



ELLIS UNIVERSITY BYLAWS

Name and Principal Offices

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BYLAWS

ELLIS UNIVERSITY

NAME AND PRINCIPAL OFFICE

- NAME: The name of the not-for-profit corporation is “Ellis University, Inc.” (referred to herein as the “University” or “Corporation”).
- OFFICE: The principal office of this University shall be at: 111 North Canal Street, Suite 380, Chicago, Illinois, 60606.
- OFFICE CHANGE: The Board of Trustees (“Board”) may change the principal office from one location to another.

PURPOSE

- PURPOSE: The purpose of Ellis University is to educate students so that they can contribute to their professions and communities through education. Ellis is a learner--centered University dedicated to connecting learner needs with institutional resources to create and communicate knowledge through a variety of programs, delivery methods, and technologies.

ARTICLE I. BOARD AUTHORITY AND RESPONSIBILITIES

Section 1. Statutory Duties and Responsibilities. Pursuant to the Revised Statutes of the State of Illinois, the governance of Ellis University is ultimately vested in the board of trustees. These bylaws and other board policy statements shall take precedence over all other institutional statements, documents, and policies. As such, the board shall

- Determine and periodically review the university’s mission and purposes.
- Appoint and remove, when deemed necessary, the president, who shall be the university’s chief executive officer. Set appropriate terms of employment, including compensation.
- Establish the terms of employment of other key institutional officers who serve at the pleasure of the president (in consultation with the board as may be appropriate).
- Support the president and annually assess his or her performance based on mutually agreed upon goals and other criteria.
- Determine broad policy guidelines for the appointment of faculty and staff, on

the recommendation of the president, and consistent with other University policies.

- Review and approve proposed substantive changes in the university's academic programs.
- Approve the annual budget, set tuition and fees, and regularly monitor the university's financial condition.
- Establish policy guidelines affecting all institutional assets, including investments and the technological and physical plant.
- Approve institutional policies bearing on faculty appointment, promotion, tenure, and dismissal as well as personnel or antidiscrimination policies for other categories of employees.
- Authorize, as limited by the Articles of Incorporation, the incurring of debts by the University and securing thereof by mortgage and pledge of real and personal property, tangible and intangible.
- Authorize by two-thirds vote of the members of the board present the issuing of bonds, notes or other debt obligations for the construction, expansion, renovation and acquisition of buildings, equipment and property (unrestricted endowments and other unrestricted assets may be pledged as security for such projects).
- Approve the annual budget and tuition and fees, regularly monitor the university's financial condition, and establish policy guidelines affecting all institutional assets, including investments and the physical plant.
- Set policy governing fundraising for and charitable gifts to the institution.
- Adopt bylaws, rules, and regulations for the governance of its members, officers, agents, and employees and require adherence to such rules.
- Approve the university's structure as recommended by the president as well as major academic programs and services needed for the successful conduct of its mission and purposes.
- Grant diplomas and confer earned and honorary degrees based upon the recommendation of the president and faculty.
- Periodically assess board performance.
- Approve such policies that protect academic freedom and contribute to the best possible environment for the faculty to teach, pursue their scholarship, and perform public service.
- Serve actively as advocates for the university in appropriate matters of public policy in consultation with the president and other responsible parties as the board shall determine.
- Elect new members to the Board of Trustees. A Trustee candidate is elected to the Board of Trustees by a majority of the trustees attending the meeting.
- Exercise such other authority as from time to time may be conferred upon the board in accordance and compliance with the applicable laws and regulations of the State of Illinois.

