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2. To develop educational standards and business practices for accredited schools.
3. To promote sound accrediting practices and uniform accrediting methods.
4. To disseminate information of an educational character and to analyze subjects relating thereto.
5. To maintain a national office to survey, investigate and endeavor to coordinate all activities of institutional accreditation for the fields of cosmetology arts and sciences, massage and cognate areas which serve to supplement the practical, scientific and business skills of these professions.
6. To make appropriate awards and provide recognition in the field of accreditation for the field of cosmetology arts and sciences, massage and cognate areas that serve to supplement the practical, scientific and business skills of these professions.
7. To engage in any lawful activities that will enhance the efficient and economic progress of the field of accredited education in the cosmetology arts and sciences, massage and cognate areas which serve to supplement the practical, scientific and business skills of these professions, and apprise the public of its scope and character.

ARTICLE III – BOARD OF COMMISSIONERS

SECTION I - Administration

The administration of the Commission shall be vested in a Board of Commissioners (hereinafter called “Commissioners” or “Commission”). The number of Commissioners shall be thirteen (13), but such number may be increased or decreased by amendment to these By-Laws in the manner set forth in [Article XV](#) (see page 246) hereof. When the number of Commissioners is so decreased by the amendment adopted by the Board of Commissioners, each Commissioner in office shall serve until his or her term expires, or until his or her resignation or removal as herein provided.

SECTION II - Representation

The pattern of representation of the Board of Commissioners shall be as follows:

- a) Seven (7) Commissioners representing schools in fields of training within NACCAS’ scope: Of these seven (7) Commissioners, four (4) shall be elected to represent zones as determined by the Commission and three (3) shall be elected in an at-large manner.
- b) Two (2) Commissioners representing professional services operations in fields within NACCAS’ scope.
- c) Two (2) Commissioners who are academics.
- d) Two (2) Commissioners who represent the public interest.

SECTION III - Election of Commissioners

- A. The seven (7) Commissioners representing schools shall be elected as follows: four (4) by zones and three (3) at-large.
- B. The six (6) Commissioners representing the other fields shall be elected by the accredited schools at-large.

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- C. All Commissioners shall be elected in accordance with the election procedure set out in [Article III, Section V](#) (see page 238).

SECTION IV - Eligibility: Qualifications of Commissioners

- A. All Commissioners representing schools in fields of training within NACCAS' scope shall meet the following qualifications:
1. Have a total of at least five (5) years of administrative/supervisory experience in a school accredited by the Commission (of which the experience set forth in subparagraph 2 below may be counted as a part);
 2. Have been active in the day-to-day operation of school(s) accredited by the Commission in an administrative/supervisory capacity for the three (3) years immediately preceding his/her election; and
 3. Have no interest in any institution that has had its accreditation withdrawn (appeal rights exhausted) or which has voluntarily relinquished accreditation while the institution was in withdrawal status, during the past five years.
 4. All Commissioners elected by zones pursuant to [Article III, Section III.A](#) of these By-Laws (see page 236) must be legal residents of a state (or, as applicable, other U.S. territory) in the zone from which they are elected.
 5. In addition, all Commissioners elected by zones pursuant to [Article III, Section III.A](#) of these By-Laws (see page 236) and, at any time, at least one (1) of the Commissioners elected at-large pursuant to [Article III, Section III.A](#) of these By-Laws (see page 234) must:
 - i. Be sole owner of school(s) accredited by the Commission; or
 - ii. With respect to a partnership or a privately held corporation be a person who owns at least a 10% interest in a school(s) accredited by the Commission and have a direct and abiding interest in the performance of the school and the quality of education which it offers. The Nominating Committee shall be vested with the responsibility of determining whether such an interest exists, subject to the review of the full Commission; or
 - iii. Be an officer of a publicly held corporation that owns school(s) accredited by the Commission.
- B. All Commissioners representing professional services in fields within NACCAS' scope shall meet the following qualifications:
1. Be licensed in a field within NACCAS' scope;
 2. Have a total of at least five (5) years of administrative/supervisory experience in a professional service that employs at least one other person licensed in a field within NACCAS' scope (of which the experience set forth in subparagraph 3 below may be counted as a part);
 3. Have been active in the day-to-day operation of the professional service operation in an administrative/supervisory capacity for the three (3) years immediately preceding his/her election;
 4. Not be an owner in full or in part, nor a member of a partnership or a stockholder in a corporation which is the owner of any school offering programs within NACCAS' scope, and not be active in the management of any school offering programs within NACCAS' scope; and
 5. In addition, at any time, at least one (1) of the Commissioners representing professional services in fields within NACCAS' scope must:

