

# NASH

NATIONAL ASSOCIATION OF SYSTEM HEADS

## Articles of Incorporation and Association By-Laws, Adopted November 2012

### ARTICLES OF INCORPORATION OF NATIONAL ASSOCIATION OF SYSTEM HEADS

We, the undersigned natural persons of the age of eighteen years or more, acting as incorporators of a corporation, adopt the following Articles of Incorporation for such corporation pursuant to the District of Columbia Nonprofit Corporation Act (D.C. Code, Title 29, Chapter 3):

#### ARTICLE I

##### Name

The name of the corporation is the NATIONAL ASSOCIATION OF SYSTEM HEADS (hereinafter the "Corporation").

#### ARTICLE II

##### Duration

The period of duration of the Corporation is perpetual.

#### ARTICLE III

##### Purposes

The purposes for which the Corporation is organized and operated are to engage exclusively in such charitable and educational activities as enable it to qualify for exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code (hereinafter referred to as the "Code"). More specifically, such purposes include, but are not limited to, the following:

A. To advance the effectiveness of public multicampus systems of postsecondary education in the United States and Puerto Rico;

B. To serve as a forum for the exchange of information and perspectives relating directly or indirectly to the administration and leadership of systems of higher education;

C. To work to maximize opportunities and to resolve common problems in higher education;

D. To improve the effectiveness of multicampus systems in meeting public needs for higher education, and

E. To do any and all lawful acts that may be necessary, useful, suitable or proper for the furtherance or accomplishment of the purposes of the Corporation.

In furtherance of the above and other related purposes, the Corporation shall have the power to exercise all power and authority granted to it under the District of Columbia Nonprofit Corporation Act, or otherwise, including, but not limited to, the power to (i) accept donations of money or property, whether real or personal, or any interest therein, wherever situated, (ii) maintain control and discretion over the use of funds received by the Corporation, and (iii) monitor the use of funds made available by the Corporation to assure that the funds are used in conformity with the intended purposes.

## **ARTICLE IV**

### **Non-stock, Tax-exempt**

The Corporation shall not have the authority to authorize or issue shares of stock. No part of the assets or net earnings current or accumulated of the Corporation shall at any time inure to the benefit of, or be distributable to its directors, officers or other private persons, within the meaning of the prohibition contained in Section 501(c)(3) of the Internal Revenue Code or any successor law or regulations, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof.

## **ARTICLE V**

### **Members**

The Corporation shall have one class of members, unless otherwise determined by the Board. Members shall nominate and elect the members of the Board. Membership is confined to chief executive officers of public multi-campus systems, defined as two or more colleges or universities, each having substantial autonomy and headed by a chief executive or operating officer, all under a single governing board which is served by a system chief executive officer who is not also the chief executive officer of any of the system's institutions. Such a system is to be distinguished from a "flagship" campus with branch campuses, and also from a group of campuses or systems, each with its own governing board, that is coordinated by some state body.

### **Directors**

The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have all powers necessary or appropriate for the administration of the affairs of the Corporation and may perform all acts in furtherance thereof as are not forbidden to the Directors by law, these Articles of Incorporation or the Bylaws. The manner of election or appointment of the Board of Directors shall be as provided in the Bylaws of the Corporation. The number of members of the Board of Directors shall be set in the manner provided in the

Bylaws.

## **ARTICLE VI**

### Bylaws

The internal affairs of the Corporation shall be regulated by the Bylaws, and the Board of Directors shall supervise the management of the business and affairs of the Corporation in accordance with the Bylaws. The initial Bylaws shall be adopted by the Board of Directors hereinafter named. The power to amend or repeal the Bylaws shall be provided for in the Bylaws.

## **ARTICLE VII**

### Limitation on Personal Liability

The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by the District of Columbia Nonprofit Corporation Act, as the same exists or may hereafter be amended. No amendment or repeal of this paragraph shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any act or omission on the part of such director occurring prior to such amendment or repeal.