Section 2. Trustee Duties and Responsibilities. Recognizing the significance of serving on the Board of Trustees of Ellis University, each trustee shall adhere to the following principles:

- To remember that no individual board member has legal standing or authority to act on behalf of the board or the university. Only the full board as a corporate body is vested with such authority, though the board chair ordinarily is entitled to “speak for” the board, and the president is entitled to “speak for” the university consistent with board policies and actions.
- To ensure transparency to the University community and the general public. At a minimum, the following shall be posted to the public website of the institution: articles of incorporation, university bylaws, trustee biographies, tax filings, list of vendors and the services they provide to the institution, board agendas and approved minutes and other pertinent governance documents.
- To become familiar with, committed to, and abide by the board’s responsibilities and policies, as set in the bylaws of Ellis University.
- To accept and defend academic freedom and the practice of collaborative governance as fundamental characteristics of good university governance.
- To assist the board in its efforts to balance its responsibilities in serving its broad public trust with advocacy for the university’s needs to fulfill its mission and purposes.
- Serve actively as advocates for the university in appropriate matters of public policy in consultation with the president and other responsible parties, as the board shall determine.

ARTICLE II MEMBERSHIP OF THE BOARD OF TRUSTEES

Section 1. Ellis University’s Board of Trustees when fully constituted consists of at least nine and no more than 15 voting members, of which at least two shall be alumni of the University and at least seven shall be members-at-large. Trustees shall be elected to staggered three-year terms, The President of the University and the President of the Faculty Senate serve as ex-officio members of the board of trustees.

Section 2. New trustees and incumbent members of the board of trustees who are eligible for reelection normally shall be elected at the board’s first regular meeting after the beginning of the fiscal year by a majority of the trustees then in office. Any unfulfilled term may be filled through a special election at any regular meeting of the board of trustees.

Section 3. Trustees shall serve for three-year terms and shall be eligible for reelection to a maximum of three full consecutive terms. Trustees who have served for nine consecutive years (exclusive of any partial term) shall be eligible for reelection following a one-year hiatus. The four board officers shall be exempt from this provision until at least one year has passed following completion of their term of office or until the nominating and governance committee determines otherwise.

Section 4. All trustees serve at the pleasure of the board. A trustee may be removed from office by an affirmative vote of two-thirds of the trustees.

Section 5. The nominating and governance committee shall recommend candidates for election or reelection to the board through procedures adopted by the board. A slate of candidates, with biographical information for each prospective trustee candidate, shall be provided to all trustees before the regular meeting of the board of trustees at which an election is scheduled.

ARTICLE III. OFFICERS OF THE UNIVERSITY

Section 1. President of the University. The president of the university shall be appointed by the board upon receiving the affirmative votes of a majority of the members of the board who attend the meeting, and shall serve at the pleasure of the board. The President's authority is vested through the board of trustees and includes responsibilities for all educational and managerial functions of the University, except those which, by law, these bylaws, the standing orders, or other orders of the board are the specific responsibility of other persons or bodies.

.The president shall be the university's chief executive officer and the chief adviser to and executive agent of the board of trustees, responsible for leading the university, implementing all board policies, keeping the board informed on appropriate matters, consulting with the board in a timely manner on matters appropriate to its policymaking and fiduciary functions, and serving as the university's key spokesperson. The president serves as an ex-officio member of all board committees and the committee of the whole.

Section 2. Other Officers. The president of the university is authorized to recommend for confirmation by the board such number of vice presidents, deans, and other officers as may be necessary for assistance in carrying out efficiently and effectively his or her considerable responsibilities. All such officers of the university shall be under the president's general supervision and shall exercise such powers and duties as he or she may prescribe.

ARTICLE IV. OFFICERS OF THE BOARD

Section 1. Election. The election of Officers will take place at the first regularly scheduled meeting of the fiscal year. At the meeting, the board by majority of those attending the meeting shall vote to elect from among the trustees nominated by the nominating and governance committee a chair, vice chair, secretary, and treasurer, all of whom shall be voting trustees. The board also may elect an assistant secretary and, assistant treasurer, who need not be members of the board. The officers shall have renewable one-year terms subject to the restrictions identified below.