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- i. Be sole owner of a professional service operation; or
 - ii. With respect to a partnership or privately held corporation which owns a professional service operation, be a person who owns a sufficient interest in the operation to have a direct and abiding interest in its performance and business success. The Nominating Committee shall be vested with the responsibility of determining whether such an interest exists, subject to review by the full Commission; or
 - iii. Be an officer of a publicly held corporation which owns a professional service operation.
- C. All Commissioners representing the academic field shall meet the following qualifications:
 1. Have expertise and current teaching experience in post-secondary education;
 2. Have knowledge in pedagogy and in the development of curriculum; and
 3. Have experience in school accreditation.
- D. All Commissioners representing the public interest shall meet the following qualifications:
 1. Not be an employee, member of the governing board, an owner in full or in part, nor a member of a partnership or a stockholder in a corporation which is the owner of any school or professional service operation, or consultant to an institution or program offering programs or services in a field within NACCAS' scope, and shall not be active in the operation of any school or professional service operation offering programs or services in a field within NACCAS' scope, whether accredited by NACCAS or not;
 2. Not be a member of any trade association or membership organization related to, affiliated with, or associated with NACCAS; and
 3. Not be a spouse, parent, child, or sibling of an individual identified in sub-clause 1, or 2 of this clause.
- E. No person may serve simultaneously as a member of the Commission and as an officer or member of the Board of Directors of an organization dedicated to the interests of any field within NACCAS' scope. A person holding such other office may be nominated as a Commissioner but, if elected, must immediately tender a resignation from such office to the other organization, such resignation to be effective no later than the commencement of his or her term as Commissioner. A Commissioner-elect may not be seated until such resignation has been tendered.
- F. No two people from the same business entity may serve simultaneously on the Commission.
- G. All members of the Commission shall agree to abide by the NACCAS Code of Ethics as may from time to time be promulgated, and shall refrain from discussing or voting on any action before the Commission or Committee of the Commission that represents a conflict of interest.

SECTION V - Method of Selection of Commissioners

The method of electing and selecting Commission members shall be as follows:

- A. The Commission Chair, with the advice and consent of the Commission, shall appoint a Nominating Committee consisting of at least three (3) seated Commissioners to make recommendations to the Commission regarding replacements for Commissioners whose terms of office will expire.
- B. Choosing a Slate:

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- D. Candidate Qualifications. All candidates for Commissioner shall, as a condition precedent to nomination, document that they meet the requirements set forth in these By-Laws for the category of Commissioner for which they seek nomination.
- E. To the extent practicable, the Nominating Committee shall endeavor to interview the candidates for Commissioner. They shall review and take into consideration information on the nominees, including, if appropriate, the record and status of any accredited school(s) owned by such candidate, and standing with state licensing agencies. The Nominating Committee shall be vested with the responsibility of determining whether candidates in the school owner field have a direct and abiding interest in the performance of the schools and the quality of education they offer, subject to the review of the full Commission.
- F. The Nominating Committee shall, prior to the summer meeting of each year, prepare a single slate of at least two (2) candidates to replace each member of the Commission whose term of office is expiring¹⁴ unless there is only one qualified candidate under Article III, Section IV (see page 237) of these By-Laws seeking such an office, in which case the Nominating Committee may prepare a slate of one.
- G. A list of candidates for each vacancy shall be reported to the Commission at least ten (10) days prior to the summer Commission meeting. The Nominating Committee shall have available at that Commission meeting the resumes and all other pertinent material from all applicants. At that meeting, the Commission shall consider the list of candidates and nominations from the floor. No candidate can be placed on the slate pursuant to a nomination from the floor without an affirmative vote of the majority of Commissioners in attendance and voting. The person who is nominated from the floor shall have agreed in writing to have his or her name placed in nomination and his or her eligibility shall be established prior to the Commission's consideration of such candidacy. The Commissioner placing such name in nomination from the floor shall have the burden of establishing the candidate's desire to run and his or her eligibility.
- H. The candidates for each vacancy receiving the greatest number of votes shall be declared the official nominees.
- C. The Election Process
1. Not later than 10 days following the Commission meeting in which the nominees were selected, the Executive Director shall announce the nominees' names. By November 1 of each year, the Executive Director shall transmit to all accredited schools entitled to vote for Commissioners (i) the official list of nominees and (ii) instructions for formal submission of their votes. If voting is to take place electronically, only votes submitted by November 30 shall be accepted and counted. If votes are to be submitted by paper ballot, only ballots returned with postmarks on or before November 30 and received no later than December 5 shall be counted.
 2. For the purpose of determining accredited schools entitled to vote for Commissioners, the Chair of the Commission shall provide that the list of accredited schools be closed as of October 15.
 3. An independent accounting firm will be selected to supervise the electronic voting process (or to conduct the counting of ballots, as applicable) and tabulate votes for the election of Commissioners. The list of schools eligible to vote in the election will be furnished to the accounting firm by the Executive Director and the results of the voting will be reported by the accounting firm, in an