The private property, both real and personal, of the members of the Board of Directors and the officers of the Corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

## **ARTICLE VIII**

### Indemnification

The Corporation shall have the power to indemnify its directors, officers, employees and agents, and such other persons as may be designated in the Corporation's Bylaws, to the fullest extent permitted by the District of Columbia Nonprofit Corporation Act, as the same exists or may hereafter be amended.

## **ARTICLE IX**

### Limitations on Activity

At all times, notwithstanding merger, consolidation, reorganization, termination, dissolution or winding up of the Corporation, voluntary or involuntary or by operation of law, and notwithstanding any other provision of these Articles:

A. The Corporation shall not possess or exercise any power or authority, or engage directly or indirectly in any activity, that will or might prevent it at any time from qualifying and continuing to qualify as a corporation described in Code Sections 501(c)(3) and 170(c)(2), contributions to which are deductible for federal income tax purposes under Code Section 170(a)(1);

B. No part of the assets or net earnings of the Corporation shall be used, nor shall the Corporation be organized or operated, for purposes that are not exclusively charitable, educational and scientific within the meaning of Code Section 501(c)(3);

C. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation except to the extent permitted by Code Sections 501(c)(3) and (h), and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

D. Pursuant to the prohibition contained in Code Section 501(c)(3), no part of the net earnings of the Corporation shall ever inure to the benefit of or be distributable to its members, directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III above; and

E. Notwithstanding any other provision of these Articles, if at any time or times the Corporation is a private foundation within the meaning of Code Section 509, then during such time or time:

(1) the Corporation shall not engage in any act of self-dealing as defined in Code Section 4941;

(2) the Corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the Corporation to the tax on undistributed income imposed by Code Section 4942;

(3) the Corporation shall not retain any excess business holdings (as defined in Code Section 4943(c)) which would subject the Corporation to tax under Code Section 4943;

(4) the Corporation shall not make any investments or otherwise acquire assets in such manner so as to subject the Corporation to tax under Code Section 4944; and

(5) the Corporation shall not make any taxable expenditures as defined in Code Section 4945.

## **ARTICLE X**

### **Dissolution**

Upon dissolution of the Corporation, the Board of Directors shall:

A. Pay or make provision for the payment of all of the Corporation's liabilities;

B. Return, transfer, or convey (or make provision therefor) all assets held by the Corporation upon condition requiring such return, transfer or conveyance in the event of dissolution of the Corporation;

C. Rebate any remaining dues paid by members of the organization to those members; and

D. Distribute the Corporation's remaining assets, as the Board of Directors shall determine, to one or more organizations that shall qualify for exemption under Code Section 501(c)(3) with a mission that is compatible with those of the Corporation, or to the federal government, or to a state or local government, or instrumentally thereof, for a public purpose. In no event shall any of such assets or property be distributed to any director or officer or any private individual.

## ARTICLE XI

### Definitions

As used in these Articles, the terms "Internal Revenue Code" and "Code" mean the United States Internal Revenue Code of 1986, as amended, and a reference to a provision of that code shall be deemed to indicate the corresponding provision of any future United States Internal Revenue law.

## ARTICLE XII

### Registered Office and Registered Agent

The address of the Corporation's initial registered office is 1250 H Street, NW, Suite 700 Washington, DC 20005. The name of the Corporation's initial registered agent, whose business office is identical with such registered office, is Jane V. Wellman.

## ARTICLE XIII

### Initial Board of Directors

The number of directors constituting the initial Board of Directors is nine (9). The initial directors shall serve until the first annual meeting of the Board of Directors or until their successors are elected and qualified. The names and addresses of the persons who are to serve as the initial directors are:

**Kevin P. Reilly**, Chairman  
President, University of Wisconsin System  
1720 Van Hise Hall  
1220 Linden Drive  
Madison, WI 53706

**John Cavanaugh**, Vice-Chairman  
Chancellor, Pennsylvania State System of Higher Education  
Dixon University Center  
2986 North Second Street  
Harrisburg, PA17110-1200

**John Morgan**, Secretary-Treasurer

Chancellor, Tennessee Board of Regents  
1415 Murfreesboro Road, Suite 350  
Nashville, TN 37217

**Francisco Cigarroa**  
Chancellor, University of Texas System  
O. Henry Hall, Rm 404  
601 Colorado Street  
Austin, TX78701-2982