Section 2. Chair. The chair of the board shall preside at all meetings of the board. He or she shall have the authority to perform the duties usually attached to the office and shall have such other authority and duties as prescribed by these bylaws, the standing orders, and the board. The chair ordinarily shall be the board's spokesperson on behalf of its policies and actions. The chair shall have renewable one-year terms not to exceed three consecutive terms as chair or vice chair.

Section 3. Vice Chair. The vice chair of the board shall have the authority to perform the duties of the chair of the board in the event of the chair's absence or incapacity. The vice chair may have such other authority and duties as prescribed by these bylaws, the standing orders, and the board. The vice chair shall have renewable one-year terms not to exceed three consecutive terms as chair or vice chair.

Section 4. Secretary. The secretary shall have renewable one-year terms not to exceed three consecutive terms. The secretary shall ensure that the board of trustees is acting in accordance with these bylaws, that bylaw amendments are promptly made as necessary, that the minutes of

board and executive committee meetings are accurate and promptly distributed to all trustees, that meetings are properly scheduled and trustees notified, and that board policy statements and other official records are properly maintained. The secretary shall perform other duties as prescribed from time to time by the board and may be assisted in all duties by a staff member designated by the president.

Section 5. Treasurer. The treasurer shall be elected annually and shall have renewable one-year terms not to exceed three consecutive terms. The treasurer shall ordinarily serve as chair of the finance committee of the board of trustees and otherwise serve as the board's key leader on all financial management policy matters. He or she shall ensure that all trustees regularly receive appropriate and comprehensible financial statements from the university's administration that include comparisons of revenues and expenditures with the approved annual budget and the preceding fiscal year for the same time periods. The treasurer shall ensure that other financial reports—including those for special or major board approved expenditures, university investments, and annual or special audits—are provided to all trustees in a timely manner for review and discussion as appropriate. He or she consults with the university's chief financial officer, board approved auditor, and audit committee of the board as appropriate or necessary. The treasurer may not have served as a member of the audit committee in the year prior to or subsequent to his or her term as treasurer.

ARTICLE V. BOARD MEETINGS

Section 1. Regular Meetings. Meetings of the board of trustees shall be held on the university campus or any other place that the chair or a majority of the board may from time to time designate. Participation through phone or videoconferencing is also permitted. The board of trustees shall meet on a quarterly basis. At such meetings any business relating to the university may be discussed and transacted. Any regular meeting may be continued by adjournment from day to day until adjournment *sine die*. The timeframe for the posting of agendas and approved meeting minutes shall conform to the state's open meetings laws. At a minimum, these documents and the schedule of meetings will be posted to the University's public website.

Section 2. Special and Emergency Meetings. Special or emergency meetings may be held at the call of the board chair, the president, or any five trustees. The chair or secretary of the board of trustees shall send written notice of such special meetings to all trustees, along with a clear statement of purpose, at least 48 hours in advance. The chair or secretary of the board of trustees shall send written notice of emergency meetings to all trustees, along with a clear statement of purpose, as soon as practicable before the meeting, but in any event prior to the holding of such meeting. Business at such special or emergency meetings shall be confined to the stated purpose. Notice shall be given in accordance with the state's open meetings law.

Section 3. Quorum. A simple majority of the voting members of the board shall constitute a quorum for the transaction of board business. The trustees present at any meeting, if constituting less than a quorum, may adjourn any meeting until such quorum shall be present. All questions coming before the board of trustees shall be determined by a majority vote of those trustees voting on that issue. Voting by proxy is permissible. A written authorization must be filed with the secretary for a trustee to enter a proxy vote on behalf of another.

Section 4. Executive Sessions. Executive sessions of the board will include the trustees

and the president. Other individuals may be invited to give information as deemed necessary by the board. Executive session topics and purposes shall be limited to those matters permitted by the state's open meeting laws.