¹⁴ Terms expire on December 31 of the last year of the term.

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expeditious manner, simultaneously to the most senior officer of the Commission (in the order of priority set forth in [Article VII, Section I](#) (see page 245) of these By-Laws who is not a candidate in such election, to the Chair of the Nominating Committee, and to the Executive Director.

4. Voting by proxy shall not be permitted.
5. The candidate receiving the greatest number of votes for a Commissioner position shall be declared the winner.

SECTION VI - Actions by the Board of Commissioners

- A. All actions by the Board of Commissioners require a simple majority of those present and voting unless otherwise specified.
- B. Any action required by the statutes or these By-Laws to be taken at a meeting of the Commissioners, or any other action that may be taken at a meeting of the Commissioners which may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Commissioners entitled to vote with respect to the subject thereof.
- C. Attendance of a Commissioner at a meeting shall constitute waiver of notice of such meeting, except where a Commissioner attends a meeting with the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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SECTION VII - Terms of Commissioners

- A. Each Commissioner shall be elected for a three-year (3-year) term. Newly elected Commissioners shall take office the first day of the calendar year. Commissioners shall not serve more than two (2) consecutive elected terms. Where a Commissioner has been appointed to fill a vacancy of the Commission, that Commissioner, if eligible under [Article III, Section IV](#) (see page 237) of these By-Laws may subsequently run for office and serve for two (2) consecutive elected terms in addition to his/her original partial term, if the partial term is eighteen (18) months or less in length.

Notwithstanding the foregoing, a Commissioner who is ineligible to serve on account of having served two consecutive terms shall remain ineligible to serve for the three (3) year term immediately following his or her last term of service, but may thereafter, if otherwise qualified, be fully eligible to serve as provided under this Section.

Commissioners who serve a shortened or lengthened term during the period of transition to three-year terms shall be treated as though they had served a three-year term. Currently seated Commissioners may be nominated for a consecutive three-year term, and if elected, will be considered to have served two consecutive terms.

SECTION VIII - Continuing to Qualify and Vacancies in Commission Membership

- A. At each regularly scheduled Commission meeting each Commissioner shall attest that he or she continues to fulfill the qualifications for the category of Commissioner represented. If the Commissioner cannot attest to meeting the qualifications in the category to which he or she was elected he or she shall resign immediately. If the Commission has reasonable cause to believe that a Commissioner does not meet the qualifications, the Commission shall refer the matter to an independent panel pursuant to [Article XX](#) (see page 253) of the By-Laws.
- B. If a school in which a Commissioner holds an ownership interest loses its accreditation (appeal rights exhausted) or voluntarily relinquishes accreditation while the school is in withdrawal status, the Commissioner's position shall be vacated at the same time the appeal is denied, or 20 days after withdrawal, if there is no appeal, or upon voluntary relinquishment; no further vote shall be required.
- C. Any Commissioner who shall have been absent from full attendance at three (3) regular meetings of the Commission (including Committee meetings and Workshops) in any calendar year shall automatically vacate his/her seat on the Commission and the vacancy shall be filled as provided by these [By-Laws](#) (see page 234); however, the Commissioners shall consider each absence of any Commissioner as a separate circumstance, and may expressly waive such absence by affirmative vote of a majority of its members. The Commissioners shall not excuse any late arrival or early withdrawal from a Commission meeting unless the Commissioner seeking to be excused notified the Commission Chair (or Committee Chair, as applicable) and the Executive Director in advance of the meeting of his/her inability to fully attend the meeting (and the reason or such inability) and requested to be excused from full attendance. For purposes of this Section, "late arrival" means arrival more than ten (10) minutes after the scheduled start time of the meeting, and "early withdrawal" means withdrawal prior to the adjournment of the meeting.
- D. In case of any vacancy in the Commission membership, the Chair, with the approval of the Executive Committee, shall appoint a qualified person to fill any unexpired term. Such appointment shall be

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effective only after approval by a majority of the Commissioners either by mail ballot or at a meeting of the Commission.