**Renu Khator**  
Chancellor/President  
University of Houston System  
4800 Calhoun  
Houston, TX77204-2162

**William E. (Brit) Kirwan**  
Chancellor, University System of Maryland  
3300 Metzert Road  
Adelphi, MD 20783

**Jack Warner**  
Executive Director  
South Dakota Board of Regents  
306 East Capitol Avenue, Suite 200  
Pierre, SD57501-2545

**Nancy Zimpher**  
Chancellor, State University of New York  
State University Plaza  
Albany, NY12246-0001

**Jane V. Wellman**  
Executive Director, NASH  
1250 H Street, NW, Suite 700  
Washington, DC 20005

**BYLAWS**

**OF**

**NATIONAL ASSOCIATION OF SYSTEM HEADS**

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**NATIONAL ASSOCIATION OF SYSTEM HEADS**

**ARTICLE I**  
*Name and Offices*

1.01 Name. The name of the Corporation is the National Association of System Heads, hereinafter referred to as the “Corporation.”

1.02 Location. The principal office of the Corporation shall be located within or without the District of Columbia, at such place as the Board of Directors shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board of Directors may designate. The Corporation shall continuously maintain within the District of Columbia a registered office at such place as may be designated by the Board of Directors.

**ARTICLE II**  
*Board of Directors*

2.01 Power of Board. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors.

2.02 Number of Directors. The number of directors shall be not less than seven and no more than nine. The number of directors may be increased or decreased by the affirmative vote of at least two-thirds of the members of the Board of Directors then in office. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director. The members of the Board of Directors named in the organizational resolutions of the Corporation shall serve until their successors are elected or appointed, as applicable, and qualified. The officers shall be elected from and by the members at the annual meeting and shall serve for two-year terms. Officers shall be eligible to be elected to serve for successive two-year terms.

2.03 Qualifications of Directors. Directors shall be recruited from individuals who are serving or who have served as the Chief Executive Officer of a public multi-campus system of higher education. A Chief Executive is defined as the person responsible for system-wide management and who reports directly to the governing board for the system. A governing board is defined as the body with the authority to appoint campus presidents or chancellors.

2.04 Terms of Office for Members of the Board of Directors. Board members shall be elected to serve for two-year terms. Board members may be eligible to serve for successive two-year terms.

2.05 Nominations and Elections to the Board of Directors. There shall be a Nominating Committee, chosen by the President and on which shall serve a Past President, if there be one. The Nominating Committee shall solicit suggestions from the members of the Corporation and thereafter shall select a slate of nominations for members and officers of the Board of Directors. The Nominating Committee shall notify the members of the Corporation of the slate of nominees at least thirty days before the date of the annual meeting at which the members of the Corporation will elect such officers and members of the Board. The Nominating Committee shall conduct and supervise the election of officers and members of the Board and report election results to the President, who shall announce the results.

2.06 Vacancies and Newly Created Directorships. In the event a position on the Board of Directors becomes vacant, the vacancy shall be filled by majority approval of all of the members of the Board of Directors then in office. A director elected to fill the vacancy shall hold office for the unexpired term of his predecessor in office and until his or her successor is appointed or elected, as appropriate.

2.07 Removal of Directors. Any member of the Board of Directors may be removed and replaced at any time with or without cause by majority approval of the members.

2.08 Resignations. Any director may resign at any time upon written notice to the Board of Directors. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

2.09 Quorum of Directors and Actions of the Board. Unless a greater proportion is required by law or by the Articles of Incorporation or these Bylaws, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business. Unless a greater vote is required by law or by the Articles of Incorporation or these Bylaws, the vote of a majority of the entire Board of Directors shall be the act of the Board. Each director shall be entitled at every meeting of the Board of Directors to one vote. If a meeting cannot be organized because a quorum is not present, those present may adjourn the meeting from time to time until a quorum is present, when any business may be transacted that may have been transacted at the meeting originally called.

2.10 Meetings of the Board. Meetings of the Board of Directors, regular or special, may be held at such place within or without the District of Columbia, and upon such notice as may be prescribed by resolution of the Board of Directors. A director's attendance at any meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by the director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of waiver of such meeting.