Section 5. Rules of Procedure. Business before the board shall be conducted according to the latest edition of *Robert's Rules of Order* when not inconsistent with board bylaws. With regard to protocols governing the petition of responsible individuals to address the board, the board shall prescribe such protocols and ensure their availability in a policy separate from these bylaws.

Section 6. Action Without a Formal Meeting. Any action required or permitted to be taken by the board of trustees or by any committee thereof may be taken without a formal meeting. Meetings may be conducted by mail, fax, conference call, e-mail, or in any other way the trustees decide. Any action or work performed outside a formal meeting will be validated in writing after the meeting or approved at the next meeting of the appropriate committee or board as a whole. A written consent setting forth the actions taken and signed by each appropriate member trustee shall be filed with the minutes of the proceedings as soon as is practical.

ARTICLE VI. BOARD COMMITTEES

Section 1. Appointment of Committee Members. The chair of the board of trustees shall appoint annually from among the voting members of the board the members of the named committees, subject to the consent of the board of trustees except as otherwise required by these bylaws. Committee membership will consist of three trustees. The board chair shall serve with the president as ex officio members of all committees except as otherwise required by these bylaws

Section 2. Standing Committees. The board shall establish certain standing committees as are necessary to govern the institution. At a minimum, these committees shall include:

- **Audit Committee**

- A. *Responsibilities.* The audit committee shall advise the board regarding the board's responsibilities to oversee the quality and integrity of the university financial reporting and financial statements, and compliance with legal and regulatory requirements; the performance, functions, and disclosures of internal control and risk management systems regarding finance, accounting, compliance, and ethics (including sexual harassment, discrimination, and conflicts of interest) and assure the adequacy of such systems, policies, procedures, and practices throughout the university. The committee will commission the independent certified public accountant to perform such audits required by law and generally accepted accounting practices.
- B. *Policy Governance Review.* Subject to the board's approval, the committee shall establish and periodically revise its policies and procedures consistent with each of the foregoing responsibilities and any others assigned to it by the board. All recommendations for bylaw's amendment shall be referred to the Nominating and Governance Committee.

- C. *Membership Restriction.* The audit committee shall consist of at least three voting trustees, the majority of the voting members of which shall not be members of the finance committee. At least one of its members shall be considered to be generally knowledgeable about financial management and/or current accounting principles and procedures by virtue of his or her prior expertise and/or education.

- **Academic Committee**

- A. *Responsibilities.* The Academic Affairs Committee of the Academic Committee will assist the Board in assuring that educational programs and other relevant academic activities of the University are consistent with the University's mission and plans as prescribed by the administration of Ellis University in cooperation with the Board of Trustees. The Academic Affairs Committee reviews the administration's recommendations for academic programs and the academic staffing of Ellis University, and recommends action to the Board of Trustees. [AS AMENDED ON FEBRUARY 10, 2011]
- B. *Policy Governance Review.* Subject to the board's approval, the committee shall establish and periodically revise its policies and procedures consistent with each of the foregoing responsibilities and any others assigned to it by the board. All recommendations for bylaw's amendment shall be referred to the Nominating and Governance Committee.
- C. *Membership Restriction.* Appointment to membership on the Board of Trustees will be approved by the Board upon recommendation of Board members and the University administration. All members of the Academic Committee will have significant expertise in the field of higher education or a related discipline or experience in a position involving government regulation of education. [AS AMENDED ON FEBRUARY 9, 2011]

- **Nominating and Governance Committee**

- A. *Responsibilities.* The nominating and governance committee will nominate board officers for election by the board at least one month prior to the board's first regularly scheduled meeting of the fiscal year. The committee shall otherwise collaborate with the board chair on all committee chair and member assignments.

This committee is responsible for good governance especially those policies and practices affecting the performance of the governing board and its members in service to the university and to the public trust.