SECTION IX - Manifestation of Dissent

A Commissioner who is present at a meeting of the Commission at which action on any corporate matter is taken shall be presumed to have assented to the action unless his or her dissent is entered in the minutes of the meeting or unless such Commissioner shall file his/her written dissent by certified mail to the Secretary of the Corporation within ten (10) days after adjournment of the meeting. Such right to dissent shall not apply to a Commissioner who voted in favor of such action.

ARTICLE IV – POWERS AND RESPONSIBILITIES OF THE COMMISSION

The Commission's powers and responsibilities, which are not subject to review by any other body, are enumerated below but not limited thereto:

- A. To establish and promulgate standards for the self-study, evaluation and accreditation of schools and departments of cosmetology arts and sciences, massage and cognate areas. For this purpose, the standards shall include but not be limited to information and investigation within the following areas:
 - 1. Posture
 - 2. Curriculum
 - 3. Clinic
 - 4. Instructional Materials
 - 5. Instructional Staff
 - 6. Instructional Methods
 - 7. Student Personnel Services
 - 8. Space and Facilities
 - 9. Student Recruitment and Admission
 - 10. Tuition, Fees, and Refunds
 - 11. Ownership, Management, and Ethical Operation
 - 12. Financial Responsibility
- B. To provide a schedule of fees that will insure the financial stability of the Commission and manage finances according to the Commission's Investment Policy, appended to these By-Laws.
- C. To receive applications for evaluation from institutions within the Commission's scope of accreditation.
- D. To appoint qualified examiners and provide for comprehensive evaluation procedures.
- E. To provide an appeals process in cases when the Commission takes an adverse action on accreditation, with such process to be specified in the [*Rules of Practice and Procedure*](#) (see page 59).
- F. To ensure that an institution's accredited status is preserved during the pendency of an appeal, and to establish procedures governing the confidentiality of the accreditation process.
- G. To issue a directory of accredited institutions.

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- H. To make available to the public, current information concerning the standards and criteria for accreditation, and the operation of the Commission.
- I. To reevaluate, at reasonable intervals, each accredited institution.
- J. To evaluate federal and state legislative and regulatory or other proposals which affect accrediting agencies in general, or the Commission in particular, and take appropriate action relating thereto consistent with the Commission's tax-exempt status.
- K. To exercise such other powers as are necessary to carry out the functions of the accrediting agency.

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ARTICLE V – MEETING

SECTION I

The annual meeting of the Commission shall be the first meeting of each calendar year at which Commissioners are physically present. Two-thirds of the Commission shall constitute a quorum at the Annual Meeting or any prescribed Commission meeting under [Section II](#) (below).

The agenda of the annual meeting of the Commission shall include receipt of the annual report of the immediate past Commission Chair, Officers and Committees, and the transaction of all other business. The date and place of the annual meeting shall be fixed by the Commission. Notice of such meeting, stating the date, place and time of the meeting, signed by the Secretary, shall be mailed to the last recorded address of each Commissioner at least thirty (30) days before the time appointed for the meeting.

SECTION II

A special meeting may be called by the Commission Chair with approval of the Executive Committee, or at written request to the Chair by any seven (7) Commissioners. All Commissioners shall be notified in writing of each such meeting at least ten (10) days prior to the date of the meeting.

SECTION III

Executive Committee Meetings shall be called by the Chair with at least ten (10) days prior notice to the Executive Committee.

Three (3) members of the Executive Committee shall constitute a quorum.

SECTION IV

If a meeting cannot be organized because a quorum has not attended, then those present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is presented or represented, any business may be transacted that might have been transacted at the meeting as originally called.

SECTION V

All notices shall be deemed to be delivered when deposited in the United States mail addressed as it appears on the records of the Commission with the postage thereon prepaid.