2.11 Action by Directors Without a Meeting; Meetings by Conference Telephone. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action

required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the directors shall be filed with the minutes of the proceedings of the Board.

Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any one or more members of the Board of Directors may participate in any regular or special meeting of the Board or a committee of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting.

2.12 Compensation of Directors. The Corporation shall not pay any compensation to directors for services rendered to the Corporation, except that directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

### **Article III: Annual Meeting of Members**

3.1 There shall be an annual meeting of all members at a time and location chosen by the Board of Directors. Special meetings of the membership may be called by the President, the Board of Directors, or upon filing with the Secretary-Treasurer of a petition signed by ten members of the Association.

3.2 A majority of votes cast by the members at the annual or any special meeting where a quorum is present shall be sufficient for the passage of a motion or resolution and for the election of members of the Board of Directors. Votes may be made in person or by written or electronically communicated proxy.

3.3 A quorum of the members of the Corporation shall consist of not fewer than five of the members. Participation by telephone or video shall count toward a quorum.

### **ARTICLE IV** *Officers*

4.01 Officers. The officers of the Corporation shall be the Chair, the Vice Chair, and the Secretary-Treasurer, each of whom shall be a voting member of the Board of Directors. The Board of Directors may elect or appoint other such officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. The Executive Director of the Corporation shall also be an officer and voting member of the Board.

4.02 Term of Office, Vacancies and Removal. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and

filled at any meeting of the Board of Directors. Each officer shall hold the office until a successor shall have been duly elected. Vacancies resulting from any resignation or removal may be filled by the Board of Directors. An officer appointed or elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor in office, and until his or her successor is elected and qualified. Any officer may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby; provided, however, that removal of an officer shall be without prejudice to his or her contract rights, if any, and the election or appointment of an officer shall not of itself create contract rights.

4.03 Resignation. Any officer may resign at any time by giving written notice to the Corporation. Unless otherwise specified in the written notice, the resignation shall be effective upon delivery to the Corporation.

4.04 Powers and Duties of Officers. Subject to the control of the Board of Directors, all officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws or by resolution of the Board and, to the extent not so provided, as generally pertain to their respective offices.

A. Chairman. The Chairman shall in general supervise and control the business and affairs of the Corporation, and shall chair meetings of the Board of Directors.

B. Vice Chair. In the absence of the Chairman, or in the event of his or her inability or refusal to act, the Vice Chair (or in the event that there be more than one Vice Chair, Vice Chairs in the order of their election) shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. Any Vice Chair shall perform such other duties as from time to time may be assigned by the Chair of the Board of Directors.

C. Secretary-Treasurer. The duties and responsibilities of the Secretary-Treasurer shall be to keep or have kept an accurate record of all meetings, to serve as the custodian of all official records, to give or cause to be given all notices in accordance with these Bylaws or as required by law, and, in general, to perform all duties customary to the office of Secretary-Treasurer. Whenever required by the Board of Directors, the Secretary-Treasurer shall render a statement of accounts. He or she shall at all reasonable times exhibit the books and accounts to any officer or director of the Corporation, and shall perform all duties incident to the office of Treasurer, subject to the supervision of the Board of Directors, and such other duties as shall from time to time be assigned by the Board of Directors. The Secretary-Treasurer shall, if required by the Board of Directors, give such bond or security for the faithful performance of his or her duties as the Board of Directors may require, for which the Secretary-Treasurer shall be reimbursed.

4.05 Agents and Employees. The Board of Directors may appoint agents, employees, and independent contractors who shall have such authority and perform such

duties as may be prescribed by the Board. The Board may remove any agent, employee, or independent contractor at any time with or without cause. Removal without cause shall be without prejudice to such person's contract rights, if any, and the appointment of such person shall not itself create contract rights.

4.06 Executive Director. The Board of Directors shall appoint an Executive Director who shall be the principal executive officer of the Corporation and shall in general supervise and control the business and affairs of the Corporation. The Executive Director is an officer of the Corporation and a voting member of the Board of Directors. As such, the Executive Director may sign checks and contracts, provided, however, that checks in an amount in excess of \$20,000 shall require the signature of both the Executive Director and the Secretary-Treasurer.