- B. *Policy Governance Review.* Subject to the board's approval, the committee shall establish and periodically revise its policies and procedures consistent with each of the foregoing responsibilities and any others assigned to it by the board. All recommendations for bylaw's amendment shall be referred to the Nominating and Governance Committee.
- C. *Membership Restriction.*

- **Compensation Committee**

- A. *Responsibilities.* The compensation committee shall have the responsibility to assess the president's performance and to recommend compensation adjustments annually to the board in accordance with its standing policies and procedures.
- B. *Policy Governance Review.* Subject to the board's approval, the committee shall establish and periodically revise its policies and procedures consistent with each of the foregoing responsibilities and any others assigned to it by the board. All recommendations for bylaw's amendment shall be referred to the Nominating and Governance Committee.
- C. *Membership Restriction.*

[Committee Charges are to be drafted/reviewed for revision by the committees and inserted consistent with the example given for the Audit Committee after the election of new trustees and appointment of new committee members. It should be noted that not all committees will require a membership restriction. After the committees have completed their work on the committee charges, they will have to be reviewed and approved as amendments to the bylaws]

ARTICLE VII. INDEMNIFICATION

Section 1. Trustees, Employees, Officers. The university shall provide its current and former trustees and officers with legal defense in connection with any threatened or pending action, suit, or proceeding, whether civil, criminal, administrative, or investigative, to which they are made parties by reason of being or having been a representative of the university. The university shall indemnify to the extent permitted by state law any trustee or officer for judgments, damages, settlements, and costs reasonably incurred in such proceedings so long as such matters are not the result of gross negligence or willful misconduct, and are within the scope of their official duties. In addition to the indemnification herein provided, the university shall secure a policy of directors' and officers' liability insurance covering all members of the board and officers of the executive committee within limits determined by the board.

ARTICLE VIII. CONFLICT OF INTEREST AND ANNUAL DISCLOSURE

Section 1. Conflict of Interest Defined. Any trustee shall be considered to have a conflict of interest if such trustee has existing or potential financial or other interest that may impair or reasonably appear to impair such member's independent, unbiased judgment in the discharge of his responsibilities to the university. A conflict of interest shall also be deemed to exist if such trustee is aware that a member of his family or any organization in which such trustee (or member of his family) is an officer, director, employee, member, partner, trustee, or controlling stockholder has such existing or potential financial or other interest. For the purposes of this provision, a family member is defined as a spouse, parent, sibling, child, or any other relative of the trustee. Beginning with board elections for fiscal year 2010-2011, no

board member may have a past financial entanglement that would constitute a current conflict for a period of three years prior to selection. No voting member of the board may hold a paid appointment of any kind with the institution during their term of service.

Section 2. Disclosure. All trustees shall disclose to the board any possible conflict of interest at the earliest practical time. Further, each trustee shall absent himself or herself from discussions of and abstain from voting on such matters under consideration by the board of trustees or its committees. The minutes of such meeting shall reflect that a disclosure was made and that the trustee having a conflict or possible conflict abstained from voting. Any trustee who is uncertain whether a conflict of interest may exist in any matter may request the board or nominating and governance committee to resolve the question in his absence by majority vote. Annually, each trustee shall complete and sign a disclosure form provided by the secretary of the board of trustees annually or at the time of appointment.

Section 3. Compensation. No board member may receive compensation from the institution beyond reimbursement for reasonable travel expenses available to all trustees.

Section 4. Gift Policy. No board member may receive gifts or honoraria for personal benefit in excess of \$50.00 relating to their position on the board of trustees.

ARTICLE IX. SANCTIONING OF TRUSTEES

Section 1. Any trustee of the Board of Trustees may be removed by a vote of 2/3 of the voting members of the Board or upon submission of a written resignation.

ARTICLE X. AMENDMENT OF BYLAWS

Section 1. These bylaws may be amended or repealed in whole or in part by the affirmative vote of a majority of the full membership of the board at any regular or special meeting..

ARTICLE XI. DISSOLUTION

Section 1. Upon the dissolution of this organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to state or local government, for public purpose.