SECTION VI

Whenever any notice whatsoever is required to be given under the provisions of the statutes or under the provisions of the Articles of Incorporation or of these [By-Laws](#) (see page 234), a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

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SECTION VII

The Commission, recognizing the confidential nature of information submitted by institutions and/or obtained by NACCAS from institutions during the processes of becoming accredited, renewing accreditation, or maintaining accreditation, shall act to protect the confidentiality of such information and of the accreditation process. To that end, and except to the extent required by applicable law or regulation (including the Commission's obligations under 34 CFR 602 and/or successor regulations) or to the requirements of applicable legal process, all meetings of the Commission and/or its committees shall be open only to the members of the Commission, the members of such committees and such members of NACCAS staff as the Commission shall determine are necessary to assist the Commission in its accreditation functions and/or the corporate activities of NACCAS. Subject to the foregoing, the Commission may, in its discretion, consider timely-submitted written requests to appear before the Commission at a regularly-scheduled meeting of the Commission solely for the purpose of discussing matters of general relevance to NACCAS and its accredited institutions; provided that the decision to deny any such request shall not be subject to appeal .

ARTICLE VI – MANAGEMENT

SECTION I

The Commission shall establish an administrative office to perform the management functions related to the Commission's work.

SECTION II

The Commission shall employ such executive officers and such other professional staff as is necessary to carry out the work of the Commission.

ARTICLE VII – OFFICERS

SECTION I

The officers of the Commission shall be: Chair, First Vice-Chair, Second Vice-Chair, Secretary, and Treasurer.

SECTION II

The Chair, Vice-Chairs, Secretary and Treasurer shall be elected by the Commission from the members of the Commission, and will have served at least one year on the Commission by the time they take office. The officers shall serve a one-year term commencing January 1 of the calendar year immediately following the meeting at which they are elected. Any officer may serve more than one term.

The election of officers shall be conducted by secret ballot of Commissioners in attendance at the meeting at which the elections are held. In the event that such meeting is by teleconference or other means by which Commissioners may attend without being physically present, the vote shall be conducted by a method (electronic or otherwise) that has been approved in advance of the meeting by vote of the Commission and that (1) permits the casting of secret ballots whose authenticity can be verified, (2) permits nominations from the floor, and (3) permits the vote to be calculated by the chair of the Officer Nominating Committee,

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independently confirmed by the Executive Director (or, in the absence of the Executive Director, by another person selected by the Chair) and announced at the meeting at which the vote takes place. Voting by proxy shall not be allowed. The candidate with the majority of the votes cast shall be declared the winner in each election.

The winner shall be announced by the chair of the Nominating Committee. Ballots shall be available until the count is confirmed, then destroyed.

SECTION III

The Chair, Vice-Chairs, Secretary and Treasurer shall comprise the Executive Committee of the Commission. The Commission Chair shall serve as Chair of the Executive Committee. The immediate past Chair of the Commission shall serve as an ex-officio member of the Executive Committee, provided that the immediate past-Chair is still a member of the Commission. Once seated, the ex officio member of the Executive Committee shall continue to hold that position until replaced by a qualified successor (i.e., a sitting Commissioner who has held the Chairmanship more recently than the ex officio member.)

SECTION IV - Duties of Officers

- A. It shall be the duty of the Commission Chair to preside, to appoint members of standing and ad hoc committees authorized by the Commission, to serve as Chair of the Executive Committee, to call special meetings of the Commission and/or of the Executive Committee pursuant to [Article V](#) (see page 247), to jointly prepare the agenda for such meeting with the Executive Director, to expedite resolution of complaints against commissioners, and to sign all certificates of accreditation.

The Chair shall preside at the meetings of the Commission and shall, at the annual meeting of the Commission and such other times as he or she shall deem proper, communicate to the Commission such matters and make such suggestions as may, in his or her opinion, tend to promote the welfare and increase the usefulness of the Commission, and shall perform such other duties as are necessarily incident to the Office of the Chair of the Commission. He shall sign all contracts entered into by the Commission except where such authority is specifically delegated to another officer or member of the Commission. He/she shall perform all duties pertaining to the office.