4.07 Compensation of Officers, Agents and Employees. The Corporation may pay compensation in reasonable amount to officers, agents and employees for services rendered such amount to be fixed by the Board or, if the Board delegates power to any officer or officers, then by such officer or officers. The Board may require officers, agents or employees to give security for the faithful performance of their duties.

## **ARTICLE V** ***Miscellaneous***

5.01 Fiscal Year. The fiscal year of the Corporation shall begin January 1, unless another fiscal year is established by resolution of the Board of Directors.

5.02 Checks, Notes, Contracts. The Board of Directors shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments.

5.03 Books and Records. The Corporation shall keep at its office correct and complete books and records of account, the activities and transactions of the Corporation, minutes of the proceedings of the members, the Board of Directors and any committee having the authority of the Board, and a record of the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member having voting rights, or his agent or attorney, for any proper purpose at any reasonable time.

5.04 Amendments of Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation may be amended in whole or in part by the affirmative vote of a majority of the members of the Board in accordance with procedures set forth in the Act. The Bylaws of the Corporation may be adopted, amended or repealed in whole

or in part by the affirmative vote of at least two-thirds of the members of the Board of Directors except as otherwise stated in the Articles of Incorporation or these Bylaws, or as required by law.

5.05 Merger, Consolidation or Sale. A plan of merger or consolidation of the Corporation and/or the sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, of the property and assets of the Corporation shall require the affirmative vote of at a majority of the members of the Board of Directors.

5.06 Dissolution. The duration of the existence of the Corporation shall be perpetual, subject to the right of the Board of Directors to dissolve the Corporation by the affirmative vote of at least one half of the members of the Board in accordance with procedures set forth in the Act.

5.07 Indemnification and Insurance. Unless otherwise prohibited by law, the Corporation shall indemnify any director or officer, any former director or officer, any person who may have served at its request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not-for-profit, and may, by resolution of the Board of Directors, indemnify any employee or agent against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative, or investigative, to which such person may be or is made a party by reason of being or having been such director, officer, employee or agent. However, there shall be no indemnification in relation to matters as to which such person shall be adjudged in such claim, action, suit, or proceeding to be guilty of a criminal offense or liable to the Corporation for damages arising out of such person's own negligence or misconduct in the performance of a duty to the Corporation.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such person. The Corporation may advance expenses to, or where appropriate may itself, at its expense, undertake the defense of, any director, officer, employee or agent; provided, however, that such director, officer, employee or agent shall undertake to repay or to reimburse such expense if it should be ultimately determined that such person is not entitled to indemnification under this Article.

The provisions of this Article shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after adoption hereof.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which such director, officer, employee or agent may be entitled under any

statute, Bylaw, agreement, vote of the Board of Directors, or otherwise and shall not restrict the power of the Corporation to make any indemnification permitted by law.

The Board of Directors may authorize the purchase of insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against or incurred by him in any such capacity, or which arises out of such person's status as a director, officer, employee, or agent, whether or not the Corporation would have the power to indemnify such person against that liability under law.

In no case, however shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under chapter 42 of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended ("the Code"). Further, if at any time the Corporation is deemed to be a private foundation within the meaning of § 509 of the Code, then, during such time, no payment shall be made under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in §§ 4941(d) or 4945(d), respectively, of the Code.

If any part of this Article shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

5.08 Loans to Directors and Officers. No loans shall be made by the Corporation to its directors or officers.

5.09 Notice. To the extent the Act is amended or modified or interpreted as a matter of law to prescribe, authorize or permit notices or voting or taking action by consent by other means, including electronic mail, the Corporation shall be authorized to prescribe, authorize and permit notice and voting by such means without any further action by the Corporation or the Members.

5.10 Parliamentary Authority. The rules contained in the current edition of Robert's Rules of Order shall govern the Corporation in all cases in which they are not inconsistent with the Articles of Incorporation, these Bylaws, or governing law.