- B. In the absence of the Commission Chair, the first Vice-Chair shall preside at Commission meetings. In case of vacancy in the office of Chair, the first Vice-Chair shall succeed at once to the office of Chair and shall serve for the remainder of the term. In the absence of, or in the case of a vacancy in the office of, First Vice-Chair, the second Vice-Chair shall serve in the office for the remainder of the term of office. In the event of a vacancy in the office of the second Vice-Chair, the Chair shall appoint a Commissioner to serve out the balance of the term with the approval of the Commission. The officers shall continue to serve until newly elected officers are designated by the Commission.
- C. The duties of the Secretary of the Commission shall be to act as a recording secretary. The Secretary shall maintain all the records of the Commission. He or she shall be responsible for the minutes of all meetings of the Executive Committee and special or regular meetings of the Commission and perform such other duties as may be required of the Secretary of this Commission. The Secretary may call upon the services of the Executive Office for assistance in carrying out these duties.

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- D. The Treasurer shall be accountable for the fiduciary knowledge of the organization's financial positions. He or she shall be kept abreast of all NACCAS' financial accounting practices and procedures as a nonprofit organization. He or she shall serve as Chair of the Finance Committee. The Treasurer has over-sight of, with the Finance Committee, the Board's review of, and action related to, the Board's financial responsibilities, to include budget, audit, month-end financial statements, and investments.

He or she shall work with the Executive Director and Director of Finance to ensure that appropriate financial reports (to include annual audits) are made available to the Board on a timely basis. He or she shall assist the Executive Director and Director of Finance, in preparing the Executive Director's annual budget and presenting that budget to the Board for approval. He or she shall work with the Finance Committee and the Executive Director to develop Fiscal Policies for recommendation to the Board to ensure the financial integrity and sustainability of the organization, and work with the Finance Committee and the Executive Director to develop long-term financial strategies. He or she shall stay informed of legal, regulatory and sector developments related to the Board's financial responsibilities. The Treasurer may call upon the Executive Director to carry out the foregoing duties in the absence of the Treasurer. The Treasurer may communicate directly with the Director of Finance in order to obtain such information concerning the organization's financial position and accounting practices as may be required to fulfill his/her duties as Treasurer. The Treasurer shall perform all other duties assigned by the Commission.

- E. In the event the office of either Secretary or Treasurer shall become vacant, the Commission Chair, with the advice and consent of the Executive Committee and the Commission, shall appoint another member of the Commission to complete the remainder of the term of office.

SECTION V - Election of Officers

- A. Prior to the final meeting of the Commission in each calendar year, the Chair of the Commission shall appoint a nominating committee of three (3) Commissioners, to be known as the Officer Nominating Committee.

The Officer Nominating Committee shall prepare a slate of only one candidate for each officer position to present at the final Commission meeting in any calendar year. Any committee member who places his/her name under consideration for an officer position must promptly resign from the Officer Nominating Committee and the Chair of the Commission shall appoint a replacement.

At the meeting at which officers are elected, nominations may be made from the floor.

- B. Officers shall be elected by a majority vote of the Commission members in attendance and voting. Any tie shall be put to a re-vote. If this second vote results in a tie, it shall be broken by the vote of the Commissioner chairing the election. This in no way limits the right of the Chair to vote for officers.
- C. The officers of the Commission shall hold office for one calendar year or until their successors are chosen and qualify. Any officer or agent, elected or appointed by the Commission, may be removed by the Commission whenever, in its judgment, the best interests of the Commission will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Commission by death, resignation, removal, or otherwise shall be filled by the Commission.

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ARTICLE VIII – DUTIES OF COMMITTEES

SECTION I

The Executive Committee shall implement Commission policies and transact the business of the Commission during the intervals between meetings, as determined by the policies and directives of the Commission.

SECTION II

The Commission shall have Standing and Ad Hoc Committees that are responsible to the entire Commission in the performance of their assigned duties. The specific duties of all Committees shall be determined by the Executive Committee and shall be approved by the full Commission. The Commission may increase or decrease the number of Committees at any time. Ad Hoc Committees shall be promptly discharged when their functions have been performed.

SECTION III

Appeal Review Panels shall be constituted according to procedures set out in the [Rules of Practice and Procedure](#) (see page 133). They shall not be considered committees of the Commission.

SECTION IV

The Commission shall have a standing Committee on Re-recognition including at least two former Commissioners, if available, who, while members of the NACCAS Board of Commissioners, served on a Committee on Re-Recognition, to make recommendations to the full Commission on issues related to Re-Recognition by the Secretary of Education.

SECTION V

Committees shall present recommendations to the full Commission, but shall not have the authority to grant or deny any accreditation status to any institution or to formulate policy. No Committee of the Commission, individual Commissioner, or group of Commissioners has the authority to override a decision of the full Commission.

ARTICLE IX – DUTIES OF THE COMMISSION EMPLOYED PERSONNEL

The duties of the executive officer(s) employed by the Commission will be determined by the Executive Committee and approved by the Full Commission.

ARTICLE X – COMPENSATION

Any member of the Commission, including officers, and any committee member, with the approval of the Commission may be reimbursed for any reasonable expenses incurred in connection with the performance of the Commission's duties properly delegated to him or her. Any member of the Commission or employee may be otherwise compensated for performance of duties if the Board shall so determine.

ARTICLE XI – ACCREDITATION STANDARDS AND PROCEDURES

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The Commission shall approve the standards and criteria for evaluation to be applied and the procedures to be followed in securing all data necessary for consideration of the qualification for accreditation or continuation of accreditation of an applicant school. Such Standards and Criteria and such procedures shall be set forth by the Commission and the Commission shall complete a comprehensive review of the standards and procedures at least every five years with involvement by persons, institutions, and organizations affected by or with an interest in the quality of education in any field within NACCAS' scope and postsecondary education, and the Commission shall carry out internal reviews of selected Standards and Criteria and the procedures at least once a year and make any revisions that it deems desirable and necessary to assure the standards and procedures are sufficiently rigorous to ensure that an institution which is granted accredited status provides a quality education to its students.

ARTICLE XII – EXEMPT ACTIVITIES

Notwithstanding any other provisions of these By-Laws, no Commissioner, officer, employee or representative of this Commission shall take any action or carry on any activity by or on behalf of the Commission not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such code and regulations as they now exist or as they may hereafter be amended.

ARTICLE XIII – PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No Commissioner, officer, or employee of, or member of a committee, or person connected with the Commission, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Commission, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Commission in effecting any of its purposes as shall be fixed by the Commission; and such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Commission. All members of the Commission shall be deemed to have expressly consented and agreed that upon dissolution or winding up of the affairs of the Commission, whether voluntary or involuntary, the assets of the Commission, after all debts have been satisfied, then remaining in the hands of the Commission, shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as the Commission may determine or as may be determined by a court of competent jurisdiction upon application of the Commission, exclusively to charitable, religious, scientific, testing for public safety, literary or educational organizations which would qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE XIV – OPERATIONS AND FISCAL YEAR

The operational and fiscal year of the Commission shall be from July 1, through June 30, of each calendar year.

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ARTICLE XV – AMENDMENTS

SECTION I

Amendments, alterations, or repeal of these By-Laws, either in whole or in part will be effective only by a two-thirds (2/3) vote of the Commissioners present and voting at any duly organized meeting of the Commission, regular or special, provided the proposed changes have been published for comment to all accredited schools and filed with the Secretary at least thirty (30) days in advance of the meeting date and a notice of such amendments with a copy thereof, shall have been mailed to the Commissioners not less than thirty (30) days in advance of such meeting at which it is considering the change. Once a vote has been taken on a proposed amendment and has been defeated, it shall not be re-considered at a future meeting without the required comment period and notice.

SECTION II

Amendments or alterations to these By-Laws shall go into effect on the first day of January of the year following adoption of the amendment, unless the Commission specifies an earlier effective date.

ARTICLE XVI – MISCELLANEOUS PROVISIONS

SECTION I - Rules of Order

The order of business at all meetings of the Commission and the Commissioners shall be governed by *Robert's Rules of Order*.

Any questions as to priority of business shall be decided by the Chair without debate in accordance with *Robert's Rules of Order*.

SECTION II - Corporate Seal

The official seal of the Commission shall have inscribed thereon the name of the Commission and the date of incorporation and shall be in such form and contain such other words and/or figures as the Commission shall determine, and the uses of the seal shall be those prescribed by the Commission.

SECTION III - Effective Date

These By-Laws were duly adopted by a unanimous vote of the members of the Commission present at a meeting held in Salt Lake City, Utah on May 24-27, 1981 after thirty (30) days' appropriate notification, and are effective as of May 27, 1981.

ARTICLE XVII – INDEMNIFICATION

SECTION I

To the extent not inconsistent with Delaware law, from time to time, this Commission shall indemnify any person who was or is threatened to be made a party 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 Commission) by reason of the fact that he or she is or was a Commissioner, officer, employee or agent of this

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Commission, or is or was serving at the request of the Commission as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprises against expenses (including attorney's 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 this Commission, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or 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 reasonably believed to be in or not opposed to the best interests of this Commission, and with respect to criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION II

This Commission shall 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 or in the right of this Commission to procure a judgment in its favor by reason of the fact that he or she was or is a Commissioner, officer, employee, or agent of this Commission, or is or was serving at the request of this Commission as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in and not opposed to the best interests of this Commission and except that no indemnification shall be made in respect to 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 this Commission unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION III

To the extent that a Commissioner, officer, employee or agent of this Commission has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections [I](#), see page 250 and [II](#), see above or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection herewith.

SECTION IV

Any indemnification under Sections [I](#), see page 250 and [II](#), see above (unless authorized by a court) shall be made by this Commission only as authorized in the specific case upon a determination that indemnification of the Commissioner, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Sections [I](#), see page 250 and [II](#), see above. Such determination shall be made (1) by the Commissioners by a majority vote of a quorum consisting of Commissioners who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable a quorum of disinterested directors so direct, by independent legal counsel in a written opinion.

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SECTION V

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by this Commission in advance of the final disposition of such action, suit or proceeding as authorized by the Commissioners in the manner provided above upon receipt of an undertaking by or on behalf of the Commissioner, officer, employee or agent to repay such amount unless it shall be ultimately determined that he or she is entitled to be indemnified by this Commission as authorized by this resolution.

SECTION VI

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Law, agreement, vote of disinterested Commissioners 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 Commissioner, officer, employee or agent and shall inure to the benefit of heirs, executors, and administrators of such a person.

ARTICLE XVIII – CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION I - Contracts

The Commission may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of the Commission on behalf of the Commission, and such authority may be general or confined to specific instances.

SECTION II - Loans

No loans shall be contracted on behalf of the Commission and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Commission. Such authority may be general or confined to specific instances.

SECTION III - Checks, Drafts, etc.

Checks, drafts, or other indebtedness issued in the name of the Commission shall be signed by such officer or officers, or agent or agents, of the Commission as shall be determined by resolution of the Commission. Such authority may be general or confined to specific instances.

SECTION IV - Deposits

All funds of the Commission not otherwise employed shall be deposited from time to time to the credit of the Commission in such banks, trust companies, and other depositories as the Commission may select.

ARTICLE XIX

In the event any officer or appointee named by the Commission shall become a member of or sit with another body for the purpose of representing the Commission or expressing the view of the Commission, or observing the deliberation of such body on behalf of the Commission, the opinion, advocacy, support, or endorsement of

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such officer or appointee regarding any policy of such body shall not be binding upon the Commission without ratification by the full Commission, which shall have sole authority.

ARTICLE XX – COMPLAINTS AGAINST THE COMMISSION OR COMMISSIONERS

SECTION I. Subject to the applicable provisions of the *Rules of Practice and Procedure* established pursuant to [Section V](#) (see below) of this Article, the Commission will accept and review complaints regarding the conduct of the Commission or a Commissioner that allege (i) a violation the NACCAS Code of Ethics; or (ii) a violation of due process.

SECTION II. To be accepted and reviewed, complaints must be submitted in a timely manner and pursuant to the applicable provisions of the *Rules of Practice and Procedure* established pursuant to [Section V](#) (see below) of this Article.

SECTION III. Complaints not conforming to Sections [I](#) or [II](#) (see above) of this Article shall be dismissed. Complaints conforming to Sections [I](#) and [II](#) (see above) of this Article shall be referred to an Independent Panel for adjudication. The Independent Panel shall be selected in accordance with the applicable provisions of the *Rules of Practice and Procedure* established pursuant to [Section V](#), see below, of this Article.

SECTION IV. The Independent Panel shall take one of the following actions:

1. Dismissal of the complaint;
2. Reprimand;
3. Order Attendance at a training or counseling seminar related to the offense by the complainant, the complained-against Commissioner, or both;
4. In the case of a complaint against an individual Commissioner, order the complained-against Commissioner to remedy or resolve the condition giving rise to the complaint; or
5. Removal from the Board of Commissioners of either the complainant, complained-against Commissioner, or both.

Where the Independent Panel has determined that (i) the allegations of the complaint have been substantiated or (ii) the complaint was filed vexatiously, the action taken by the Independent Panel shall be final and unappealable.

SECTION V. The Commission shall adopt *Rules* as required to implement this Article.